

**CARDNO MAKES STRATEGIC ACQUISITION OF UNDERGROUND SERVICES COMPANY**

International infrastructure services group, Cardno Limited (ASX: CDD) today announced the highly strategic acquisition of Australian Underground Services Pty Ltd (AUS), an Australian based utility detection and mapping services firm with around 30 staff based in Victoria.

AUS is expected to contribute revenue of around AU\$5 million to Cardno annually. Cardno will pay AU\$6.0 million for AUS on an enterprise value basis plus an earn out of up to AU\$1.0 million if calendar year profit targets are achieved. AUS is expected to deliver EBIT of around AU\$1.7 million for FY11. The effective date for the transaction will be 1 April 2010 and it is immediately earnings per share accretive.

AUS brings to Cardno a utility detection and mapping services business which undertakes services location through surface geophysical technologies, state of the art non-destructive vacuum excavation and data management services.

“Further developing our services locating business is a strategy that Cardno has been targeting since the acquisition of Cardno TBE in late 2008” said Cardno Managing Director, Andrew Buckley. “The acquisition of AUS will allow us to transfer our professional subsurface utility engineering (SUE) global expertise from Cardno TBE, based in Tampa Florida, to Australia and leverage off AUS’s existing client base. Cardno TBE has already successfully achieved this in Canada and the UK”.

Cardno believes that the Australian infrastructure market is ready for the introduction of SUE as a means of improving the accuracy of the utility information used for design and construction of physical infrastructure projects. It is documented that SUE will reduce costs and provide accountability through the certification of the location, identification and mapping of underground utilities prior to construction.

“We see AUS as a highly strategic partner to help drive the growth of SUE services in Australia and we are already looking to establish a presence in other Australian states”, said Mr Buckley.

AUS has developed a solid client base since commencing operations in January 2005, which includes state road authorities, national contractors and major engineering consulting firms.

Mr Buckley noted that Cardno is currently working with Standards Australia to introduce a standard for SUE services for Australia and New Zealand along the lines of the standards used in the US and Canada.

Scott Guy, Managing Director and founder of AUS, said the acquisition by Cardno will enable AUS to increase its service offering and be positioned to be the premier provider of SUE services for Australia.

The acquisition will be funded with an approximate mix of 75% cash and 25% shares. Initially, around 375,500 shares will be issued at a price of \$3.99477. The cash component will be funded from available cash reserves.

Mr Buckley said that Cardno's balance sheet remains strong following the acquisition and the company continues to focus its strategy to grow organically and by acquisition.

"We see further strategic opportunities for Cardno through our M&A pipeline this year," he said.

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**About Cardno:** Cardno is an integrated professional services provider, locally delivering the specialist advice necessary to create or improve the physical and social infrastructure that underpins communities around the world. Card no's team comprises leading advisers 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)