



PRESS RELEASE

Cardo buys remainder of Cardo Rail - preliminary agreement signed

Cardo AB has entered into a preliminary agreement with ThyssenKrupp on an acquisition of its 40-percent shareholding in Cardo BSI Rail AB. By means of the acquisition, Cardo will own 100 percent of the shares in the company.

Under the option agreement of 1997 previously applying, Cardo had the opportunity of acquiring the shares as of January 2000. The preliminary agreement involves Cardo taking over the shares as of December 31 1999 at a price of DEM 100 million. Among other things, the takeover is conditional upon the approval of the Swedish competition authority.

"In all essentials, Cardo Rail's successful restructuring program has now been implemented. Now that operating earnings are improving strongly, it is natural for Cardo to take over ThyssenKrupp's holding in the company," says Cardo's president and CEO Kjell Svensson.

For 1998, Cardo Rail showed operating earnings of SEK -12 million. During the first nine months of this year, operating earnings rose to SEK 118 million.

Next year, the acquisition is expected to have a marginally positive effect on Cardo group earnings after financial items. The group's equity ratio, which now amounts to approximately 38 percent, is expected to decrease by approximately 2.5 percentage points as a result of the acquisition.

Cardo Rail is a business area in the Cardo group and one of the world's largest manufacturers of brake systems and brake components for rail vehicles. Turnover amounts to approximately SEK 2.5 billion, and the number of employees stands at roughly 2,000. Marketing is conducted mainly under the SAB WABCO trademark.

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Cardo AB (publ)

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Cardo is an international engineering group with a turnover of more than SEK 9 billion. Cardo holds a strong position in the markets for doors, pumps and rail-vehicle brake systems. Cardo has subsidiaries in about 30 countries with the focal point resting in western Europe, and roughly 7,400 employees.