

Cardo refines its operations in the rail sector and makes net capital gain of approx. SEK 150 million.

Cardo has decided to concentrate its operations in the rail sector to the product areas currently covered by Cardo BSI Rail, in which Cardo has a 60-percent holding and Thyssen 40 percent.

The operations that lie outside Cardo BSI Rail are Tebel, which makes train doors, and the 25-percent shareholding in AAE Cargo in Switzerland. This company owns and leases out rail cars for freight transport.

Cardo has today transferred its entire shareholding in AAE Cargo to the Swiss principal shareholder AAE Ahaus Alstätter Eisenbahn Holding AG. This sale produces a capital gain of approximately SEK 235 million for the Cardo group.

Cardo will seek a new owner for Tebel. A sale of the company can probably not be realized at a price that is equivalent to its book value. Its assets will therefore be written down by about SEK 85 million.

This total effect of the refinement of operations in the rail sector is expected to bring a stated net gain of a one-off nature amounting to approximately SEK 150 million before tax, which is equivalent to slightly less than SEK 3 per share after tax.

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Cardo is an international engineering group with a turnover of approximately SEK 8 billion in 1997. Cardo holds a strong position in the markets for industrial and garage doors, pumps and rail-vehicle brake systems. Cardo has subsidiaries in about 30 countries with the focal point resting in western Europe, and roughly 7,500 employees. The head office is in Malmö, Sweden.