



SCANIA

PRESS info

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Scania continues restructuring of its Latin American operations

Scania is taking determined action to improve both income and costs in order to return its Latin American operations to profitability. In Brazil, the biggest effects are expected through major price hikes, while actions in Argentina focus on reducing costs.

In Brazil, Scania is raising the prices of trucks and buses by 25 per cent. This price rise is being implemented to compensate for the depreciation caused by the roughly 30 per cent weakening of the Brazilian currency against the US dollar over the past year. About 60 per cent of the components used in Latin American production are invoiced directly or indirectly in USD.

“Over the past few years, the Brazilian price level has dropped significantly in relation to the world price for heavy trucks, and the industry must now compensate for this through price rises,” explains Arne Carlsson, President of Scania Latin America.

As regards cost cutting, a workforce reduction has been launched in Brazil, with 240 employees being offered redundancy pay. At the same time, new work-hours are to apply as of 1 January 2002 to suit the current economic climate. The production and marketing units in São Paulo employ about 2,300 people.

In Argentina, action will be taken to bring about considerable cost reductions, necessary to achieve a competitive cost level. Changed work-hours were already implemented earlier this year for the 700 employees at the production plant in Tucumán. However, this action has not had a sufficient effect, so further measures will be implemented.

There will also be additional measures in the Argentinean marketing organisation due to the general economic situation in the country.

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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. With 26,900 employees and production facilities in Europe and Latin America, Scania is one of the most profitable companies in its sector. In 2000, turnover totalled SEK 53,800 million and the result after financial items was SEK 4,500 million. Scania products are marketed in about 100 countries worldwide and some 95 percent of Scania's vehicles are sold outside Sweden.

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