

## CRAWFORD INVESTS IN NEW PRODUCTION UNIT IN ROMANIA

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Cardo has decided to invest in a new production unit in Romania with the aim of further strengthening the competitiveness of the Door & Logistics Solutions division. As a consequence of the manufacturing optimization process the decision has also been made to close the production unit for docking equipment in Germany.

Cardo's Door & Logistics Solutions division, with its corporate brand Crawford, made extensive changes during 2005 and 2006. Efficiency increases in sales, service and production have resulted in positive effects in terms of enhanced growth and profitability. In order to further strengthen the division's competitiveness in the field of door and logistics solutions, Cardo's board has decided to invest in a new production unit in Romania.

"Within the strategic customer groups that Crawford targets, i.e. international companies in transport, logistics and retailing, we are seeing strong growth in the eastern parts of Europe. Our investment in Romania allows us to offer even better service and availability to these customers," says Peter Aru, Cardo's President and CEO.

The investment in Romania amounts to SEK 30 million. The production unit is expected to be in full operation from the end of 2007.

### CLOSURE OF PRODUCTION UNIT IN GERMANY

As a consequence of the manufacturing optimization process a decision has been made to close Crawford's production unit for docking equipment in Wennigsen, Germany. This means that approximately 80 people will be affected, and negotiations are now being started with employee representatives. The cost of closing the unit in Germany is estimated at approx. SEK 85 million, whereof approx. SEK 55 million relates to write-downs of fixed assets. The cost will be charged to the first quarter of 2007.

The close-down in Germany in combination with the investment in Romania is expected to give a positive annual effect of approximately SEK 45 million on the earnings of Door & Logistics Solutions as of 2008. The effect on earnings for 2007, excluding the above-mentioned cost of closure, is expected to be marginal.

"The above changes are positive in view of our ambition of having the lowest production costs in the industry. We are now concentrating Crawford's docking equipment production in three units: in Spain, Romania and China," says Peter Aru.

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*Cardo is an international industrial group with leading brands, offering solutions with quality products, a high level of service and great applications know-how to industrial customers. Operations are pursued in the group's divisions: Door & Logistics Solutions, Wastewater Technology Solutions, Pulp & Paper Solutions and Residential Garage Doors, which all enjoy strong positions in their respective markets. The group has approximately 5,800 employees in more than 30 countries and sales of approximately SEK 8.5 billion. The head office is situated in Malmö, Sweden.*