

CARDNO ANNOUNCES 82% PROFIT INCREASE

International social and physical infrastructure services provider, Cardno Limited (ASX: CDD), today announced a net profit after tax of \$12.66 million for the year ended 30 June 2006, an 82.4% increase on the previous year.

Cardno recorded an 86.5% increase in revenue from \$100.1 million to \$186.75 million, and an 82.8% increase in profit before income tax from \$9.9 million to \$18.1 million.

Basic earnings per share increased from 19.29 cents to 31.37 cents, an increase of 62.6%.

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.

Cardno Chairman John Massey said, "Cardno grows from strength to strength via a combination of healthy organic growth and strategic acquisitions, in turn driving strong performance across the business.

"Our financial performance has confirmed Cardno's well planned and executed growth strategy."

Five acquisitions were undertaken during the year, increasing the group's revenue by \$27.7 million in that period and extending both technical capability and geographic reach.

This process commenced in July 2005, with the acquisition of one of Queensland's leading traffic engineering and transport planning firms, Eppell Olsen & Partners. The formation of Cardno Eppell Olsen has substantially strengthened the company's ability to deliver services to all levels of Government in this important and growing area.

Cardno completed an important international acquisition during the year, with the purchase of the UK, EU and African based development assistance provider, Agrisystems. Cardno Agrisystems operates under the management of Cardno Acil, and offers the company access to important international markets in the development assistance field.

The acquisition of Ullman & Nolan, a Mackay, Brisbane and Darwin based civil and geotechnical engineering consultancy, reinforces Cardno's presence in the strong Queensland market and increases our geographic spread in that State.

Forbes Rigby became Cardno's first regional New South Wales acquisition when that company was acquired in 2006. This Wollongong-based civil engineering and town planning consultancy extends Cardno's reach into this growing area, and increases the company's presence in New South Wales to five offices.

Gilbert Rose, a Perth-based civil engineering consultancy which will support the company's existing Cardno BSD business in the buoyant Western Australian market, increasing our overall capability to deliver projects.

All acquisitions were EPS positive, and are continuing to operate successfully and profitably.

Cardno further increased its international presence by opening an office in Abu Dhabi in January 2006. This office has traded successfully since its opening and provides the company with access to one of the world's fastest growing regions.

Managing Director Andrew Buckley noted that Cardno intends to continue its successful growth strategy while consolidating its recent acquisitions.

"Cardno is well positioned to continue its strong performance based on current conditions," Mr. Buckley said.

"Domestic and international business conditions continue to offer growth opportunities for Cardno. Cardno's international physical infrastructure team's merger with social infrastructure provider Cardno Acil, is progressing well.

"Several significant contracts have been secured as a result of Cardno Acil's complementary capabilities and established reputation. With the purchase of U.K.-based Agrisystems, Cardno can now compete in markets which were previously inaccessible to the company.

"We intend to continue our successful acquisition strategy of identifying profitable well managed businesses with complementary coverage both geographically and by professional discipline," said Mr. Buckley.

Summary performance for the year ended June:

	2006	2005 (AIFRS)*	Change
Revenue	186.75 m	\$100.1 m	86.5%
Profit before tax	\$18.1 m	\$9.9 m	82.8%
NPAT	\$12.66 m	\$6.94 m	82.4%
EPS – basic	31.37 cents	19.29 cents	62.62%
Dividend per share	19.0 cents	14.0 cents	35.7%

***Re-stated to comply with AIFRS**

ENDS

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About Cardno: Cardno is an integrated professional services provider, locally delivering the specialist advice necessary to create or improve the physical and social infrastructure that underpins communities around the world. Our team comprises leading advisers who plan, design and deliver sustainable projects or community programs. We are an international company, listed on the Australian Stock Exchange [ASX: CDD].

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