

Appendix 4E

Preliminary final report

Full year ended 30 June 2007

Introduced 1/1/2003.

CARDNO LIMITED

ABN 70 108 112 303

1. The information contained in this report is for the full year ended 30 June 2007 and the previous corresponding period 30 June 2006.

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

				\$'000
2.1	Revenue from ordinary activities	up/down	42.1% to	265,303
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	45.8% to	18,468
2.3	Net profit (loss) for the period attributable to members	up/down	45.8% to	18,468
2.4	Dividends (distributions)	Amount per security	Franked amount per security	
	Interim dividend	10 cents	10 cents	
	Final dividend	12.5 cents	12.5 cents	
2.5	Record date for determining entitlements to the dividend		21 September 2007	

2.6 Cardno achieved a net profit after tax of \$18.47 million for the financial year ended June 2007, including a one-off tax benefit of \$0.97 million. This is a 45.8% increase on the net profit after tax of \$12.66 million recorded in the 2006 financial year.

Revenue was \$265.30 million which is 42.1% more than the previous year of \$186.75 million. Basic earnings per share increased by 18.9% over the same period, from 31.37 cents to 37.29 cents in the current financial year, while diluted earnings per share increased 31.2% to 36.29 cents.

The Board has declared a fully franked final dividend of 12.5 cents per share, increasing the full year dividend to 22.5 cents from 19.0 cents per share for the previous year.

The significant improvement in financial performance over the previous year reflects continuing strong market conditions for consulting engineering and other physical infrastructure activities in the Australian market as well as the contribution from acquisitions made during the course of the financial year. Demand for Cardno's services in the Australian market was particularly strong in Queensland and Western Australia, and continue to improve in New South Wales and Victoria.

In total Cardno completed eight acquisitions during the period and all have contributed to the results and strengthened the services provided by the Group as well as substantially increasing Cardno's global presence.

+ See chapter 19 for defined terms.

- 2.6 The acquisition of Stanwill Consulting Engineers acquisition expanded Cardno's presence in regional New South Wales adding representation in Newcastle.

In Victoria, the acquisition of 110 person firm Grogan Richards Consulting Engineers bolstered Cardno's existing representation in the State and provides a solid platform for future growth.

The acquisition of West Australian based Saraceni Engineering Group increased Cardno's services in WA, adding structural engineering.

In Queensland, Cardno added S.P.L.A.T., a Brisbane and Gold Coast based landscape architecture business to complement existing physical infrastructure services and support Cardno's strong capability in urban development.

Cardno's stated objective to expand further internationally was realised with the purchase of U.S based development assistance business Emerging Markets Group (EMG) and the U.S. based physical infrastructure business WRG Design. EMG's acquisition provides Cardno with access to the world's largest development assistance donor, USAID, and complements the capability of existing social infrastructure businesses, Cardno Acil and Cardno Agrisystems.

WRG Design provides Cardno with a strong base in U.S. growth centres for Cardno skills such as planning, surveying, engineering and landscape architecture.

Cardno also acquired the long established engineering, planning and surveying firm Truebridge Callender Beach in New Zealand which provides a strong opportunity for cross selling with Australian based business units.

In Sydney, Cardno has expanded its structural engineering capabilities via the recent purchase of Low & Hooke Partners.

Cardno's North American based XP Software, continues to operate profitably. Cardno's U.A.E operations are expanding having secured several long term and high profile projects. Businesses acquired during the prior years have been integrated well and many cross selling opportunities have been generated.

Cardno now employs around 2,400 staff. Due to Cardno's recent North American and New Zealand acquisitions, almost 1,250 staff are employed outside Australia.

Cardno's outlook remains favourable for 2007/08 with strong market conditions expected to continue.

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

Current period	13.46 cents
Previous corresponding period	(11.09) cents

For the current period convertible notes for the acquisition of Cardno Acil Pty Ltd have been included as a liability.

⁺ See chapter 19 for defined terms.

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
Emerging Markets Group, Limited and its subsidiaries	31 May 2007	1 February 2007
Stephen Robert Pate trading as S.P.L.A.T.	14 May 2007	1 April 2007
Truebridge Callender Beach Limited and its subsidiaries	28 June 2007	1 April 2007
Low & Hooke Partners Pty Ltd, Low & Hooke Management Services Pty Ltd, Bresfine Pty Ltd, Low & Hooke No. 1 Unit Trust and Low & Hooke No. 2 Unit Trust	26 June 2007	1 April 2007
WRG Design, Inc	19 June 2007	1 June 2007

Loss of control of entities having material effect

N/A

5. Final Dividends (distributions)

Date the dividend (distribution) is payable

5 October 2007

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	12.5 cents	100%	N/A
- Previous year	10 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. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

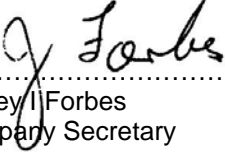
7. Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable.

+ See chapter 19 for defined terms.

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- 8. **Australian Accounting Standards are utilised when compiling the report.**
- 9. **The accounts have been audited and are not subject to dispute or qualification.**

Signed:  Date: 21/08/07
Jeffrey J Forbes
Company Secretary

⁺ See chapter 19 for defined terms.