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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.

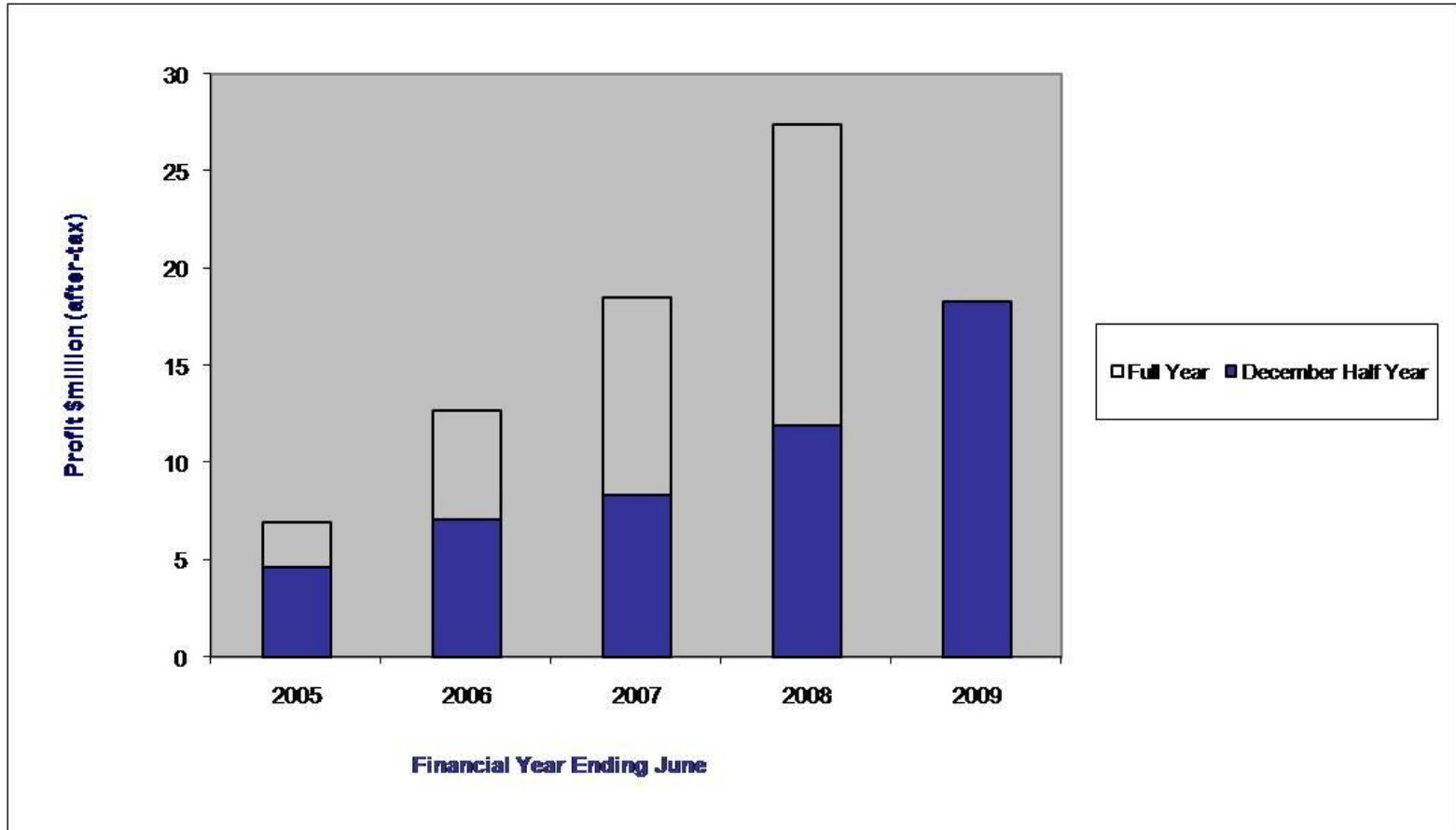


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Profit Growth – 2005 to 2009





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)

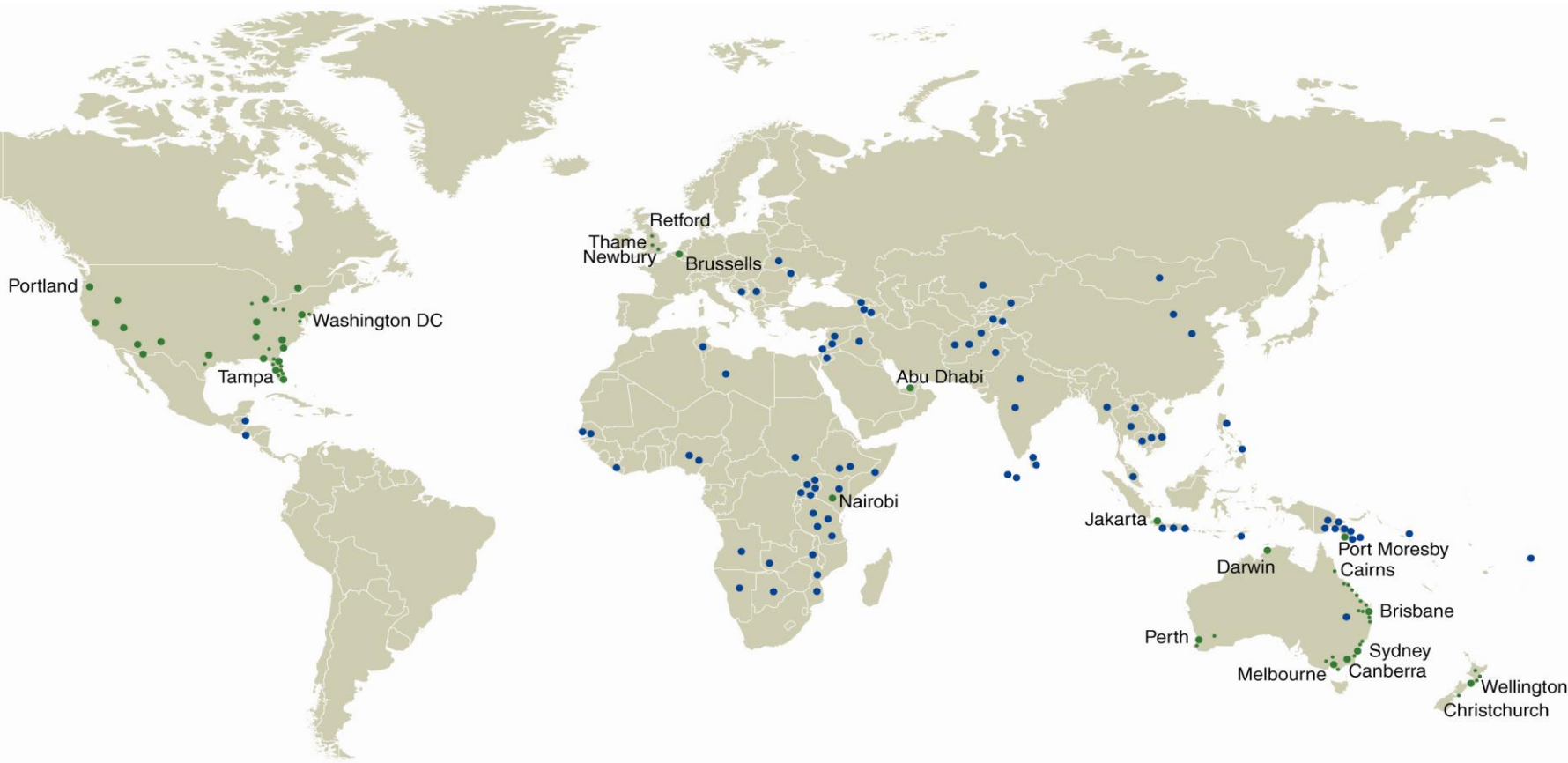
- SPP to raise up to A\$20m.
- Shareholders can participate up to \$10,000 (ASIC & ASX waivers obtained).
- SPP record date 13 March 2009, closes 3rd April 2009.
- SPP Price lower of \$2.80 per share or 7.5% discount to 5 day VWAP up to and including 3rd April 2009.
- Funds to be used to position Cardno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



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Global Presence

- Development Assistance Projects
- Cardno Offices

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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

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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

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



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.”*



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Appendix A – SPP Key Dates



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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)