

## ASX Statement & Media Release

6 November 2015

### **CARDNO AND CRESCENT CAPITAL COMMENCE BOARD TRANSITION FOLLOWING CLOSE OF CRESCENT CAPITAL PROPORTIONAL OFFER**

Cardno Limited (**Cardno**) confirms today that its major shareholder, Crescent Capital and its associates (**Crescent**), has increased its shareholding from 19.67% to 40.9% as a result of its Proportional Takeover Offer (**Offer**) for one of every two Cardno shares held.

As previously announced, on 19 October 2015 Cardno and Crescent entered into an implementation agreement (**Agreement**) that included an agreed transition plan in relation to the future composition of the board in the event that Crescent and its associates obtained voting power of at least 30%.

The Agreement reflected the assessment of Cardno's current Board that the interests of shareholders were best served by giving Richard Wankmuller, Cardno's new CEO, the opportunity to implement the outcomes of the Strategic Review by removing the uncertainty created by the Offer which potentially could have extended for some period.

#### **Commitment to Good Governance**

"Both Crescent and the current Board are committed to improving business performance as quickly as possible and to providing management, employees and clients with the confidence that Cardno has both a clear strategy and a strong commitment to good governance," said Cardno Chairman, John Marlay.

Consistent with the Agreement, two current non-executive directors, Elizabeth Fessenden and Grant Murdoch, have elected to resign from the Cardno board effective today. One new independent Non-executive Director, nominated by Crescent will be appointed to the Board shortly. Three Crescent nominees, Michael Alscher, Nathaniel Thomson and Neville Buch will be appointed to the Board effective from today.

As of 6 November, the Board will therefore increase from six to seven directors, comprising three Crescent Directors, three independent non-executive directors, including the current Chairman, and the Managing Director. This Board, with John Marlay as Chairman, will remain in place for the next three months, subject to an additional independent Non-executive Director being added in the coming month.

At the end of the three month period the remaining three Cardno Non-executive Directors, including the Chairman, will resign and be replaced by an equivalent number of new independent Non-executive Directors.

Following the Board transition process, the Board will comprise of the Managing Director and CEO, Richard Wankmuller, four independent Non-executive Directors and three Crescent Directors.

"In negotiating the Agreement, Cardno's current directors were committed to ensuring that the new Board included sufficient independent directors to represent the interests of non-Crescent shareholders," said Mr Marlay. "At the same time we respect the right of Crescent, as a major shareholder, to be represented on the Board."

## **Implementation of Cardno's Strategy**

"With the Offer period behind us, Cardno, its Board, management team and employees must now put all their energy into maximising the underlying performance of the business. This will include starting to shift Cardno's focus to where the potential for profitable growth is greatest over the next three years," said Mr Marlay.

Michael Alscher, Crescent Capital's Managing Partner noted that he and his fellow Crescent nominees to the Cardno Board are committed to supporting management grow the business and look forward to collaboratively working with a renewed Cardno board and its management to drive value for all shareholders.

"We believe that Cardno is a great business with strong prospects of delivering improved performance in the future," he added.

**– ENDS –**

### **For further information, please contact:**

Ian Brown, FIRST Advisers (Media) - D: +61 2 8011 0352, M: +61 418 466 129

**About Cardno:** Cardno is an ASX200 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).