



2009

ANNUAL REVIEW

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1 XP Software project with the Los Angeles County Department of Public Works, Los Angeles

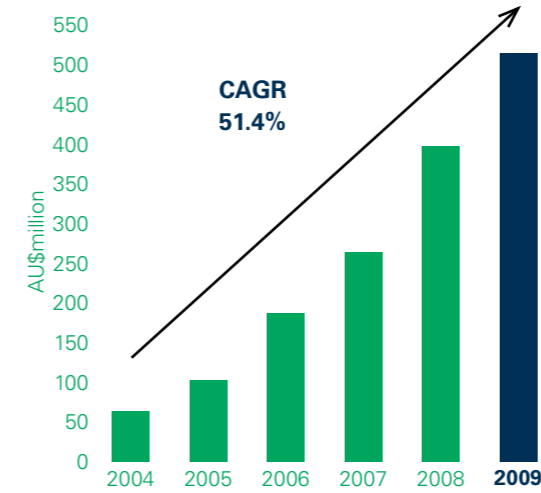
2 TAC headquarters, Geelong, Cardno Grogan Richards

3 Secondary Waste Treatment Systems, West Australia, Cardno

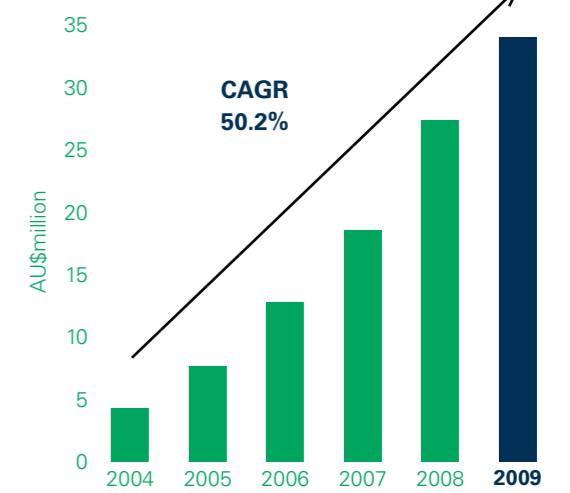
4 Cardno's Brisbane office moved to a 6 Star Green Rated building

Company Highlights

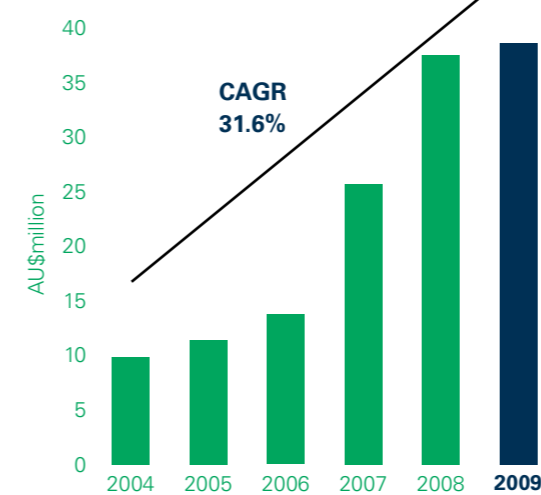
Group Revenue



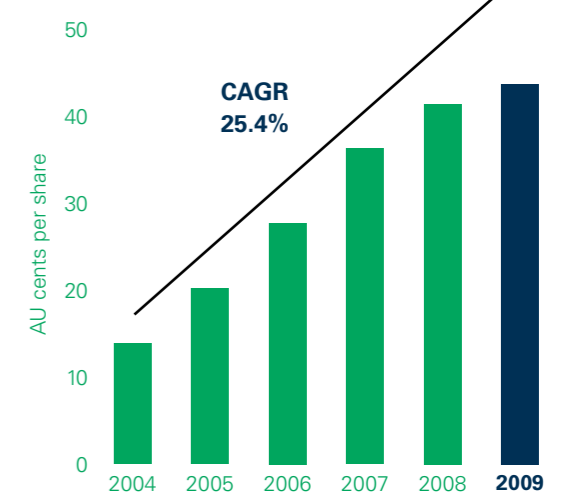
Net Profit After Tax



Operating Cash Flow



Earnings Per Share (Diluted)



CAGR: Compound Annual Growth Rate.

Highlights

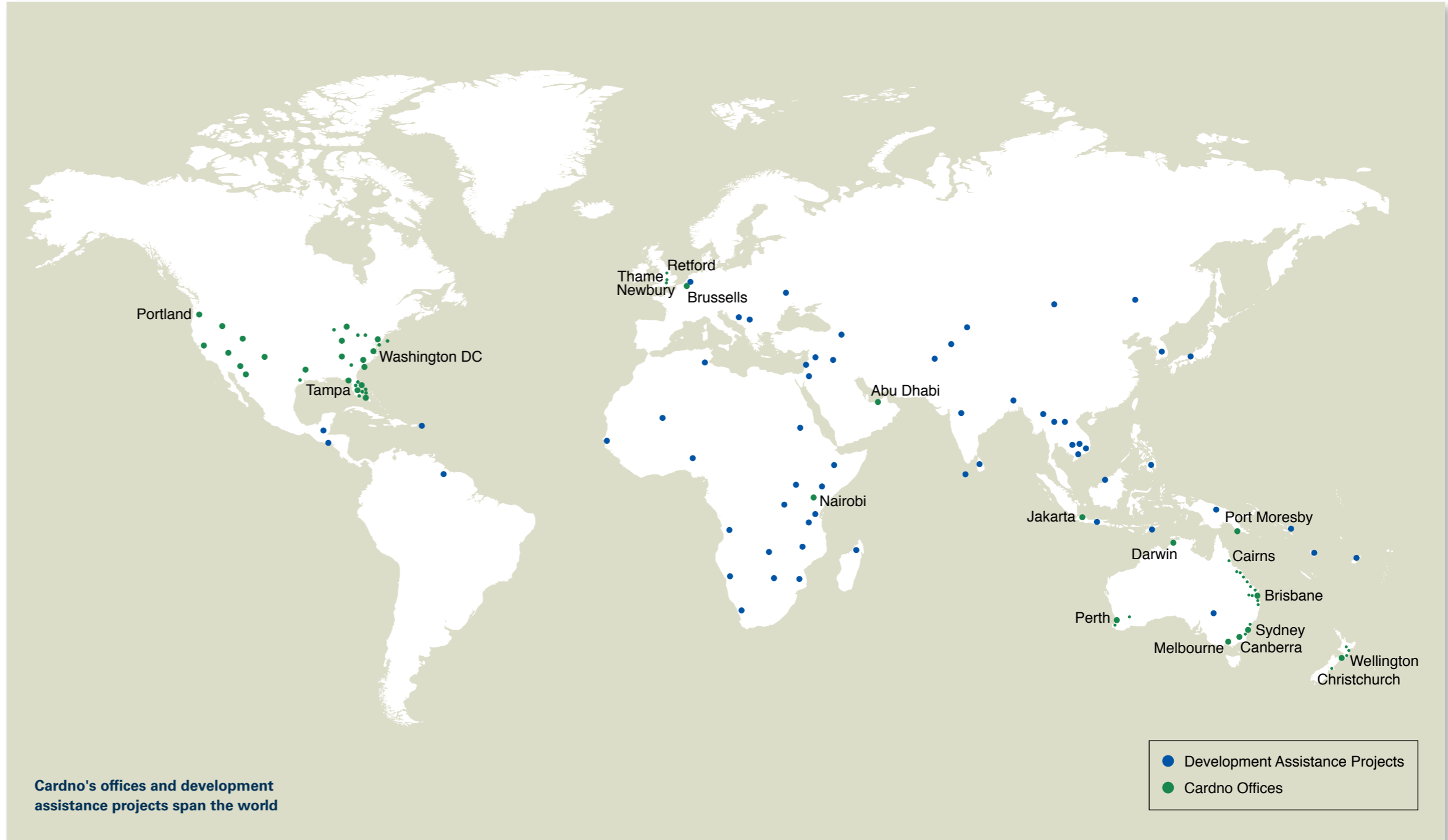
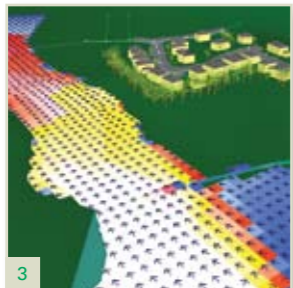
- The acquisition of US-based engineering consultancy TBE Group significantly expanded Cardno's operations in the US as well as provided access to markets in the UK and Canada via the company's existing representative offices.
- Cardno strengthened its surveying capabilities, acquiring Spectrum Survey & Mapping, a specialist survey firm based in Perth and Kalgoorlie, Western Australia.
- The purchase of Sydney-based marine and freshwater ecology consultants The Ecology Lab has extended the company's environmental capabilities.
- The Cardno brand was introduced in the domestic US market with TBE Group and WRG Design, transitioning to Cardno TBE and Cardno WRG.
- The number of Cardno offices increased from 72 to 97. Cardno's head office moved to a 6 Star GreenStar rated building on Brisbane's CBD fringe.

Summary performance for the year ended June 2009

	2009	2008	Change
Revenue	\$515.84 m	\$399.04 m	+29.3%
EBITDA	\$57.73 m	\$50.55 m	+14.2%
NPAT	\$34.15 m	\$27.45 m	+24.4%
EPS – diluted	43.82 cents	41.34 cents	+6.0%
Dividend per share	28 cents	27 cents	+3.7%

* All figures quoted in this document are in Australian dollars.

2 Cardno's vision is to be a world leader in the provision of professional services to improve the physical and social environment.



- 1 Balé, Queensland, Cardno
- 2 Papua New Guinea-Australia Law and Justice Partnership, Papua New Guinea, Cardno Acil
- 3 Water engineering software modelling, Micro Drainage
- 4 Privatisation of Abu Dhabi Sewerage Services project, Abu Dhabi, Cardno

4 Chairman's Review



John Massey,
Chairman

As we continue to work towards our vision of being a world leader in the provision of professional services to improve the physical and social environment, I am pleased to report that Cardno has achieved another year of record profit.

This year, revenue increased by 29.3 per cent to AU\$515.84 million and net profit after tax increased by 24.4 per cent to AU\$34.15 million from the previous financial year.

The Board has declared a fully franked final dividend of 14 cents per share which will be paid on 13 October 2009. With the interim dividend of 14 cents per share in February 2009, this results in a full year dividend of 28 cents, which is 3.7 per cent above last year's total of 27 cents.

During the year Cardno undertook a capital raising via a Share Purchase Plan limited to \$10,000 and raised AU\$16.7 million. The funds will be used to position Cardno for further growth and take advantage of future acquisition opportunities. Our balance sheet is strong with low gearing and low net debt. Cardno also has strong operating cash flow of \$38.59 million and had cash of \$65.81 million at 30 June 2009.



1 Subsurface Utility Engineering Services, Tampa International Airport, Cardno TBE

2 A diver monitors seagrass density, Cardno Ecology Lab

3 Northern Uganda Rehabilitation Programme, Uganda, Emerging Markets Group

4 Jackson Rancheria, California, Cardno WRG

5 ERA apartments, Melbourne, Cardno Grogan Richards



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I note recent positive interest in Cardno shares continues. Our share price is tracking competitively across a number of market indices and reflects increasing investor confidence.

During the year we have grown significantly through the acquisition of TBE Group Inc, a US-based engineering consultancy comprising 450 staff and with offices in the US, the UK and Canada. Now Cardno TBE, the firm has a sound foothold in the public infrastructure market, particularly in the south-east of the US. This addition to the Cardno group provides us with a strong foundation for expansion in the profitable and solidly growing public infrastructure market.

We also completed two other acquisitions in Australia during the year, The Ecology Lab and Spectrum Survey & Mapping, which extended our geographic reach and diversified our technical capabilities. All acquisitions were Earnings Per Share positive and are contributing to the success of the company.

With the addition of new offices from this year's acquisitions, Cardno has 97 offices internationally and staff numbers have now stabilised at more than 3,000.

Despite softening in some markets, demand for our broad range of physical and social infrastructure services remains stable. Cardno's public sector and international development assistance (IDA) businesses are performing particularly well and continue to win significant projects worldwide.

Mr Tony Barnes joined the Board as a Non-Executive Director in July 2008 bringing extensive financial experience following a career which included more than 32 years with BHP, both within Australia and internationally, and culminating in being the Chief Executive Officer of Zinifex Limited.

Tony has recently been appointed Chairman of the Audit, Risk and Compliance Committee. The Board acknowledges the excellent contribution which Ian Johnston made as the former Chairman of this Committee. He continues as a valuable member of the Committee and is also a member of the Remuneration, Nominations and Standing Due Diligence Committees.

The Board determined that the current global reach and the expected growth of our operations indicated a need to appoint a single global auditor. After a competitive tendering process, it is proposed to appoint KPMG as our new auditor, subject to shareholder approval at the AGM to be held on Thursday 22nd October 2009.

The Board thanks WHK Horwath for its involvement and acknowledge its contribution over many years.

The Board was disappointed that it needed to withdraw the resolution seeking approval of the grants to Executive Directors under the Long Term Incentive Plan from the 2008 Annual General Meeting.

As a consequence, and following consultation with some of our shareholders, the Board has reviewed our approach to Long Term Incentives for Executive Directors and Senior Executives.

This has resulted in our recommending that shareholders approve a new plan involving the issue of rights to these Senior Executives based on their performance and the performance of the company. These rights will have vesting rules including a sliding scale Earnings Per Share hurdle and a Total Shareholder Return hurdle based on comparison with peer companies. I trust that all shareholders agree with the need to fairly and adequately incentivise the company's key staff.

I recognise Cardno's professional and committed staff, ably led by our Managing Director, Mr Andrew Buckley, who have made this another record year despite the very difficult global financial circumstances.

The Board congratulates our staff on their commitment and performance throughout this challenging period in our history.

We are proud of our people. We also appreciate the continuing support and interest of our shareholders and look forward to continuing to deliver strong shareholder returns in the future.

John Massey // Chairman

6 Managing Director's Message



Andrew Buckley,
Managing Director

This year has been another good year for Cardno, despite the fact that the 2009 Financial Year has been a challenging period for many companies internationally. The change in market conditions has enabled Cardno to focus on integrating merger partners, cross-selling, achieving efficiencies and implementing system improvements, all of which have contributed to our record performance and have helped lay the foundations for our future success.



Phu My Bridge, Vietnam, Cardno

As noted by the Chairman, we have achieved another year of strong results, with revenue increasing more than 29.3 per cent to AU\$515 million as of 30 June 2009. Net profit after tax increased by 24.4 per cent to AU\$34.15 million from the previous financial year. I wish to emphasise the fact that Cardno's ongoing growth in revenue, profit and earnings per share during a period of such difficult conditions is no accident. For many years we have been pursuing a strategy of diversifying our business into markets which are more defensive and this process was designed to address exactly the types of market conditions we are currently experiencing. It is very pleasing to see this strategy working.

Nevertheless, I do recognise Cardno's share price is not as strong as it has been in previous years. I note that this reflects market conditions more than the performance of the company and I can assure the shareholders that Cardno's management team remains committed to running the company efficiently and effectively to deliver ongoing good performance, as we have done in the past.

Cardno continues to grow through strategic acquisitions with three businesses joining the Cardno group in the 2009 Financial Year.

Our largest acquisition was TBE Group Inc in September 2008. The US-based engineering consultancy has more than 450 staff and offices in the US, the UK and Canada. The firm is a market leader in subsurface utility engineering – an advanced engineering and project management process which identifies the location of existing utility infrastructure prior to commencing design or construction of major infrastructure projects. Earlier this year the Cardno brand was introduced in the domestic US market with TBE Group and WRG Design, becoming Cardno TBE and Cardno WRG. Within a relatively short period of time these businesses are already working together and cross-selling services.

In August 2008 Cardno strengthened its surveying capabilities by acquiring Spectrum Survey & Mapping, a 51-person specialist survey firm based in Perth and Kalgoorlie, Western Australia. Cardno Spectrum Survey has experience in delivering surveying services for the resources industry in both developed and developing countries.

Also in August 2008 we acquired specialist Sydney-based marine and freshwater ecology consultants The Ecology Lab, now known as Cardno Ecology Lab. The addition has extended our environmental capabilities and increased Cardno's capacity to secure significant environmental projects.



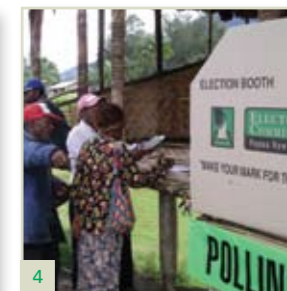
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Mergers and acquisitions remain a key fundamental growth platform for our business. However Cardno has recently been cautious in this area due to the uncertain marketing conditions we have faced. Looking forward, I believe that conditions are improving and that mergers and acquisitions will be back on the agenda before long.

As noted above the company's strategy of diversification across sectors and geographic regions has benefited Cardno, particularly in the current economic climate. Our International Development Assistance (IDA) businesses continue to win significant work. Cardno Acil secured the Papua New Guinea-Australia Law and Justice Partnership, a five-year program in Papua New Guinea. Emerging Markets Group's Brussels office won a four-year contract in Syria to provide technical assistance to the Trade Enhancement Programme.

Cardno's physical infrastructure teams are also performing well in Australia and the US with public sector work increasing in both regions. Cardno has also secured major projects funded by government stimulus packages. In Australia we are benefiting from the Australian Federal Government's School Stimulus Package having won more than 100 building design projects in Queensland, New South Wales, Victoria and Western Australia. In the US Cardno TBE has won a major Florida highway project (the I4/Crosstown connector in Tampa) which will be funded by the US Federal Government's Stimulus Package and the State of Florida. With its established contacts in the government sector, Cardno TBE is positioned to secure further stimulus funded contracts.

Our ability to win significant projects in a time of weaker markets demonstrates the strength of our company and people, and positions Cardno closer to our corporate goal to be a leader in the provision of physical and social infrastructure internationally.

On 1 July 2009 Cardno's IDA businesses, Cardno Acil, Emerging Markets Groups and Cardno Agrisystems, were brought together under one global management structure to be known as Cardno's Emerging Markets Region. Charles Tapp was appointed as the General Manager of the Region. This new structure will also allow us to leverage skills and capabilities across businesses and geographic locations. We are already taking steps towards expansion in this arena, increasing our work with private companies in developing nations.

I would like to take this opportunity to farewell Cardno co-founder Harold Davies who passed away at the age of 105 on 12 July 2009. His passing marks the end of a remarkable life which included being a member of the team who created an Australian icon, the Sydney Harbour Bridge. Harold's founding vision for Cardno & Davies (as it was known), was to build a company committed to innovation and high quality. I note that we remain committed to similar values more than 64 years after Harold co-founded the firm with Gerry Cardno.

I thank the Board and my senior management team for their leadership during this challenging year as well as the ongoing support of our clients and shareholders. I would also particularly like to thank Steve Coote, General Manager – Group Operations, who leaves Cardno after 29 years of outstanding service.

Finally, I acknowledge the contribution of all Cardno staff. Their commitment to delivering outstanding solutions has underpinned our success and will enable us to continue to help shape the future.

Andrew Buckley // Managing Director

- 1 JWM Minto Maltings Plant, New South Wales, Cardno
- 2 Southbank Aquativity, Brisbane, Cardno S.P.L.A.T.
- 3 Preventing HIV/AIDS and Hepatitis B&C Project, Moldova, Emerging Markets Group
- 4 Papua New Guinea Electoral Support Program, Papua New Guinea, Cardno Acil

8 About Cardno

Cardno commenced operations in Brisbane, Queensland, in 1945 as an engineering consultancy servicing public and private sector clients. Cardno has since grown to become an international professional services consultancy and specialist water engineering software company. Across 97 offices worldwide we deliver a diverse range of physical and social infrastructure services in developed and developing nations.



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Building and property

Our comprehensive solutions and diverse engineering capabilities help to provide efficient service delivery.

- Sporting facilities
- Health and aged care
- Educational and government buildings
- Commercial and retail centres
- Transport terminals – road, rail and ports
- Brownfields redevelopment
- Resorts and tourist precincts
- Cultural and recreational facilities
- Residential centres
- Finite element analysis

Coastal, ocean and marine

Cardno understands the need to protect and manage coastlines and waterways. With this knowledge, we plan and design the infrastructure necessary to keep our economy vibrant while protecting the environment.

- Ports and harbours
- Marinas and breakwaters
- Metocean and environmental monitoring
- Dredging and reclamation
- Coastal and estuary management
- Simulations (ship, flood, coastal, cyclone and marine)
- Siltation and morphological studies
- Metocean design criteria
- Offshore oil and gas

Environment, climate change and water quality

Cardno works with government, industry, developers and land owners to deliver commercially viable and practical environmental management solutions. Our team includes scientists, environmental engineers, technicians, climate change analysts, ecologists and hydrologists.

- Waste management
- Flood and waterway studies
- Environmental impact assessment
- Rehabilitation
- Water quality
- Water sensitive urban design
- Climate change analysis
- Marine and freshwater ecology
- Sustainability



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International development assistance

Cardno has worked in developing countries for more than 35 years. Our Emerging Markets Region provides a full spectrum of services from institutional development of public sector agencies through to design and project management of infrastructure.

- Public sector reform
- Private sector strengthening
- Law and justice
- HIV/AIDS and health
- Education and training
- Natural resource management and agribusiness
- Infrastructure design and project management
- Asset management
- Institution development and capacity building
- Tourism for development
- Financial sector development
- Physical infrastructure including roads, bridges, water and wastewater and environmental services

Management services

Cardno provides management solutions. We work with clients to review, analyse and study systems, procedures and policies to help our clients effectively manage their assets to achieve strong return on investment.

- Asset and facilities management
- Strategic planning
- Feasibility assessment
- GIS and mapping
- Defence and security
- Total security management
- Project management
- Risk management

Mining and resources

Cardno has extensive knowledge and experience in the mining and resources sector. Our clients benefit from our commitment to providing uncompromised service and technical excellence in the development of the resources industry.

- Process and refinery structures
- Materials handling structures
- Marine and offshore services
- Lifting and transportation
- Industrial construction
- Geotechnical engineering
- Geotechnical testing
- Mapping and survey

Transportation and bridges

Cardno offers an experienced team to assess, plan, design and manage infrastructure projects. Our experience is both local and international, ranging from providing detailed analysis and reports, to project management and delivery of major projects.

- Road safety audits
- Roads and bridges
- Traffic and transportation planning
- Rail
- Maritime infrastructure
- Airports
- Construction engineering services
- Construction materials testing
- Subsurface utility engineering

Urban and residential development

Cardno is a leader in urban design and planning for residential, commercial and industrial developments. We offer an extensive range of services including civil and environmental engineering, master planning, land survey and sustainable design services.

- Planning/resource management
- Detailed design and contract administration
- Development approvals and negotiation
- Environmental impact assessment
- Sustainable/green design
- Feasibility assessment
- Master planning
- Landscape architecture
- Land surveying and mapping

Water and wastewater

Cardno is renowned for its comprehensive water and wastewater services. Whether urban, rural or industrial, Cardno can assist in water resource management – through planning, delivery, rehabilitation or enhancement.

- Water and wastewater treatment
- Dams and reservoirs
- Water and sewer distribution
- Strategic planning
- Capital works scheduling
- Water cycle management
- Demand management

1 Supreme Court, Wellington, Cardno TCB

2 Papua New Guinea Electoral Support Program, Papua New Guinea, Cardno Acil

3 State Route 80, Florida, Cardno TBE

4 Gateway Bridge Duplication Project, Brisbane, Cardno and Cardno Bowler

10 Consolidating our growth

Cardno's growth strategy is to grow both organically and through acquisitions. We partner with companies that complement our existing professional capabilities and broaden Cardno's geographic reach. We then achieve efficiencies by implementing system improvements across new merger partners, cross-selling and leveraging opportunities for organic growth.

Over recent years Cardno has also pursued a strategy of diversifying our business into markets which are more defensive. This strategy has greatly benefited the company in the 2009 Financial Year, in what has been a challenging year for most businesses globally. It has allowed Cardno to take advantage of new opportunities, such as government-funded stimulus packages in Australia and the US, as well as help the company report another year of record profits.

During the 2009 Financial Year Cardno continued to set the platform for sustained growth and positive performance. The company consolidated on its growth in recent years, acquiring three businesses with different service offerings and in different locations.

Our people and the community

While Cardno continues to grow internationally our focus remains on enhancing the local communities we work and live in.

Cardno partners with clients to create physical and social infrastructure that helps build and improve communities. Independent of our professional services work, we also look to contribute to the community through our broad and comprehensive corporate social responsibility activity. With 97 offices worldwide, Cardno's corporate social responsibility programs vary. Some offices participate in sporting events while others host monthly charity morning teas. Cardno encourages its staff to make a difference in the community, both professionally and philanthropically.

Our people are the foundation of our business and key to Cardno's success. At Cardno, we foster an environment where our staff can achieve their full potential and we offer challenging and rewarding career paths.

Cardno's core values – self confidence, partnering, great people, passion, innovation, integrity and sustainability – help ensure we attract and retain the right people.

Our values shape the way we work and help us meet the needs of clients, the communities in which we work and our shareholders.

Group Executives



Jeff Forbes

- Division Manager – Group Finance and Commercial
- Chief Financial Officer
- Company Secretary

The Chief Financial Officer Jeff Forbes oversees the financial, treasury, accounting, tax, commercial, risk management and internal audit services for the group. Jeff also acts as Company Secretary and leads Cardno's investor relations and statutory and corporate governance functions. As well as managing the commercial due diligence process for merger and acquisition activity, Jeff is a key member of the group's merger integration committees.



Trevor Johnson

- Division Manager – Corporate

As Division Manager – Corporate, Trevor Johnson has a multi disciplinary role in supporting and enhancing activities across Cardno. In this role, Trevor takes on a leadership position promoting technical excellence, and assisting with merger and acquisition implementation, marketing and operational committees. Trevor also oversees the discipline leadership functions across all divisions and helps integrate new and existing disciplines and capabilities across the group.



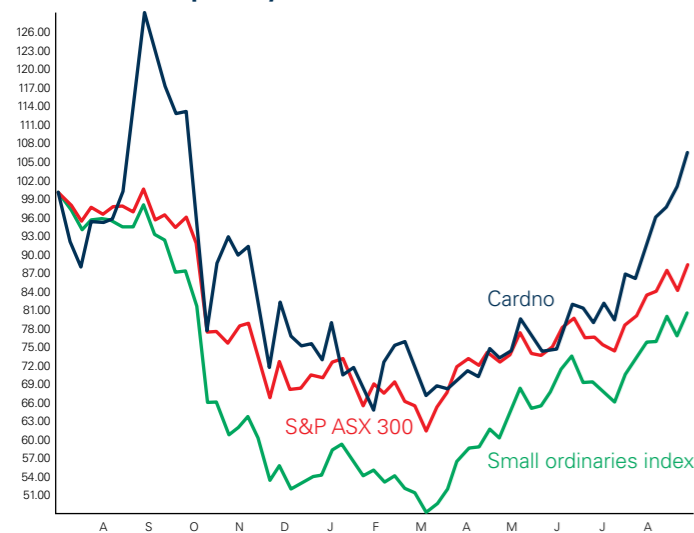
Graham Tamblyn

- Director – Merger Strategies
- Discipline Leader – Urban Development

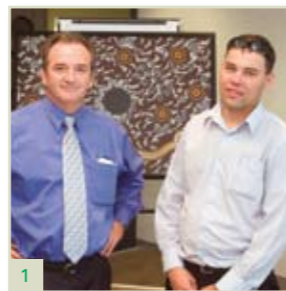
As Director – Merger Strategies, Graham Tamblyn assists the Managing Director with the implementation of Cardno's mergers and acquisitions through participation in the review of potential merger opportunities and conduct of cultural and technical aspects of due diligence.

Graham's additional role is Discipline Leader – Urban Development. Graham is noted as a leading engineer in the urban development field. He provides technical overview of our global activities in this market sector.

Share Price Graph – 1 year*



Source: IRESS *July 2008 – August 2009



1 Managing Director, Andrew Buckley receives a painting from Indigenous artist, Troy Lenihan



2 Emerging Markets Group participated in 'Adopt a Child for the Holidays' program



3 Grey Nurse Shark Study, Australia, Cardno Ecology Lab



4 Mackay Alliance Project, Queensland, Cardno



5 Maternal Child Health Project, India, Emerging Markets Group

North & West Australia and Middle East Region



Paul Gardiner,
General Manager and
Division Manager

In this role, Paul Gardiner oversees all operational activities in the Queensland/Northern Territory and West Australia Divisions, as well as Cardno's operations in the Middle East.

Queensland and Northern Territory Division

Highlights:

- The Division has continued to secure a number of major infrastructure projects across the State
- To support the Division's growth and promote further collaboration, Cardno's Brisbane-based operations relocated from Milton (after 10 years) to a 6 Star GreenStar building at Green Square in Fortitude Valley. Cardno Eppell Olsen and Cardno's Gold Coast and Springfield offices moved to new premises. While due to high demand for services, Cardno S.P.L.A.T. opened an office on the Sunshine Coast
- The Division continued to be recognised as a leading consultancy in the urban development field, securing the industry's Consultants' Excellence Award for Balé in north Queensland.

Water and wastewater – Mackay Infrastructure Alliance, Mackay

As part of the Alliance, Cardno is helping deliver Mackay's large capital works through the provision of asset management planning, design and construction services. Cardno was appointed in late 2007 for a minimum five year term.

Building and structures – Pharmacy Australia Centre of Excellence, Brisbane

Cardno is providing civil and environmental services for this purpose-built pharmacy school and research facility. The AU\$95 million centre aims to be a world-class research, education, clinical practice and industry precinct.

The Middle East

Highlights:

- The Middle East team has provided engineering and design services to many developments in the region, including recently supporting renowned architect Daniel Libeskind in masterplanning an island resort development near Abu Dhabi
- The transportation team has carried out many strategic and local traffic and transport studies and will continue to grow to satisfy ever increasing demand.

Water and wastewater – Privatisation of Abu Dhabi Sewerage Services, Abu Dhabi

The Middle East team continues to provide technical advisory services to the Abu Dhabi Sewerage Services Company on the largest wastewater Build Operate Transfer (BOT) scheme in the Middle East, achieving financial close on the first major component of this multi project development in mid 2008. Cardno's secured workload on this scheme will continue for at least a further three years.



Gavin Taylor,
Division Manager

West Australia Division

Highlights:

- The Division expanded its presence in Western Australia's survey sector acquiring Cardno Spectrum Survey, a 51-person firm with offices in Perth and Kalgoorlie
- The Town Planning Business Unit was appointed as a panel advisor for the next five years for the City of Armadale, a rapidly growing region in south Perth
- Cardno Spectrum Survey was awarded a package of 24 schools to site survey, as part of the West Australian state economic stimulation program.

Environment – Resource Recovery Facility, Wanneroo

Cardno is assisting in the project management of a new Resource Recovery Facility (RRF). The RRF is designed to process 100,000 tonnes of municipal solid waste per year.

Town planning – Mount Lawley Commercial Streetscape Improvements, Stirling

Cardno provided urban design services and new paving designs for the lively Mount Lawley Precinct as well as designed bus stops, bins, bollards and street furniture.

South East Australia and New Zealand Region



Roger Collins-Woolcock,
General Manager and
Division Manager

As General Manager, Roger Collins-Woolcock oversees all activities of the New South Wales/Australian Capital Territory, Victoria and New Zealand Divisions.

New South Wales and Australian Capital Territory Division

Highlights:

- The Division extended its environmental services capabilities with the acquisition of Sydney-based specialist marine and freshwater ecology consultant Cardno Ecology Lab
- The Building Structures team was successful in securing civil and structural design services for approximately 100 schools, funded by the Federal Government's Building the Education Revolution Stimulus Package
- The Division won three awards at the 2009 Stormwater Industry Association of New South Wales Awards for Excellence.

Bridges – Phu My Bridge, Ho Chi Minh City, Vietnam

Cardno's Bridges Unit has helped construct the US\$105 million Phu My Bridge, a new cable-stayed bridge that spans the Saigon River and connects two busy Ho Chi Minh City districts. Cardno developed the preliminary design as well as the detailed design and documentation of the approach span structures.

Ecology – Grey Nurse photo tagging study, Australia

Cardno Ecology Lab undertook a photo tagging study of Grey Nurse Sharks in coastal areas of the East Coast of Australia.



Chris Butler,
Division Manager

Victoria Division

Highlights:

- Cardno Grogan Richards has been engaged to help deliver structural, civil and hydraulic design services for the planning of Pacific Energy's new energy generation plant at Neerabup, West Australia
- Victorian masterplanned community, Lakeside at Pakenham, was awarded Best Masterplanned Development at the 2008 Urban Development Industry Association (Victoria) awards. Since 1999, Cardno Grogan Richards has provided all civil and traffic engineering services for the project
- As part of the Division's community service commitment, three staff participated in, and the Division sponsored, Australian Rotary Health's Great Australian Bike Ride.

Structures, civil and traffic – TAC headquarters, Geelong

Cardno Grogan Richards provided multidisciplinary engineering services for the TAC headquarters, which is a landmark project for the city of Geelong. Completed in December 2008, the building has achieved a 5 Star GreenStar rating.

Structures, civil and traffic – ERA Apartments, Melbourne

Cardno Grogan Richards provided structural, civil and traffic services for ERA Apartments, a mixed-use development comprising residential, office and retail space.



Ray O'Callaghan,
Division Manager

New Zealand Division

Highlights:

- Opportunities for cross-selling between Cardno's New Zealand and Australian offices advanced. More recently, Cardno TCB survey staff have been working with Cardno Acil in the Solomon Islands and Papua New Guinea
- Cardno TCB sponsored a cycling team in the annual 2009 Tour of Wellington Trust House Cycling Classic, generating significant coverage for the Division.

Urban development – Lower Hutt, New Zealand's North Island

Cardno TCB's Wellington office secured city and regional council consent for a 142 lot residential subdivision in Lower Hutt. The project will be one of the biggest subdivisions in the Hutt Valley in decades.

Traffic – Takapu Motorway off-ramp, Wellington

Cardno TCB provided design and management services for the reconstruction of the Takapu Motorway off-ramp network. The off-ramp is due for completion in 2009 and will service a new large commercial development 15 kilometres north of Wellington's CBD.

North America Region (incorporating the Software Division)



Michael Renshaw,
General Manager

As General Manager, Michael Renshaw oversees all non-development assistance activities in North America as well as Cardno's software operations in the USA, Australia and the UK. During the 2008/9 reporting period, US-headquartered Emerging Markets Group also reported to Mr Renshaw. On July 1 2009, following a restructure of the international development assistance businesses, Emerging Markets Group became part of the Emerging Markets Region, headed by Charles Tapp.

Highlights:

- Addition of Cardno TBE, a 450-person transportation, environmental, planning and subsurface utility engineering firm expanding Cardno's presence in the US
- The Region has responded to economic conditions and diversified revenue sources, with 59 per cent of revenue generated direct from Federal, State, Local Government and international aid donors
- Secured US government funded stimulus projects, including a US\$35 million appointment by the Florida Department of Transportation to provide construction, engineering and inspection services for the new Interstate-4 Connector project
- Promoted knowledge sharing and technical innovation by the software development teams in the UK and Australia, to support product enhancements and introduction in new markets.



Pat Beyer,
Division Manager

Cardno TBE Division

Highlights:

- The Division was formed in September 2008 when the TBE Group joined Cardno and the brand transitioned to Cardno TBE in March 2009
- Cardno TBE is a US-based consulting engineering firm and market leader in subsurface utility engineering – an advanced engineering and project management process which identifies the location of existing utility infrastructure
- The Division has over 450 staff located in 32 offices across 19 US states as well as representation in the UK and Canada.

Construction – State Route 80, West Palm Beach, Florida

Cardno TBE provided the construction engineering and inspection services necessary to convert State Route 80 from a four-lane undivided highway to an eight-lane facility with two major interchanges.

Subsurface utility engineering – The Port Authority of New York and New Jersey, New York

Cardno TBE is providing subsurface utility engineering services to the New York and New Jersey Port Authority at JFK International Airport, Newark Liberty International Airport and LaGuardia Airport.



Darren Welborn,
Division Manager

Cardno WRG Division

Highlights:

- WRG Design transitioned towards the Cardno brand and became Cardno WRG
- Cardno WRG's Las Vegas office won the National Association of Industrial and Office Properties' Engineering Firm of the Year (Southern Nevada Chapter) for the fourth year in a row
- Cardno WRG Civil Project Manager, Michael Pniewski, was awarded the 2009 Richard Kell Scholarship, which recognises a standout performer in a professional engineering role.

Landscape architecture – Omran Worker Housing, Dubai, United Arab Emirates

This project provides housing for workers engaged in the construction and service of the future Dubai Waterfront development. Cardno WRG is working with Cardno's Abu Dhabi office to supply landscape architectural design services.

Civil and survey – Jackson Rancheria, Jackson, California

The Sacramento office is providing ongoing civil engineering and land surveying services on over 1,200 acres of tribal land in Jackson. The project site includes a hotel, casino, gas station, administration building and public safety building.



Colby Manwaring,
Division Manager

Software Division (incl. Micro Drainage and XP Software)

Highlights:

- XP Software was contracted by the Los Angeles County Department of Public Works to incorporate the Department's hydraulic analysis model, Water Surface Pressure Gradient (WSPG), into XP Software's xpswmm software
- Micro Drainage has been selected by the UK Environment Agency to participate in benchmarking 2D hydraulic models (including their FloodFlow model) for use in the UK
- CADConnect and MDTin, the first of many planned cooperative software components, have been integrated into XP Software and Micro Drainage products as the Division works to build an integrated suite of drainage software products.

Key achievements for the Division:

- Micro Drainage released WinDes W.11.4 which is an upgrade of WinDes software and has been developed to help users comply with the latest drainage requirements
- XP Software released xpswmm v2009, a new version of the xpswmm software, which is used by scientists and engineers to model stormwater, sanitary and river system.

Emerging Markets Region



Charles Tapp,
General Manager and
Division Manager

On 1 July 2009, Cardno Acil, Emerging Markets Group and Cardno Agrisystems teams were brought together under one global management structure as the Emerging Markets Region, which consists of the Asia/Pacific and North America/Europe Divisions. Charles Tapp was appointed General Manager of the Region. Prior to July 1, Emerging Markets Group reported to Michael Renshaw.

Asia/Pacific Division

Highlights:

- Cardno Acil continues to deliver key road maintenance activities across 11 provinces under four separate management contracts in Papua New Guinea
- Cardno Acil's work on the Indonesia Basic Education Project has been extended to June 2010. The extension increases the total contract value under management on this project to AU\$171 million
- The Division has diversified its client base, offering international and domestic-based consulting expertise to private clients in the resources sector such as Mega Uranium. In the oil and gas sector, assignments to maximise local content for liquefied natural gas investments have also been undertaken.

Law and Justice – Papua New Guinea-Australia Law and Justice Partnership (PALJP), Papua New Guinea

Cardno Acil has been appointed Implementation Services Provider for PALJP, a five-year project that aims to strengthen and build the capacity of formal law and justice agencies in Papua New Guinea.

Education – Learning Assistance Program for Islamic Schools (LAPIS), Indonesia

LAPIS aims to improve the quality of basic education in Indonesia's Islamic schools through a range of immediate impact and longer-term development activities. Cardno Acil is providing technical, financial management, procurement and coordination support.



Andy Dijkerman,
Division Manager

North America/Europe Division

Highlights:

- To maximise capabilities and expertise for EU and UK clients, Cardno Agrisystems and Emerging Markets Group's United Kingdom operations merged into one Business Unit
- Emerging Markets Group's Brussels office won a four-year contract in Damascus, Syria, to provide technical assistance to the Trade Enhancement Programme
- Cardno's Oxford-based business was awarded a second EU fisheries project. While the Washington-based operations were awarded a Millennium Challenge Corporation procurement contract in Mali, West Africa, a Safe-Motherhood contract in Yemen and a Mortgage Market project funded by the World Bank in Burkina Faso, West Africa.

Rehabilitation – Northern Uganda Rehabilitation Programme, Uganda

The programme aims to improve the living conditions of civilians in Northern Uganda, contribute to poverty reduction and good governance and promote reconciliation at community, regional and national levels. This includes the rehabilitation of social infrastructure and improving the capacity of Ugandan stakeholders to respond to conflicts and disasters.

Building operational capacity – Bosnia Energy, Bosnia and Herzegovina

Through this project, Emerging Markets Group is helping to ensure Bosnia and Herzegovina's internal energy markets are in line with business practices in the EU's electricity and gas sectors as well as enhance the capacity of local regulatory commissions to develop secondary legislation and regulations.



David Bowler,
Division Manager

Cardno Bowler Division

Highlights:

- The Division provided construction materials testing and geotechnical engineering services to a wide range of construction, road and urban development projects
- Cardno Bowler's Townsville office won a major contract with Abigroup to provide construction material testing services on the Stuart Bypass/Port Access road project
- The Victoria Business Unit opened a laboratory in Geelong to service an increasing number of clients in this fast growing city.

Construction materials testing – Gateway Upgrade Project, Brisbane, Queensland

Cardno Bowler is providing construction materials testing on the Gateway Upgrade Project, one of the largest physical infrastructure projects in Queensland's history.

Construction materials testing – Hume Highway – Coolac Bypass, New South Wales

The AU\$179 million Coolac Bypass will upgrade the last single carriageway section of the Hume Highway to a dual carriageway. Cardno Bowler's onsite laboratory is supplying materials testing for earthworks, concrete structures and concrete pavements.

16 Cardno's Board



John C Massey
BCom, CPA, FAICD(Life), FAIM

- Non-executive Chairman

Age 63

John Massey has been Chairman of Cardno Limited since July 2004 and a Non-Executive Director since March 2004. John became a full-time company director in 1997, and brings to Cardno extensive and broadly-based commercial experience, leadership and strategic development skills developed as a Chairman, Director and Chief Executive spanning many different industries.

John's other directorships are Macmahon Holdings Limited and the Stockyard / Kerwee Beef Group.

He has been actively involved in corporate governance and director issues and was made a Life Fellow of the Australian Institute of Company Directors in recognition of his eminence in the field of directorship and for distinguished service, and is a member of the Board of Governors of the Committee for the Economic Development of Australia.

John's previous Board appointments include Chairman of Symbiosis Group, Ventracor and Northstate Capital; Director of Dairy Australia, Brisbane Airport Corporation, SEQ Water and KR Castlemaine Foods.



Graham G Tamblin
DipCE, MIEAust, CPEng, RPEQ, FAICD

- Deputy Chairman
- Executive Director

Age 59

Graham commenced work with the engineering consultancy Cardno & Davies in 1973. He is an experienced civil engineer in the urban development field with involvement in such notable projects as the Kawana Waters master planned community, Noosa Waters, Twin Waters, and Pelican Waters.

Graham's commitment to the urban development and engineering industry is evidenced by his considerable involvement in industry associations such as the Urban Development Institute of Australia of which he was Sunshine Coast Branch President for 6 years up to 2002. Graham's career has included periods as Managing Director and Chairman of Cardno Holdings Pty Ltd.

Apart from ongoing technical project work Graham plays a role in assisting with the implementation of the Cardno group's growth strategy of merger and acquisition.



Andrew D Buckley
BE(Hons), FIEAust, FAICD, CPEng, RPEQ

- Managing Director

Age 52

Andrew was appointed Managing Director of the Cardno group in 1997. He has more than twenty-five years' experience in executive management, project management, design and implementation of engineering and development assistance projects. Andrew has worked in the management, design and construction of mining, engineering and infrastructure projects in Australia, Africa, USA and Asia. For the last 15 years he has worked in executive management roles in the engineering, construction and development assistance sectors with a special focus on growth.

Under Andrew's leadership the Cardno group has grown from an annual turnover of approximately \$14 million in FY1997 to \$516 million in FY2009 and from less than 200 people to over 3,000.

Andrew is a Non-executive Director of CBD Professional Services Pty Ltd, which is associated with Carter Newell Lawyers.



Anthony H (Tony) Barnes
BCom

- Non-executive Director

Age 59

Tony Barnes has been a Non-executive Director of Cardno since 31 July 2008. He was formerly the Chief Financial Officer of Zinifex Limited, an international mining, exploration and development company. Mr Barnes also held the position of Chief Executive Officer of Zinifex Limited during a management change.

Mr Barnes played a key role in the successful IPO of Zinifex Limited in May 2004 and its subsequent restructure culminating in the merger with Oxiana Limited in July 2008 to form Oz Minerals Limited. He has extensive financial experience following a career which included more than 32 years with BHP, both within Australia and Internationally.

Tony is also a director of the Victorian Rugby Union.



Surveying, Cardno Spectrum Survey



Peter J Cosgrove
AC, MCndc (Ind), jssc, psc (US), Dip Mil Stud, FAICD

- Non-executive Director

Age 62

Retired General Peter Cosgrove joined Cardno as a Non-executive Director on 26 March 2007, bringing with him a wealth of experience and credentials. Peter is a director of Qantas Airways Limited and Qantas Superannuation Limited, Australian Rugby Union Limited, consultant to Deloitte Touche Tohmatsu and a Fellow of the Australian Institute of Company Directors. He also holds a number of prestigious memberships and board appointments.

Peter was Chief of the Australian Defence Force from July 2002 until July 2005. In 1999 he was appointed as Commander of the International Forces in East Timor and helped the country transition to independence. Peter was awarded the Military Cross in Vietnam and he was appointed as a Companion of the Military Division of the Order of Australia, Companion of the New Zealand Order of Merit (CNZM) and Commander of the United States Legion of Merit. In 2001 Peter was the Australian of the Year.



Jeffrey I Forbes
BCom, MAICD, MAusIMM

- Chief Financial Officer
- Company Secretary
- Executive Director

Age 56

Jeff joined Cardno in July 2006 as Chief Financial Officer, Company Secretary and Executive Director, Finance. Jeff has more than 30 years' experience as a finance manager, primarily in the resources sector prior to joining Cardno.

Jeff has significant experience in the financing and development of resource projects in both Australia and in the Asia Pacific region. He has held senior positions domestically and internationally. Prior to joining Cardno he was an Executive Director, Chief Financial Officer and Company Secretary of Highlands Pacific Limited.

Jeff has significant experience in capital raisings and during his career Jeff has worked for a number of major companies including Rio Tinto, BHP and CSR.



Trevor C Johnson
BE, MEngSc, PhD, FIEAust, CPEng, RPEQ, MAICD

- Executive Director

Age 52

Trevor has 30 years' experience as a civil engineer, with special expertise in the fields of hydraulics, water quality and environmental analysis. He continues to act as Project Director for many of Cardno's major urban development projects, and regularly appears as an expert witness on engineering matters.

In his executive role as Director Corporate, he is also responsible for a number of acquisition, co ordination and communication activities within the group.

Trevor has been an employee of Cardno for over 25 years, and has been a Director of Cardno Holdings Pty Ltd and subsequently Cardno Limited since 1996.



Ian J Johnston
DipCM, GradDip App Fin & Inv, ASIA, ACIS, FAICD

- Non-executive Director

Age 60

Ian Johnston became a Non-executive Director of Cardno Limited in November 2004 bringing with him extensive experience in treasury, corporate banking and equity capital markets.

Following a career of nearly 25 years in the banking industry, Ian joined ABN AMRO Morgans in 1988 as Head of Corporate Finance and is now Executive Chairman Corporate Finance and a member of its advisory board.

He is also Chairman of BioPharmaceuticals Australia (Network) Pty Ltd, and a Director of AAM Foundation Limited and Data#3 Limited. He is also a member of the National Trust of Queensland, Brisbane City Hall Conservation Appeal Committee and Rowland advisory board.

Ian's previous board appointments include Symbiosis Group Limited and The Rock Building Society Limited.



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