

## Cardo makes big investment in Sweden

**Cardo has decided to invest approximately SEK 70 million in an expansion of the Cardo Pump business area's production facility in Vadstena. This investment means that Cardo's pump manufacture in Sweden will be concentrated and its efficiency enhanced.**

The intention is for the business area's current pump production in Mölndal and in two plants in Vadstena to be concentrated in one unit in order to enhance efficiency and to improve customer service.

"The investment will help to increase competitiveness and in so doing allow us to secure a continued positive profitability trend for Cardo Pump in the longer term too," says Cardo's president and CEO Kjell Svensson.

The plans involve combining production at the three units at one production unit in Vadstena and closing the Mölndal plant during the first half of 2005. In order to be able to handle the total volume, approximately SEK 70 million will be invested in modernization and expansion of the plant in Kvarnbacken, one of the two facilities in Vadstena.

The plant in Mölndal and the two facilities in Vadstena have a total of about 220 employees, of whom roughly half are in Mölndal. Of the around 90 employees in Mölndal who may be affected by the operation being moved, as many as possible will be offered work in Vadstena.

The change involves plans to transfer certain central functions at Cardo Pump's office, today located at the unit in Mölndal, to Cardo's head office in Malmö.

Negotiations regarding the planned changes will be initiated in the near future under the Co-determination in the Workplace Act.

### **New business area head**

In connection with the discussions on the planned changes, an agreement has been entered into that involves Cardo Pump's business area manager Thomas Widstrand leaving his post.

Peter Aru has been appointed new head of the Cardo Pump business area and a member of Cardo's group management team. He comes from Besam, where he has been president since 1998. Peter was born in 1957 and holds a degree in engineering from Linköping Institute of Technology.

Peter Aru will take up his post in January 2004. In the meantime, Cardo's president and CEO Kjell Svensson will hold the position as head of Cardo Pump.

Malmö, Sweden, November 7 2003

Cardo AB (publ)

For further information, please contact:

Kjell Svensson, President and CEO, phone +46 40 35 04 53, +46 40 35 04 00

Christer Roskvist, Head of Public Relations, phone +46 40 35 04 25, +46 40 35 04 00

*Cardo is an international engineering group and a leading supplier of high-quality products and systems with a good aftermarket. Cardo holds strong positions in the markets for doors and pumps. Cardo has subsidiaries in about 30 countries with the focal point resting in western Europe.*