

ASX STATEMENT & MEDIA RELEASE

9 December 2010

CARDNO ACQUIRES U.S. ENVIRONMENTAL FIRM

International infrastructure services consultancy, Cardno Limited (ASX: CDD) today announced that it has agreed to acquire JF New & Associates, Inc (JFNew) an Indiana, USA based environmental consulting firm.

JFNew (jfnew.com) is a 150-person consulting firm with specialist expertise in natural resources management, environmental permitting, habitat restoration, mitigation banking, native plant materials, and cultural resources consulting. In addition to its corporate headquarters and 130-acre native plant nursery in northern Indiana, JFNew has regional offices in Illinois, Indiana, Ohio, Michigan and Wisconsin.

The acquisition is expected to contribute approximately US\$18 million in revenue and US\$2.7 million in EBITDA in FY12. The acquisition is earnings per share accretive in FY11 and has an effective date of 31 December 2010.

Cardno will pay up to US\$12 million for the purchase of JFNew, including an earn-out of up to \$2 million based on future performance, payable in 15 months. Five percent of the purchase price will be deferred for 18 months.

In line with Cardno's proven strategy, JFNew's key management will become Cardno shareholders and will remain active in the company, which will be known as Cardno JFNew.

The acquisition will be completed around 31 December 2010 and will be funded by a mix of approximately 75% cash and 25% shares. The number of shares issued to JFNew employees will depend on the 10 day volume average weighted price and exchange rate at completion. The cash component will be funded from available cash and debt facilities with HSBC Bank Australia. Shares to be issued as part of the deferred payment and earn-out will be based on the 10 day volume average weighted price at the time of payment.

Cardno Managing Director, Andrew Buckley said the acquisition will further strengthen Cardno's exposure to the US environmental and natural resources management market and is highly complementary to the recent acquisition of ENTRIX.

He added that JFNew will provide Cardno with access to the environmental consulting markets in the Great Lakes region and the major river basins throughout the Central US.

Cardno Entrix and JFNew have a history of joint project delivery. Recent projects include natural resource restoration on major oil spill projects in the Gulf of Mexico and the Great Lakes region.

JFNew has a diverse client base, which includes State departments of transport, US agencies, engineering companies, construction companies and local municipalities.

Mr Buckley said the acquisition offers strong potential to cross-sell capabilities with Cardno's existing US based businesses. He noted that with the addition of JFNew, Cardno's staff numbers will grow to nearly 4,000 people worldwide.

Mr Buckley noted that the integration and performance of Cardno's recent US acquisitions; Cardno ENTRIX and Cardno ERI, is progressing well and provides a strong base for the acquisition of JFNew. "Cardno is committed to our stated strategy of ongoing expansion and international diversification through both organic growth and further merger and acquisition opportunities." he added.

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About Cardno: Cardno is an integrated professional services provider, delivering the specialist expertise necessary to create and improve the physical and social infrastructure that underpins communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects or community programs. Cardno is an international company, listed on the Australian Securities Exchange [ASX: CDD]. www.cardno.com.