

ASX and Media Announcement

1 December 2009

FORECAST PROFIT DECEMBER 2009 HALF YEAR

Cardno Limited expects to report a Net Profit After Tax for the half year ending December 2009 of between \$14m and \$16m, which is in line with the second half of FY2009 and a decrease over the previous corresponding period profit of \$18.3m. The current profit estimate is based on unaudited management results and current forecasts.

Cardno Managing Director, Mr Andrew Buckley, said that the drop in first half profit compared to the previous corresponding period reflected the continued difficult market conditions resulting from the global downturn, and was as expected.

"Looking forward we see improving conditions in all of our markets and we expect a stronger second half performance based both on organic growth and recent project wins", Mr Buckley said.

Mr Buckley also noted that in some areas there has been a lag to the flow of government stimulus spending. Together with increased lending by banks, the expected availability of these funds for projects in the second half of the year will benefit Cardno.

Commenting on recent press reports regarding Dubai Mr Buckley noted that Cardno's UAE office is located in Abu Dhabi and has a diverse client base including significant public sector workload. "As with many businesses operating in the region we have some debts with UAE development companies which total around A\$4 million. However we expect to be paid the outstanding amounts", Mr Buckley said.

"Furthermore our balance sheet is well provisioned and based on all information currently at hand we do not expect any impact on our trading results", he added.

Mr Buckley also noted that Cardno's low gearing and strong balance sheet provide the company with the perfect base for launching future acquisitions in both Australia and North America.

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