

## **ASX STATEMENT & MEDIA RELEASE**

**6 February 2012**

### **CARDNO ANNOUNCES MAJOR U.S. ENVIRONMENTAL ACQUISITION**

International infrastructure services consultancy, Cardno Limited (ASX: CDD) today announced that it has agreed to acquire ATC Associates Inc. ("ATC"), a Louisiana, U.S.A. based environmental services firm.

ATC Associates is a 1600 person consulting firm with specialist expertise in environmental consulting and services, building sciences, geotechnical engineering and construction materials testing (CMT).

The acquisition is expected to contribute approximately US\$130 million in revenue and US\$16 million in EBITDA over the next 12 months.

Cardno will pay US\$106 million for the purchase of ATC which includes payment of US\$101 million on settlement and a US\$5 million holdback to be paid in 18 month's. The transaction is expected to be effective 1 March 2012.

The acquisition of ATC will be funded through a A\$45 million Placement combined with a 1 for 9 Renounceable Rights Issue to existing shareholders which will raise an additional A\$66 million approximately.

The transaction is subject to customary closing conditions including approval of the Committee of Foreign Investment in the United States, due to a small amount of security level work for the U.S.A. Government. Approval is expected by the 14<sup>th</sup> February.

Cardno Managing Director, Andrew Buckley commented that in line with Cardno's proven strategy, ATC's key management will remain active in the company, which will be known as Cardno ATC.

Mr Buckley said the addition of Cardno ATC will further strengthen Cardno's exposure to the U.S.A. environmental and natural resources management market and is highly complementary to Cardno's existing businesses in the U.S.A. He further noted that this cements Cardno's position as one of the largest environmental consulting firms in the U.S.A.

Mr Buckley added that ATC will provide Cardno with broader access to key U.S.A. clients such as oil, gas and energy companies and major U.S.A. contractors and retail groups.

Integral to ATC's core strength and reputation has been the company's ability to successfully deliver a broad range of environmental services to major clients through multi-year master service agreements.

Mr Buckley said the acquisition offers strong potential to cross-sell capabilities with Cardno's existing U.S.A. based businesses.

He noted that with the addition of ATC, Cardno's staff numbers will grow to in excess of 6,200 worldwide, operating from over 250 offices.

Bobby Toups, President and CEO of ATC, commented, "Our staff are excited to join Cardno, which is a client-oriented firm like ATC. Our clients will see an immediate benefit from our ability to provide a broader range of integrated services and solutions, customised according to their requirements. This is an opportunity to provide our existing clients with access to additional expertise from a larger number of locations".

"We also see a great opportunity to offer ATC specialist skills to Cardno clients, particularly in the areas of building sciences and construction materials testing, Mr Toups said."

Cardno's Chairman, John Massey, said that "The acquisition of ATC provides further diversity of professional environmental services for Cardno and strengthens Cardno's strong base in the growing U.S.A. environmental market.

"Following our profit guidance announced on 19 January 2012 of NPAT in the range of A\$34 to A\$36 million for the half-year ending 31 December 2011, the Board is expecting generally improving conditions and ongoing organic growth. Combined with our other recently announced acquisitions, we anticipate a strengthening performance through to FY13. In addition, following our A\$111m capital raising, Cardno has the financial flexibility to pursue its organic growth and continue to fund its acquisition strategy globally," he said.

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