

CARDNO ACCELERATES US EXPANSION PLANS

The Board of Directors of Cardno Limited (ASX: CDD) is pleased to announce the acquisition of WRG Design Inc, a US based consulting engineering firm comprising more than 350 staff in six US states for US\$28m. The acquisition demonstrates Cardno's commitment to expansion across North America and is expected to contribute US\$45m to Cardno's annual revenue.

WRG will provide Cardno with access to the US domestic consulting engineering market and closely follows Cardno's purchase of US based international development assistance specialist, Emerging Markets Group (EMG) in May 2007.

WRG offers physical infrastructure services in land use planning, civil engineering, water resources, sustainable development, survey and landscape architecture. Its head office is located in Portland, Oregon and the firm has a further five offices in the growth oriented states of Nevada, Arizona, California, Idaho and North Carolina.

"With WRG, Cardno has identified a business with the right cultural fit as it offers similar capabilities to our existing physical infrastructure services businesses in Australia and other countries. WRG also provides a great platform for further growth across North America," said Andrew Buckley, Managing Director of Cardno Limited.

"WRG has a sound client base, a solid 15 year history in commercial, retail and urban development and an established market share in this chosen area of specialty," added Mr Buckley.

The WRG and EMG acquisitions further Cardno's international diversification in both its physical and social infrastructure service business.

"Cardno is transforming into a global company. Over the past two years we have expanded our international presence to include operations in the United States, United Kingdom, Europe, Asia and the Middle East," said Mr Buckley.

As a result of Cardno's international expansion more than 50% of its staff will now be deployed or reside outside Australia.

Mr Buckley said the Cardno Board saw significant opportunities for further expansion within the United States. "Like Australia, the US market is highly fragmented and has a large number of successful medium sized firms with limited opportunities for ownership transition," Mr Buckley said.

He also noted that the significant size of the US market and the fact that the engineering sector is outperforming the rest of the US economy means there are considerable opportunities for Cardno to secure work and expand further.

Mr Buckley said WRG has been relatively insulated from the current economic conditions with revenue continuing to expand at a healthy rate of almost 20% this calendar year, as it predominately operates in regions with a healthy economic outlook.

WRG boasts a quality array of publicly-listed, private and government clients that span the commercial property, residential property and associated public infrastructure market. Its client list reads like a "who's who" of reputable US firms and includes: Home Depot and Lowes, the world's largest and second largest home improvement specialty retailers; Costco, a 510 store worldwide membership warehouse chain; and listed property developer D.R. Horton Inc, one of the largest builders of residences in the United States.

It is anticipated that Cardno's acquisition will have minimal effect on the day-to-day operations of WRG as key management will become Cardno shareholders and remain active in the company.

Darren Welborn, President of WRG believes the acquisition will help the business expand its service offering and realise its own growth ambitions.

"WRG is a high growth and profitable business and by combining with Cardno we will be able to expand organically and look to complement our existing discipline offering with targeted acquisitions," said Mr Welborn.

Mr Welborn said that Cardno and WRG have a lot in common.

"We already offer similar physical infrastructure services and have cultures committed to client service and growth," Mr Welborn said.

Cardno senior executive, Michael Renshaw, will relocate to Portland, Oregon on 1 July 2007 to head its US based holding company, Cardno USA Inc. Portland is also home to Cardno's long established water modelling software business, XP Software.

The WRG acquisition has been funded via an equal mix of cash and shares and will be EPS positive. The cash component has been funded from available cash and debt facilities.

With the WRG acquisition Cardno will employ more than 2,300 people internationally. The merger with WRG is Cardno's sixth acquisition this financial year and its 14th since its listing on the ASX in May 2004.

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Note: Photograph available on request

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 Securities Exchange [ASX: CDD]. www.cardno.com

About WRG: WRG Design is a multidisciplinary consulting firm offering land use planning, civil engineering, landscape architecture, survey, water resources and project management services. WRG's core expertise is private land development and typical projects include master planned communities, retail centres, industrial parks, office complexes, resorts and golf courses. Established in 1991, the company has grown rapidly to 350 staff across six cities in six states. www.wrgdesign.com