

CARDNO ACQUIRES U.S. MINING ENGINEERING AND CARBON CONSULTING FIRM

International infrastructure and environment services group, Cardno Limited (ASX: CDD) today announced the acquisition of Marshall Miller & Associates, Inc. (MM&A), a 180-person mining, energy and environmental consulting firm headquartered in Bluefield, Virginia, USA.

The acquisition is expected to contribute around US\$33 million in revenue and US\$5.5 million in EBITDA in FY13 and add 180 staff to Cardno's existing operations in the Americas. The acquisition will be earnings per share accretive in FY13 and have an effective date of 1 July 2012.

Cardno will pay up to US\$31 million for the purchase of MM&A. Around ten percent (10%) of the purchase price is subject to attainment of performance targets over the next 12 months with an additional nine percent (9%) of the purchase price deferred for 18 months.

MM&A brings to Cardno expertise in mining engineering, mine reserve evaluation, oil and gas exploration, feasibility studies and due diligence services for mining and resource projects. MM&A's energy related clients range from the U.S. Department of Energy (USDOE) to mining companies such as Alpha Natural Resources, Rey Resources, CNX Gas Company, Peabody, Asian American Coal, Cliffs Natural Resources, Rothschild, First Reserve Corporation, ESSAR Minerals Americas, ArcelorMittal and BHP Billiton.

Cardno Managing Director, Andrew Buckley said the acquisition will provide Cardno with new expertise in resources, mining engineering, carbon credits and energy consulting across a number of key international markets.

"With the addition of MM&A, Cardno can now offer clients specialist services in greenhouse gas inventorying, carbon sequestration and carbon off-set credit verification. Examples of innovative projects include the USDOE-sponsored carbon capture and sequestration project in Russell County, Virginia. These services are becoming increasingly critical to our clients in Australia and across various sectors globally." Mr Buckley added.

MM&A also complements Cardno's expertise in environmental remediation to the private and public sectors. Environmental clients of MM&A include: Norfolk Southern Railway, Metropolitan Airports Authority, Virginia Department of Transportation, Kansas City Southern Railway Company and the Department of Environmental Quality, Virginia.

Mr Buckley also noted that MM&A has worked on projects in 21 countries, including Australia, and that there is substantial opportunity to expand MM&A's services further into Australia and globally on the back of Cardno's extensive international footprint.

Scott Keim, President of MM&A, said that they were enthusiastic about joining Cardno because it will enable MM&A to strengthen services to new and existing clients, gain leverage from Cardno's existing disciplines, and work in new areas drawing on Cardno's broad geographic presence, particularly in Australia.

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

The acquisitions will be funded by an approximate mix of 91% cash and 9% shares. Around 284,000 shares will be issued at a price of \$7.53. 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.

Mr Buckley noted that following this acquisition Cardno's position remains strong and able to support further growth.

He added that the announcement follows last week's disclosure that Cardno Limited expects to report a Net Profit After Tax (NPAT) of between \$71 million and \$74 million for the year ending June 2012, an increase of 21% to 26% on the previous financial year NPAT of \$58.8m. Mr Buckley also noted that Cardno is in the process of finalising a smaller acquisition which is expected to be announced shortly.

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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