



2 July 2007

Scania celebrates 50 years in Brazil

Today exactly 50 years have passed since Scania began operations in Brazil, the country with more Scania vehicles than anywhere in the world. Some 40 per cent of all heavy trucks on Brazilian roads carry the Scania brand.

Scania's long history and strong market position have also left their mark on the local language. In Brazil, the word "Scania" is often used as an expression for a big truck.

With 180,000 vehicles delivered, Brazil is Scania's largest single market in absolute terms – the next largest is Sweden with 150,000 vehicles. During 15 of the past 20 years, Scania has been the market leader. According to Statistics for the first five months of 2007, Scania accounted for 25 percent of heavy truck sales and 43 percent of long-distance coach sales in Brazil.

On 2 July 1957, Scania-Vabis do Brasil Motor Diesel was established in São Paulo. Its first vehicles were made from parts imported from Sweden and were sold by Brazil's Vemag Group. In 1962, Scania inaugurated the factory in São Bernardo do Campo, Brazil – its first production unit outside Sweden.

Since then, Scania has manufactured nearly 250,000 vehicles in Brazil. Today's production capacity is 20,000 vehicles per year. Trucks, buses and engines are built not only for Brazil and other Latin American countries, but also for markets on other continents.

The year 1969 was a milestone not only in the history of Scania but for the whole Brazilian vehicle industry, when Scania became the first national manufacturer to export vehicle components: oil pumps to be installed in engines built in Sweden.

Another path-breaking initiative was the launch of the forward-control cab (cab placed above the engine) in 1974, when the LK 140 model was unveiled. In Brazil this model even earned a name of its own: "cara chata" (flat-face).

In environmental terms, too, Scania has been a pace-setter in Brazil. In 1997, the company became the first vehicle manufacturer in Latin America to be certified according to the ISO 14001 environmental management standard. When Scania built its millionth vehicle in the year 2000 – using components from eleven different factories in Europe and Latin America – the engine block was made in Brazil. This globally produced vehicle was donated to the International Red Cross.

Scania Corporate Relations SE-151 87 Södertälje Sweden

Telephone +46 8 553 810 00 Fax +46 8 553 855 59 Internet www.scania.com São Bernardo do Campo is the hub of Scania's Latin America operations. A 350,000 square meter site in this city near São Paulo houses not only production facilities but also central units for both Brazilian and regional sales and service operations.

Further information about Scania's 50-year history in Brazil is available, in Portuguese, at www.scania.com.br

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 32,800 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 2006, invoiced sales totalled SEK 70.7 billion and the net income amounted to SEK 5.9 billion.

Scania press releases are available on the Internet at www.scania.com

[N07047EN] Hans-Åke Danielsson