

**APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FINANCIAL YEAR ENDED 30 JUNE 2005**

**CARDNO LIMITED
ABN 70 108 112 303**

			<u>\$A'000</u>		
			<u>Pro Forma Annual</u>		
Revenue from ordinary activities	up	56.4%	to	101,531	
Profit from ordinary activities after tax attributable to members	up	66.9%	to	7,450	
Net profit for the period attributable to members	up	68.4%	to	7,518	

Dividends

Ordinary

Final fully franked payable 6 October 2005 8 cents

The record date for determining entitlements to the final dividend: 21 September 2005.

An interim dividend of 6 cents per share (fully franked) was paid to shareholders on 8 April 2005.

Brief explanation of the figures reported above

Cardno Limited was formed in February 2004 and on 19 March 2004 acquired the Cardno group of companies which have operated as consulting engineers for a number of years. Cardno Limited's Statutory Accounts for the June 2004 year were for the period 19 March 2004 to 30 June 2004 so Pro Forma annual figures were also prepared as if the Cardno group were part of Cardno Limited for the full June 2004 year.

Cardno achieved a net profit after tax of \$7.45m for the financial year ended June 2005 which is a 67% increase on the net profit after tax of \$4.46 m recorded in the 2004 Pro Forma financial statements.

Revenue was \$101.5 million which is 56% more than the Pro Forma revenue of \$64.9 million for the previous year. Basic earnings per share increased by 44% over the same period, from 14.4 cents to 20.7 cents in the current financial year.

The Board has declared a final dividend of 8.0 cents per share, increasing the full year dividend to 14.0 cents from 10.5 cents per share in 2003/04.

The results significantly exceed forecasts contained in Cardno's 2004 IPO Prospectus, with revenue 43% higher than expected and net profit after tax 50% above forecast.

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 contribution from two acquisitions completed in October 2004. Cardno BSD in Western Australia, and Cardno Lawson Treloar in Brisbane, Sydney and Melbourne added \$12.6 million to Cardno revenue in the 2005 financial year. These acquisitions allowed Cardno to achieve its strategic aims of establishing a successful presence in the growing Western Australia market and strengthening Cardno's recognised capability in water resource engineering.

APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FINANCIAL YEAR ENDED 30 JUNE 2005

CARDNO LIMITED
ABN 70 108 112 303

Cardno's international consulting engineering divisions operated in an improving market and performed strongly. This work is largely in the management of development assistance projects in developing countries.

In June 2005, Cardno entered into a contract to purchase ACIL Australia Pty Ltd, a professional services firm also working in international development assistance. While this acquisition has had only a minor impact on the 2005 financial year performance, ACIL is expected to add around \$40 million to 2006 financial year fee revenues and this will make Cardno a significant Australian supplier of professional services to the international development assistance market.

Cardno's North American operations, predominantly XP Software, also performed better than expected in both revenue and profit.

Cardno's outlook remains positive with Australian markets remaining stable while there is an increased focus and expenditure directed at international development assistance markets.

Details of any dividend or distribution reinvestment plans in operation

The company does not operate a dividend reinvestment plan.

Net tangible assets per security

Net tangible assets per security as at 30 June 2005 is (43.0) cents per share. This is a decrease of 76.2 cents per share from 30 June 2004. The decrease is as a result of the acquisition of ACIL Australia Pty Ltd and the issue of convertible notes.

Details of entities over which control has been gained or lost during the period

Control has been gained over the following entities:

- BSD Consultants Pty Ltd
Settlement date – 20 October 2004
Effective date – 1 July 2004
- Lawson and Treloar Pty Ltd
Settlement date – 20 October 2004
Effective date – 1 July 2004
- ACIL Australia Pty Ltd
Settlement date – 1 July 2005
Effective date – 1 May 2005

The report is based on the audited Financial Report which has been audited by the auditors. The Financial Report has been lodged with the ASX at the same time the Appendix 4E was lodged.