

CARDNO ACQUIRES WESTERN AUSTRALIAN CONSTRUCTION MATERIALS TESTING FIRM

International infrastructure services group, Cardno Limited (ASX: CDD), today announced the acquisition of Geotech Materials Testing Services Pty Ltd (Geotech), a 190 person construction materials testing (CMT) firm based in Western Australia.

The acquisition is expected to contribute around \$23 million revenue and at least \$5.3 million EBIT over the next 12 months. The acquisition will be earnings per share accretive in FY13 and has an effective date of 1 February 2013.

Cardno will pay up to \$26.7 million for the purchase of Geotech including an earn-out and deferred payment. Around 30% of the purchase price is subject to the achievement of performance targets over the next 12 months, with an additional 3% of the purchase price deferred for 24 months.

The acquisition of Geotech expands Cardno's CMT offering into Western Australia, which gives Cardno a strong national presence in this market sector.

Geotech commenced operating in 1993 and is headquartered in Bunbury. It has a training facility in Perth with multiple mobile laboratories providing construction materials testing services throughout Western Australia.

Geotech has developed a strong client base since its establishment. It services clients on major mining projects, LNG projects, and government infrastructure projects with more than 30 contracts supporting works for BHP Billiton, Rio Tinto and Fortescue Metals Group.

Geotech's flagship projects include the Gorgon, Wheatstone and Macedon LNG projects, many iron ore infrastructure projects in the Pilbara, the Argyle diamond mine and the Ord River irrigation scheme.

Cardno's Managing Director, Andrew Buckley, said that the acquisition of Geotech will allow Cardno to build on its current construction materials testing, geotechnical engineering, and environmental testing capabilities in Australia. He added "acquiring Geotech strengthens the Cardno Bowler Division and allows us to expand on the services we can provide to our existing Western Australian clients and increases our exposure to work in the mining and oil and gas markets in Western Australia".

Steve Pederick, the Managing Director of Geotech, will remain active in the company and will become a Cardno shareholder. He said that the Geotech team is looking forward to exploiting the significant growth opportunities which will become available to the business as a result of the acquisition by Cardno.

In line with Cardno's proven strategy, Geotech will be renamed Cardno Geotech.

The acquisition will be funded by an approximate mix of 75% cash and 25% shares. Around 650,000 shares will be issued at a price of \$6.91. The cash component will be funded from available cash reserves.

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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