

## Scania Interim Report January-March 2011

- Operating income rose to SEK 3,339 m. (2,130), and earnings per share rose to SEK 3.14 (1.78)
- Net sales increased by 25 percent to SEK 20,692 m. (16,503)
- Cash flow amounted to SEK 1,129 m. (2,366) in Vehicles and Services

### Comments by Leif Östling, President and CEO

“Operating income for the first quarter of 2011 rose to SEK 3,339 m. Higher vehicle and service volume and higher capacity utilisation explain the improvements compared to the first quarter of last year. Compared to the fourth quarter of 2010, the negative effects of the stronger Swedish krona (SEK) were more pronounced. Order bookings in Europe were relatively strong at the end of 2010, when many hauliers carried out replacement investments. The first quarter was characterised by somewhat lower activity. The Brazilian market is benefiting from high economic activity, but the first quarter was adversely impacted by the transition period to the government’s reconfigured financing programme including interest rate subsidies – which went into effect in April – resulting in postponed orders and deliveries in Brazil. Together with increased deliveries to markets outside Europe, this led to higher inventory levels during the quarter. The Russian truck market, which showed a strong recovery during the fourth quarter of 2010, stabilised at a high level. Demand is good in Middle Eastern markets and elsewhere in Asia. The demand for buses and coaches is high in Latin American and Asian markets, while growth is weak in a number of European markets. Order bookings for engines continued to improve, especially in Europe. The demand for service was at a high level in all regions during the first quarter. The production rate levelled out during the first quarter of 2011, compared to the second half of 2010. Scania is prioritising short and reliable delivery times, thereby limiting its order book. Scania is continuing to strengthen its product portfolio and in the first quarter the company unveiled trucks with Euro 6-compliant engines. The Euro 6 emission standards go into effect in the European Union at the end of 2013. During the first quarter, too, there were some disruptions at the sub-contractor level. These disruptions have not been related to the tragedy in Japan, however, the full impact of that series of events remains to be assessed.”

	Q1		Change, %	
	2011	2010		
<b>Trucks and buses</b>				
Units				
– Order bookings	19,457	16,151		20
– Deliveries	19,065	11,947		60
<b>Net sales and earnings</b>				
SEK m. (unless otherwise stated)	EUR m.*			
<b>Net sales, Scania Group</b>	2,315	20,692	16,503	25
Operating income, Vehicles and Services	362	3,232	2,140	51
Operating income, Financial Services	12	107	-10	-
Operating income	374	3,339	2,130	57
<b>Income before taxes</b>	390	3,482	2,007	73
<b>Net income for the period</b>	281	2,514	1,424	77
Operating margin, percent		16.1	12.9	
Return on equity, percent		36.4	10.4	
Return on capital employed, Vehicles and Services, percent		43.9	13.4	
Earnings per share, SEK		3.14	1.78	
Cash flow, Vehicles and Services	126	1,129	2,366	

**Number of shares: 800 million**

\* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 8.938 = EUR 1.00.

Unless otherwise stated, all comparisons refer to the corresponding period of the preceding year.

This report has not been reviewed by the company’s auditors.

The report is also available at [www.scania.com](http://www.scania.com)

## Business overview

### Vehicles and services

During the first quarter of 2011, total deliveries increased by 60 percent to 19,065 (11,947) vehicles, compared to the same period of 2010. Net sales rose by 25 percent to SEK 20,692 m. Currency rate effects had a negative impact of 8 percent.

Order bookings increased by 20 percent to SEK 19,457 m. (16,151), compared to the first quarter of 2010.

After a gradual increase in production during 2010, the production rate levelled off during the first quarter, compared to the latter part of 2010. Scania is prioritising short and reliable delivery times, thereby limiting its order book.

Scania has unveiled trucks with engines that meet the European Union's Euro 6 emission standards, which go into effect on December 31, 2013. Emissions of nitrogen oxides and particulates are cut by around 80 percent compared to the standards currently in force (Euro 5). In the development of the Euro 6 engines, which is carried out in-house, Scania combines all the new technologies developed by the company in recent years: exhaust gas recirculation (EGR), variable turbo geometry, common-rail high pressure fuel injection, selective catalytic reduction (SCR) and particulate filtering. In this way, Scania achieves the same performance and fuel efficiency in these engines as in their Euro 5 counterparts.

### Trucks

Order bookings in Europe were relatively strong at the end of 2010, when many hauliers carried out replacement investments. The first quarter was characterised by somewhat lower activity, and the demand for trucks was sequentially weaker in some European markets during the first quarter.

The Russian truck market, which began a strong recovery during the fourth quarter of 2010, stabilised at a high level.

Demand in Latin America remains at a high level. The Brazilian market is benefiting from high economic activity. Tax breaks have been extended and will apply throughout 2011. The government has also launched a new financial programme including

interest rate subsidies, but at somewhat less favourable interest rates than previously. The first quarter was adversely impacted by the transition period to the reconfigured financing programme, which went into effect in April. This resulted in postponed orders and deliveries.

### Order bookings, Scania trucks

	3 months 2011	3 months 2010	Change, %
Europe	7,585	6,452	18
Eurasia	1,130	450	151
America*	4,581	4,439	3
Asia	3,331	2,651	26
Africa and Oceania	727	633	15
<b>Total</b>	<b>17,354</b>	<b>14,625</b>	<b>19</b>

### Deliveries, Scania trucks

	3 months 2011	3 months 2010	Change, %
Europe	8,246	4,285	92
Eurasia	1,313	392	235
America*	3,861	3,750	3
Asia	3,414	1,311	160
Africa and Oceania	728	534	36
<b>Total</b>	<b>17,562</b>	<b>10,272</b>	<b>71</b>

### Order bookings, Scania buses and coaches

	3 months 2011	3 months 2010	Change, %
Europe	529	316	67
Eurasia	4	0	-
America*	837	465	80
Asia	634	550	15
Africa and Oceania	99	195	-49
<b>Total</b>	<b>2,103</b>	<b>1,526</b>	<b>38</b>

### Deliveries, Scania buses and coaches

	3 months 2011	3 months 2010	Change, %
Europe	299	432	-31
Eurasia	16	7	129
America*	567	488	16
Asia	517	641	-19
Africa and Oceania	104	107	-3
<b>Total</b>	<b>1,503</b>	<b>1,675</b>	<b>-10</b>

\*Refers to Latin America.

In Asia, demand is at a high level, especially in the Middle East.

Scania's **order bookings** during the first quarter of 2011 amounted to 17,354 (14,625) trucks, an increase of 19 percent. In Europe, order bookings were up by 18 percent to 7,585 (6,452) units compared to the corresponding period of 2010. Demand increased primarily in the Nordic countries, the Netherlands and France. Demand fell in Great Britain compared to the first quarter 2010, due to the large order totalling 1,000 trucks for the Stobart Group that Scania received in the beginning of last year. In Eurasia, order bookings increased to 1,130 (450), mainly because of increased demand in Russia.

In Latin America, order bookings rose by 3 percent during the first quarter. Order bookings in Asia rose to 3,331 (2,651) units, mainly attributable to Turkey. In Africa and Oceania, order bookings rose to 727 (633) units, an upturn of 15 percent that was mainly attributable to Morocco and South Africa.

Scania's truck **deliveries** increased by 71 percent to a total of 17,562 units during the first quarter of 2011, compared to the first quarter of 2010. In Europe, deliveries increased by 92 percent, mainly related to Great Britain, Germany and France. In Eurasia, deliveries increased sharply due to a strong upturn in Russia.

In Latin America, the delivery upturn was 3 percent. In Asia, deliveries rose by 160 percent, attributable to upturns in the Middle East and Hong Kong. In Africa and Oceania, deliveries rose by 36 percent.

**Net sales** of trucks rose by 56 percent to SEK 13,710 m. (8,794) during the first quarter of 2011.

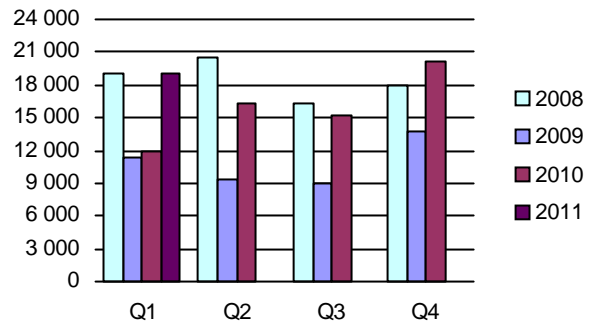
The total market for heavy trucks in 25 of the European Union member countries (all EU countries except Greece and Malta) plus Norway and Switzerland rose by 65 percent to about 57,800 units during the first quarter of 2011. Scania truck registrations amounted to some 8,400 units, equivalent to a market share of about 14.6 (14.2) percent.

### Buses and coaches

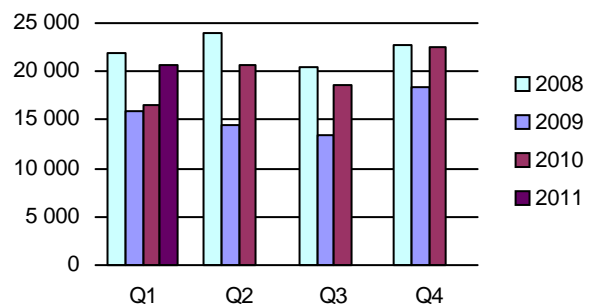
Scania is focusing on sustainable transport solutions and one example is buses with engines that run on renewable fuels such as ethanol and rapeseed methyl ester (RME). There is good potential demand for environmentally and economically sustainable urban transport systems, among other things due to the major advantages achieved by reallocating passenger transport from cars to buses. Scania's **order bookings** for buses and coaches rose by 38 percent to 2,103 (1,526) units during the first quarter of 2011.

In Europe, demand increased by 67 percent compared to the first quarter of 2010, mainly related to an increase in the Netherlands. In Latin America, order bookings rose by 80 percent during the first quarter of 2011, with a general increase in a number of markets. In Asia, order bookings increased by 15 percent during the same period. In Africa and Oceania, order bookings declined to 99 (195) units due to a downturn in Morocco.

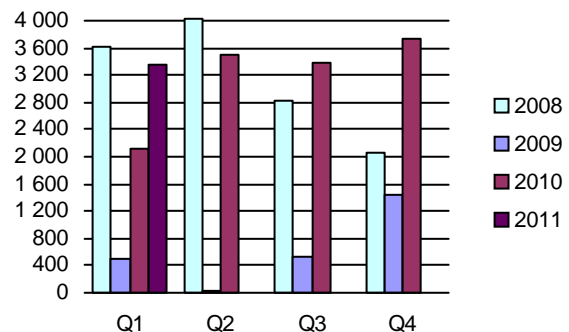
**Vehicles delivered (units)**



**Net sales (SEK m.)**



**Operating income (SEK m.)**



Scania's bus and coach **deliveries** totalled 1,503 (1,675) units during the first quarter of 2011. In Europe, deliveries decreased by 31 percent compared to the first quarter of 2010, including lower deliveries in Great Britain. The upturn of 16 percent in Latin America was related to Chile, Brazil and Mexico. In Asia, deliveries fell, due to decreases in Singapore and in the Middle East. Deliveries in Africa and Oceania decreased by 3 percent.

**Net sales of buses and coaches** decreased by 26 percent to SEK 1,398 m. (1,893) during the first quarter of 2011.

### **Engines**

Scania Engines is continuing to expand and strengthen its presence in the North American market. As part of this, Scania participated in the ConExpo construction trade fair in Las Vegas during the first quarter. Scania is continuing to strengthen its service network, which is important in order to attract major customers in the industrial segment. Scania's network totals about 200 service points in North America.

Scania's new industrial engine platform meets the legally mandated EU Stage IIIB and US Tier 4i emission standards, which go into effect this year. These engines will also meet the next emission standards, EU Stage IV and Tier 4, which go into effect in 2014, without forcing customers to make extensive machine installation changes. The new platform is also available to customers for installation in power generation units (gensets).

Order bookings for engines increased by 20 percent to 1,798 (1,499) units during the first quarter of 2011. Order bookings fell somewhat in Latin America, while they increased in Europe and in other markets. Engine deliveries rose by 5 percent to 1,480 (1,413) units during the quarter, and net sales increased by 1 percent to SEK 256 m.

### **Services**

Service revenue rose by 6 percent to SEK 4,219 m. (3,971) during the first quarter of 2011. Demand was high in all regions. Higher volume was partly offset by negative currency rate effects. In local currencies, the upturn was 14 percent. Higher demand in Europe resulted in higher capacity utilisation in service workshops than in the first quarter of 2010.

Scania is focusing on boosting the efficiency and capacity utilisation of service workshops. Scania is continuing the expansion of its own service network by means of new and updated service workshops, in order to improve accessibility and service for customers. To improve the uptime for customers' vehicles, Scania is also adding more services by providing repairs, maintenance and parts for trailers, super-structures and bus bodies, as well as an enhanced service offering for older vehicles.

## **Earnings**

### **Vehicles and Services**

Operating income in Vehicles and Services totalled SEK 3,232 m. (2,140) during the first quarter of 2011. Higher vehicle and service volume, increased capacity utilisation and somewhat higher prices had a positive impact on earnings. A less favourable market mix had a somewhat negative impact on margins. The cost level during the first quarter of 2010 was generally low due to the cost-saving measures initiated during 2009.

Scania's research and development expenditures amounted to SEK 1,121 m. (844). After adjusting for SEK 83 m. (76) in capitalised expenditures and SEK 41 m. (42) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,079 m. (810).

During 2010, operating income was impacted positively by currency hedges. During the first quarter of 2011, Scania had no hedging of future currency flows, and currency hedging income for the period was thus SEK 0 m. Compared to the first quarter of 2010, currency spot rate effects amounted to SEK -595 m. During the first quarter 2010, currency hedging income was SEK 150 m. The overall currency rate effect was thus SEK -745 m.

### **Financial Services**

At the end of the first quarter, the size of Scania's customer finance portfolio amounted to SEK 37 billion, which represented an increase of SEK 0.8 billion since year-end 2010. In local currencies, the portfolio increased by 4 percent, equivalent to SEK 1.4 billion.

The penetration rate was 32 (22) percent during the first quarter in those markets where Scania has its own financing operations, including Brazil, where such operations were newly established during the corresponding period of last year.

Operating income in Financial Services amounted to SEK 107 m. (-10) during the first quarter of 2011. Last year was characterised by recovery and improved capacity utilisation among hauliers as well as by somewhat higher freight prices towards the end of the year, a trend that continued during the early months of 2011. Bad debt expenses and delayed payments decreased during the first quarter compared to the corresponding period of 2010 and also compared to the fourth quarter of 2010.

### **Scania Group**

During the first quarter of 2011, Scania's operating income amounted to SEK 3,339 m. (2,130). Operating margin increased to 16.1 (12.9) percent. Scania's net financial items totalled SEK 143 m. (-123). Net interest items amounted to SEK 36 m. (-94). Net interest items were favourably affected by a positive average net cash position in Vehicles and Services, compared to an average net debt during the corresponding period of 2010. Other financial income and expenses amounted to SEK 107 m. (-29).

The Scania Group's tax expense amounted to SEK 968 m. (583), corresponding to 27.8 (29.1) percent of income before taxes. Net income for the period amounted to SEK 2,514 m. (1,424), corresponding to a net margin of 12.1 (8.6) percent. Earnings per share amounted to SEK 3.14 (1.78).

## **Cash flow**

### **Vehicles and Services**

Scania's cash flow in Vehicles and Services amounted to SEK 1,129 m. (2,366) during the first quarter of 2011. Tied-up working capital increased by SEK 426 m., mainly due to increased inventories of new vehicles. The higher inventory was partly related to postponed deliveries in Brazil due to the reconfigured financing programme, including subsidised interest rates. Increased deliveries to markets outside Europe with longer delivery times, as well as bottlenecks among suppliers, also affected the inventory level.

Net investments amounted to SEK 627 m. (347), including SEK 83 m. (76) in capitalisation of development expenses. At the end of the first quarter of 2011, the net cash position in Vehicles and Services amounted to SEK 9,005 m., compared to a net debt position of SEK 1,491 m. on the same date in 2010.

### **Scania Group**

Scania's cash flow in Financial Services amounted to SEK -1,193 m. (1,698) during the first quarter of 2011, due to the increased customer finance portfolio. Together with the positive cash flow in Vehicles and Services as well as the effect of the stronger Swedish krona, this reduced the Group's net debt by about SEK 0.7 billion, compared to the end of 2010.

### **Parent Company**

The assets of the Parent Company, Scania AB, consist of shares in Scania CV AB. Scania CV AB is the parent company of the group that comprises all production and sales and service companies as well as other companies. Income before taxes of Scania AB totalled SEK 11 m. (2) during the first quarter of 2011.

## Miscellaneous

### **Number of employees**

At the end of the first quarter of 2011, the number of employees totalled 36,253, compared to 32,318 on the same date in 2010.

### **Material risks and uncertainty factors**

The section entitled "Risks and risk management" in Scania's Annual Report for 2010 describes Scania's strategic, operational, legal and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. Note 30 of the same report describes the financial risks, such as currency risk and interest rate risk. The risks that have the greatest impact on financial performance and on reporting for the Group and the Parent Company are summarised as follows:

#### a) Sales with obligations

About 10 percent of the vehicles Scania sells are delivered with residual value obligations or repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract). If there are major changes in the market value of used vehicles, this increases the risk of future losses when selling returned vehicles. When a residual value obligation is deemed likely to cause a future loss, a provision is made in cases where the expected loss exceeds the as-yet-unrecognised profit on the vehicle. At the end of the first quarter of 2011, obligations related to residual value or repurchases amounted to SEK 6,671 m., compared to SEK 6,522 m. at the end of 2010.

#### b) Credit risks

In its Financial Service operations, Scania has an exposure in the form of contractual future payments. This exposure is reduced by the collateral Scania has in the form of the right to repossess the underlying vehicle. In case the market value of the collateral does not cover the exposure to the customer, Scania runs a credit risk. Reserves for probable losses in Financial Service operations are set aside in the estimated amounts required.

### **Accounting principles**

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. This Interim Report of the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. A number of new amendments to the IFRSs and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) went into effect on 1 January 2011. None of the changes that have gone into effect have had any substantial effect on Scania's financial reports. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2010.

The Interim Report for the Parent Company, Scania AB, has been prepared in accordance with the Annual Accounts Act and recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Financial Accounting Board.

### **Annual General Meeting and proposed dividend**

Scania's Annual General Meeting will be held at 14.00 CET (2.00 p.m.) on Thursday, 5 May 2011 in Scaniarinken, AXA Sport Center. The Board of Director's proposal is a dividend of SEK 5.00 (1.00) per share for the 2010 financial year, with 10 May 2011 as the record date.

Södertälje, 27 April 2011

Leif Östling  
President and CEO

## Financial information from Scania

Scania's Interim Report for the first half of 2011 will be published on 21 July 2011.

*This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Such forward-looking statements involve risks and uncertainties that could significantly alter potential results. These statements are based on certain assumptions, including assumptions related to general economic and financial conditions in the company's markets and levels of demand for the company's products.*

*This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required by the rule book for issuers at the NASDAQ OMX Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were issued.*

*The Year-end Report for 2010 stated the following:*

*"There is a continued risk of bottlenecks among both sub-contractors and bodybuilding companies. Scania expects a level of demand in early 2011 similar to the level seen in the second half of 2010. The negative effects of the stronger SEK, which impacted the fourth quarter of 2010, will be more pronounced during the first quarter of 2011."*

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The information in this Interim Report is that which Scania is required to disclose under Sweden's Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 09.30 CET on 27 April 2011.

## Consolidated income statements

Amounts in SEK m. unless otherwise stated	Q1		Change in %	Full year 2010	Apr 10 - Mar 11	
	EUR m.*	2011				2010
<b>Vehicles and Services</b>						
Net sales	2,315	<b>20,692</b>	16,503	25	78,168	82,357
Cost of goods sold	-1,613	<b>-14,420</b>	-11,832	22	-54,504	-57,092
<b>Gross income</b>	<b>702</b>	<b>6,272</b>	4,671	34	23,664	25,265
Research and development expenses	-121	<b>-1,079</b>	-810	33	-3,505	-3,774
Selling expenses	-176	<b>-1,572</b>	-1,458	8	-6,400	-6,514
Administrative expenses	-44	<b>-393</b>	-263	49	-1,200	-1,330
Share of income from associated companies and joint ventures	0	<b>4</b>	0		16	20
<b>Operating income, Vehicles and Services</b>	<b>362</b>	<b>3,232</b>	2,140	51	12,575	13,667
<b>Financial Services</b>						
Interest and lease income	115	<b>1,023</b>	1,028		4,197	4,192
Interest and depreciation expenses	-81	<b>-723</b>	-758	-5	-3,026	-2,991
Interest surplus	34	<b>300</b>	270	11	1,171	1,201
Other income and expenses	1	<b>11</b>	26	-58	66	51
<b>Gross income</b>	<b>35</b>	<b>311</b>	296	5	1,237	1,252
Selling and administrative expenses	-16	<b>-142</b>	-129	10	-573	-586
Bad debt expenses	-7	<b>-62</b>	-177	-65	-493	-378
<b>Operating income, Financial Services</b>	<b>12</b>	<b>107</b>	-10		171	288
<b>Operating income</b>	<b>374</b>	<b>3,339</b>	2,130	57	12,746	13,955
Interest income and expenses	4	<b>36</b>	-94		-193	-63
Other financial income and expenses	12	<b>107</b>	-29		-20	116
<b>Total financial items</b>	<b>16</b>	<b>143</b>	-123		-213	53
<b>Income before taxes</b>	<b>390</b>	<b>3,482</b>	2,007	73	12,533	14,008
Taxes	-109	<b>-968</b>	-583	66	-3,430	-3,815
<b>Net income for the period</b>	<b>281</b>	<b>2,514</b>	1,424	77	9,103	10,193
<b>Other comprehensive income:</b>						
Exchange rate differences	-56	<b>-500</b>	-415		-1,146	-1,231
Cash flow hedges						
gains/losses arising during the period	3	<b>20</b>	390		634	264
reclassification to operating income	-	-	-148		-747	-599
Actuarial gains/losses on pensions	-	-	-		-348	-348
Income tax relating to components of other comprehensive income	-1	<b>-6</b>	-72		37	103
<b>Other comprehensive income for the period</b>	<b>-54</b>	<b>-486</b>	-245		-1,570	-1,811
<b>Total comprehensive income for the period</b>	<b>227</b>	<b>2,028</b>	1,179		7,533	8,382
Net income attributable to:						
Scania shareholders	281	<b>2,514</b>	1,424		9,103	10,193
Non-controlling interest	0	<b>0</b>	0		0	0
Total comprehensive income attributable to:						
Scania shareholders	227	<b>2,028</b>	1,179		7,533	8,382
Non-controlling interest	0	<b>0</b>	0		0	0
Depreciation included in operating income	-71	<b>-638</b>	-663		-2,565	-2,540
Earnings per share, SEK (no dilution) <sup>1</sup>		<b>3.14</b>	1.78		11.38	12.74
Return on equity, percent <sup>1,2</sup>		<b>36.4</b>	10.4		34.7	
Operating margin, percent		<b>16.1</b>	12.9		16.3	16.9

<sup>1</sup> Attributable to Scania shareholders' portion of net income.

<sup>2</sup> Calculations are based on rolling 12-month income.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 8.938 = EUR 1.00.



## Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	Q1		2010	Change in %	Full year 2010	Apr 10 - Mar 11
	EUR m.	2011				
<b>Net sales</b>						
Trucks	1,534	<b>13,710</b>	8,794	56	47,580	52,496
Buses *	157	<b>1,398</b>	1,893	-26	7,713	7,218
Engines	29	<b>256</b>	253	1	1,148	1,151
Service-related products	472	<b>4,219</b>	3,971	6	16,455	16,703
Used vehicles	116	<b>1,041</b>	1,147	-9	4,623	4,517
Miscellaneous	46	<b>413</b>	534	-23	2,590	2,469
Delivery sales value	2,354	<b>21,037</b>	16,592	27	80,109	84,554
Revenue deferrals <sup>1</sup>	-39	<b>-345</b>	-89		-1,941	-2,197
Net sales	2,315	<b>20,692</b>	16,503	25	78,168	82,357
<b>Net sales <sup>2</sup></b>						
Europe	1,280	<b>11,441</b>	8,988	27	39,611	42,064
Eurasia	117	<b>1,048</b>	408	157	2,413	3,053
America **	513	<b>4,582</b>	4,444	3	21,725	21,863
Asia	280	<b>2,501</b>	1,703	47	9,035	9,833
Africa and Oceania	125	<b>1,120</b>	960	17	5,384	5,544
Net sales	2,315	<b>20,692</b>	16,503	25	78,168	82,357
<b>Total delivery volume, units</b>						
Trucks		<b>17,562</b>	10,272	71	56,837	64,127
Buses *		<b>1,503</b>	1,675	-10	6,875	6,703
Engines		<b>1,480</b>	1,413	5	6,526	6,593

<sup>1</sup> Refers to the difference between sales value based on deliveries and revenue recognised as income.

<sup>2</sup> Revenues from external customers by location of customers.

\* Including body-built buses and coaches.

\*\* Refers mainly to Latin America

## Quarterly data, earnings

	2011		2010			
	EUR m.	Q1	Q4	Q3	Q2	Q1
Amounts in SEK m. unless otherwise stated						
<b>Vehicles and Services</b>						
Net sales	2,315	20,692	22,505	18,558	20,602	16,503
Cost of goods sold	-1,613	-14,420	-15,704	-12,571	-14,397	-11,832
<b>Gross income</b>	702	6,272	6,801	5,987	6,205	4,671
Research and development expenses	-121	-1,079	-993	-821	-881	-810
Selling expenses	-176	-1,572	-1,771	-1,563	-1,608	-1,458
Administrative expenses	-44	-393	-400	-270	-267	-263
Share of income in associated companies and joint ventures	0	4	8	4	4	0
<b>Operating income, Vehicles and Services</b>	362	3,232	3,645	3,337	3,453	2,140
<b>Financial Services</b>						
Interest and lease income	115	1,023	1,096	1,029	1,044	1,028
Interest and depreciation expenses	-81	-723	-769	-738	-761	-758
Interest surplus	34	300	327	291	283	270
Other income and expenses	1	11	14	16	10	26
<b>Gross income</b>	35	311	341	307	293	296
Selling and administrative expenses	-16	-142	-154	-147	-143	-129
Bad debt expenses	-7	-62	-107	-108	-101	-177
<b>Operating income, Financial Services</b>	12	107	80	52	49	-10
<b>Operating income</b>	374	3,339	3,725	3,389	3,502	2,130
Interest income and expenses	4	36	34	-54	-79	-94
Other financial income and expenses	12	107	17	17	-25	-29
<b>Total financial items</b>	16	143	51	-37	-104	-123
<b>Income before taxes</b>	390	3,482	3,776	3,352	3,398	2,007
Taxes	-109	-968	-776	-1,045	-1,026	-583
<b>Net income for the period</b>	281	2,514	3,000	2,307	2,372	1,424
Earnings per share, SEK *		3.14	3.75	2.88	2.97	1.78
Operating margin, in percent		16.1	16.6	18.3	17.0	12.9

\* Attributable to Scania shareholders' portion of net income.

## Consolidated balance sheets by business segment

Amounts in SEK m. unless otherwise stated	2011		2010			
	EUR m.	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Vehicles and Services</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	263	<b>2,352</b>	2,323	2,279	2,296	2,253
Tangible assets	2,229	<b>19,925</b>	20,401	20,383	21,033	21,283
Lease assets *	484	<b>4,339</b>	4,148	3,735	3,746	3,423
Shares and participations	51	<b>454</b>	482	474	520	489
Interest-bearing receivables	7	<b>60</b>	120	394	153	148
Other receivables <sup>1,2</sup>	267	<b>2,389</b>	2,840	2,104	2,078	1,994
<b>Current assets</b>						
Inventories	1,596	<b>14,265</b>	12,961	12,439	12,125	11,936
Interest-bearing receivables	17	<b>148</b>	143	160	171	152
Other receivables <sup>3</sup>	1,086	<b>9,705</b>	9,918	10,529	10,405	9,571
Short-term investments	111	<b>989</b>	63	95	49	30
Cash and cash equivalents	804	<b>7,184</b>	9,489	6,777	7,232	8,305
<b>Total assets</b>	<b>6,915</b>	<b>61,810</b>	<b>62,888</b>	<b>59,369</b>	<b>59,808</b>	<b>59,584</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Scania shareholders	3,119	<b>27,874</b>	25,849	23,255	21,758	20,170
Non-controlling interest	0	<b>1</b>	1	1	1	1
Total equity	3,119	<b>27,875</b>	25,850	23,256	21,759	20,171
<b>Interest-bearing liabilities</b>	<b>6</b>	<b>53</b>	2,909	3,672	5,924	9,838
<b>Non-current liabilities</b>						
Provisions for pensions	573	<b>5,134</b>	5,134	5,088	5,061	4,986
Other provisions	259	<b>2,312</b>	2,358	1,937	2,022	1,876
Other liabilities <sup>1,4</sup>	508	<b>4,541</b>	4,701	3,967	4,180	3,964
<b>Current liabilities</b>						
Provisions	167	<b>1,489</b>	1,376	1,288	1,222	1,123
Other liabilities <sup>5</sup>	2,283	<b>20,406</b>	20,560	20,161	19,640	17,626
<b>Total equity and liabilities</b>	<b>6,915</b>	<b>61,810</b>	<b>62,888</b>	<b>59,369</b>	<b>59,808</b>	<b>59,584</b>
<sup>1</sup> Including deferred tax						
<sup>2</sup> Including derivatives with positive value for hedging of borrowings						
	43	<b>386</b>	667	617	453	566
<sup>3</sup> Including derivatives with positive value for hedging of borrowings						
	115	<b>1,032</b>	1,181	1,144	709	579
<sup>4</sup> Including derivatives with negative value for hedging of borrowings						
	32	<b>284</b>	430	508	664	661
<sup>5</sup> Including derivatives with negative value for hedging of borrowings						
	28	<b>249</b>	361	319	372	472
Net cash (-) / Net debt (+)						
excl. provisions for pensions, incl. derivatives as above	-1,007	<b>-9,005</b>	-7,700	-4,134	-1,483	1,491

## Consolidated balance sheets by business segment

Amounts in SEK m. unless otherwise stated	2011		2010			
	EUR m.	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Financial Services</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	2	<b>18</b>	20	21	22	25
Tangible assets	4	<b>35</b>	36	30	31	31
Lease assets	949	<b>8,480</b>	8,497	8,166	8,491	8,345
Financial receivables	1,899	<b>16,972</b>	16,394	16,025	17,235	17,632
Other receivables <sup>1</sup>	15	<b>134</b>	133	212	191	121
<b>Current assets</b>						
Financial receivables	1,287	<b>11,504</b>	11,246	11,009	11,404	11,439
Other receivables	92	<b>824</b>	988	983	986	1,024
Cash and cash equivalents	28	<b>251</b>	316	248	249	327
<b>Total assets</b>	<b>4,276</b>	<b>38,218</b>	<b>37,630</b>	<b>36,694</b>	<b>38,609</b>	<b>38,944</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Scania shareholders	469	<b>4,189</b>	4,186	4,185	4,320	4,311
Total equity	469	<b>4,189</b>	4,186	4,185	4,320	4,311
<b>Interest-bearing liabilities</b>	<b>3,587</b>	<b>32,060</b>	<b>31,497</b>	<b>30,582</b>	<b>32,454</b>	<b>32,870</b>
<b>Non-current liabilities</b>						
Provisions for pensions	3	<b>24</b>	24	19	19	19
Other provisions	0	<b>3</b>	2	3	3	4
Other liabilities <sup>1</sup>	66	<b>592</b>	610	702	665	612
<b>Current liabilities</b>						
Provisions	2	<b>16</b>	18	2	2	5
Other liabilities	149	<b>1,334</b>	1,293	1,201	1,146	1,123
<b>Total equity and liabilities</b>	<b>4,276</b>	<b>38,218</b>	<b>37,630</b>	<b>36,694</b>	<b>38,609</b>	<b>38,944</b>

<sup>1</sup> Including deferred tax

## Consolidated balance sheets by business segment

Amounts in SEK m. unless otherwise stated	2011		2010			
	EUR m.	31 Mar	31 Dec	30 Sept	30 Jun	31 Mar
<b>Eliminations</b>						
<b>Assets</b>						
Lease assets	-163	-1,454	-1,472	-1,379	-1,479	-1,492
Other current receivables	-69	-620	-617	-594	-653	-634
Short-term investments	-104	-928	-	-	-	-
<b>Total assets</b>	<b>-336</b>	<b>-3,002</b>	<b>-2,089</b>	<b>-1,973</b>	<b>-2,132</b>	<b>-2,126</b>
<b>Equity and liabilities</b>						
Other current liabilities	-232	-2,074	-2,089	-1,973	-2,132	-2,126
Interest-bearing liabilities	-104	-928	-	-	-	-
<b>Total equity and liabilities</b>	<b>-336</b>	<b>-3,002</b>	<b>-2,089</b>	<b>-1,973</b>	<b>-2,132</b>	<b>-2,126</b>
<b>Scania Group</b>						
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	265	2,370	2,343	2,300	2,318	2,278
Tangible assets	2,233	19,960	20,437	20,413	21,064	21,314
Lease assets	1,270	11,365	11,173	10,522	10,758	10,276
Shares and participations	51	454	482	474	520	489
Interest-bearing receivables	1,906	17,032	16,514	16,419	17,388	17,780
Other receivables <sup>1,2</sup>	282	2,523	2,973	2,316	2,269	2,115
<b>Current assets</b>						
Inventories	1,596	14,265	12,961	12,439	12,125	11,936
Interest-bearing receivables	1,304	11,652	11,389	11,169	11,575	11,591
Other receivables <sup>3</sup>	1,109	9,909	10,289	10,918	10,738	9,961
Short-term investments	7	61	61	95	49	30
Cash and cash equivalents	832	7,435	9,807	7,025	7,481	8,632
<b>Total assets</b>	<b>10,855</b>	<b>97,026</b>	<b>98,429</b>	<b>94,090</b>	<b>96,285</b>	<b>96,402</b>
<b>Total equity and liabilities</b>						
<b>Equity</b>						
Scania shareholders	3,588	32,063	30,035	27,440	26,078	24,481
Non-controlling interest	0	1	1	1	1	1
Total equity	3,588	32,064	30,036	27,441	26,079	24,482
<b>Non-current liabilities</b>						
Interest-bearing liabilities	2,482	22,185	21,973	19,104	20,866	21,282
Provisions for pensions	576	5,158	5,158	5,107	5,080	5,005
Other provisions	259	2,315	2,360	1,940	2,025	1,880
Other liabilities <sup>1,4</sup>	574	5,133	5,311	4,669	4,845	4,576
<b>Current liabilities</b>						
Interest-bearing liabilities	1,007	9,000	12,433	15,150	17,512	21,426
Provisions	169	1,505	1,394	1,290	1,224	1,128
Other liabilities <sup>5</sup>	2,200	19,666	19,764	19,389	18,654	16,623
<b>Total equity and liabilities</b>	<b>10,855</b>	<b>97,026</b>	<b>98,429</b>	<b>94,090</b>	<b>96,285</b>	<b>96,402</b>
<sup>1</sup> Including deferred tax						
<sup>2</sup> Including derivatives with positive value for hedging of borrowings						
	43	386	667	617	453	566
<sup>3</sup> Including derivatives with positive value for hedging of borrowings						
	115	1,032	1,181	1,144	709	579
<sup>4</sup> Including derivatives with negative value for hedging of borrowings						
	32	284	430	508	664	661
<sup>5</sup> Including derivatives with negative value for hedging of borrowings						
	28	249	361	319	372	472
Equity/assets ratio, percent		33.0	30.5	29.2	27.1	25.4

## Statement of changes in equity

Amounts in SEK m. unless otherwise stated	Q1			Full year 2010
	EUR m.	2011	2010	
Equity, 1 January	3,360	<b>30,036</b>	23,303	23,303
Net income for the period	281	<b>2,514</b>	1,424	9,103
Other comprehensive income for the period	-54	<b>-486</b>	-245	-1,570
Change in non-controlling interest	-	-	-	-
Dividend	-	-	-	-800
<b>Total equity at the end of the period</b>	<b>3,587</b>	<b>32,064</b>	24,482	30,036
Attributable to:				
Scania AB shareholders	3,587	<b>32,063</b>	24,481	30,035
Non-controlling interest	0	<b>1</b>	1	1

## Information about segments

Amounts in SEK m. unless otherwise stated	Q1			Full year 2010	Apr 10 - Mar 11
	EUR m.	2011	2010		
Revenue from external customers, Vehicles and Services	2,315	<b>20,692</b>	16,503	78,168	82,357
Revenue from external customers, Financial Services	114	<b>1,023</b>	1,028	4,197	4,192
Elimination of intra-segment revenues within Vehicles and Services	-48	<b>-437</b>	-429	-1,797	-1,805
<b>Revenue from external customers, Scania Group</b>	<b>2,381</b>	<b>21,278</b>	17,102	80,568	84,744
Operating income, Vehicles and Services	362	<b>3,232</b>	2,140	12,575	13,667
Operating income, Financial Services	12	<b>107</b>	-10	171	288
<b>Operating income, Scania Group</b>	<b>374</b>	<b>3,339</b>	2,130	12,746	13,955

## Cash flow statement

Amounts in SEK m. unless otherwise stated	2011		2010			
	EUR m.	Q1	Q4	Q3	Q2	Q1
<b>Operating activities</b>						
Income before taxes	390	<b>3,482</b>	3,776	3,352	3,398	2,007
Items not affecting cash flow	70	<b>625</b>	1,164	802	838	811
Taxes paid	-200	<b>-1,790</b>	-737	-580	-720	-518
<b>Cash flow from operating activities before change in working capital</b>	260	<b>2,317</b>	4,203	3,574	3,516	2,300
of which: Vehicles and Services	244	<b>2,182</b>	4,036	3,409	3,434	2,102
Financial Services	16	<b>135</b>	167	165	82	198
Change in working capital etc., Vehicles and Services	-48	<b>-426</b>	705	-376	768	611
<b>Cash flow from operating activities</b>	212	<b>1,891</b>	4,908	3,198	4,284	2,911
<b>Investing activities</b>						
Net investments, Vehicles and Services	-70	<b>-627</b>	-1,249	-638	-575	-347
Net investments in credit portfolio etc., Financial Services	-149	<b>-1,328</b>	-1,368	559	-160	1,500
<b>Cash flow from investing activities</b>	-219	<b>-1,955</b>	-2,617	-79	-735	1,153
<b>Cash flow from Vehicles and Services</b>	126	<b>1,129</b>	3,492	2,395	3,627	2,366
<b>Cash flow from Financial Services</b>	-133	<b>-1,193</b>	-1,201	724	-78	1,698
<b>Financing activities</b>						
Change in net debt from financing activities	-233	<b>-2,085</b>	424	-3,299	-4,063	-2,451
Dividend to shareholders	-	-	-	-	-800	-
<b>Cash flow from financing activities</b>	-233	<b>-2,085</b>	424	-3,299	-4,863	-2,451
<b>Cash flow for the year</b>	-240	<b>-2,149</b>	2,715	-180	-1,314	1,613
<b>Cash and cash equivalents at beginning of period</b>	1,098	<b>9,807</b>	7,025	7,481	8,629	7,100
<b>Exchange rate differences in cash and cash equivalents</b>	-25	<b>-223</b>	67	-276	166	-84
<b>Cash and cash equivalents at end of period</b>	833	<b>7,435</b>	9,807	7,025	7,481	8,629



## Number of employees

	2011	2010			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	<b>17,458</b>	17,006	16,402	15,590	14,695
Research and development	<b>3,013</b>	2,930	2,808	2,713	2,646
Sales and service companies	<b>15,191</b>	14,987	14,807	14,589	14,419
<b>Vehicles and Services</b>	<b>35,662</b>	34,923	34,017	32,892	31,760
<b>Financial Services</b>	<b>591</b>	591	575	567	558
<b>Total number of employees</b>	<b>36,253</b>	35,514	34,592	33,459	32,318



## Quarterly data, units by geographic area

	2011	2010				
	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>						
Europe	<b>7,585</b>	29,176	9,432	6,095	7,197	6,452
Eurasia	<b>1,130</b>	3,861	1,892	1,126	393	450
America **	<b>4,581</b>	18,868	3,879	4,356	6,194	4,439
Asia	<b>3,331</b>	12,295	3,866	1,810	3,968	2,651
Africa and Oceania	<b>727</b>	3,136	636	674	1,193	633
<b>Total</b>	<b>17,354</b>	67,336	19,705	14,061	18,945	14,625
<b>Trucks delivered</b>						
Europe	<b>8,246</b>	23,315	7,976	5,375	5,679	4,285
Eurasia	<b>1,313</b>	2,369	1,267	398	312	392
America **	<b>3,861</b>	18,056	5,143	4,478	4,685	3,750
Asia	<b>3,414</b>	10,179	3,142	2,760	2,966	1,311
Africa and Oceania	<b>728</b>	2,918	840	757	787	534
<b>Total</b>	<b>17,562</b>	56,837	18,368	13,768	14,429	10,272
<b>Order bookings, buses *</b>						
Europe	<b>529</b>	1,720	652	368	384	316
Eurasia	<b>4</b>	72	72	0	0	0
America **	<b>837</b>	2,358	733	518	642	465
Asia	<b>634</b>	2,110	528	275	757	550
Africa and Oceania	<b>99</b>	614	68	202	149	195
<b>Total</b>	<b>2,103</b>	6,874	2,053	1,363	1,932	1,526
<b>Buses delivered *</b>						
Europe	<b>299</b>	1,760	416	299	613	432
Eurasia	<b>16</b>	82	28	22	25	7
America **	<b>567</b>	2,104	714	403	499	488
Asia	<b>517</b>	2,120	395	492	592	641
Africa and Oceania	<b>104</b>	809	242	244	216	107
<b>Total</b>	<b>1,503</b>	6,875	1,795	1,460	1,945	1,675

\* Including body-built buses and coaches.

\*\* Refers to Latin America

## Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	Q1			Full year
	EUR m.	2011	2010	2010
<b>Income statement</b>				
Financial income and expenses	1	11	2	5,016
Income taxes	-	-	-	-4
<b>Net income</b>	<b>1</b>	<b>11</b>	<b>2</b>	<b>5,012</b>
	EUR m.	2011 31 Mar	2010 31 Mar	2010 31 Dec
<b>Balance sheet</b>				
<b>Assets</b>				
<b>Financial non-current assets</b>				
Shares in subsidiaries	940	8,401	8,401	8,401
<b>Current assets</b>				
Due from subsidiaries	896	8,011	3,802	8,000
<b>Total assets</b>	<b>1,836</b>	<b>16,412</b>	<b>12,203</b>	<b>16,401</b>
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>1,836</b>	<b>16,412</b>	<b>12,203</b>	<b>16,401</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,836</b>	<b>16,412</b>	<b>12,203</b>	<b>16,401</b>
	EUR m.	2011 31 Mar	2010 31 Mar	2010 31 Dec
<b>Statement of changes in equity</b>				
Equity, 1 January	1,835	16,401	12,201	12,201
Total comprehensive income	1	11	2	5,000
Dividend	-	-	-	-800
<b>Equity, 31 December</b>	<b>1,836</b>	<b>16,412</b>	<b>12,203</b>	<b>16,401</b>