



**SCANIA**

**PRESS info**

26 November 2009

## **Scania in Brazilian collaboration for further development of ethanol- and gas-powered industrial engines**

**Scania and Vale Soluções em Energia S.A. (VSE) have signed a memorandum of understanding to collaborate on the development of new technology for ethanol- and gas-powered industrial engines for the Brazilian market.**

VSE is planning to develop and manufacture a series of single-speed engines for stationary operation using Scania's basic engines as the starting point. The engines will be used for generating electricity and driving pumps and compressors in machinery, for example in the mining industry and agriculture.

"The Brazilian market for stationary engines in these segments is estimated at 3,000 engines per year, so a successful partnership between Scania and VSE has major commercial potential," says Robert Sobocki, Senior Vice President and head of Scania Engines.

In addition to supplying basic engines, Scania – which has more than 20 years of experience with ethanol-powered engines – will contribute its expertise in testing and evaluating the new technology.

Brazil has a large supply of raw materials such as sugar cane that are used in making alternative fuels that have very low climate impact and do not conflict with food production.

Vale Soluções em Energia is part of the Brazilian-based Vale Group, one of the world's largest mining companies. VSE focuses on developing new technological solutions targeting the clean utilisation of coal as well as renewable fuels.

The memorandum between Scania and VSE was signed in the presence of Sweden's Minister for Enterprise and Energy, Maud Olofsson, and her Brazilian counterpart, Minister of Mines and Energy Edson Lobão, who visited Södertälje today – among other things to learn more about how Scania is working to reduce the climate impact of its products.

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*Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. A growing proportion of the company's operations consists of products and services in the financial and service sectors, assuring Scania customers of cost-effective transport solutions and maximum uptime. Employing 35,000 people, Scania operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2008, invoiced sales totalled SEK 89 billion and net income amounted to SEK 8.9 billion. Scania press releases are available at [www.scania.com](http://www.scania.com)*

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