

## Statement by the Board of Directors of Cardo in relation to the public offer by ASSA ABLOY

The Board of Directors of Cardo unanimously recommends the shareholders to accept the public offer by ASSA ABLOY<sup>1</sup>

### Background

This statement is made by the Board of Directors (the "Board") of Cardo AB (publ) ("Cardo" or the "Company") pursuant to section II.19 of the rules concerning public takeover offers on the stock market adopted by NASDAQ OMX Stockholm (the "Takeover Rules").

ASSA ABLOY AB ("ASSA ABLOY") has today, on 13 December 2010, announced a public offer to the shareholders of Cardo to transfer all of their shares in Cardo to ASSA ABLOY (the "Offer"). ASSA ABLOY offers SEK 420 in cash per share in Cardo. The Offer values all outstanding shares in Cardo to approximately SEK 11.3 billion. The Offer is conditional only upon all necessary regulatory, governmental or other similar clearances, approvals and decisions to consummate the Offer, including approvals and clearances from competition authorities, being obtained, in each case on terms which, in ASSA ABLOY's opinion, are acceptable. According to the indicative timetable set out in the press release through which the Offer was announced (the "Offer Press Release") the acceptance period is expected to commence on 4 February and end on 25 February 2011. Settlement is expected to commence on 7 March 2011.

According to the Offer Press Release, the majority of the major shareholders in Cardo, among others L E Lundbergföretagen AB (publ) ("L E Lundbergföretagen"), together holding 17,162,400 shares in Cardo, corresponding to approximately 63.6 per cent of the shares in the Company, have entered into agreements with ASSA ABLOY to sell their shares in Cardo to ASSA ABLOY for SEK 420 in cash per share. The sales are, like the Offer, conditional upon necessary approvals being obtained from the relevant competition authorities. Due to ASSA ABLOY's above mentioned agreement with L E Lundbergföretagen, the Chairman of the Board, Fredrik Lundberg, and board members Ulf Lundahl and Katarina Martinson have not participated in the Board's handling of or resolutions regarding the Offer, since they cannot be considered independent of L E Lundbergföretagen.

For further information about the Offer, reference is made to ASSA ABLOY's press release which was made public earlier today.

As a part of the Board's evaluation of the Offer, the Board has engaged Mannheimer Swartling as legal advisor.

### The Board's recommendation

The Board's statement is based on an assessment of a number of factors that the Board has considered relevant to the evaluation of the Offer. These factors include, but are not limited to, the Company's present position, the expected future development of the Company and thereto related possibilities and risks.

**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 SEK 9 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.**

The Board has noted that the price per share offered by ASSA ABLOY represents a significant premium of approximately 57 per cent compared to Cardo's volume weighted average share price on NASDAQ OMX Stockholm during the last three months, up to and including 10 December 2010 (i.e. the last trading day prior to the announcement of the Offer), of approximately SEK 267 per share. Compared to the closing price on NASDAQ OMX Stockholm on 10 December 2010 (i.e. the last trading day prior to the announcement of the Offer) of SEK 283 per share in Cardo, the Offer represents a premium of approximately 48 per cent. The price per share of SEK 420 offered by ASSA ABLOY also represents a significant premium compared to the price of the Cardo share during a longer period of time than three months prior to the announcement of the Offer.

Under the Takeover Rules, the Board must also set out its views on the impact the completion of the Offer may have on Cardo, especially employment, and its views on ASSA ABLOY's strategic plans for Cardo and the impact these could be expected to have on employment and on Cardo's business locations. In this respect, the Board notes that ASSA ABLOY has stated that it anticipates limited effects as a result of completion of the Offer and ASSA ABLOY's strategic plans for the employees of Cardo and their terms of employment as well as the Company's operations at locations where Cardo conducts business. The Board assumes that this statement is correct and has in relevant respects no reason to have a different view.

On this basis, the Board of Cardo unanimously recommends the shareholders of Cardo to accept the Offer.<sup>3</sup>

Malmö den 13 December 2010  
Cardo AB (publ)  
The Board of Directors

*For further information, please contact:*

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<sup>1</sup> Since the Chairman of the Board, Fredrik Lundberg, and board members Ulf Lundahl and Katarina Martinson cannot be considered independent of L E Lundbergföretagen, they have not participated in the Board's handling of or resolutions regarding the Offer.

<sup>2</sup> Based on 27,000,000 outstanding shares, which is the total number of outstanding shares in Cardo.

<sup>3</sup> Please see note 1.

*Cardo AB discloses the information provided herein pursuant to the Securities Market Act and the Takeover Rules. The information was submitted for publication on 13 December 2010 at 08:00 AM.*

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