

## **Cardo Annual General Meeting**

At Cardo AB's annual general meeting today, the following members of the board were re-elected: Tuve Johannesson, Fredrik Lundberg, Lennart Nilsson, Bengt Pettersson, Anders Rydin, Melker Schörling and Kjell Svensson.

At the statutory meeting of the board after the annual general meeting, Fredrik Lundberg was appointed chairman and Lennart Nilsson vice chairman.

### **Dividend**

In accordance with the proposal put forward by the board of directors and president, the meeting declared a dividend of SEK 7.00 per share. Thursday, April 5 2001 was established as the day of record for dividend, and payment is expected to be distributed by VPC (the Swedish Securities Register Center) starting Tuesday, April 10 2001.

### **The president's address**

Cardo's president and CEO Kjell Svensson devoted most of his speech at the annual general meeting to Cardo's future and the focus on increased growth that today characterizes the group's operations.

"Our greatest challenge and main ambition is to increase Cardo's rate of growth. Since our introduction to the stock exchange in 1995, our annual sales growth has stood at 11 percent after adjustment for the effects of exchange rate movements. A good figure, but our growth rate in recent years has been lower than the average. This is something that we are going to change."

Cardo's growth target is an annual profitable sales growth of 15 percent. Approximately half is to come from acquisitions and the remainder is to be organic. The group is gradually increasing its activities in the aftermarket, where Cardo has its greatest potential for growth.

"What our products have in common is the very fact that our aftermarket share is considerable, both when it comes to spares and to service. Service also generates continuous contact with the customer, which in turn leads to increased sales of new products."

Door, which is the Cardo business area that went in for service early, is today clearly the leading player in Europe in service in its line of business. Its efforts in this field are continuing with the primary aim of increasing its service share for the more than one million industrial doors that Door has installed. There is still great growth potential here.

"At Door, we have so far achieved good growth in service, which today accounts for about a quarter of Door's turnover. The activities of recent years resulted in an increase in invoiced sales of 9 percent, which is good, and I see further potential to maintain a good rate of growth in service."

At Pump, service is being expanded by means of measures such as the establishment of local service centers and the acquisition of small service workshops. During the past year, this has occurred in Germany, the Republic of Ireland, Spain, Sweden and Finland, among other countries. More than half of Pump's turnover relates to products for water and wastewater, and this area is attracting great interest, not least when it comes to the aftermarket.

"The privatization of municipal and state-owned treatment works is leading to service and maintenance being contracted out to external suppliers to an ever increasing extent. This is generating greater growth potential for Pump, which today operates in about a hundred countries worldwide and is one of the leading suppliers of pumps and mixers for water supply and wastewater treatment."

Rail enjoys a good position as one of the three largest suppliers of brake systems in the Western world and is considered to have very good prospects of taking advantage of the expanding market.

"My assessment, like that of the entire rail industry, is that growth in the rail market in the years ahead will be 4 to 5 percent annually. We shall see a fairly large part of this growth in Europe, but the greater part will occur in Asia and there mainly in the metro segment."

An ongoing expansion and strengthening of Rail's aftermarket organization has given good results, including a doubling of Rail's turnover in the Nordic aftermarket last year.

"Today, we have a good recipe for success at Rail when it comes to improving growth in the aftermarket. Our strategically important local presence in most big European railway nations is also to our advantage."

Kjell Svensson summarized developments in 2000 as being thoroughly satisfactory. For the group as a whole, improvements were reported at all levels of earnings.

"When it comes to market prospects for the near future, we can see that both the USA and Europe are going to experience a slowdown. For Cardo's part, I am convinced that we will be capable of showing greater growth this year than that of the underlying market thanks to the efforts we have made.

#### **Financial information**

Cardo's first quarter interim report for 2001 will be published on May 4. The third quarter interim report for 2001 will be published on November 7, and not on November 6 as was previously announced.

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Cardo AB (publ)

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*Cardo is an international engineering group with a turnover of approximately SEK 9.8 billion in 2000. 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 8,000 employees.*