

ASX STATEMENT & MEDIA RELEASE

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CARDNO ACQUIRES U.S. ENVIRONMENTAL FIRM

International infrastructure services consultancy, Cardno Limited (ASX: CDD) today announced that it has acquired TEC, Inc a Virginia, USA based environmental consulting firm.

TEC (www.tecinc.com) is a 330-person consulting firm with specialist expertise in environmental management, asset management and marine infrastructure management especially related to port infrastructure and defence facilities. Headquartered in Charlottesville, Virginia, TEC has 15 mainland U.S. offices and 5 off-shore offices including Hawaii, Guam, Germany, Belgium and Italy.

The acquisition is expected to contribute approximately US\$52 million in revenue and US\$7.2 million in EBITDA over the next 12 months. The acquisition is earnings per share accretive in FY12.

Cardno will pay up to US\$50 million for the purchase of TEC, which includes an earn-out of up to US\$8.3 million based on future performance, payable in 18 months.

Cardno Managing Director, Andrew Buckley commented that in line with the firm's proven strategy, TEC's key management will become Cardno shareholders and will remain active in the company, which will be known as Cardno TEC.

Mr Buckley said the addition of Cardno TEC will further strengthen Cardno's exposure to the US environmental and natural resources management market and is highly complementary to last year's acquisitions of Cardno ENTRIX, Cardno ERI and Cardno JFNew. He noted that in 2010 Cardno was one of the largest environmental firms in the US and this acquisition will further strengthen that position.

Mr Buckley added that TEC will provide Cardno with access to key U.S. Government clients such as the Department of Defence, Department of Homeland Security, National Park Service and the General Services Administration. He noted that funding in TEC's primary markets remains healthy and that contracted backlog is at an all-time high and is in excess of US\$70 million.

"TEC's core strength and reputation has been the ability to successfully manage multiple large projects with multi-year timelines and a high degree of technical complexity in the public sector. This strength is now being applied in the private sector particularly in the renewable energy and traditional power market sectors."

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 TEC, Cardno's staff numbers will grow to in excess of 4,600 people worldwide.

"At Cardno we are committed to our stated strategy of ongoing expansion and international diversification through both organic growth and further merger and acquisition opportunities." he added.

Dick Heiderstadt, President of TEC, commented, "We are excited to join Cardno because Cardno, like TEC, is a client-oriented firm. Our clients will see an immediate increase in our ability to provide a more extensive array of integrated services and solutions, customised according to their perspectives and needs. We see this as an opportunity to provide our existing clients with access to additional quality services".

"We also see a great opportunity to offer TEC specialist skills to Cardno clients, particularly in the area of port development and expansion" he added.

The acquisition will be funded by a mix of approximately 86% cash and 14% shares. The number of shares issued will depend on the 10 day volume average weighted share price and exchange rate at the time of issue. The cash component will be funded from available cash and debt facilities.

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About Cardno: Cardno is a professional infrastructure services provider, delivering the specialist expertise necessary to develop and improve the physical and social infrastructure that underpins communities around the world. Cardno's team comprises 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.