

## Capital Market Day

### Cardo meeting the global challenges of the future

The development of Cardo into a customer-oriented and innovative industrial group is continuing. The Company's direction with an increased element of global customers, service and value-adding solutions has proved successful. This was declared by Peter Aru at a well-attended Capital Market Day in Stockholm today.

"The targets that were set up for the Group's business-to-business divisions in 2005 were achieved in 2008. During 2009, Cardo succeeded in changing its product and market mix in a very difficult market situation and having also adopted economy measures has succeeded in further strengthening its operating margin during the first nine months of 2010," said Peter Aru, Cardo's President and CEO.

Cardo has the bulk of its sales in Europe, but is expanding in new emerging markets. Operations target large international or national returning customers. The extensive service needs of customers are central and create a significant aftermarket that today accounts for 38% of Group sales. Most of the operations are based on similar business logic: critical applications, focus on complete solutions and service for selected growth segments.

"Today, we have a strong and more coordinated company that better exploits the synergies that are possible within the Group. Our presence in emerging markets such as China is being strengthened by, among other things, a new manufacturing plant. We have exciting developments ahead of us with products and solutions that meet some of the greatest global challenges of our time such as an increased need for clean water, efficient transportation and reduced energy consumption," declares Peter Aru.

During 2010, Cardo has coordinated its operations in three divisions. The business and markets of the two largest divisions were presented in more detail during the Capital Market Day.

#### Cardo Entrance Solutions

Cardo's largest division, Cardo Entrance Solutions, manufactures and sells complete door, docking and service solutions for customers in sectors that include transportation, logistics, the aircraft industry, manufacturing and retail. In addition, the division has one of Europe's largest ranges of garage doors for the consumer market. Ove Bergkvist, head of the division, described a market in which industrial customers are increasingly focusing on complete solutions that include service and energy optimization.

**Cardo is 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 slightly more than SEK 8 billion and approximately 5.400 employees worldwide, Cardo delivers solutions that help to solve some of the greatest challenges of our time in the fields of water, transportation and energy. Corporate headquarters are located in Malmö, Sweden.**

Furthermore, Ove Bergkvist observed that it has been a challenging year, but that target-oriented efforts to focus on profitable customer segments and improve the efficiency of the operation have had a positive effect on the operating margin.

### Cardo Flow Solutions

The Cardo Flow Solutions division focuses on solutions in the field of wastewater treatment and handling, and Peter Aru, head of the division, accounted for a positive earnings trend and emphasized the great potential that exists in the markets in which the Company operates. Urbanization and population growth are sharpening the focus on the global climate issue and environmental legislation and there is an ever increasing need for clean water and investment in infrastructure.

### New financial targets and dividend policy

Organic growth*	> 6 %
Operating margin	> 10 %
Return on capital employed	> 20 %
Net debt/equity ratio	< 1.0 times
Dividend policy (net earnings for the year after tax)	> 50 %

\* At comparable rates of exchange, incl. price and volume

Apart from the dividend policy and net debt/equity ratio, the financial targets are to be achieved over a business cycle.

The overall message to the analysts, investors and journalists who attended the Capital Market Day was that Cardo is continuing to make its operations more efficient, develop new products and solutions and focus on growing in new markets. Good market positions and financial strength provide conditions for Cardo's continued success.

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