

25 January 2007



## SCANIA YEAR-END REPORT

JANUARY–DECEMBER 2006

- Scania reports record volume, earnings and cash flow in 2006
- Costs of about SEK 350 m. related to concentration of production and MAN's offer for Scania, of which about SEK 250 m. in the fourth quarter, were charged to operating income
- Order bookings showed accelerating growth during the fourth quarter, +44 percent
- From the end of the first quarter of 2007, the production rate will be raised to an annual rate of 80,000 vehicles, up 25 percent compared to the first quarter of 2006
- Scania expects demand for heavy trucks to remain strong in Europe throughout 2007

2006 IN BRIEF		Full year		Change in %	Q4	
Units		2006	2005		2006	2005
Trucks and bus chassis						
– Order bookings		74,898	62,588	20	25,417	17,597
– Deliveries		65,281	58,383	12	18,498	17,134
Net sales and earnings						
SEK m. (unless otherwise stated)		EUR m.*				
• Net sales, Scania Group	7,816	70,738	63,328	12	19,007	18,286
Operating income, Vehicles and Service	913	8,260	6,330	30	2,470	2,025
Operating income, Customer Finance	54	493	529	-7	119	132
Operating income	967	8,753	6,859	28	2,589	2,157
Income before taxes	948	8,583	6,765	27	2,578	2,170
• Net income	656	5,939	4,665	27	1,824	1,524
Operating margin, percent		12.4	10.8		13.6	11.8
Return on equity, percent		24.1	20.8			
Return on capital employed, Vehicles and Service, percent		30.4	27.9			
• Earnings per share, SEK		29.70	23.33	27	9.12	7.62
Cash flow, Vehicles and Service	767	6,942	3,865		1,612	1,733
Number of employees, 31 December		32,820	30,765			

**Number of shares: 200 million**

\* Translated to euros solely for the convenience of the reader at a balance sheet exchange rate of SEK 9.05 = EUR 1.00.

This report has not been subjected to review by the company's auditors.

Unless otherwise stated, all comparisons refer to the corresponding period of the previous year.

This report is also available at [www.scania.com](http://www.scania.com)

## **SCANIA, FULL YEAR 2006 – COMMENTS BY THE PRESIDENT AND CEO**

*Scania set new records in 2006, with vigorous growth in volume, earnings and cash flow. Operating income increased by 28 percent to SEK 8,753 m., resulting in an operating margin of 12.4 percent. Operating income included restructuring costs of about SEK 150 m. in conjunction with the ongoing concentration of production as well as costs of about SEK 200 m. related to MAN's offer for Scania.*

*Order bookings increased by 20 percent. In the fourth quarter, growth accelerated with an increase of 44 percent. Order bookings in January remain at the same high level as in the fourth quarter. During 2006, deliveries rose by 12 percent to 65,281 vehicles. Increased transport needs and a shortage of transport capacity are leading to higher demand for vehicles and services in nearly all markets where Scania operates. Scania is well positioned for future growth. In the coming years, we expect sales to increase by about 10 percent annually, with a sustained operating margin of 12-15 percent.*

*In Scania's largest market, Europe, order bookings for heavy trucks were strong during the first half of 2006 in the run-up to the environmental regulations that entered into force in the European Union during the autumn. However, the pre-buy effect was less than expected. The increase in order bookings accelerated during the fourth quarter, partly driven by customer preferences for EGR technology. We expect demand for heavy trucks to remain strong in Europe throughout 2007.*

*Sizeable investments in infrastructure in the new EU member countries and strong growth in the Russian economy are contributing to rising transport demand. Investment levels are expected to remain high for several years ahead and will generate a high demand for transport capacity.*

*Most other markets also showed a strong trend during 2006. Demand for heavy trucks improved in Latin America and Asia, while Africa was stable.*

*Currently incoming orders will be delivered to customers during the third quarter of 2007. Body builders also have long lead times. In order to meet the strong demand, Scania's production will be raised in March/April to an annual rate of 80,000 vehicles. This is equivalent to a 25 percent increase in the production rate compared to the first quarter of 2006 and means that we will be running at very high capacity utilisation. We are now intensively studying how to remove bottlenecks in production and are investing in further capacity increases to gradually reach 100,000 vehicles. This will be done with limited investments, totalling about SEK 2,000 m. over a period of three years.*

*The concentration of our axle and gearbox production is proceeding as planned, and to date some 400 replacement jobs have been secured outside Scania. Efforts are under way in Scania's sales and service operations to increase capacity and take advantage of economies of scale in this area. Together these efforts will yield efficiency gains of more than SEK 800 m. per year from 2009.*

*During 2007 Scania will introduce new Euro 5 engines with unchanged fuel consumption. In these engines, Scania uses exhaust gas recirculation (EGR) without any aftertreatment. With further modifications, these engines will meet the next European environmental standard, Euro 6. Scania is maintaining its world-leading position in the development of heavy diesel engines, and the strategic alliance with Cummins plays an important role in this achievement.*

*Our collaboration with Hino is deepening, and Scania will begin to distribute Hino's medium-duty trucks in South Korea during the first half of 2007, as one step towards future expansion in Asia. Scania's cooperation with Larsen & Toubro in India is progressing well.*

*On 18 September 2006, MAN AG presented a hostile bid for Scania. On 23 January 2007 MAN announced that the bid will be withdrawn. The decision was welcomed by Scania and its largest shareholders Volkswagen and Investor. Proposals regarding the regular dividend and capital restructuring will be presented after the next regular Board meeting on 8 February.*

## MARKET OVERVIEW

### Trucks

Scania's order bookings for the full year 2006 amounted to 68,409 (56,542) trucks, an increase of 21 percent. In the fourth quarter order bookings increased 42 percent to 23,204 (16,342) trucks.

In western Europe, order bookings rose by 11 percent to 38,642 units. Order bookings increased in most markets, which was partly offset by a downturn in Great Britain.

During the first half of 2006, order bookings were strong in the run-up to the environmental regulations that entered into force in the EU during the autumn and new rules about digital tachographs. The pre-buy effect was less than expected, however. Order bookings in the fourth quarter in western Europe increased by 32 percent to 13,437 (10,211) units. Virtually all markets contributed to the upturn.

The total market for heavy trucks in western Europe rose by 4.0 percent during 2006 and amounted to about 261,000 units, according to preliminary data. Scania truck registrations totalled about 33,600 units, equivalent to a market share of about 12,9 (13,2) percent.

Central and eastern Europe is growing in importance to Scania and now represents 15 (11) percent of truck deliveries. The strong trend in demand continued in 2006, and order bookings increased by 93 percent to 11,568 (6,005) trucks. In the fourth quarter, order bookings were 126 percent higher than in the year-earlier period, totalling 4,475 (1,981) trucks. Demand rose in most markets, especially in Russia and Poland. Russia is now Scania's fastest growing market and is expected to show continued strong growth.

In Latin America, order bookings rose by 19 percent during 2006. In the fourth quarter, order bookings were up 27 percent. An increase in Brazil was somewhat offset by a decrease in Argentina during the fourth quarter.

Order bookings in Asia rose by 22 percent during the full year. In the fourth quarter, order bookings rose by 48 percent, mainly attributable to the Middle East as well as South Korea. In Africa and other markets, order bookings were unchanged compared to previous year.

### Buses and coaches

During 2006, Scania's order bookings for buses and coaches rose by 7 percent to 6,489 (6,046) units. In Europe demand weakened by 12 percent compared to the year-earlier period, despite strong demand in Russia. In Latin America, order bookings fell by 8 percent, while in "Other markets" (Asia, Africa and Pacific) they rose by 69 percent.

During the fourth quarter, order bookings rose by 76 percent to 2,213 (1,255) units. In Europe, order bookings were up 14 percent, supported by higher demand in Russia. In Latin America, order bookings rose by 18 percent. Developments were especially good in Brazil. In "Other markets", Scania's order bookings rose by 794 units to 949 buses and coaches. The upturn was mainly attributable to Iran.

### Industrial and marine engines

Industrial and marine engines posted another record year, with a 15 percent increase in deliveries to 6,546 (5,704) units. Order bookings rose to 6,551 (6,459) units. During the fourth quarter, deliveries rose by 4 percent, while order bookings fell by 15 percent.

### Number of Scania truck registrations, Scania's 10 largest markets, January-December

	2006	2005	Change in %
Great Britain	5,757	5,698	1
Brazil	5,047	5,217	-3
Germany	4,511	4,166	8
France	3,893	4,417	-12
Spain	3,259	3,344	-3
The Netherlands	3,188	2,190	46
Italy	3,136	3,160	-1
Russia*	2,820	1,368	106
Sweden	2,350	2,235	5
Turkey	2,099	2,073	1

\* deliveries

### Scania's market share, heavy trucks, Scania's 10 largest markets, January-December, percent

	2006	2005
Great Britain	16.6	15.9
Brazil	25.7	25.8
Germany	7.2	7.4
France	8.8	9.6
Spain	10.1	10.5
The Netherlands	19.9	19.6
Italy	12.1	12.9
Russia	not available	n/a
Sweden	44.4	45.4
Turkey	6.3	6.2

## NET SALES

During the full year 2006, Scania **delivered** 59,344 (52,567) trucks, an increase of 13 percent. In the fourth quarter, deliveries rose by 8 percent to 16,892 (15,673) trucks.

Deliveries of bus chassis totalled 5,937 (5,816) units during the full year. In the fourth quarter, deliveries amounted to 1,606 (1,461) bus chassis.

**Net sales** rose by 12 percent to SEK 70,738 m. (63,328) during the full year 2006. Currency rate effects had no influence on sales. During the fourth quarter, net sales rose by 4 percent to SEK 19,007 m. (18,286). Currency rate effects amounted to about SEK -700 m.

**New vehicle sales revenue** rose by 13 percent during the full year, and by 5 percent during the fourth quarter.

**Service revenue** during the full year increased by 8 percent in Swedish kronor to SEK 13,595 m. (12,591). Revenue was not influenced by currency rate effects. During the fourth quarter, service revenue was SEK 3,515 m. (3,470), an upturn of 1 percent, equivalent to 6 percent in local currencies.

## EARNINGS

**Scania's operating income** rose by 28 percent to SEK 8,753 m. (6,859) during the full year 2006. In the fourth quarter, operating income rose by 20 percent to SEK 2,589 m. (2,157).

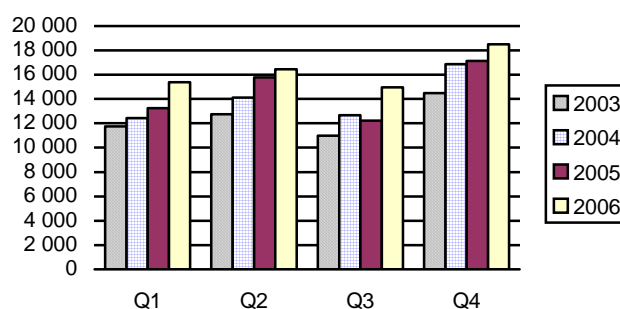
**Operating income in Vehicles and Service** increased by 30 percent to SEK 8,260 m. (6,330) during the full year 2006. Higher vehicle and service volume and better capacity utilisation were the main contributors to the earnings improvement. Restructuring costs related to the concentration of axle and gearbox production in Södertälje affected earnings by about SEK 150 m.

Scania's research and development expenditures amounted to SEK 2,842 m. (2,479). After adjusting for SEK 180 m. (279) in capitalised expenditures and SEK 361 m. (283) in depreciation of previously capitalized expenditures, recognised expenses increased to SEK 3,023 m. (2,484).

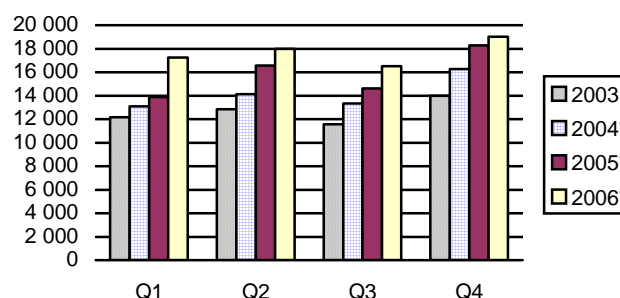
### Net sales by market (SEK m.), Scania's 10 largest markets, January–December

	2006	2005	Change in %
Great Britain	7,909	7,787	2
Brazil	5,337	4,968	7
Sweden	4,633	3,947	17
Germany	4,281	3,928	9
The Netherlands	4,179	3,785	10
France	4,168	3,901	7
Spain	3,655	3,318	10
Italy	3,427	3,445	-1
Norway	3,148	3,052	3
Finland	2,868	2,813	2

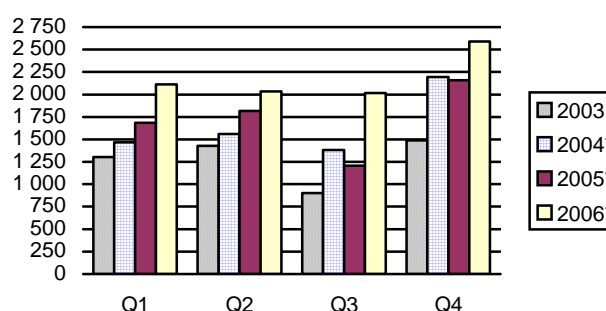
### VEHICLES DELIVERED (units)



### NET SALES (SEK m.)



### OPERATING INCOME (SEK m.)



\* 2004, 2005 and 2006 in accordance with IFRS

Costs related to MAN's offer for Scania affected earnings by about SEK 200 m. Compared to the full year 2005, currency spot rate effects totalled about SEK -715 m. Currency hedging income amounted to SEK 110 m. During the full year 2005, the impact of currency hedgings on earnings was SEK -410 m. Compared to the full year 2005, the total currency rate effect was thus SEK -195 m..

In the fourth quarter, operating income in Vehicles and Service increased by SEK 445 m. to SEK 2,470 m. (2,025). Higher vehicle volume together with improved service earnings had a favourable impact. Restructuring costs in conjunction with the concentration of production affected earnings by about SEK 150 m. Research and development expenses increased by SEK 93 m. compared to the corresponding quarter of 2005. Costs in conjunction with MAN's offer for Scania affected earnings by about SEK 100 m. Compared to the fourth quarter of 2005, currency spot rate effects totalled about SEK -340 m. Currency hedging income amounted to SEK 85 m. During the fourth quarter of 2005, the impact of currency hedgings was SEK -195 m. The total currency rate effect was thus SEK -60 m.

**Operating income in Customer Finance** amounted to SEK 493 m. (529) during the full year 2006. In the fourth quarter, operating income was SEK 119 m. (132). The positive effect of increased financing volume was offset by lower interest margins. Operating expenses increased due to continued expansion, mainly in emerging markets. At the end of December, the size of the portfolio amounted to about SEK 31,800 m., which represented an increase of about SEK 2,200 m. since the end of 2005. In local currencies, the portfolio increased by 10 percent, about SEK 3,000 m.

**Scania's net financial items** amounted to SEK -170 m. (-94). Net interest items amounted to SEK -231 m. (-187). Higher interest expenses were partly offset by improved net debt. Other financial income and expenses amounted to SEK 61 m. (93). This included SEK 80 m. (74) in positive valuation effects related to financial instruments where hedge accounting was not applied. In addition, the acquisition of Ainax had a positive effect of SEK 50 m. on financial income during 2005. Other financial income and expenses also included bank-related expenses.

The Scania Group's **tax expenses** for the full year 2006 were equivalent to 30.8 (31.0) percent of income after financial items.

**Net income** increased by 27 percent during the full year and amounted to SEK 5,939 m. (4,665). During the fourth quarter, net income rose by 20 percent to SEK 1,824 m. (1,524).

## CASH FLOW, VEHICLES AND SERVICE

**Scania's cash flow** in Vehicles and Service amounted to SEK 6,942 m. (3,865 ) in the full year 2006. During the fourth quarter, cash flow in Vehicles and Service amounted to SEK 1,612 m. (1,733).

**Tied-up working capital** during the full year decreased by SEK 1,879 m., despite higher volume. During the fourth quarter, working capital continued to decrease slightly, by SEK 63 m.

**Net investments** amounted to SEK 3,810 m. (3,802), including SEK 180 m. (279 ) in capitalisation of development expenditures. In the previous year net investments included acquisitions and divestments of SEK 205 m.

The **net cash position** at year end was SEK 4,335 m. compared to a net debt position of SEK 269 m. at year end 2005.

## PARENT COMPANY

The assets of the **Parent Company**, Scania AB, consist of shares in Scania CV AB. Scania CV AB is the parent company of the Group that comprises all production and sales and service companies as well as other companies. According to a resolution approved by the Annual General Meeting and implemented through a decision of the Swedish Companies Registration Office, during 2006 Scania's share capital was reduced by SEK 262,965,080 through a withdrawal of 26,296,508 Series A shares in

Scania that were owned by Scania. Scania's share capital was thus restored to what it was before the offer for Ainax was launched. The liquidation of Ainax was concluded in November 2006.

## MISCELLANEOUS

### Number of employees

The number of employees at the end of December was 32,820, compared to 30,765 at the end of 2005. The number of employees increased mainly in production (by 9 percent) and in research and development (by 6 percent). In the sales and service network, the number of employees increased by 4 percent, primarily outside western Europe.

### Accounting principles

Scania applies International Financial Reporting Standards (IFRS) as approved by the European Commission for application in the EU. Scania's Year-end Report is designed in accordance with IAS 34, "Interim Financial Reporting", and RR 31, "Interim Reporting for Groups". Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2005. New IFRS accounting principles during 2006 have not had an impact on Scania's financial reporting.

### Annual General Meeting and proposed Dividend

The Annual General Meeting of Shareholders will be held at 2 p.m. on Thursday, 3 May 2007 in Scaniarinken, AXA Sports Center in Södertälje. Proposals regarding the regular dividend and capital restructuring will be presented after the next regular Board meeting on 8 February.

Södertälje, 25 January 2007

LEIF ÖSTLING

President and CEO

### Financial information from Scania

Scania's Interim Report for the first quarter of 2007 will be published on 27 April 2007.

*This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Such forward-looking statements involve risks and uncertainties that could significantly alter potential results. These statements are based on certain assumptions, including assumptions related to general economic and financial conditions in the company's markets and the level of demand for the company's products.*

*This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with the Stockholm Stock Exchange, if and when circumstances arise that will lead to changes compared to the date when these statements were issued.*

*In the Interim Report for the first nine months of 2006, the following was stated by Leif Östling, President and CEO:*

*"Scania's deliveries will total about 65,000 vehicles during 2006 and operating income will substantially exceed SEK 8,000 m. Based on current order bookings and sizeable order backlog, Scania has decided to further increase its rate of production starting in the first quarter of 2007. Due to expectations of higher future growth in transport demand, Scania intends to expand production capacity to 100,000 vehicles, which it can achieve with limited capital spending. Following the completion of the previously announced capital structure review, management has concluded that the company has the ability to make a special distribution of up to SEK 7,000 m., equivalent to SEK 35 per share, before the end of 2006."*

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## Income statement

Amounts in SEK m.  
unless otherwise stated

	Full year			Change	Q4	
	EUR m.*	2006	2005	in %	2006	2005
<b>Vehicles and Service</b>						
Net sales	7,816	70,738	63,328	12	19,007	18,286
Cost of goods sold	-5,774	-52,255	-47,835	9	-13,752	-13,636
Gross income	2,042	18,483	15,493	19	5,255	4,650
Research and development expenses	-334	-3,023	-2,484	22	-798	-705
Selling expenses	-665	-6,016	-5,829	3	-1,608	-1,726
Administrative expenses	-131	-1,189	-858	39	-381	-196
Share of income in associated companies and joint ventures	1	5	8	-38	2	2
<b>Operating income, Vehicles and Service</b>	913	8,260	6,330	30	2,470	2,025
<b>Customer Finance</b>						
Interest and lease income	387	3,504	3,518	0	902	921
Interest and depreciation expenses	-286	-2,585	-2,575	0	-667	-675
Interest surplus	101	919	943	-3	235	246
Other income	26	232	178	30	70	39
Other expenses	-20	-179	-138	30	-53	-33
Gross income	107	972	983	-1	252	252
Selling and administrative expenses	-46	-416	-374	11	-119	-108
Bad debt expenses	-7	-63	-80	-21	-14	-12
<b>Operating income, Customer Finance</b>	54	493	529	-7	119	132
<b>Operating income</b>	967	8,753	6,859	28	2,589	2,157
Net interest items	-26	-231	-187	24	-58	-36
Other financial revenues and expenses	7	61	93	-34	47	49
<b>Net financial items</b>	-19	-170	-94	81	-11	13
<b>Income after financial items</b>	948	8,583	6,765	27	2,578	2,170
Taxes	-292	-2,644	-2,100	26	-754	-646
<b>Net income</b>	656	5,939	4,665	27	1,824	1,524
Attributable to:						
Scania shareholders	656	5,939	4,665		1,824	1,524
Minority interest	0	0	0		0	0
Includes depreciation of <sup>1</sup>	-334	-3,023	-2,707		-737	-729
Number of shares: 200 million						
Earnings per share, SEK (no dilution) **		29.70	23.33		9.12	7.62
Return on equity, percent <sup>2</sup> **		24.1	20.8		13.6	11.8
Operating margin, percent		12.4	10.8			

Acquired companies have the following accumulated effect in 2006:

"Net sales", SEK +170 m.; "Gross income", SEK +69 m.; "Expenses", SEK -37 m.; "Operating income", SEK +32 m.; and "Income after financial items", SEK +27 m.

<sup>1</sup> Refers to Vehicles and Service, of which short-term rentals during the full year amounted to -230 (-210). Attributable to "Cost of goods sold", "Research and development expenses", "Selling expenses" and "Administrative expenses".

<sup>2</sup> Calculations are based on rolling 12-month income.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.05 = EUR 1.00.

\*\* Attributable to Scania shareholders' part of earnings

## Net sales and deliveries, Vehicles and Service

Amounts in SEK m. unless otherwise stated	Full year			Change in %	Q4	
	EUR m.	2006	2005		2006	2005
Net sales						
Trucks	4,754	43,021	37,778	14	12,334	11,486
Buses *	748	6,766	6,256	8	1,639	1,809
Engines	113	1,024	803	28	317	277
Service-related products	1,502	13,595	12,591	8	3,515	3,470
Used vehicles	573	5,189	4,897	6	1,421	1,322
Miscellaneous	335	3,032	2,773	9	908	603
Delivery sales value	8,025	72,627	65,098	12	20,134	18,967
Adjustment for lease income <sup>3</sup>	-209	-1,889	-1,770		-1,127	-681
Net sales	7,816	70,738	63,328	12	19,007	18,286

### Net sales <sup>4</sup>

Western Europe	5,025	45,475	42,027	8	11,848	11,670
Central and eastern Europe	916	8,293	5,586	48	2,848	1,900
Latin America	930	8,420	7,575	11	2,049	2,200
Asia	509	4,603	4,138	11	1,276	1,193
Other markets	436	3,947	4,002	-1	986	1,323
Net sales	7,816	70,738	63,328	12	19,007	18,286

### Total delivery volume, units

Trucks	59,344	52,567	13	16,892	15,673
Buses*	5,937	5,816	2	1,606	1,461
Engines	6,546	5,704	15	1,970	1,903

<sup>3</sup> Refers to the difference between sales recognised as revenues and sales value based on deliveries.

<sup>4</sup> Revenues from external customers by location of customers.

\* Including body-built buses and coaches.



## Quarterly data, earnings

Amounts in SEK m. unless otherwise stated	2006					2005			
	EUR m.	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Vehicles and Service</b>									
Net sales	2,100	19,007	16,507	17,978	17,246	18,286	14,608	16,561	13,873
Cost of goods sold	-1,520	-13,752	-12,128	-13,521	-12,854	-13,636	-11,257	-12,624	-10,318
Gross income	580	5,255	4,379	4,457	4,392	4,650	3,351	3,937	3,555
Research and development expenses	-88	-798	-705	-791	-729	-705	-581	-631	-567
Selling expenses	-178	-1,608	-1,466	-1,514	-1,428	-1,726	-1,473	-1,398	-1,232
Administrative expenses	-42	-381	-322	-251	-235	-196	-239	-217	-206
Share of income in associated companies and joint ventures	0	2	-3	6	0	2	2	1	3
<b>Operating income, Vehicles and Service</b>	272	2,470	1,883	1,907	2,000	2,025	1,060	1,692	1,553
<b>Customer Finance</b>									
Interest and lease income	100	902	875	866	861	921	884	858	855
Interest and depreciation expenses	-74	-667	-656	-631	-631	-675	-636	-631	-633
Interest surplus	26	235	219	235	230	246	248	227	222
Other income	8	70	65	43	54	39	63	27	49
Other expenses	-6	-53	-49	-35	-42	-33	-44	-25	-36
Gross income	28	252	235	243	242	252	267	229	235
Selling and administrative expenses	-13	-119	-98	-101	-98	-108	-89	-91	-86
Bad debt expenses	-2	-14	-3	-16	-30	-12	-32	-13	-23
<b>Operating income, Customer Finance</b>	13	119	134	126	114	132	146	125	126
<b>Operating income</b>	285	2,589	2,017	2,033	2,114	2,157	1,206	1,817	1,679
Net interest items	-6	-58	-66	-62	-45	-36	-61	-41	-49
Other financial revenues and expenses	5	47	-39	13	40	49	10	-34	68
Net financial items	-1	-11	-105	-49	-5	13	-51	-75	19
Income before taxes	284	2,578	1,912	1,984	2,109	2,170	1,155	1,742	1,698
Taxes	-83	-754	-631	-597	-662	-646	-330	-581	-543
<b>Net income</b>	201	1,824	1,281	1,387	1,447	1,524	825	1,161	1,155
Attributable to: Scania shareholders	201	1,824	1,281	1,387	1,447	1,524	825	1,161	1,155
Minority interest	0	0	0	0	0	0	0	0	0
Earnings per share, SEK *		9.12	6.41	6.94	7.24	7.62	4.13	5.81	5.78
Operating margin, in percent		13.6	12.2	11.3	12.3	11.8	8.3	11.0	12.1

\* Attributable to Scania shareholders' part of earnings

## Balance sheet by business segment

Amounts in SEK m.  
unless otherwise stated

	2006					2005			
	EUR m.	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Vehicles and Service</b>									
<b>ASSETS</b>									
<b>Non-current assets</b>									
Intangible non-current assets	271	<b>2,452</b>	2,486	2,568	2,647	2,685	2,699	2,819	2,667
Tangible non-current assets	1,889	<b>17,104</b>	16,950	16,660	16,872	16,692	16,305	16,030	14,959
Lease assets	417	<b>3,775</b>	4,149	3,881	3,875	3,981	3,769	3,677	3,561
Shares and participations	19	<b>173</b>	150	136	129	96	116	121	96
Interest-bearing receivables	27	<b>241</b>	285	269	303	531	562	604	534
Other receivables <sup>5</sup>	164	<b>1,485</b>	1,976	1,838	1,796	1,842	704	790	810
<b>Current assets</b>									
Inventories	1,116	<b>10,100</b>	10,073	10,461	10,748	9,949	11,071	11,470	10,957
Interest-bearing receivables	55	<b>496</b>	860	461	531	494	474	531	476
Other receivables <sup>6</sup>	1,186	<b>10,737</b>	10,942	11,712	11,578	10,942	11,768	12,191	10,448
Short-term investments	101	<b>911</b>	1,105	368	791	1,194	1,444	1,307	716
Cash and cash equivalents	1,079	<b>9,761</b>	8,444	1,970	5,389	1,422	1,043	1,267	1,963
<b>Total assets</b>	<b>6,324</b>	<b>57,235</b>	57,420	50,324	54,659	49,828	49,955	50,807	47,187
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Scania shareholders	2,538	<b>22,966</b>	21,373	20,211	22,147	20,673	19,407	18,289	19,410
Minority interest	1	<b>5</b>	8	8	8	9	6	6	8
<b>Total equity</b>	<b>2,539</b>	<b>22,971</b>	21,381	20,219	22,155	20,682	19,413	18,295	19,418
<b>Interest-bearing liabilities</b>									
<b>Non-current liabilities</b>									
Provisions for pensions	397	<b>3,590</b>	3,575	3,522	3,487	3,445	2,634	2,644	2,557
Other provisions	351	<b>3,174</b>	3,400	3,357	3,230	2,872	3,048	3,183	3,225
Other liabilities <sup>7</sup>	282	<b>2,554</b>	2,855	2,776	3,024	2,940	2,398	2,367	2,346
<b>Current liabilities</b>									
Provisions	124	<b>1,123</b>	1,097	1,038	1,071	962	1,368	1,536	1,230
Other liabilities <sup>8</sup>	1,917	<b>17,360</b>	17,721	17,149	16,518	15,637	15,624	15,840	14,243
<b>Total equity and liabilities</b>	<b>6,324</b>	<b>57,235</b>	57,420	50,324	54,659	49,828	49,955	50,807	47,187
 <sup>5</sup> Including derivatives with positive value for hedging of borrowings									
	11	<b>99</b>	349	284	253	640	0	0	0
 <sup>6</sup> Including derivatives with positive value for hedging of borrowings									
	40	<b>365</b>	253	257	216	148	1,058	801	547
 <sup>7</sup> Including derivatives with negative value for hedging of borrowings									
	24	<b>213</b>	207	327	356	276	0	0	0
 <sup>8</sup> Including derivatives with negative value for hedging of borrowings									
	14	<b>125</b>	182	116	129	107	464	0	0
Net cash (-) / Net debt (+) excl. provisions for pensions, incl. derivatives as above	-479	<b>-4,335</b>	-2,371	-173	-990	269	2,389	3,567	942

## Balance sheet by business segment

Amounts in SEK m.  
unless otherwise stated

	2006					2005			
	<i>EUR m.</i>	<b>31 Dec</b>	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Customer Finance</b>									
<b>ASSETS</b>									
<b>Non-current assets</b>									
Intangible non-current assets	1	<b>12</b>	13	13	12	13	12	13	12
Other tangible non-current assets	3	<b>26</b>	24	23	23	23	24	23	22
Lease assets	815	<b>7,379</b>	6,933	6,803	7,073	7,269	7,083	7,279	7,075
Financial receivables	1,809	<b>16,358</b>	16,197	15,587	15,171	15,012	13,250	13,485	12,805
Other receivables	24	<b>221</b>	165	206	202	116	180	183	218
<b>Current assets</b>									
Inventories	0	<b>0</b>	0	0	0	0	9	9	42
Financial receivables	895	<b>8,104</b>	7,531	7,494	7,463	7,353	8,214	8,395	7,740
Other receivables	65	<b>590</b>	592	586	460	496	368	379	367
Short-term investments	0	<b>0</b>	0	0	0	0	0	0	13
Cash and cash equivalents	19	<b>173</b>	185	148	260	177	143	214	198
<b>Total assets</b>	3,631	<b>32,863</b>	31,640	30,860	30,664	30,459	29,283	29,980	28,492
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Scania shareholders	350	<b>3,163</b>	3,265	3,139	3,156	3,054	3,289	3,393	3,392
Total equity	350	<b>3,163</b>	3,265	3,139	3,156	3,054	3,289	3,393	3,392
<b>Interest-bearing liabilities</b>	3,072	<b>27,805</b>	26,636	25,738	25,692	25,384	24,271	24,762	23,378
<b>Non-current liabilities</b>									
Provisions for pensions	2	<b>15</b>	14	13	14	13	10	10	9
Other provisions	64	<b>577</b>	591	582	594	578	695	660	619
Other liabilities	1	<b>13</b>	20	14	11	2	22	21	19
<b>Current liabilities</b>									
Provisions	0	<b>2</b>	1	1	1	0	0	0	0
Other liabilities	142	<b>1,288</b>	1,113	1,373	1,196	1,428	996	1,134	1,075
<b>Total equity and liabilities</b>	3,631	<b>32,863</b>	31,640	30,860	30,664	30,459	29,283	29,980	28,492

## Balance sheet by business segment

Amounts in SEK m.  
unless otherwise stated

	2006					2005			
	EUR m.	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sept	30 Jun	31 Mar
<b>Eliminations</b>									
<b>ASSETS</b>									
Operating lease assets	-164	-1,488	-1,408	-1,374	-1,352	-1,367	-1,317	-1,362	-1,296
Other current receivables	-59	-532	-447	-703	-589	-702	-387	-449	-397
<b>Total assets</b>	-223	-2,020	-1,855	-2,077	-1,941	-2,069	-1,704	-1,811	-1,693
<b>EQUITY AND LIABILITIES</b>									
Other current liabilities	-223	-2,020	-1,855	-2,077	-1,941	-2,069	-1,704	-1,811	-1,693
<b>Total equity and liabilities</b>	-223	-2,020	-1,855	-2,077	-1,941	-2,069	-1,704	-1,811	-1,693

### Scania Group

<b>ASSETS</b>									
<b>Non-current assets</b>									
Intangible non-current assets	272	2,464	2,499	2,581	2,659	2,698	2,711	2,832	2,679
Tangible non-current assets	1,892	17,130	16,974	16,683	16,895	16,715	16,329	16,053	14,981
Lease assets	1,068	9,666	9,674	9,310	9,596	9,883	9,535	9,594	9,340
Shares and participations	19	173	150	136	129	96	116	121	96
Interest-bearing receivables	1,836	16,599	16,482	15,856	15,474	15,543	13,812	14,089	13,339
Other receivables <sup>9</sup>	188	1,706	2,141	2,044	1,998	1,958	884	973	1,028
<b>Current assets</b>									
Inventories	1,116	10,100	10,073	10,461	10,748	9,949	11,080	11,479	10,999
Interest-bearing receivables	950	8,600	8,391	7,955	7,994	7,847	8,688	8,926	8,216
Other receivables <sup>10</sup>	1,192	10,795	11,087	11,595	11,449	10,736	11,749	12,121	10,418
Short-term investments	101	911	1,105	368	791	1,194	1,444	1,307	729
Cash and cash equivalents	1,098	9,934	8,629	2,118	5,649	1,599	1,186	1,481	2,161
<b>Total assets</b>	9,732	88,078	87,205	79,107	83,382	78,218	77,534	78,976	73,986
<b>TOTAL EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Scania shareholders	2,888	26,129	24,638	23,350	25,303	23,727	22,696	21,682	22,802
Minority interest	1	5	8	8	8	9	6	6	8
<b>Total equity</b>	2,889	26,134	24,646	23,358	25,311	23,736	22,702	21,688	22,810
<b>Non-current liabilities</b>									
Interest-bearing liabilities	1,980	17,918	19,536	18,652	20,345	19,323	20,946	22,743	19,493
Provisions for pensions	399	3,605	3,589	3,535	3,501	3,458	2,644	2,654	2,566
Other provisions	415	3,751	3,991	3,939	3,824	3,450	3,743	3,843	3,844
Other liabilities <sup>11</sup>	283	2,567	2,875	2,790	3,035	2,942	2,420	2,388	2,365
<b>Current liabilities</b>									
Interest-bearing liabilities	1,806	16,350	14,491	9,349	10,521	9,351	8,795	8,961	8,053
Provisions	124	1,125	1,098	1,039	1,072	962	1,368	1,536	1,230
Other liabilities <sup>12</sup>	1,836	16,628	16,979	16,445	15,773	14,996	14,916	15,163	13,625
<b>Total equity and liabilities</b>	9,732	88,078	87,205	79,107	83,382	78,218	77,534	78,976	73,986
<sup>9</sup> Including derivatives with positive value for hedging of borrowings									
	11	99	349	284	253	640	0	0	0
<sup>10</sup> Including derivatives with positive value for hedging of borrowings									
	40	365	253	257	216	148	1,058	801	547
<sup>11</sup> Including derivatives with negative value for hedging of borrowings									
	24	213	207	327	356	276	0	0	0
<sup>12</sup> Including derivatives with negative value for hedging of borrowings									
	14	125	182	116	129	107	464	0	0
Equity/assets ratio, percent		29.7	28.3	29.5	30.4	30.3	29.3	27.5	30.8

## Statement of recognised income and expenses and changes in equity

Amounts in SEK m. unless otherwise stated	EUR m.	Full year	
		2006	2005
Exchange rate difference for the year	-73	-661	1,304
Hedge reserve			
Fair value changes on cash flow hedging recognised directly in equity	38	340	-607
Cash flow hedge reserve transferred to sales revenue in income statement	-11	-103	415
Actuarial gains and losses related to pension liabilities recognised directly in equity	-8	-68	-770
Tax attributable to items recognised directly in equity	-5	-46	271
Total income and expenses recognised directly in equity	-59	-538	613
Net income for the year	656	5,939	4,665
<b>Total recognised income and expenses for the year</b>	<b>597</b>	<b>5,401</b>	<b>5,278</b>
Attributable to:			
Scania AB shareholders	597	5,402	5,277
Minority interest	0	-1	1
<hr/>			
Equity, 1 January	2,623	23,736	21,433
Change in accounting principles	-	-	22
Adjusted opening balance	2,623	23,736	21,455
Total recognised income and expenses for the year	597	5,401	5,278
Change in minority interest related to Ainax	0	-3	3
Dividend	-331	-3,000	-3,000
<b>Equity at the end of the year</b>	<b>2,889</b>	<b>26,134</b>	<b>23,736</b>
Attributable to:			
Scania AB shareholders	2,888	26,129	23,727
Minority interest	1	5	9

## Cash flow statement

Amounts in SEK m. unless otherwise stated	Full year			2006				2005
	EUR m.	2006	2005	Q4	Q3	Q2	Q1	Q4
<b>OPERATING ACTIVITIES</b>								
Income after financial items	948	8,583	6,765	2,578	1,912	1,984	2,109	2,170
Items not affecting cash flow	358	3,236	2,953	827	806	835	768	825
Taxes paid	-282	-2,552	-2,450	-667	-521	-755	-609	-340
<b>Cash flow from operating activities</b>								
<b>before change in working capital</b>	1,024	9,267	7,268	2,738	2,197	2,064	2,268	2,655
of which: Vehicles and Service	980	8,873	6,905	2,691	2,071	1,941	2,170	2,666
Customer Finance	44	394	363	47	126	123	98	-11
Change in working capital etc., Vehicles and Service	208	1,879	762	63	916	924	-24	50
<b>Cash flow from operating activities</b>	1,232	11,146	8,030	2,801	3,113	2,988	2,244	2,705
<b>INVESTING ACTIVITIES</b>								
Net investments, Vehicles and Service	-421	-3,810	-3,802	-1,142	-915	-797	-956	-983
Net investments in credit portfolio etc., Customer Finance	-388	-3,514	-1,410	-1,532	-838	-678	-466	-439
<b>Cash flow from investing activities</b>	-809	-7,324	-5,212	-2,674	-1,753	-1,475	-1,422	-1,422
<b>Cash flow from Vehicles and Service</b>	767	6,942	3,865	1,612	2,072	2,068	1,190	1,733
<b>Cash flow from Customer Finance</b>	-344	-3,120	-1,047	-1,485	-712	-555	-368	-450
<b>FINANCING ACTIVITIES</b>								
Change in net debt from financing activities	838	7,591	62	1,221	5,181	-2,029	3,218	-831
Dividend to shareholders	-331	-3,000	-3,000	-	-	-3,000	-	-
<b>Cash flow from financing activities</b>	507	4,591	-2,938	1,221	5,181	-5,029	3,218	-831
<b>Cash flow for the year</b>	930	8,413	-120	1,348	6,541	-3,516	4,040	452
<b>Cash and cash equivalents at beginning of period</b>	177	1,599	1,589	8,628	2,118	5,649	1,599	1,186
<b>Exchange rate differences in cash and cash equivalents</b>	-9	-78	130	-42	-31	-15	10	-39
<b>Cash and cash equivalents at end of period</b>	1,098	9,934	1,599	9,934	8,628	2,118	5,649	1,599

## Number of employees

	2006				2005			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	<b>16,517</b>	16,106	15,935	15,481	15,174	15,251	15,170	15,308
Research and development	<b>2,174</b>	2,161	2,127	2,111	2,058	2,053	2,001	1,956
Sales and service companies	<b>13,682</b>	13,510	13,344	13,247	13,128	12,988	12,889	12,589
<b>Vehicles and Service</b>	<b>32,373</b>	31,777	31,406	30,839	30,360	30,292	30,060	29,853
<b>Customer Finance</b>	<b>447</b>	434	429	420	405	383	368	362
<b>Total number of employees</b>	<b>32,820</b>	32,211	31,835	31,259	30,765	30,675	30,428	30,215

## Quarterly data, units by geographic area

	2006					2005				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>										
Western Europe	38,642	13,437	6,447	8,155	10,603	34,900	10,211	7,630	8,863	8,196
Central and eastern Europe	11,568	4,475	2,156	2,686	2,251	6,005	1,981	1,527	1,495	1,002
Latin America	9,036	2,755	1,977	2,217	2,087	7,608	2,177	1,863	1,560	2,008
Asia	6,389	1,770	1,030	1,642	1,947	5,257	1,199	695	1,862	1,501
Other markets	2,774	767	592	789	626	2,772	774	751	613	634
<b>Total</b>	<b>68,409</b>	<b>23,204</b>	12,202	15,489	17,514	56,542	16,342	12,466	14,393	13,341
<b>Trucks delivered</b>										
Western Europe	34,396	9,708	7,295	8,545	8,848	31,392	9,119	6,149	8,689	7,435
Central and eastern Europe	8,830	3,177	2,062	2,014	1,577	5,693	1,939	1,229	1,339	1,186
Latin America	7,957	2,042	2,196	1,991	1,728	7,776	2,220	1,718	2,078	1,760
Asia	5,546	1,359	1,348	1,660	1,179	5,415	1,562	1,212	1,516	1,125
Other markets	2,615	606	630	661	718	2,291	833	470	491	497
<b>Total</b>	<b>59,344</b>	<b>16,892</b>	13,531	14,871	14,050	52,567	15,673	10,778	14,113	12,003
<b>Order bookings, buses*</b>										
Western Europe	1,999	655	458	390	496	2,568	739	326	673	830
Central and eastern Europe	569	251	126	130	62	348	58	38	121	131
Latin America	1,643	358	365	509	411	1,785	303	312	388	782
Asia	1,462	725	185	268	284	628	89	97	237	205
Other markets	816	224	208	136	248	717	66	216	283	152
<b>Total</b>	<b>6,489</b>	<b>2,213</b>	1,342	1,433	1,501	6,046	1,255	989	1,702	2,100
<b>Buses delivered*</b>										
Western Europe	2,282	538	513	641	590	2,271	685	526	573	487
Central and eastern Europe	428	161	100	109	58	394	126	95	89	84
Latin America	1,679	313	509	470	387	1,727	384	324	633	386
Asia	879	433	121	223	102	616	113	164	183	156
Other markets	669	161	185	133	190	808	153	339	176	140
<b>Total</b>	<b>5,937</b>	<b>1,606</b>	1,428	1,576	1,327	5,816	1,461	1,448	1,654	1,253

\* Including body-built buses and coaches.