

Record half-year for Cardno

Infrastructure services company Cardno Limited [ASX: CDD] today announced a 16.4% increase in net profit after tax to \$8.3 million for the half-year ending 31 December 2006. Revenue for the half-year was \$111.1 million up 23.8% over the corresponding period.

A fully franked interim dividend of 10 cents per share will be paid on 13 April 2007 to shareholders registered on 30 March 2007, representing an 11.1% increase over the corresponding period last year.

The Board of Directors announced a Dividend Reinvestment Scheme in October 2006 which enables shareholders to have their dividend reinvested in Cardno shares with no brokerage costs. To participate in the scheme, shareholders must submit the required form by 30 March 2007.

Cardno Limited Managing Director, Mr Andrew Buckley, said the strong result was due to revenues flowing from solid performance across Cardno's operations and acquisitions. Mr Buckley added that he expected less seasonality in the company's second half results than in previous years.

"Our engineering infrastructure divisions are in demand both in Australia and internationally and our development assistance arm has also secured major project wins," Mr Buckley said.

"Cardno is providing engineering design services on the Gateway Bridge Upgrade Project Alliance in Brisbane, the Palm Jebel Ali marina development in the UAE as well as Queensland's first seawater desalination plant on the Gold Coast. These projects combined with wins such as the Basic Education Program in Indonesia by our international development assistance arm, have helped deliver a rewarding performance for shareholders," he said.

Cardno's strategy is to identify and acquire businesses which are located in new geographic locations or which deliver professional services disciplines which complement Cardno's existing business. Cardno has now completed 11 acquisitions since listing in May 2004.

"All acquisitions have made a positive contribution to profit. Group staff numbers are now around 1,600 people," said Mr Buckley.

"This strategic approach has diversified the revenue base, created cross-selling opportunities, and minimised duplication in newly-acquired businesses," said Mr Buckley.

Positive Outlook

"Cardno's outlook continues to be bright and we have good prospects for expanding the business through organic growth and acquisitions both in Australia and internationally," Mr Buckley said.

"Demand for services across physical and social infrastructure disciplines remains strong, with the private and public sector funding infrastructure maintenance, upgrades and new projects. The resources boom continues to drive growth across Western Australia and Queensland."

Cardno has opened offices in Ballina, New South Wales in September 2006; Springfield in Brisbane's burgeoning western corridor in October 2006 and in Bundaberg, Queensland in January 2007 to better deliver services in regional areas with high population growth.

Cardno continues to assess potential Australian and international acquisition prospects and the pipeline of opportunities remains strong.

Cardno's acquisitions for the period were:

- **Cardno Stanwill:** Cardno strengthened its capacity to deliver services into regional areas with the acquisition of Newcastle based Stanwill Engineering.
- **Cardno Grogan Richards:** The acquisition of established Victorian based consulting engineers Grogan Richards has complemented Cardno's existing Victorian representation by adding approximately 110 staff.
- **Cardno Saraceni:** Saraceni Engineering was acquired to provide Cardno's Western Australian team with additional staff and enhanced structural engineering capabilities.

Summary performance for the half-year ending December 2006:

	2006	2005	Change
Revenue	\$111.1m	\$89.7m	+23.8%
Fees from sales of services and products	\$91.3m	\$71.6m	+27.6%
PBT	\$11.5m	\$10.3m	+11.1%
NPAT	\$8.3m	\$7.1m	+16.4%
EPS (basic – cents)	17.86	18.12	-1.4%*
EPS (diluted – cents)	16.15	15.41	+4.8%
Interim Dividend (cents)	10.0	9.0	+11.1%

* The reduction in basic earnings per share is largely due to the substantial conversion of convertible notes to shares at each of the previous 6 monthly conversion dates.

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. Cardno's team comprises leading advisers who plan, design, manage and deliver sustainable projects or community programs. Cardno is an international company, listed on the Australian Stock Exchange [ASX: CDD].

www.cardno.com.au.