

Appendix 4D

Half-year report

Half-year ended 31 December 2006

Introduced 1/1/2003.

CARDNO LIMITED

ABN 70 108 112 303

1. The information contained in this report is for the half-year ended 31 December 2006 and the previous corresponding period 31 December 2005.

2. **Results for announcement to the market**

				\$'000
2.1	Revenue from ordinary activities	up/down	23.8% to	111,077
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	16.4% to	8,286
2.3	Net profit (loss) for the period attributable to members	up/down	16.4% to	8,286
2.4	Dividends (distributions)	Amount per security	Franked amount per security	
	Interim dividend	10 cents	10 cents	
	Previous corresponding period	9 cents	9 cents	
2.5	Record date for determining entitlements to the dividend		30 March 2007	

2.6 Cardno Limited achieved a profit after tax of \$8.29m for the half-year ended 31 December 2006, an increase of 16.4% over the December 2005 half-year profit of \$7.12m.

Revenue for the December 2006 half-year was \$111.08m which is 23.8% higher than the December 2005 figure of \$89.73m. Fees for services, recoverable costs and sale of goods were \$110.65m which is 24.2% higher than the December 2005 figure of \$89.11m.

It is expected that there will be less seasonality in the company's results in the current year compared with previous years.

Two main factors contributed to the significant growth in revenues and profits:

1. Business conditions for the Cardno group have generally remained strong which has driven continuing organic growth in existing businesses.
2. During the half-year, the following acquisitions were made and contributed to the results for the first time:
 - Cardno Stanwill formed by acquiring Stanwill Consulting Engineers.
 - Cardno Grogan Richards formed by acquiring Grogan Richards Consulting Engineers.
 - Cardno Saraceni formed by acquiring Saraceni Engineering Group Pty Ltd.

+ See chapter 19 for defined terms.

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The outlook for Cardno continues to be strong with good prospects for expanding the business through organic growth and acquisitions both in Australia and internationally.

A fully franked interim dividend of 10 cents per share has been declared, which is a 11.1% increase over the corresponding period last year.

3. Net tangible assets per security with the comparative figure for the previous corresponding period.

Current period	10.99 cents
Previous corresponding period	(20.93) cents

In the calculation above, convertible notes for the acquisition of ACIL Australia Pty Ltd have been included as a liability.

4. Control gained over entities having material effect

Entity	Completion Date	Effective Control Date
Stanwill Consulting Engineers	8 September 2006	1 July 2006
Saraceni Engineering Group Pty Ltd	2 February 2007	1 October 2006
Grogan Richards Consulting Engineers	22 December 2006	1 November 2006

Loss of control of entities having material effect

N/A

5. Interim Dividends (distributions)

Date the dividend (distribution) is payable 13 April 2007

Amount per security

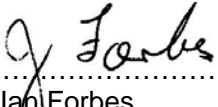
	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend			
- Current year	10 cents	100%	N/A
- Previous year	9 cents	100%	N/A

6. Dividends or distribution reinvestment plans

On 18 October 2006 the Board of Directors of Cardno Limited announced the implementation of the Dividend Reinvestment Plan (DRP). The DRP enables shareholders to reinvest all or part of their dividends into Cardno shares at a price determined by the volume weighted average price for the five days immediately preceding and including the dividend record date. The DRP is available for the dividend being paid on 13 April 2007. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

⁺ See chapter 19 for defined terms.

7. **Details of aggregate share of profits (losses) of associates and joint venture entities**
Not applicable.
8. **Australian Accounting Standards are utilised when compiling the report.**
9. **The accounts have been subjected to independent review and are not subject to qualification.**

Signed:  Date: 20/2/07
Jeffrey Ian Forbes
Company Secretary