

Crescent Capital Investments Pty Limited

ACN 604 704 298

19 October 2015

CARDNO BOARD NEGOTIATES AN INCREASE IN CRESCENT OFFER BY \$0.30 CENTS AND THE REMOVAL OF ALL REMAINING CONDITIONS. IN LIGHT OF THESE IMPROVED TERMS, THE CARDNO BOARD CHANGES ITS RECOMMENDATION ON CRESCENT'S TAKEOVER OFFER

As per Cardno's announcement on 19th October 2015, Crescent entered into an implementation agreement with Cardno (**Implementation Agreement**) on 18th October 2015 under which Crescent agreed to increase the offer price under its proportional offer to Cardno shareholders and waive all offer conditions (**Increased Unconditional Offer**).

Under the terms of the Implementation Agreement, Crescent has agreed to:

- increase its offer price from \$3.15 to an increased offer price of \$3.45 per share (**Increased Offer Price**). The Increased Offer Price is final subject to no competing offer emerging;
- declare its offer free from all unsatisfied conditions; and
- extend the offer period such that the offer period ends at 7:00pm (Sydney Time) on 2nd November 2015, with no further extension to the offer period subject to no competing offer emerging or unless required by the Corporations Act.

The parties have also agreed to facilitate a Board transition process under which, within 3 business days after the date on which Crescent (and its associates) have voting power in 30% or more of Cardno Shares:

- (a) 2 of the current Cardno directors will resign from the Cardno Board;
- (b) 4 new directors will be appointed to the Cardno Board (being 3 Crescent Directors and one new independent Director nominated by the Crescent Directors); and
- (c) a 3 month board transition period will commence during which John Marlay will remain as Chairman and, immediately after this period, John Marlay and the other remaining current Cardno directors (**Current Directors**) will resign if requested by Crescent. Crescent will procure that the Crescent Directors will at the time of the resignation of the Current Directors, appoint a further 3 independent non-executive directors such that the Cardno Board is constituted as 3 Crescent Directors, 4 independent non-executive Directors and the Cardno chief executive.

Crescent agreed to the above material improvements in the terms of its offer to Cardno shareholders following discussions with the Cardno Board, which also resulted in the Cardno Board changing its recommendation and no longer rejecting Crescent's offer.

Michael Alscher stated "*we appreciate the constructive way in which the Cardno Board has engaged in discussions with Crescent which has led to a superior outcome for shareholders than would otherwise have been the case. We further look forward to working more directly with Richard Wankmuller as the Cardno CEO and Managing Director and assisting in the creation of an even stronger Cardno for its shareholders and employees.*"

Crescent intends to lodge a supplementary bidder's statement where Cardno shareholders will be provided with reasons why they should accept the Increased Unconditional Offer, along with formal notice of the variation and extension, which will be lodged as soon as possible.