

## ASX STATEMENT & MEDIA RELEASE

### CARDNO ACQUIRES U.S. ENVIRONMENTAL RISK CONSULTING FIRM

International infrastructure and environment services group, Cardno Limited (ASX: CDD) today announced the acquisition of ChemRisk, LLC (ChemRisk), a 95-person human health & environmental risk consulting firm headquartered in San Francisco, California, USA.

The acquisition is expected to contribute approximately US\$20 million in revenue and US\$6 million in EBITDA over the next twelve months. The acquisition will be earnings per share accretive in FY2013 and have an effective date of 1 December, 2012.

Cardno will pay up to US\$33.0 million for the purchase of ChemRisk, including an earn-out and deferred payment. Around eleven percent (11%) of the purchase price is subject to the achievement of performance targets over the next 12 months, with an additional nine percent (9%) of the purchase price deferred for 18 months.

With the addition of ChemRisk, Cardno expands its portfolio of consulting services in occupational health and safety, product sustainability, consumer product safety, and contaminated site evaluations. The firm works with clients around the globe to improve the health and safety of their products, operations, workers, the public and the environment. Their staff have diverse backgrounds in areas such as toxicology, industrial hygiene, epidemiology, ecotoxicology, environmental sciences, medicine, engineering, statistical analysis, and risk assessment.

Cardno Managing Director, Mr Andrew Buckley said the acquisition will provide Cardno with an international platform for environmental risk consulting. "We see many opportunities to leverage ChemRisk's capabilities with our international client base. Their services are complementary to our current infrastructure and environmental services. They will enable Cardno to offer clients a holistic assessment of their projects and associated impacts on human health and the environment," remarked Mr. Buckley.

Clients of ChemRisk include, among others, major product manufacturers such as Johnson & Johnson, John Crane, Ford Motor Company and Union Carbide Corporation.

ChemRisk specialises in understanding the hazards posed by chemicals in foods, soil, sediment, air, water, and medical devices. Dennis Paustenbach, President of ChemRisk, commented, "A partnership with Cardno, with around 7,500 multi-disciplinary employees working from over 270 offices worldwide, provides significant opportunities to expand our services to existing Cardno clients, as well as opportunities for our staff to grow their careers."

In line with Cardno's proven strategy, ChemRisk's key management will become Cardno shareholders and remain active leaders in the company. ChemRisk will be renamed Cardno ChemRisk.

The acquisition is funded by an approximate mix of 64% cash and 36% shares. Approximately 1,364,000 shares will be issued at a price of \$6.05897. The cash component will be funded from available cash and debt facilities. 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.

**-ENDS-**

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**About Cardno:** Cardno is an ASX 200 listed professional infrastructure and environmental services company, with specialist expertise in the development and improvement of physical and social infrastructure for communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects and community programs. Cardno is an international company, listed on the Australian Securities Exchange [ASX: CDD]. [www.cardno.com](http://www.cardno.com).