



MEDIA RELEASE

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CARDNO ACQUIRES EPELL OLSEN

Cardno Limited (ASX: CDD) has today announced the acquisition of consulting engineering firm Epell Olsen & Partners to add specialist traffic engineering and transportation planning services to its multi-disciplinary business.

To be renamed Cardno Epell Olsen, the acquisition is expected to contribute \$3.6 million in revenue for 2005/06 financial year and be EPS positive.

Epell Olsen & Partners was established in 1983 and currently employs around 30 staff in its Brisbane and Gold Coast offices. The company is renowned for its work in traffic engineering and transportation planning, including mobility and integrated planning. Both Cardno and Epell Olsen were award winners at the recent Engineers Australia Queensland Awards night.

Cardno Limited Managing Director Andrew Buckley said that Epell Olsen was a strategic fit adding the new dimension of traffic engineering and transportation planning to the existing Cardno business, and complementing Cardno's existing strength in transportation infrastructure design. The combined business offers important growth opportunities in traffic and transport by extending the geographic reach of Epell Olsen through Cardno's national and international offices.

"This merger will enable the Cardno group to offer the complete range of transportation services from strategic planning to detailed traffic engineering and infrastructure design at a time when government spending in the transport sector is at an all time high," Mr Buckley said.

"We expect to add further revenue by promoting Cardno Epell Olsen's specialist skills to our clients across Australia and overseas. Additionally, we expect Epell Olsen's front end work on traffic and transport projects to provide more opportunities to deliver Cardno's services."

The acquisition will be funded by a mix of cash and shares, and key shareholder staff of Epell Olsen will become shareholders in Cardno Limited. A special purpose prospectus was lodged with ASIC after the market closed on Friday, 5 August, covering the share component of the offer to Epell Olsen staff.

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About Cardno: Cardno Limited is a dynamic consulting engineering group with an operating track record extending over 60 years. Through organic growth and selected mergers and acquisitions, the firm now employs over 1200 people in 25 offices in Australia and the Asia-Pacific region. The Company's vision is to be a world class provider of engineering, environmental and management services and related information technology products, with an expanding regional and global profile. Cardno listed on the Australian Stock Exchange in May 2004.

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