



SCANIA

PRESS info

N99055EN/ Ulf Söderström
18 June 1999

Scania invests for a future in Russia

Considerable potential in the Russian truck market

Russia has the potential for becoming one of the largest and most important truck markets in the new Europe. With significant growth from the year 2001 onwards, the Russian market for heavy western European trucks is expected to expand to about 30,000 vehicles in 2010, to be compared to a total market in western Europe in 1998 of 207,000 vehicles.

"Our aim is to secure a market share of 25 percent, which corresponds to a potential sales volume of about 7,500 trucks in the year 2010," said Leif Östling, President and CEO of Scania, at a press conference during the inauguration on Friday of the new Scania Centre in Moscow.

The new Scania Centre is further evidence of Scania's focus on Russia, part of the company's drive to ensure that it will be able to offer customers a comprehensive and competitive dealer and service network in the future. The new facility is strategically located along the vital transport route leading to Minsk. This highway carries most of the international truck traffic between Russia and Europe.

As the Russian economy starts picking up, the demand for goods and services too will start to increase, a process that will have a direct effect on the need for transportation. Unlike many other growth markets, Russia has a functioning road network that can handle heavy traffic. What is more, the distances between cities are huge. All this creates a good foundation for securing a large market share for heavy trucks in Russia.

Scania increased its market share from just over 2 percent in 1992 to about 14 percent in 1998. Scania is now one of the leading imported makes of heavy truck in the country.

"At present, we have more than 10 dealer and service points concentrated in the western part of Russia. Our aim is to double the number of service workshops in our network within the next 2 or 3 years," said Per Gustav Nilsson, MD of Scania Russia.

The new Scania Centre is of western European standard. It is the first of its kind among western European truck manufacturers. It houses an importer's office, truck sales office, training facilities, workshops and a parts warehouse.

Of all the western European truck manufacturers, Scania has one of the best dealer and service networks in central and eastern Europe. This is an important reason for Scania's success on these growth markets.

SCANIA
Communications
S-151 87 SÖDERTÄLJE
SWEDEN

Telephone
+46-8 5538 1000

Telefax
+46-8 5538 5559

Telex
10200 scania s

For further information, please contact Ulf Söderström
either on tel. no. +46 70-680 95 95 or via e-mail at: ulf.soderstrom@scania.com

Illustrations: see www.scania.com "Media services"

Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. With 23,500 employees and production facilities in Europe and Latin America, Scania is one of the most profitable companies in its sector. In 1998, turnover totalled SEK 45,300 million and income after financial items SEK 3,200 million. Scania products are marketed in about 100 countries worldwide and approximately 96 percent of total production is sold outside Sweden.

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