

## Morgan Stanley

16 March 2014

Independent Committee of the Board of Directors  
Scania AB  
Vagnmakarvägen 1  
SE-15187 Södertälje  
Sweden

Members of the Independent Committee of the Board:

Volkswagen AG ("**Volkswagen**" or the "**Buyer**"), which owns in aggregate approximately 62.6% of the issued share capital and 89.2% of the voting rights in Scania Aktiebolag ("**Scania**" or the "**Company**"), announced on 21 February 2014 a public unsolicited offer to the shareholders of Scania to acquire all outstanding shares in Scania not owned by Volkswagen. As set forth more fully in Volkswagen's Offer document published on 14 March, 2014 (the "**Offer Document**"), Scania's shareholders are being offered to tender their shares to Volkswagen for cash consideration of SEK200 per Scania share, regardless of share class (the "**Offer**"). The terms and conditions of the Offer are more fully set forth in the Offer Document.

You have asked us to provide our opinion as to whether the Offer reflects the fundamental value of Scania and the value of the synergies attributable to Scania from a financial point of view to the holders of Scania shares (other than Volkswagen and its affiliates).

For these purposes:

- '*fundamental value*' shall mean as at the date hereof, the implied value of the Company, applying a discounted cash flow analysis which is designed to provide an implied value of the Company by calculating the present value of: (a) projected unlevered free cash flows up to a certain point in time; and (b) the terminal value of free cash flows in subsequent years using a perpetual growth rate; and
- the '*synergies attributable to Scania*' are either: (i) the recurring synergies on an operating level from existing cooperation projects between Scania and MAN S.E., as estimated by Scania senior management under the Company's current shareholding structure, which, in the view of senior management would be likely to materialise over the next 10-15 years; or (ii) what could be the relevant share of Scania in the estimated recurring synergies on an operating level, as described and presented by Volkswagen in connection with the Offer.

For purposes of the opinion set forth herein, we have:

- (a) reviewed certain publicly available financial statements and other business and financial information of the Company and the Buyer, respectively;

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- (b) reviewed certain internal financial statements and other financial and operating data concerning the Company;
- (c) reviewed certain financial projections prepared by the management of the Company;
- (d) reviewed information relating to certain strategic, financial and operational benefits anticipated, prepared by the senior management of the Company;
- (e) discussed the past and current operations and financial condition and the prospects of the Company, including information relating to certain strategic, financial and operational benefits anticipated from the combination, with senior management of the Company;
- (f) reviewed, for information purposes only, the Offer Document; and
- (g) performed such other analyses and reviewed such other information and considered such other factors as we have deemed appropriate.

We have also assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by or on behalf of the Company, and formed a substantial basis for this opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated by Scania's senior management, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company of its future financial performance. As you know we have not been provided with access to management or internal financial information of Volkswagen and instead, have relied on publicly available information and information set out in the Offer Document. For the purposes of rendering this opinion, we have assumed that there has not occurred any material change in the assets, financial condition, results of operations, business or prospects of the Company or Volkswagen since the respective dates of the most recent financial statements and other information, financial or otherwise, relating to the Company and Volkswagen, respectively, made available to us. For the purposes of our review of the Offer, we have assumed the Offer would be consummated as contemplated in the Offer Document, and that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the Offer, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer.

We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Company and its legal, tax and regulatory advisors with respect to legal, tax or regulatory matters. In addition, you have not asked us to address, and this opinion does not address (i) the adequacy to, or any other consideration of, the holders of any class of securities, creditors

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or other constituencies of the Company; or (ii) the adequacy of the amount or nature of any compensations to be paid or payable to the Company's officers, directors or employees of the Company, or any class of persons, relative to the Offer to be received by the holders of the Scania shares pursuant to the Offer.

We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such appraisals. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, affirm or reaffirm this opinion.

We would note that as Volkswagen controls approximately 62.6% of the issued share capital and 89.2% of the voting rights in Scania, there is no certainty that the Company's business plan will be implemented, nor that the cash flows generated by the Company and its businesses will necessarily be distributed to Scania shareholders.

For the purposes of our opinion we have assumed and relied upon, without independent verification or expressing any views in respect to, the assessment of Volkswagen of its synergies as presented in the Offer Document, and the ongoing long-term cooperation benefits between Scania and MAN S.E. achievable under the current ownership structure based on ongoing projects and initiatives as communicated by the senior management of Scania. We understand that the synergies have not been reported on by independent auditors of the Company. This opinion does not address, nor does it provide any views as to whether the shareholders of Scania will be able to benefit from the estimated synergies and we understand that there are various material assumptions underlying the synergies estimate which may result in the synergies being materially greater or less than estimated by Volkswagen or the Company's senior management.

This opinion does not in any manner address the prices at which the Company's shares will trade at any time nor should it be construed as or interpreted to mean that the Company's earnings will match or be greater than or less than its earnings in the preceding financial period or any other period. Morgan Stanley expresses no opinion or recommendation as to how the shareholders of the Company should respond to the Offer.

This opinion does not address the relative merits of the Offer or any other alternative business transaction, or other alternatives, or whether such alternatives could be achieved. In arriving at our opinion, we were not authorised to solicit, and did not solicit interest from any party with respect to an acquisition, business combination or other extraordinary transaction, involving the Company, nor did we negotiate with any parties that may express an interest in the Company or any of its constituent businesses.

We have acted as financial advisor to the Independent Committee of the Board of Directors of Scania in connection with this transaction and will receive a fee for our services. Morgan Stanley will be paid a fixed fee for its services as financial adviser to Scania in connection with the Offer, a portion of which is contingent upon delivery of

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this letter. The fee payable to Morgan Stanley for its services as financial advisor to Scania in connection with the Offer is not contingent upon or related to the outcome of the Offer. In the two years prior to the date hereof, we have provided financial advisory and financing services for the Buyer and the Company and have received fees in connection with such services. Morgan Stanley may also seek to provide such services to the Buyer and the Company in the future and expects to receive fees for the rendering of these services. In the ordinary course of our securities underwriting, trading, brokerage, foreign exchange, commodities and derivatives trading, prime brokerage, investment management, financing and financial advisory activities, Morgan Stanley or its affiliates may at any time hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for our own account or the accounts of customers, in debt or equity securities or loans of the Buyer, the Company or any other company or any currency or commodity that may be involved in this transaction or any related derivative instrument.

This opinion has been approved by a committee of Morgan Stanley employees in accordance with our customary practice. This opinion is for the information of the Independent Committee of the Board of Directors of Scania and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be included in its entirety in any announcement the Independent Committee of the Board of Directors may make under the Swedish Takeover Rules in connection with this transaction. This opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of the Company.

Based on and subject to the foregoing, when considering the fundamental value of Scania together with the additional value from the synergies attributable to Scania, whether under the current shareholding structure or if the Offer is successful, we are of the opinion that the Offer does not reflect the fundamental value of Scania and the value of the synergies attributable to Scania from a financial point of view to the holders of Scania shares (other than Volkswagen and its affiliates).

Very truly yours,  
Morgan Stanley & Co. International plc

By:

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Michel Antakly  
Managing Director