

ASX STATEMENT & MEDIA RELEASE

September 16, 2008

CARDNO ACQUIRES MAJOR US INFRASTRUCTURE SERVICES COMPANY

International infrastructure services group, Cardno Limited (ASX: CDD) today announced that it has acquired TBE Group Inc, a US based consulting engineering firm comprising 450 staff located in 32 offices across 19 US states as well as China, the UK and Canada.

The acquisition continues Cardno's commitment to international expansion and is expected to contribute fee revenue of around USD60 million and EBIT of around USD6.5 million annually and be earnings per share (EPS) accretive. The effective date for the acquisition is 15 September 2008.

Cardno will pay up to USD40.4 million for the purchase of TBE, with 15 percent of the purchase price subject to a performance based earn out. The earn out will be calculated based on the performance of TBE in the financial year ending June 30 2009, and if achieved will be paid in September 2009.

TBE has a blue chip client base, in excess of USD100 million of work in hand, and a solid 24 year history in servicing federal, state and municipal government projects.

The acquisition will provide Cardno with significant access to domestic US government infrastructure projects, particularly in the transportation sector.

TBE is a market leader in subsurface utility engineering – an advanced engineering and project management process which identifies the location of existing utility infrastructure prior to commencing design or construction of major infrastructure projects.

TBE primarily services transportation and municipal clients across the United States which account for more than 60 percent of its annual revenue. TBE's other services include civil and environmental engineering, land resumption coordination, construction services, project management, transportation design and highway safety audits.

Managing Director of Cardno Limited, Andrew Buckley, said TBE offers tremendous potential to cross-sell capabilities with Cardno's existing US based businesses and also with its major operations in Australia and other countries. It also continues Cardno's strategy of diversifying its skills base and markets.

"TBE's business culture and growth potential make it an ideal partner for further organic expansion across North America through providing major infrastructure consulting capability," said Mr Buckley.

While active across many US states, TBE's major offices are located in Florida, Arizona, Texas, Georgia, Nevada, New Jersey and New York. These locations are highly complementary with Cardno's existing operations in North America.

"Despite the slower US economy, demand for infrastructure services from TBE's key clients and geographic markets is expected to remain strong with the investment in transportation infrastructure in TBE's primary state markets reported to be around USD29 billion per year for the next three years," said Mr Buckley.

With this acquisition Cardno strengthens its position as a growing international business.

“Over the past three years we have expanded our international presence to include markets in the United States, the United Kingdom, New Zealand, Europe, Asia and the Middle East,” said Mr Buckley.

With the addition of TBE, Cardno will have 3,400 staff of whom half work outside Australia.

Following Cardno's normal strategy TBE's key management will become Cardno shareholders and remain active in the company.

Pat Beyer, President of TBE said the Cardno acquisition will help the business expand its service offering and realise its own growth ambitions.

“TBE is a growth orientated business. By combining with Cardno we will be able to expand further organically and consider targeted acquisitions,” said Mr Beyer.

“The potential synergistic benefits from our combined companies are enormous for staff, clients and financial performance.”

The TBE addition complements Cardno's existing US operations which include WRG Design (a civil engineering, land use planning, land survey and landscape architecture consultancy), Emerging Markets Group (an international development assistance specialist) and XP Software (a software engineering provider). Cardno's North American operations now have 750 staff.

The acquisition will be completed with an approximate mix of 80% cash and 20% shares and will be EPS accretive. The cash component will be funded from available cash and debt facilities with HSBC Bank Australia. It is estimated that around 1,861,627 shares will be issued at a price of AUD5.28. The final number of shares will be determined when the purchase price components are finalised. The earn out payable in twelve months will be an 80/20 mix of cash and shares with the share price based on the 10 day volume average weighted price at the end of June 2009.

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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 TBE: TBE is a professional engineering firm primarily servicing transportation and municipal clients across the United States. Founded in 1984 by the firm's President and CEO, Patrick (Pat) Beyer as Tampa Bay Engineering, the company now employs 450 staff across 32 offices. TBE's core services include subsurface utility engineering, construction engineering, transportation engineering, water resources, environmental and right-of-way services (land resumption). The company's head office is located in Tampa, Florida. www.tbegroup.com