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Scania invests in engine production

Scania invests in order to increase it's engine production capacity.

"We have signed a memorandum of understanding with GM Powertrain to acquire it's production plant in Södertälje Sweden," says Per Hallberg, Head of Production and Procurement and a member of Scania's Executive Board.

This acquisition will enable Scania to increase engine component production capacity and to start production of injection systems for engines.

"It's an important step in the task of boosting Scania's total production capacity to 100,000 vehicles by 2010," Mr Hallberg says. "Another advantage is that we will have production and product development in close proximity to each other."

Scania will offer all employees at the GM Powertrain production plant employment at Scania. Scania will by that gain access to personnel with long experience of engine manufacture.

"According to plans, during 2009 we will successively start production in the portions of the plant that GM makes available," Mr Hallberg says. This production will include machining of engine components and a new generation of extra high-pressure injectors (XPI).

Since 1992, Scania has a successful alliance with the American engine manufacturer Cummins to develop and manufacture injection systems for engines. This alliance led to development of Scania HPI, the injection system used in Scania trucks today, which will be replaced by XPI. Production takes place in a joint venture company with manufacturing in United States, Mexico and in the future in Sweden.

"With XPI, we can offer our truck and bus customers the best conceivable operating economy, while reducing emissions so that we meet both Euro 5 and 6 environmental standards," Mr Hallberg says.

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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 32,800 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 2006, invoiced sales totalled SEK 70.7 billion and net income amounted to SEK 5.9 billion.

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

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