

## **Appendix 4E**

### **Preliminary final report**

### **Full year ended 30 June 2010**

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 2010 and the previous corresponding period 30 June 2009.

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

				<b>\$'000</b>
2.1	Revenue from Ordinary Activities	down	7.5% to	\$477,238
2.2	Profit (loss) from ordinary activities after tax attributable to members	up	10.1% to	\$37,597
2.3	Net profit (loss) for the period attributable to members	up	10.1% to	\$37,597
2.4	<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>	
	Interim dividend	14.0 cents	14.0 cents	
	Final dividend	15.0 cents	15.0 cents	
2.5	Record date for determining entitlements to the dividend	17 September 2010		
2.6	Cardno achieved a record net profit after tax of \$37.60 million for the year ended 30 June 2010, a 10.1% increase over the 2009 financial year. Basic earnings per share increased to 43.86 cents.			

Cardno had strong operating cash flow of \$46.75 million in 2010, an increase of 21% over 2009, and had cash of \$56.28 million at 30 June 2010.

The Company's balance sheet remains strong with low net debt. In August 2010, the company completed a successful Rights issue raising \$49 million.

The Board has declared a fully franked final dividend of 15 cents per share to be paid on 15 October 2010 to all shareholders registered on 17 September 2010. With the interim dividend of 14 cents per share in March 2010, this will result in a full year dividend of 29 cents, which is also a record for Cardno.

Revenue was \$477.24 million, which was slightly down from 2009, with most of this reduction resulting from the strengthening Australian dollar in 2010.

Cardno delivered another record profit for its shareholders during a period of significant adverse economic conditions. This is the sixth consecutive year of record profit and earnings per share growth since listing in 2004 with total shareholder return in this period of over 400%.

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+ See chapter 19 for defined terms.

- 2.6 Cardno has performed strongly through the global financial crisis. The company's strategy of diversifying its operations through acquisitions and growth across multiple geographic regions and disciplines has proven successful. The company now employs over 3,700 staff worldwide, operating out of 150 offices.

During the financial year Cardno made four acquisitions. The 615-person Cardno ENTRIX and the 155 person Cardno ERI have increased Cardno's exposure to the highly strategic and growing environmental consulting market, as well as the oil and gas sector in the US and internationally. In Australia, Cardno acquired two specialist businesses: Cardno ITC a 100-person Australia wide electrical, mechanical and specialist engineering group providing services to the building sector; and Cardno AUS a utility detection and mapping services business based in Victoria.

The Board noted that the Company's second half performance was stronger than the first half as expected, reflecting the impact of improving market conditions and the benefit of acquisitions undertaken in recent months.

Cardno's markets continue to improve. Cardno has traditionally achieved organic growth of 7% to 9% before the global financial crisis. With the strong performance of recent major acquisitions and a return to organic growth, the company is well positioned for 2011.

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

Current period	(43.23) cents
Previous corresponding period	52.01 cents

**4. Control gained over entities having material effect**

Entity	Completion Date	Effective Control Date
ITC Group	11 February 2010	1 January 2010
Australian Underground Services Pty Ltd	14 May 2010	1 April 2010
ENTRIX Group	10 June 2010	1 June 2010
Environmental Resolutions, Inc	10 June 2010	1 June 2010

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

N/A

**5. Final Dividends (distributions)**

Date the dividend (distribution) is payable 15 October 2010

**Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend			
- Current year	15.0 cents	100%	N/A
- Previous year	14.0 cents	100%	N/A

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

**6. Dividends or distribution reinvestment plans**

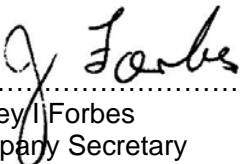
The Dividend Reinvestment Plan (DRP) enables shareholders to reinvest all or part of their dividends into Cardno shares at a price determined by the volume weighted average price for the five days immediately preceding and including the dividend record date. Shares issued through the DRP are fully paid 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.

**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: 17/08/10  
Jeffrey Forbes  
Company Secretary

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