



SCANIA

PRESS info

18 March 2014

Scania provides a business update

In the statement of the Independent Committee of the Board of Directors of Scania, published on March 18, Scania provided a business update.

Total truck orders for the first two months of 2014 are at a comparable level to the same period in 2013.

In Europe, stabilised economic activity, positive performance indicators in the Financial Services segment combined with higher prices for used trucks as well as the overall need for replacement indicate a positive outlook for Scania in 2014. In the first two months of 2014, Scania increased its European market share to 14.9 percent compared to 14.7 percent in the corresponding period of 2013.

Order bookings in Latin America remain at the same levels as of the fourth quarter of 2013, while stronger orders compared to the previous year have been recorded in Eurasia, Africa and Oceania.

In 2013, Scania achieved strong volume in vehicle deliveries and services sales. The year-to-date trend in order bookings indicates that 2014 could mark another year of similarly high vehicle and services volume. However, at the same time, the SEK has strengthened, primarily against several of the emerging market currencies which adversely impacts Scania's financial performance.

In the last years, Scania has made significant investments in R&D to strengthen its product offering. Among the projects is a new truck cab that will be introduced in the market within the coming years. The new cab will provide an enhanced customer value, further fuel consumption savings as well as notable expected cost savings per cab manufactured compared to the current product range.

At Scania's Capital Markets Day in 2013, the policy ensuring that any cooperation with Volkswagen is subject to corporate benefit for Scania and is handled according to the arm's length principle was presented, along with the areas of potential synergies, such as axles, gearboxes, hybrid, purchasing etc. Scania and MAN currently have over 100 initiatives in these areas. However, the benefits for Scania from synergies in the financial year 2014 will be limited.

Scania expects operating margins to improve over the coming years, supported by GDP-growth, current investment programme and the development of Scania's services business, which have substantially higher gross margin compared to new vehicles. For Return on Capital Employed related to Vehicles and Services the objective is 40 percent and for Financial Services, the objective is in the excess of 10 percent for Return on Equity, as stated on the Capital Markets Day 2013.

Scania will publish the Interim Report for January-March 2014 on 11 April, earlier than previously communicated. Scania's AGM will be moved from 7 May to a date in June.

For further information, please contact Erik Ljungberg, Senior Vice President, Corporate Relations, tel. +46 8 553 835 57.

Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. Service-related products account for a growing proportion of the company's operations, assuring Scania customers of cost-effective transport solutions and maximum uptime. Scania also offers financial services. Employing some 41,000 people, the company 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 2013, net sales totalled SEK 86.8 billion and net income amounted to SEK 6.2 billion. Scania press releases are available on www.scania.com

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