

## Appendix 4E

### Preliminary final report

### Full year ended 30 June 2008

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 2008 and the previous corresponding period 30 June 2007.

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

				<b>\$'000</b>
2.1	Revenue from ordinary activities	up/ <del>down</del>	50.4% to	399,035
2.2	Profit (loss) from ordinary activities after tax attributable to members	up/ <del>down</del>	48.6% to	27,452
2.3	Net profit (loss) for the period attributable to members	up/ <del>down</del>	48.6% to	27,452
2.4	<b>Dividends (distributions)</b>			
		<b>Amount per security</b>	<b>Franked amount per security</b>	
	Interim dividend	13.0 cents	13.0 cents	
	Final dividend	14.0 cents	14.0 cents	
2.5	Record date for determining entitlements to the dividend		12 September 2008	
2.6	Cardno achieved a record net profit after tax of \$27.45 million for the financial year ended June 2008. This is a 48.6% increase on the net profit after tax of \$18.47 million recorded in the 2007 financial year.			

Revenue was \$399.04 million which is 50.4% more than the previous year of \$265.30 million. Basic earnings per share increased by 12.6% over the same period, from 37.29 cents to 42.00 cents in the current financial year, while diluted earnings per share increased 13.9% to 41.34 cents.

The Board has declared a fully franked final dividend of 14.0 cents per share, increasing the full year dividend to 27.0 cents which is an increase of 20% over the previous year.

Financial performance in the year was typified by strong operating cash flows, and further strengthening of the balance sheet. This performance was again significantly driven by high demand for consulting engineering and other physical infrastructure services in Australia, Papua New Guinea, New Zealand and the Middle East.

Cardno intends to continue its successful growth strategy and will continue to consider strategic opportunities within Australia and internationally. The company has enjoyed strong organic growth averaging between 7 and 9% over the last five years, which has complemented its acquisition strategy.

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+ See chapter 19 for defined terms.

- 2.6 In this regard, Cardno completed three acquisitions during the period and all have contributed positively to the company's performance. The acquisitions increase Cardno's presence in the mining structures, materials testing and software engineering markets.

The acquisition of Perth-based Buckland Engineers Australia, which provides structural engineering services to clients such as BHP Billiton and Pilbara Iron, has increased Cardno's exposure to the growing resource sector in Western Australia and elsewhere. Further, the addition of this 40 person team significantly strengthens Cardno's existing Western Australian business.

On a broader front, the acquisition of Bowler Geotechnical, Australia's second largest material testing business, provides Cardno with a platform to expand testing and geotechnical services across Australia as well as internationally. Cardno Bowler has 16 permanent laboratory and office sites across Eastern Australia, as well as numerous portable testing facilities, located on projects as diverse as the Gateway Bridge Duplication in Brisbane and the Century Mine in North West Queensland.

Micro Drainage Limited in the United Kingdom was Cardno's third acquisition for the 2008 financial year. Founded in 1983, Micro Drainage has been the dominant provider of stormwater drainage design software in the UK and Ireland for the past five years, as well as a leading supplier in Europe. Importantly, Micro Drainage software complements the existing product range of Cardno's existing software business, XP Software based in Australia and the US.

A key focus of the 2008 financial year was the successful integration of Cardno's eight acquisitions made in the previous year, particularly EMG and WRG Design in the US, Cardno SPLAT in Queensland, Cardno Grogan Richards in Victoria and the New Zealand based Cardno TCB.

Of particular note is the improving performance of the company's operations in the United Arab Emirates, where major opportunities for growth continue to be present. In addition, Cardno's social infrastructure businesses have all operated profitably and contributed to overall growth. In particular, Emerging Markets Group (EMG) in the United States has increased its share of projects funded by USAID.

While Cardno's consulting engineering business in the US has been affected by global economic conditions, WRG Design has achieved a profitable result for the year because of its diverse client base and management focus on containment of costs.

To support its ongoing expansion Cardno also revised its management structure in 2008. The introduction of a major regional focus, and the associated appointment of Regional General Managers for North America (Michael Renshaw), North and West Australia (Paul Gardiner) and South-East Australia and New Zealand (Roger Collins-Woolcock), and a General Manager Group Operations (Steve Coote), increases the company's ability to service its geographically diverse client base. In addition, the acquisition of Micro Drainage was followed by the establishment of a separate Software Division for the first time, incorporating Micro Drainage and XP Software.

Cardno now employs around 2,900 staff worldwide, of which more than half are located outside of Australia. The company continues to grow and work towards the stated vision of being a world leader in the provision of professional services.

Cardno's outlook for 2008/09 remains favourable, with a continuing strong pipeline of acquisition and expansion opportunities in several sectors. While economic conditions remain challenging in some markets, performance in other geographic markets is expected to continue the company's growth performance.

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<sup>+</sup> See chapter 19 for defined terms.

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

Current period	71.95 cents
Previous corresponding period	13.46 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
Buckland Engineers Australia Pty Ltd	11 September 2007	1 July 2007
Bowler Geotechnical Pty Ltd	22 February 2008	1 January 2008
Micro Drainage Limited	5 March 2008	4 March 2008

**Loss of control of entities having material effect**

N/A

**5. Final Dividends (distributions)**

Date the dividend (distribution) is payable 10 October 2008

**Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	14.0 cents	100%	N/A
- Previous year	12.5 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.

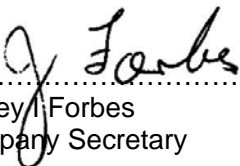
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8. **Australian Accounting Standards are utilised when compiling the report.**
9. **The accounts have been audited and are not subject to dispute or qualification.**

Signed:  ..... Date: 19/08/08  
Jeffrey Forbes  
Company Secretary

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<sup>+</sup> See chapter 19 for defined terms.