

**SCANIA*****PRESS info***

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Scania plans for strong growth in engine sales

With sales of 6,500 engines, 2006 was a record year for Scania Industrial & Marine Engines. The company's strategy for continued growth is aggressive – sales are to increase to 10,000 engines by 2010.

“The greatest potential in terms of volumes and profitability can be found in those segments where operators demand reliable engines that combine high availability and performance with low lifecycle costs,” says Robert Sobocki, Senior Vice President and head of Scania Industrial & Marine Engines.

In the industrial all-speed segment, Scania's goal is to double sales. This is a segment with the potential for large volumes but also with customers that impose the highest demands concerning operational reliability. Robert Sobocki sees considerable scope for increasing deliveries of engines to the large, well-established manufacturers of products such as construction machines, terminal-handling vehicles and agricultural machines.

“It's all about machine manufacturers with products characterised by high demands on quality and performance – the very same properties that Scania stands for. We deliver engines that handle round-the-clock operation and that in addition feature good environmental and fuel performance. We also have an organisation that can provide a high service level,” continues Robert Sobocki and mentions Norway's Moxy, Sweden's SMV and Italy's CVS Ferrari as examples of successful cooperative ventures within this segment.

Scania is continuing to strengthen its position in the marine segment. Cooperation with Yanmar of Japan, which started in 2002, continues to develop positively. Yanmar is a well-known company with a strong international brand name and a well-established sales and service network.

“Marine customers not only demand engines that offer high performance, they also impose immensely high demands on operating reliability and good service potential. Cooperation with Yanmar, which already has a widespread service network, ensures our ability to double volumes within the marine segment,” explains Robert Sobocki.

Scania has a strong position in the genset market. Engines for such applications are used primarily as backup power sources in the event of a power outage or when additional electricity is required.

“The market for engines to drive emergency power-supply units is characterised by high price-sensitivity and low demand for parts. That is why Scania is focusing primarily on increasing sales to manufacturers of gensets for permanent electricity supply and for rentals, where the demands on engine performance and operating economy are higher.”

Scania’s strategy for doubling sales of industrial and marine engines includes reinforcing the company’s own sales and service network and continuing cooperation with specialised dealers.

“Irrespective of whether we are talking about industrial or marine engines, it’s important to live and operate close to our customers and to get to know them well. This is a precondition for being able to deliver the right products to the right customers on the market, that is to say engines and service to those customers who have the highest demands concerning performance, operating reliability and total operating economy,” concludes Robert Sobocki.

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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 consists of products and services in the financial and service sectors, assuring Scania customers of cost-effective transport solutions and maximum uptime. Employing 32,800 people, Scania operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2006, invoiced sales totalled SEK 70.7 billion and the net income amounted to SEK 5.9 billion.

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

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