

## **ASX STATEMENT AND MEDIA RELEASE**

**5 July 2010**

### **CARDNO ANNOUNCES A\$49 MILLION FULLY UNDERWRITTEN RIGHTS ISSUE TO ASSIST FUNDING US ACQUISITIONS AND STRENGTHEN BALANCE SHEET**

Cardno Limited (ASX Code: CDD) has today launched a fully underwritten 1 for 6 renounceable rights issue to raise approximately A\$49 million.

The issue price under the Rights Issue is A\$3.25 per share; a 19% discount to the last closing price of Cardno shares on 30 June 2010 (A\$4.00 per share) and a 16.5% discount to the Theoretical Ex-Rights Price (A\$3.89 per share). The Rights Issue is fully underwritten by RBS Morgans Corporate Limited.

The proceeds from the Rights Issue will be used to assist in funding the acquisition of two major US based environmental consultancy firms, ENTRIX Holding Company and Environmental Resolutions, Inc (announced on 10 June 2010) and to strengthen Cardno's balance sheet.

Cardno's Chairman, John Massey, said that "The two US acquisitions provide further diversity of professional services for Cardno and strengthen Cardno's strong base in a growing US market. Both acquisitions will be earnings per share accretive in both FY10 and FY11."

"Following on from our profit guidance announced on 21 June 2010 of NPAT in the range of \$34 to \$36 million for the year ending 30 June 2010, the Board is expecting generally improving conditions and a return to organic growth. Combined with our recently announced acquisitions, we anticipate a strengthened performance in FY11. In addition, following the rights issue, Cardno has the financial flexibility to fund its organic growth and to pursue its acquisition strategy globally," he said.

#### **Rights Issue**

The Rights Issue will give existing eligible Cardno shareholders the opportunity to acquire 1 new Cardno share for every 6 existing Cardno shares held at 7.00pm on Tuesday 13 July 2010 ("Record Date") at the Issue Price of A\$3.25 per New Share. Eligible shareholders are those shareholders at the Record Date with a registered address in Australia, New Zealand or the United Kingdom.

The Rights Issue is renounceable, which means that rights may be traded on the ASX or otherwise transferred if shareholders do not wish to take up some or all of the new shares to which they are entitled. Shareholders who take up their full entitlement will be able to apply for additional shares at the same issue price, being A\$3.25 per share.\*

New Shares issued under the Rights Issue will rank equally with existing ordinary shares on issue and will be entitled to the final dividend payable in October 2010.

The timetable for the Rights Issue is outlined overleaf:

Announcement date	Monday 5 July 2010
708AA cleansing notice, Information Booklet and Appendix 3B lodged with ASX	Monday 5 July 2010
Shares quoted "ex-rights" and rights commence trading	Wednesday 7 July 2010
Record date (7:00pm AEST)	Tuesday a13 July 2010
Rights issue opens	Monday 19 July 2010
Rights trading ends	Monday 26 July 2010
New shares quoted on a deferred settlement basis	Tuesday 27 July 2010
Rights issue closes (5:00pm AEST)	Tuesday 3 August 2010
ASX notified of under-subscriptions	Friday 6 August 2010
Despatch date	Wednesday 11 August 2010
New shares expected to commence trading on a normal basis	Thursday 12 August 2010

*Dates and times are indicative only and subject to change without notice.*

Further details of the Rights Issue are included in the investor presentation and Information Booklet released to ASX and available on Cardno's website.

**– ENDS –**

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**About Cardno:** Cardno is an integrated professional services provider, delivering the specialist expertise necessary to create and improve the physical and social infrastructure that underpins communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects or community programs. Cardno is an international company, listed on the Australian Securities Exchange [ASX: CDD]. [www.cardno.com](http://www.cardno.com)