

**Fresh start for Scania in Korea:
Company takes own sales**

**“We will continue to develop the important Korean business on our own.”
So says Staffan Sjögren, Managing Director of Scania Korea Ltd., now that speculation concerning Asia Motors, Scania’s former Korean partner and subsidiary of liquidation-threatened Kia, has definitely been ended with the news of the takeover of Kia by Hyundai.**

When the Korean crisis became acute in late summer 1997, Scania’s sales ground to an abrupt halt - from a position in which sales for the first six months of the year were indicating an all-time high of about 1,000 units for the full year. Kia’s imminent liquidation quickly complicated the situation for Asia Motors, whose freedom of action was rapidly curtailed and made the company the subject of a wave of takeover rumours. That in connection with the official bidding.

“However, the situation is different now and the demand is coming back on the market,” explains Mr. Sjögren. “We have initiated truck sales by our wholly-owned subsidiary Scania Korea Ltd. And we delivered our first trucks - sold by Scania Korea - during the runup to Christmas.”

Scania has also introduced an innovation in the Korean truck market.

“We are now offering our customers complete service and repair contracts. This will give our service workshops a uniform workload while guaranteeing our truck customers maximum availability. To date, we have sold upward of 300 service contracts of this type nationally. Nothing like this was ever available on the Korean market before.”

At present, Scania has eight contract service workshops in Korea and a decision was taken immediately before Christmas to invest in two new, wholly-owned Scania workshops, one in Seoul and one in Pusan. Additional service facilities will be opened in 1999.

Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. With 23,800 employees and production facilities in Europe and Latin America, Scania is one of the most profitable companies in its sector. In 1997, turnover totalled SEK 39,700 million and income after financial items SEK 2,800 million. Scania products are marketed in about 100 countries worldwide and approximately 95% of total production is sold outside Sweden.

Scania press releases are available on the Internet, www.scania.com