

Interim report, January - March 2010

- Inflow of orders: SEK 1,947 million (2,219)
- Net sales: SEK 1,728 million (2,138)
- Operating earnings: SEK 57 million (61)
- Net earnings: SEK 39 million (24)
- Cash flow from operating activities after tax: SEK 131 million (391)
- Earnings per share: SEK 1.44 (0.87)

Results in brief

SEK million unless otherwise stated	Quarter 1		
	2010	2009	Δ, % ¹⁾
Inflow of orders	1,947	2,219	-6
Net sales	1,728	2,138	-13
Operating earnings	57	61	
Operating margin, %	3.3	2.9	
Net earnings	39	24	
Earnings per share, SEK	1.44	0.87	

¹⁾ Adjusted for the effects of exchange rate movements.

President and CEO
Peter Aru

“Demand remained weak in Europe during the first quarter, while other markets showed a positive trend. The cold winter affected business activities in Europe during January and February. The level of activity improved in March. The inflow of orders for service was marginally lower than the previous year. We are continuing our expansion in Asia and during the quarter decided to establish a new production unit in China for the assembly of pumps and mixers, among other things. There remains uncertainty concerning the market trend.”

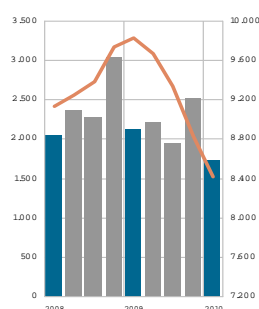
Key figures, Cardo group

SEK million unless otherwise stated	Quarter 1		Moving 12m	Full year
	2010	2009	April 2009- March 2010	2009
Net sales	1,728	2,138	8,415	8,825
Cost of goods sold	-1,182	-1,513	-5,718	-6,049
Gross earnings	546	625	2,697	2,776
Selling and administrative expenses	-489	-564	-2,167	-2,242
Operating earnings (EBIT)	57	61	525	529
Earnings after financial items	55	33	518	496
Net earnings	39	24	360	345
Return on capital employed,% ¹⁾	14.8	20.2	14.8	13.8
Earnings per share, SEK ²⁾	1.44	0.87	13.35	12.78
Average number of shares, thousands ²⁾	27,000	27,000	27,000	27,000

1) Based on moving 12-month totals.

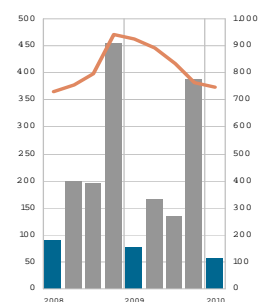
2) There are no dilution effects.

Net sales/quarter, SEK M¹⁾



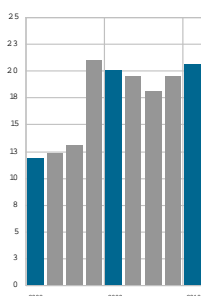
Operating earnings/quarter, SEK M¹⁾

Exclusive of items affecting comparability.



Return on capital employed/quarter, %

The values relate to moving 12-month totals and exclude items affecting comparability.



1) The line graph relates to moving 12-month totals.

First quarter 2010

During the first quarter, the inflow of orders amounted to SEK 1,947 million (2,219), down 6% after adjustment for the effects of exchange rate movements. Demand remained weak in Europe during the first quarter, while other markets showed a positive trend.

Net sales amounted to SEK 1,728 million (2,138), down 13% adjusted for the effects of exchange rate movements.

Operating earnings amounted to SEK 57 million (61).

Liquidity and financing

At March 31, the Group's cash and cash equivalents amounted to SEK 270 million (282) as against SEK 434 million at the beginning of the year. In addition, there are unutilized credit facilities of approximately SEK 2.7 billion (approximately 2.2).

The Group's gross investments amounted to SEK 27 million (22).

Net interest bearing debt at March 31 amounted to SEK 74 million (810).

Equity amounted to SEK 2,901 million (3,113), which is equivalent to SEK 107.44 (115.30) per share. Negative translation differences account for the entire decrease. At March 31, the Group's equity ratio was 56.7% (49.7).

Parent company

The parent company's earnings after financial items amounted to SEK -12 million (-12), gross investments to SEK 0 million (0) and cash and cash equivalents to SEK 0 million (0). The income statement and balance sheet of the parent company are presented in brief on page 15.

Personnel

The average number of employees in the Group was 5,351 (5,883).



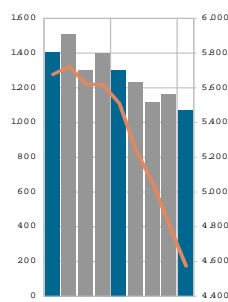
Cardo Entrance Solutions

Cardo Entrance Solutions is a division in which great changes are taking place. Its focus is on increasing customer benefit by creating complete solutions that include service for customers in, among other sectors, the logistics industry. The division also manufactures and sells garage doors for the consumer market.

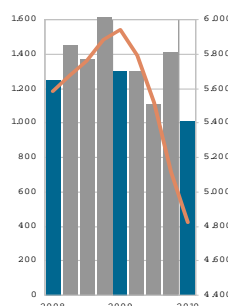
SEK million unless otherwise stated	Quarter 1		
	2010	2009	Δ, % ¹⁾
Inflow of orders	1,071	1,299	-11
Net sales	1,006	1,300	-17
Operating earnings	58	65	
Operating margin, %	5.8	5.0	

1) Adjusted for the effects of exchange rate movements.

Inflow of orders/quarter, SEK M¹⁾

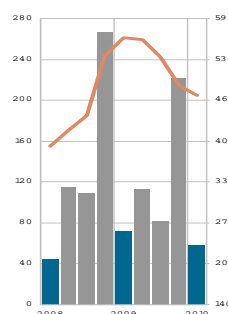


Net sales/quarter, SEK M¹⁾



Operating earnings/quarter, SEK M¹⁾

Exclusive of items affecting comparability.



1) The line graph relates to moving 12-month totals.

Significant events

- Two-year service agreement in Germany with an estimated value of SEK 25 million

First quarter 2010

The inflow of orders amounted to SEK 1,071 million (1,299), down 11% on the previous year adjusted for the effects of exchange rate movements. Demand remained weak in most markets except for North America. The Airports & Shipyards segment continued to develop well, and service sales were on a par with the previous year. The inflow of orders fell in the consumer-related business.

Net sales amounted to SEK 1,006 million (1,300), down 17% adjusted for the effects of exchange rate movements.

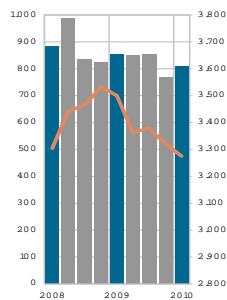
Operating earnings amounted to SEK 58 million (65). Lower volume had an adverse effect on operating earnings. The operating margin for the industrial business improved compared with the corresponding period the previous year.



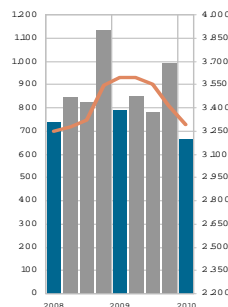
Cardo Flow Solutions

Cardo Flow Solutions is highly suited to meeting several of the major global challenges. The division focuses on clean water and sells to the public sector, global companies operating in the field of wastewater treatment, the pulp and paper industry, other industries and local construction companies.

Inflow of orders/quarter, SEK M¹⁾

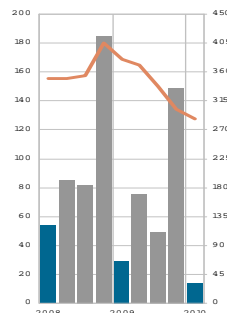


Net sales/quarter, SEK M¹⁾



Operating earnings/quarter, SEK M¹⁾

Exclusive of items affecting comparability.



1) The line graph relates to moving 12-month totals.

SEK million unless otherwise stated	Quarter 1		
	2010	2009	Δ, % ¹⁾
Inflow of orders	809	853	0
Net sales	667	791	-10
Operating earnings	14	27	
Operating margin, %	2.0	3.5	

1) Adjusted for the effects of exchange rate movements.

Significant events

- Order in USA worth SEK 4 million for equipment for treatment plant
- Orders in Spain with a total value of SEK 10 million for equipment for treatment plants
- Decision to establish a new production unit in China

First quarter 2010

The inflow of orders amounted to SEK 809 million (853), which is unchanged compared with the previous year adjusted for the effects of exchange rate movements. During the first quarter, demand remained low in western Europe and North America. Other markets showed a positive trend.

Net sales amounted to SEK 667 million (791), down 10% adjusted for the effects of exchange rate movements.

Operating earnings amounted to SEK 14 million (27). A lower volume had an adverse effect on operating earnings.



Cardo is a world-leading supplier of industrial doors and logistics systems, wastewater treatment systems, process equipment for the pulp and paper industry and garage doors. With sales of SEK 9 billion and approximately 5,400 employees worldwide, Cardo delivers solutions that help to solve some of the toughest challenges of our time in the fields of water, transportation and energy. Corporate headquarters are located in Malmö, Sweden.

Other matters

Other operation

Other operation includes Lorentzen & Wettre, which sells measuring instruments to the pulp and paper industry. The inflow of orders amounted to SEK 67 million (67), up 8% on the previous year adjusted for the effects of exchange rate movements. Demand remained low in western Europe, while other markets showed a positive trend.

SEK million unless otherwise stated	Quarter 1		
	2010	2009	Δ, % ¹⁾
Inflow of orders	67	67	8
Net sales	55	47	24
Operating earnings	-1	-15	
Operating margin, %	-1.3	-31.9	

1) Adjusted for the effects of exchange rate movements.

Risks and uncertainties

As an international group, Cardo is exposed to various risks that can affect its potential for achieving its stated aims. These risks include operational risks, such as the risk of not being able to fully pass on price rises for raw materials and other input goods to the customers, the risk of the competitive situation otherwise affecting price levels and sales volumes and the risk of the state of the economy not being stable in the markets in which the Group operates. They also include financial risks, such as currency risks, interest-rate risks, financing risks and credit risks. The above-mentioned risks and how Cardo acts to manage these risks are described in greater detail in the 2009 annual report on pages 46 - 50 and in the report of the Board of Directors on page 55. No significant risks in addition to those described in the annual report are judged to have arisen.

Accounting principles

This interim report has been drawn up in accordance with IFRS, applying IAS 34 Interim Financial Reporting. A number of changes to IFRS are effective as of January 1 2010. These include IFRS3R Business Combinations and IAS27R Consolidated and Separate Financial Statements, which relate to accounting for acquisitions and changes in participating interest. These changes have no effect on historical figures, but only on any future acquisitions or ownership changes in subsidiaries and in those cases primarily on the size of goodwill reported. None of the other changes in IFRS or statements from IFRIC have any effect on Cardo's financial reporting.

As has been announced previously, Cardo is coordinating its operations in the divisions Cardo Entrance Solutions and Cardo Flow Solutions. Historical comparative information for full years and quarters in respect of 2008 and 2009 is available on Cardo's website.

The format for the cash flow statement has been changed by moving financial items from “Cash flow from operating activities” to “Cash flow from financing activities” in order to achieve conformity with how the cash flow is followed up internally.

Seasonal variations

Cardo normally has its lowest net sales and operating earnings in the first quarter, while the fourth quarter sees the highest net sales and operating earnings. The reason for this is the customers’ purchasing pattern, where many deliveries occur during the fall and many projects are completed at the end of the year. Sales of service and spares are more evenly distributed across the year.

Malmö, Sweden, May 4 2010
Cardo AB (publ)

Peter Aru
President

Invitation to conference call today May 4 at 10.00 a.m.

Cardo's President and CEO Peter Aru will comment on the interim report during a conference call today at 10.00 a.m. Notification of intention to take part may be made at www.financialhearings.com or via e-mail to hearing@financialhearings.com. It will be possible to take part and ask questions via telephone number +46 (0)8 5051 3641. The conference may also be followed via a webcast at www.cardo.com or www.financialhearings.com, where you will also be able to listen and see the presentation slides afterwards. The conference will be held in Swedish.

Financial calendar 2010

August 13, Interim Report January – June

November 12, Interim Report January – September

This report has not been subjected to special examination by the Company's auditors.

For further information, please contact:

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The annual report, quarterly reports and other information on Cardo may be requested on Cardo's website at www.cardo.com. This information may also be requested from Cardo AB, Communications & Investor Relations, Box 486, SE-201 24 Malmö, Sweden, or by telephone on +46 10 4747 000, fax +46 40 97 64 40 or e-mail to info@cardo.com

This information is such that Cardo must publish under the Swedish Securities Market Act and/or Financial Instruments Trading Act. The information was submitted for publication on
May 4 2010 at 8.30 a.m.

Financial reports

1. Income statement in brief
2. Statement of comprehensive income
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5. Equity
6. Consolidated statement of cash flows in brief
7. Change in net interest bearing debt
8. Group financial summary – multi-year review – January-March
9. Group financial summary – multi-year review – full year
10. Parent company income statement in brief
11. Parent company balance sheet in brief

Income statement in brief

SEK M	Quarter 1		April 2009 - March 2010	Full year 2009
	2010	2009		
Net sales	1,728	2,138	8,415	8,825
Cost of goods sold	-1,182	-1,513	-5,718	-6,049
Gross earnings	546	625	2,697	2,776
Selling and administrative expenses	-489	-564	-2,167	-2,242
Other operating income and operating expenses - net	-	-	-5	-5
Operating earnings¹⁾	57	61	525	529
Revaluation financial instruments	3	-3	33	27
Financial items	-5	-25	-40	-60
Earnings after financial items	55	33	518	496
Tax	-16	-9	-158	-151
Net earnings for the period	39	24	360	345
Earnings per share SEK ²⁾	1.44	0.87	13.35	12.78
Average number of shares, thousands ²⁾	27,000	27,000	27,000	27,000

1) Operating earnings have been charged with depreciation and amortization amounting to

46	52	213	219
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2) There are no dilution effects on outstanding shares.

Statement of comprehensive income

SEK M	Quarter 1		April 2009 - March 2010	Full year 2009
	2010	2009		
Net earnings for the period	39	24	360	345
Translation differences	-152	47	-329	-130
Comprehensive income	-113	71	31	215

Inflow of orders, net sales, operating income and operating margin by division

SEK M	Quarter 1		April 2009 - March 2010	Full year 2009
	2010	2009		
Inflow of orders				
Cardo Entrance Solutions	1,071	1,299	4,579	4,807
Cardo Flow Solutions	809	853	3,277	3,321
Other operation ¹⁾	67	67	296	296
Group	1,947	2,219	8,152	8,424
Net sales				
Cardo Entrance Solutions	1,006	1,300	4,824	5,118
Cardo Flow Solutions	667	791	3,290	3,414
Other operation ¹⁾	55	47	301	293
Group	1,728	2,138	8,415	8,825
Operating earnings				
Cardo Entrance Solutions	58	65	323	330
Cardo Flow Solutions	14	27	217	231
Other operation ¹⁾	-1	-15	46	32
Central costs ²⁾	-14	-16	-62	-64
Group	57	61	525	529
Operating margin				
Cardo Entrance Solutions	5.8%	5.0%	6.7%	6.4%
Cardo Flow Solutions	2.0%	3.5%	6.6%	6.8%
Other operation ¹⁾	-1.3%	-31.9%	15.4%	10.9%
Group	3.3%	2.9%	6.2%	6.0%

¹⁾ Measuring instruments business, Lorentzen & Wettre.

²⁾ Made up of the parent company, other central units and Group adjustments.

Consolidated balance sheet in brief

SEK M	03-31-10	12-31-09
Assets		
Intangible assets	957	1,011
Plant, property and equipment	790	829
Financial assets	320	320
Inventories	964	938
Current receivables	1,811	2,054
Cash and cash equivalents	270	434
Total assets	5,112	5,586
Equity and liabilities		
Equity	2,901	3,014
Non-current interest bearing liabilities and provisions	132	139
Non-current non-interest bearing provisions	97	91
Current interest bearing liabilities	236	481
Current non-interest bearing liabilities and provisions	1,746	1,861
Total equity and liabilities	5,112	5,586
Contingent liabilities	58	70

Equity

SEK M	03-31-10	03-31-09
Opening balance as at January 1	3,014	3,042
Comprehensive income for the period	-113	71
Closing balance as at March 31	2,901	3,113

Consolidated statement of cash flows in brief

SEK M	Quarter 1	
	2010	2009
Operating earnings	57	61
Depreciation, amortization, other items without effect on cash flow and change in non-interest bearing provisions	29	58
Cash flow from operating activities before change in working capital	86	119
Change in working capital	103	364
Cash flow from operating activities before tax	189	483
Tax paid	-58	-92
Cash flow from operating activities after tax	131	391
Investments in intangible assets and property, plant and equipment	-27	-22
Disposal of intangible assets and property, plant and equipment	4	-
Change in non-current receivables	1	-
Change in interest bearing receivables	-2	1
Cash flow from investing activities, continuing operations	-24	-21
Cash flow from investing activities, discontinuing operation	-	-14
Cash flow from investing activities, total	-24	-35
Change in interest bearing provisions and liabilities	-262	-426
Received and paid financial items	-6	-25
Cash flow from financing activities	-268	-451
Net cash flow effect on cash and cash equivalents	-161	-95

Change in net interest bearing debt

SEK M	CASH AND CASH EQUIVALENTS	INTEREST BEARING RECEIVABLES, PROVISIONS AND LIABILITIES, NET		NET INTEREST BEARING DEBT
Opening balance as at January 1	434	-598		-164
Cash flow for the period	-161	264		103
Translation differences	-3	-11		-14
Closing balance as at March 31	270	-345		-75

Group financial summary - multi-year review - January-March ¹⁾

Amounts in SEK million unless otherwise stated	January-March				
	2010	2009	2008	2007	2006
Net sales	1,728	2,138	2,049	2,015	1,752
Operating earnings	57	61	90	21	36
Earnings after financial items	55	33	77	3	30
Operating margin, %	3.3	2.9	4.4	1.0	2.1
Profit margin, %	3.2	1.5	3.8	0.1	1.7
Interest cover, times	8.2	2.5	5.1	1.2	5.0
Investments, gross	27	22	46	41	39
Cash flow from operating activities after tax	131	391	64	124	118
Degree of self-financing, %	485	1,777	139	302	303
Non-current assets	2,067	2,394	2,180	2,484	2,527
Current assets	3,045	3,874	4,070	3,763	3,305
Total assets	5,112	6,268	6,250	6,247	5,832
Equity	2,901	3,113	2,959	3,031	2,957
Interest bearing provisions and liabilities	368	1,123	1,364	1,230	999
Non-interest bearing provisions and liabilities	1,843	2,032	1,927	1,986	1,876
Average capital employed	3,814	4,356	4,354	4,091	3,654
Net interest bearing debt	74	810	1,095	982	795
Turnover of capital employed, times	2.21	2.26	2.08	2.09	2.13
Return on capital employed, %	14.8	20.2	11.9	14.4	7.9
Return on equity, %	12.2	17.2	7.5	12.8	6.2
Equity ratio, %	56.7	49.7	47.3	48.7	50.7
Debt/equity ratio, times	0.1	0.4	0.5	0.4	0.3
Net debt/equity ratio, times	0.0	0.3	0.4	0.3	0.3
Average number of employees	5,351	5,883	6,221	5,938	5,597
Per share data					
Earnings after tax, SEK ²⁾	1.44	0.87	1.73	0.00	0.87
Dividend for the financial year, SEK	-	-	-	-	-
Equity (net worth), SEK	107.44	115.30	98.64	101.03	98.57
Cash flow from operating activities after tax, SEK	4.85	14.48	2.13	4.13	3.93
Average number of shares, thousands	27,000	27,000	30,000	30,000	30,000

¹⁾ In order to achieve comparability, historical data have been adjusted for discontinued operation, new allocation of costs and corrected errors.

²⁾ Also includes discontinued operation.

Group financial summary - multi-year review - full year ¹⁾

Amounts in SEK million unless otherwise stated	Full year				
	2009	2008	2007	2006	2005
Net sales	8,825	9,742	9,051	8,304	7,630
Operating earnings	529	941	426	572	250
Earnings after financial items	496	825	355	532	221
Operating margin, %	6.0	9.7	4.7	6.9	3.3
Profit margin, %	5.6	8.5	3.9	6.4	2.9
Interest cover, times	8.9	10.0	5.6	12.1	8.2
Investments, gross	127	167	227	164	250
Cash flow from operating activities after tax	1,416	1,095	477	227	243
Degree of self-financing, %	1,114	656	210	138	97
Non-current assets	2,160	2,393	2,262	2,451	2,331
Current assets	3,426	4,388	4,175	3,627	3,211
Total assets	5,586	6,781	6,437	6,078	5,542
Equity	3,014	3,042	2,932	2,957	2,935
Interest bearing provisions and liabilities	620	1,494	1,426	1,223	731
Non-interest bearing provisions and liabilities	1,952	2,245	2,079	1,898	1,876
Average capital employed	4,067	4,359	4,327	3,972	3,537
Net interest bearing debt	164	1,098	1,134	1,023	554
Turnover of capital employed, times	2.17	2.23	2.09	2.09	2.16
Return on capital employed, %	13.8	21.0	10.0	14.6	7.0
Return on equity, %	11.5	18.4	5.7	13.3	5.4
Equity ratio, %	54.0	44.9	45.6	48.7	53.0
Debt/equity ratio, times	0.2	0.5	0.5	0.4	0.2
Net debt/equity ratio, times	0.1	0.4	0.4	0.3	0.2
Average number of employees	5,599	6,011	5,919	5,778	5,698
Per share data					
Earnings after tax, SEK ²⁾	12.78	18.10	5.67	12.43	4.91
Dividend for the financial year, SEK	9.00	9.00	9.00	9.00	8.00
Equity (net worth), SEK	111.63	112.67	97.75	98.58	97.83
Cash flow from operating activities after tax, SEK	52.44	38.15	15.90	7.57	8.10
Average number of shares, thousands	27,000	28,703	30,000	30,000	30,000

¹⁾ In order to achieve comparability, historical data have been adjusted for discontinued operation, new allocation of costs and corrected errors.

²⁾ Also includes discontinued operation.

Parent company income statement in brief

SEK M	Quarter 1	
	2010	2009
Operating income	-	-
Administrative expenses	-11	-12
Operating earnings	-11	-12
Financial items ¹⁾	-1	-
Earnings after financial items	-12	-12
Tax	3	3
Net earnings for the period	-9	-9

¹⁾ Whereof 0 (0) relates to dividend from subsidiaries for January-March.

Parent company balance sheet in brief

SEK M	03-31-10	12-31-09
Assets		
Plant, property and equipment	2	2
Financial assets	2,289	2,286
Current receivables	33	148
Total assets	2,324	2,436
Equity and liabilities		
Equity	2,180	2,189
Untaxed reserves	-	-
Non-current interest bearing liabilities and provisions	6	6
Current interest bearing liabilities	123	223
Current non-interest bearing liabilities and provisions	15	18
Total equity and liabilities	2,324	2,436