

Appendix 4D

Half-year report

Half-year ended 31 December 2007

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 2007 and the previous corresponding period 31 December 2006.

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

| | | | \$'000 |
|-----|---|----------------------------|------------------------------------|
| 2.1 | Revenue from ordinary activities | up/down | 76.2% to 195,754 |
| 2.2 | Profit (loss) from ordinary activities after tax attributable to members | up/down | 43.8% to 11,915 |
| 2.3 | Net profit (loss) for the period attributable to members | up/down | 43.8% to 11,915 |
| 2.4 | Dividends (distributions) | Amount per security | Franked amount per security |
| | Interim dividend | 13 cents | 13 cents |
| | Previous corresponding period | 10 cents | 10 cents |
| 2.5 | Record date for determining entitlements to the dividend | | 14 March 2008 |
| 2.6 | Cardno Limited achieved a profit after tax of \$11.92m for the half-year ended 31 December 2007, an increase of 43.8% over the December 2006 half-year profit of \$8.29m. | | |

Revenue for the December 2007 half-year was \$195.75m which is 76.2% higher than the December 2006 figure of \$111.08m.

Three 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. This half year includes six months of results for 7 out of the 8 acquisitions completed during the financial year ended 30 June 2007 for the first time.
3. Cardno acquired Buckland Engineers Australia Pty Ltd, effective 1 July which added to group revenue and profit.

During the half-year the Company successfully raised \$65m through the placement of ordinary shares and a share purchase plan, which has placed the Company in a strong position to pursue acquisition opportunities.

+ See chapter 19 for defined terms.

Appendix 4D Half-year report

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

A fully franked interim dividend of 13 cents per share has been declared, which is a 30% increase over the 10 cent dividend for the corresponding period last year.

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

| | |
|-------------------------------|--------------|
| Current period | 114.75 cents |
| Previous corresponding period | 10.99 cents |

In the calculation above, convertible notes issued for the acquisition of ACIL Australia Pty Ltd in 2005 have been included as a liability.

4. Control gained over entities having material effect

| Entity | Completion Date | Effective Control Date |
|--------------------------------------|-------------------|------------------------|
| Buckland Engineers Australia Pty Ltd | 14 September 2007 | 1 July 2007 |

Loss of control of entities having material effect

N/A

5. Interim Dividends (distributions)

Date the dividend (distribution) is payable 28 March 2008

Amount per security

| | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign source dividend |
|------------------|---------------------|--|--|
| Interim dividend | | | |
| - Current year | 13 cents | 100% | N/A |
| - Previous year | 10 cents | 100% | N/A |

6. Dividends or distribution reinvestment plans

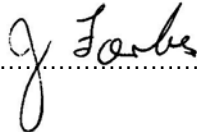
On 18 October 2006 the Board of Directors of Cardno Limited announced the implementation of the Dividend Reinvestment Plan (DRP). The DRP enables shareholders to reinvest all or part of their dividends into Cardno shares at a price determined by the volume weighted average price for the five days immediately preceding and including the dividend record date. The DRP is available for the dividend being paid on 28 March 2008. 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:

Jeffrey Ian Forbes
Company Secretary


.....

Date: 19/02/08