

**ASX STATEMENT & MEDIA RELEASE**

**14 October 2011**

**CARDNO ACQUIRES GEOTECHNICAL ENGINEERING AND TESTING COMPANY**

International infrastructure services group, Cardno Limited (ASX: CDD) today announced the acquisition of Geotech Solutions, a 22 person geotechnical engineering, environmental and construction materials testing firm based in Newcastle, New South Wales.

Geotech Solutions has been in operation since 2007 and services the Newcastle, Hunter Valley and Central Coast regions of New South Wales. The acquisition will further strengthen Cardno's presence in New South Wales and enhance its geotechnical engineering and construction materials testing capabilities.

The acquisition will add revenues of around \$2 million per annum and its earnings per share accretive in FY12.

The Managing Director of Cardno, Andrew Buckley, said that the acquisition of Geotech Solutions assists Cardno's commitment to expand the company's geotechnical engineering and construction materials testing capabilities. "Acquiring Geotech Solutions increases our exposure to work in the mining and infrastructure markets in and around the Hunter and Namoi regions of New South Wales", he added.

Geotech Solutions has developed a strong client base since commencing operations 5 years ago including major civil contractors, councils, the state road authority, the rail authority and resource companies.

James Young, Director and founder of Geotech Solutions, said they are enthusiastic about the acquisition by Cardno as it will bring the opportunity to continue the expansion of their services into broader markets. It will also allow Geotech Solutions to develop working relationships with the existing Cardno geotechnical and construction materials testing businesses, including the recently acquired Cardno Lane Piper.

The acquisition will be funded by an approximate mix of 75% cash and 25% shares. Around 60,000 shares will be issued at a price of \$4.68. 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 is well placed to continue its strategy to grow organically and by further acquisitions.

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