

Appendix 4E

Preliminary final report

Full year ended 30 June 2006

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 2006 and the previous corresponding period 30 June 2005. It should be noted that the 2005 results have been restated in accordance with AIFRS.

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

				\$'000
2.1	Revenue from ordinary activities	up/down	86.5% to	186,753
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/down	82.4% to	12,663
2.3	Net profit (loss) for the period attributable to members	up/down	82.4% to	12,663
2.4	Dividends (distributions)	Amount per security	Franked amount per security	
	Interim dividend	9 cents	9 cents	
	Final dividend	10 cents	10 cents	
2.5	Record date for determining entitlements to the dividend		22 September 2006	

- 2.6 Cardno achieved a net profit after tax of \$12.66 million for the financial year ended June 2006 which is an 82.4% increase on the net profit after tax of \$6.94 million recorded in the 2005 financial year.

Revenue was \$186.75 million which is 86.5% more than the previous year of \$100.11 million. Basic earnings per share increased by 62.6% over the same period, from 19.29 cents to 31.37 cents in the current financial year.

The Board has declared a final dividend of 10.0 cents per share, increasing the full year dividend to 19.0 cents from 14.0 cents per share in 2004/05.

The significant improvement in financial performance over the previous year reflects continuing strong market conditions for consulting engineering in the Australian market as well as the first full year contribution from Cardno Acil's international development assistance activities. Demand for Cardno's services in the domestic market were particularly strong in Queensland and Western Australia.

Cardno completed a further five acquisitions during the year that have made strong contributions to the results and strengthened the services provided by the Group.

The Cardno Eppell Olsen acquisition added specialist skills in traffic and transport planning, engineering and modelling.

+ See chapter 19 for defined terms.

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The acquisition of Cardno Ullman & Nolan, Cardno Forbes Rigby and Cardno Gilbert Rose enhanced access to regional markets in Mackay, Wollongong and Perth respectively, along with additional specialist skills in each case.

The acquisition of UK based Cardno Agrisystems provide Cardno with access to the development assistance market funded by the UK and European Union.

Internationally, Cardno's development assistance businesses in both physical (consulting engineering) and social infrastructure continued to perform well with major project wins in most markets and especially the post-tsunami affected areas of Indonesia, Sri Lanka and the Maldives.

Cardno's North American operations, predominantly XP Software, continued to operate profitably, and the development and release of an upgraded version of XP's flagship product, XPSWMM Version 10, was a highlight.

Cardno's outlook remains favourable for 2006/2007 with continuing strong market conditions.

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

Current period	(11.09) cents
Previous corresponding period	(43.47) cents

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

4. Control gained over entities having material effect

Entity	Completion Date	Effective Control Date
Acil Australia Pty Ltd	1 July 2005	1 May 2005
EOP Holdings Pty Ltd	12 August 2005	4 July 2005
Agrisystems Limited and its subsidiary, Agrisystems (Eastern Africa) Limited	14 September 2005	1 July 2005
Barton Enterprises Pty Ltd and its subsidiaries, Ullman & Nolan Consulting Pty Ltd, Ullman & Nolan Pty Ltd, Ullman & Nolan Technical Services Pty Ltd, Ullman & Nolan (NT) Pty Ltd and Cardinal Surveys Pty Ltd	22 December 2005	1 July 2005
Forbes Rigby Pty Ltd	13 April 2006	1 January 2006
Gilbert Rose Consulting (WA) Pty Ltd	16 June 2006	1 January 2006

Loss of control of entities having material effect

N/A

⁺ See chapter 19 for defined terms.

5. Final Dividends (distributions)

Date the dividend (distribution) is payable

6 October 2006

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	10 cents	100%	N/A
- Previous year	8 cents	100%	N/A

6. Dividends or distribution reinvestment plans

Not applicable.

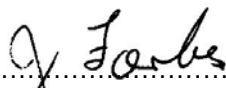
7. Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable.

8. Australian Accounting Standards are utilised when compiling the report.

9. The accounts have been audited and are not subject to dispute or qualification.

Signed:


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Jeffrey Forbes
Company Secretary

Date: 22/8/06