



SCANIA

PRESS info

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Scania invests in South Korea

Scania is to invest USD 1.3 million initially in a new distribution facility in Sacheon in southern South Korea. The company is also studying the feasibility of developing Sacheon as a new hub for its expanding business in the country.

As part of the establishment of Scania's new facility, the company has signed an agreement-in-principle (letter of intent) with the local provincial administration regarding the allocation of land and other support for the development. The intention is to successively concentrate most of the company's strong and rapidly growing operations in Korea in this location. In view of the present growth in volumes, Scania is running the risk of a capacity shortfall in Korea. The agreement with the provincial administration provides scope for further investment up to a total of USD 30 million over a five-year period.

If Scania avails fully of the opportunities available for expansion in Sacheon, the plans will include expansion of the local bodybuilding operation, which is presently located in Naju. The construction of a new central parts warehouse is also planned. Sacheon is strategically located close to two airports and to some of South Korea's most important deep-water ports.

Following the economic crisis of 1997-98, South Korea has again become one of Scania's strongest markets in Asia. The company's new sales of heavy trucks, which declined to almost zero during the crisis, will reach about 1,200 units this year. As the market leader among imported makes, Scania delivered 1,100 trucks by 1 November 2001.

For further information, please contact Bo Östlund, Business Communications, tel. +46-8-553 82846, e-mail: bo.ostlund@scania.com

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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SCANIA
Communications
S-151 87 SÖDERTÄLJE
SWEDEN

Telephone
+46-8 5538 1000

Telefax
+46-8 5538 5559

Telex
10200 scania s