

**Increased Profit Forecast
Cardno Secures Major Project Wins**

Cardno Limited expects to report a record Net Profit After Tax within the range of \$31 million to \$33 million for the year ending June 2009 - a 13% to 24% increase over the 2008 FY profit of \$27.452 million. The profit estimate is based on unaudited management results and current forecasts.

Andrew Buckley, Managing Director of Cardno Limited, said that second half performance has been affected by slower business conditions in some sectors, project delays, the stronger Australian dollar and one-off restructuring costs. Mr Buckley noted that the International Development Assistance and public sector businesses continued to perform strongly and have partially offset the slower performance in private sector markets.

One-off restructuring costs are forecast to be around \$3.0 million for the financial year and are largely related to staff redundancy payments.

Mr Buckley noted that Cardno's balance sheet remains strong with low gearing, strong operating cashflow and cash on hand and that Cardno is well placed to continue to pursue and fund its organic growth and acquisition strategy.

Cardno has recently secured some key infrastructure wins in both the US and Australia.

Cardno's US subsidiary, Cardno TBE, is the preferred tenderer for a major Florida highway project (the I4/Crosstown connector in Tampa) which will be funded by the US Federal Government's Stimulus Package and the State of Florida. Cardno TBE will provide construction, engineering and inspection services for the Florida Department of Transport. It is anticipated that Cardno's consultancy fees will be in excess of USD12 million (AUD15 million) over 5 years.

"This win is one of Cardno's largest single fee awards for a physical infrastructure project and along with other recently secured projects, will allow Cardno TBE to maintain and strengthen its backlog of work which will underpin future performance" Mr Buckley said.

"Across the business Cardno's public sector client base has continued to perform strongly," he added.

Cardno is benefiting from the Australian Federal Government's School Stimulus Package having secured more than 100 building design projects in Queensland, New South Wales, Victoria and Western Australia.

In the Australian local government sector Cardno is also performing well and workload in local government infrastructure and water and wastewater is strong.

Mr. Buckley said that diversification across market sectors and geographic regions has been a long term Cardno strategy which has helped the company reduce the impact of softer conditions in private sector markets both in Australia and overseas.

"Overall, conditions are holding steady and we are seeing some positive signs that things are improving as we move into the second half of 2009". Mr Buckley said.

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