



## **ASX AND MEDIA STATEMENT**

27 May 2005

### **Cardno announces major acquisition**

Consulting engineering company Cardno Ltd (ASX: CDD) has announced the \$35 million acquisition of the international professional services consultancy, ACIL Australia Pty Ltd.

ACIL is one of Australia's largest independent providers of international development consultancy, advisory and project management services. Its key clients include AusAID, the World Bank and Asian Development Bank. ACIL focuses on international development aid in six sectors, being health and HIV/AIDS, education, governance, law and justice, rural development and natural resource management.

Cardno Chairman Mr John Massey said "The goals and values of ACIL are compatible with those of Cardno and the acquisition provides further diversity of professional services income for Cardno and establishes a strong base for ongoing growth."

Cardno Managing Director Mr Andrew Buckley said "the ACIL acquisition will diversify the company's income stream and provide further protection against fluctuations in Australian economic cycles with greater international exposure".

"ACIL also brings to Cardno a second growth front in a new market sector and additionally gives us a strong senior executive team to help resource the implementation of those growth opportunities." he said.

Since listing on 20 May 2004 Cardno has upgraded its profit forecast twice, first in December 2004 and again last month. Cardno is now forecasting that the June 2005FY profit will approach \$7 million NPAT, nearly 40% up on the IPO prospectus forecast of just over \$5 million. The ACIL acquisition is a continuation of Cardno's growth strategy and will be earnings per share positive.

The acquisition will be funded through a renounceable rights issue of Convertible Notes. Under the issue, approximately 13.2 million Convertible Notes will be offered at an issue price of \$2.50 each to raise approximately \$33 million. The rights issue has been underwritten by ABN AMRO Morgans Corporate Limited.

The Convertible Notes carry a fixed interest rate of 9% per annum for a three year term and will be offered to Cardno shareholders on the basis of 4 convertible notes for every 11 ordinary shares held as at 6 June 2005. There is also a top up facility for Qualifying Shareholders to apply for additional Convertible Notes over and above their entitlement

Rights trading commences on 31 May 2005 and continues until 16 June 2005. The offer closes on 23 June 2005.

### **ENDS**

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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 650 people in 23 offices in Australia and the Asia-Pacific region (excluding ACIL). 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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