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Scania reviews production structure – a precondition for keeping jobs in Sweden

Scania has decided to carry out a review of the company's production structure in Sweden. The review primarily concerns operations in Södertälje, Falun and Sibbhult related to axles, gearboxes and components for these. Some 1 800 employees are today employed in these operations.

"Continued streamlining of production is a precondition for keeping jobs in Sweden," says Leif Östling, President and CEO.

The review is a step in Scania's efforts to continuously improve productivity and streamline its structure. During the past five-year period, Scania has concentrated its European production of cabs, axles and engines to Sweden, which has increased the number of jobs in the country by about 1,500.

"What we are now looking at is a structural streamlining that has potential to yield substantial cost savings," Mr Östling says.

Scania's assessment is that it should be possible to carry out co-ordination of production in Sweden within a period of 2-3 years.

The review will be completed no later than the first quarter of 2006.

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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. A growing proportion of the company's operations is comprised of products and services in the financial and service sectors, assuring Scania customers of cost-effective transport solutions and maximum uptime. Employing 30,000 people, Scania operates in about 100 countries. Research and development activities are concentrated in Sweden, while production plants are located in Europe and South America, with facilities for the global exchange of both components and finished vehicles. In 2004, invoiced sales totalled SEK 56.7 billion and net income amounted to SEK 4.1 billion.

Scania's press releases are available on the Internet at www.scania.com.

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