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## **Scania's Board of Directors proposes that SEK 50 per share be distributed to the shareholders**

**Scania's Board of Directors proposes to the AGM that SEK 50 per share be distributed to the shareholders by means of a regular cash dividend of SEK 15 per share and a 5 to 1 share split with mandatory redemption of the fifth share at a price of SEK 35 per share.**

Scania's robust earnings and cash flow have strengthened the company's financial position. Under the prevailing market conditions, and based on current investment plans, the company's finances will remain strong during the coming years.

For the purpose of having an efficient capital structure, Scania's Board of Directors proposes:

1. an unchanged regular dividend of SEK 15 per share, which is equivalent to 50.5 per cent of net income per share, plus
2. a mandatory redemption totalling SEK 7 billion, which is equivalent to SEK 35 per share.

Altogether, the proposal means that Scania will distribute SEK 50 per share to the shareholders.

The Board of Directors proposes that each Scania share (both A and B shares) is split into four ordinary shares and one redemption share. The redemption share will be traded on the Stockholm Stock Exchange for about two weeks around late May and early June. After that, it will automatically be redeemed for SEK 35 per share in cash. No action will be required from the shareholder for redemption.

The redemption will reduce Scania's share capital by SEK 400 million through the withdrawal of 100 million Series A redemption shares and 100 million Series B redemption shares.

In order to make a quick procedure possible, the Board proposes that the company's share capital be restored through a bonus issue of SEK 400 million. This amount will be transferred to share capital from unrestricted equity. No new shares will be issued in conjunction with the bonus issue.

After the redemption has been carried out, each shareholder will have four Scania shares of the same series for each Scania share held before the redemption.

The Board proposes 9 May 2007 as the record date for the right to receive the regular dividend. The Swedish Central Securities Depository and Clearing Organisation (VPC) can be expected to send the dividend on 14 May. The proposed record date at VPC for the share split that is included in the redemption programme will be around 22 May 2007. The redemption payment is expected to be sent around 14 June 2007.

A complete proposal will be presented in conjunction with the official notification of Scania's 2007 Annual General Meeting (AGM). Both the regular dividend and the redemption procedure are conditional upon the approval of the AGM on 3 May 2007.

A brochure containing more detailed information about Scania's redemption will be available on the company's website, [www.scania.com](http://www.scania.com), and will be distributed to the shareholders in April.

If you have questions, please contact:

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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 net income amounted to SEK 5.9 billion.*

*Scania's press releases are available on the Internet at [www.scania.com](http://www.scania.com)*

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