



## SCANIA INTERIM REPORT JANUARY- JUNE 2000

### RESULTS

#### **First half of 2000, compared to first half of 1999**

- Number of trucks and buses sold: 27,647 (24,869), an increase of 11 percent.
- Sales of service-related products rose by 15 percent<sup>1</sup>.
- Sales: SEK 26,368 m. (23,419) [USD 2,992 m. (2,657)]\*, an increase of 13 percent<sup>1</sup>.
- Operating income: SEK 2,156 m. (2,503) [USD 244 m. (284)].
- Operating margin: 8.2 (10.7) percent.
- Operating income in customer finance operations rose to SEK 80 m. (69) [USD 9 m. (8)].
- Income after financial items: SEK 1,846 m. (2,240) [USD 210 m. (254)].
- Net income: SEK 1,277 m. (1,554) [USD 146 m. (176)].
- Earnings per share: SEK 6.40 (7.75) [USD 0.73 (0.88)].
- Operating cash flows, excluding acquisitions of companies: SEK 1,474 m. (707) [USD 168 m. (80)].

#### **Second quarter of 2000, compared to second quarter of 1999**

- Number of trucks and buses sold: 14,641 (11,959).
- Sales: SEK 13,693 m. (11,640) [USD 1,554 m. (1,320)].
- Operating income: SEK 1,051 m. (1,263) [USD 120 m. (143)], equivalent to a margin of 7.7 (10.9) percent.
- Operating cash flows: SEK 993 m. (851) [USD 112 m. (97)].

### MARKET

#### **First half of 2000, compared to first half of 1999**

- Order bookings for heavy trucks in western European markets rose by 18 percent.
- Scania's market share for heavy trucks in western Europe rose to 15.8 (14.9) percent.
- In Latin America, heavy truck deliveries declined marginally, while order bookings increased. Scania's market share in Brazil amounted to 28.6 (32.4) percent.

#### **Second quarter of 2000, compared to second quarter of 1999**

- Order bookings for heavy trucks in western European markets rose by 12 percent.
- Order bookings from markets in Asia and in central and eastern Europe were very strong.
- In Latin America, order bookings for heavy trucks rose by more than 10 percent.
- The demand for buses and coaches in Latin America was strong, and order bookings rose sharply from a low level.

### OUTLOOK

"Based on a good market development for Scania products, our ambition is to continue with double digit margin" concludes Leif Östling, Scania's President and CEO.

<sup>1</sup> Including the acquired distributors in Finland, Norway and Latvia.

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

Unless otherwise stated, all comparisons refer to the same period of last year.

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



## SCANIA INTERIM REPORT, JANUARY – JUNE 2000

Operating income for the first six months of 2000 reached SEK 2,156 m., despite continued keen price competition in western European markets and a substantially stronger Swedish krona in relation to the euro. Operating income in European operations<sup>2</sup> amounted to SEK 2,136 m., including currency effects of more than SEK -200 m. Increased investments in new products boosted research and development expenses by more than SEK 100 m. Underlying operating income in Latin American operations improved by more than SEK 250 m., mainly as a consequence of the cost-cutting measures that Scania has implemented.

Volvo's planned buyout of Scania, which was interrupted by the European Union's rejection of the deal in March, led to revenue shortfalls in Europe for Scania Buses & Coaches as well as Scania Industrial & Marine Engines. In some European markets, truck prices were also adversely affected, among other things due to substantial uncertainty among dealers regarding the future distribution structure and management of the Scania brand. These effects on revenue are expected to diminish gradually during the second half of 2000. Certain additional costs directly connected to the planned buyout were charged to earnings during the first half.

The truck market in western Europe remained strong. Scania's truck order bookings in the region rose by 18 percent during the first half of 2000, compared to the same period of 1999. In central and eastern Europe, demand continued to strengthen. Markets in Asia also improved.

Scania increased its market share for heavy trucks in western Europe to 15.8 (14.9) percent. During the first half of 2000, about 20,700 (18,500) Scania trucks were registered in western Europe. Total heavy truck registrations in the region amounted to some 131,000 (124,000) units, an increase of 6 percent. Recalculated to a rolling twelve-month basis, this is equivalent to an annual rate of around 240,000 trucks.

In Latin America, Scania's truck order bookings rose by 3 percent during the first half and 13 percent during the second quarter. The total market in Brazil during the first half was 16 percent larger than last year, and projections of macroeconomic trends during the rest of 2000 are favourable. Scania's market share in Brazil rose, compared to the first quarter, amounting to 28.6 percent during the first six months of the year. In Argentina, market share rose to 28.8 (27.1) percent.

The total number of Scania trucks sold rose by 11 percent. In European operations, the number of trucks sold increased by 13 percent.

Scania's order bookings for buses and coaches rose by 4 percent in European operations and by 64 percent in Latin America. Total order booking rose by 23 percent and amounted to 2,194 (1,777) buses.

The total number of buses sold increased by 12 percent, reaching 2,036 (1,817). The sharp sales increase in Latin America offset a downturn in Europe.

<sup>2</sup> European operations are the portion of Scania's operations that, in principal, supply all markets except Latin American ones with the company's products, services and financing.

The number of industrial and marine engines sold rose by 9 percent during the first half of 2000.

Sales of service-related products during the first half of 2000 rose by 15 percent.

The customer finance portfolio increased during the first half by about SEK 1 bn., compared to the end of 1999, and amounted to SEK 16 bn.

During the second quarter, Scania launched a new 16-litre V8 engine, environmentally adapted to fulfil the EU's Euro 3 emission standards. The new engine, part of Scania's modularised engine range, uses the same combustion chamber as today's 11- and 12-litre engines. This is the most important product launch to date since the introduction of the 4-series. It will further strengthen Scania's leading position in the high-output segment for trucks.

Also announced during the second quarter were a number of new market investments, including Scania-owned distributors in Malaysia and Thailand and a bus assembly plant in St. Petersburg to supply the Russian market.

## SALES AND EARNINGS

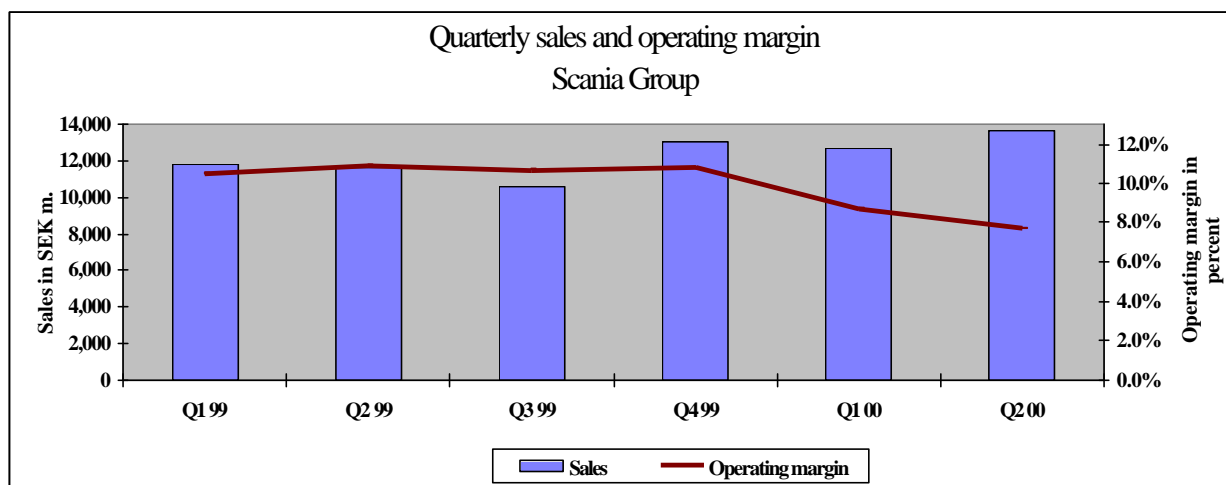
During the first half, the Scania Group **sold** 27,647 (24,869) trucks and buses, an increase of 11 percent. In monetary terms, the Scania Group's sales rose by 13 percent to SEK 26,368 m. (23,419) (6 percent excluding acquired companies). Sales of Scania products rose by 11 percent. Operating income amounted to SEK 2,156 m. (2,503), equivalent to an operating margin of 8.2 (10.7) percent.

**In European operations**, unit sales of trucks and buses increased by 12 percent. In monetary terms, sales rose by 11 percent. Operating income amounted to SEK 2,136 m. (2,556). Earnings reflected more than SEK 200 m. in adverse currency effects as well as an increase of more than SEK 100 m. in research and development expenses.

Besides currency effects, pricing pressure and trucks with lower specification levels reduced average revenue per vehicle. To some extent, the reduction was offset by improved productivity. In all, this had an impact on earnings of about SEK -300 m. Earnings of Buses & Coaches and Marine & Industrial Engines operations declined by around SEK 100 m. as a consequence of low order bookings, a low rate of production and uncertainty during the first quarter concerning Scania's ownership structure. The operating margin in European operations amounted to 10.2 (13.5) percent.

During the second quarter of 2000, two items affecting comparability were included in earnings. Surplus pension-related funds allocated to Scania by the retirement insurance company SPP boosted earnings by more than SEK 100 m. This was offset by expenses related to Volvo's planned buy-out of Scania.

**In Latin American operations**, unit sales of trucks and buses rose by 5 percent to 3,816 (3,633). Operating income including items affecting comparability amounted to SEK -183 m. (-254). During the first half, earnings were adversely affected by SEK 80 m. in costs for implementation of staffing reductions. During the first half of 1999, operating income was boosted by SEK 110 m. in translation effects, due to the Brazilian currency devaluation. At a comparable level, underlying earnings thus improved by SEK 261 m., due to improved prices and a lower cost level.



Operating income in **European customer finance operations** rose to SEK 80 m. (69).

Operating income in **passenger car operations**<sup>3</sup> amounted to SEK 123 m. (132).

**Net financial items** totalled SEK -310 m. (-263). In European operations, net financial items improved, compared to the first half of 1999. In Latin America, net financial items deteriorated due to negative cash flows and high local interest rates.

The Scania Group's **tax expenses** were equivalent to 30.7 (30.6) percent of income after financial items.

## CASH FLOWS

Scania's **operating cash flows**, excluding customer finance operations, improved during the first half to SEK 1,454 m. (21). Excluding acquired companies, cash flows amounted to SEK 1,474 m. (707).

**Cash from operating activities** amounted to SEK 2,377 m. (2,758).

**Tied-up working capital** rose by SEK 145 m. A positive effect in European operations was offset by increased tied-up working capital in Latin America.

**Net investments** reached SEK 778 m. (1,645). Excluding acquisitions, net investments amounted to SEK 758 m. (959).

During the second quarter of 2000, operating cash flows amounted to SEK 986 m. (825). Among the factors behind this improvement were lower working capital as well as lower investments.

<sup>3</sup> Passenger car operations include half of the importer operations of the Svenska Volkswagen Group in Sweden, the wholly-owned Swedish car dealership network Din Bil and a car dealership network in Finland which is part of the recently acquired Finnish distributor Oy Scan-Auto Ab.

## **Number of employees**

The number of employees totalled 26,078 at the end of the report period. This represented an increase of 264 persons since the beginning of the year. In principle, the increase was attributable to marketing companies in Europe as well as the Swedish car operation. As a consequence of staffing reduction programmes, the number of employees in Latin American operations declined by 217.

## **Parent Company**

The assets of the Parent Company of the Scania Group, Scania AB, consist of shares in the subsidiary Scania CV AB and shares in the Latin American subsidiaries.

Scania CV AB is the parent company of the Group's European operations, comprising European production and marketing companies as well as other companies outside Latin America.

The income of Scania AB after financial items amounted to SEK 10 m. (23).

Södertälje, 1 August 2000

Leif Östling  
President and CEO

This Interim Report has not been subject to special review by the company's auditors.

The next Interim Report will be published on 30 October 2000.

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 affect 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 provided.

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## EARNINGS BY AREA OF OPERATIONS

Amounts in SEK m. unless otherwise stated	<i>USD m.*</i>	First half <b>2000</b>	1999	Change in %	1999	July 99 - June 00
<b>Number of trucks and buses sold</b>						
European operations		<b>23,831</b>	21,236	12	42,919	45,514
Latin American operations		<b>3,816</b>	3,633	5	7,495	7,678
Total Scania vehicles sold		<b>27,647</b>	24,869	11	50,414	53,192
<b>Sales</b>						
European operations	2,381	<b>20,983</b>	18,932	11	38,107	40,158
Latin American operations	288	<b>2,541</b>	2,101	21	4,560	5,000
Less intra-Group sales	-82	<b>-722</b>	-432	67	-1,042	-1,332
Total Scania products	2,587	<b>22,802</b>	20,601	11	41,625	43,826
Passenger car operations <sup>4</sup>	405	<b>3,566</b> <sup>5</sup>	2,818	27	5,485	6,233
Scania Group total	2,992	<b>26,368</b>	23,419	13	47,110	50,059
<b>Operating income</b>						
European operations	242	<b>2,136</b>	2,556	-16	4,980	4,560
Latin American operations	-21	<b>-183</b>	-254	28	-328	-257
Customer finance operations	9	<b>80</b>	69	16	140	151
Total Scania products	230	<b>2,033</b>	2,371	-14	4,792	4,454
Passenger car operations	14	<b>123</b>	132	-7	253	244
Scania Group total	244	<b>2,156</b>	2,503	-14	5,045	4,698
<b>Operating margin in percent</b>						
European operations		<b>10.2</b>	13.5		13.1	11.4
Latin American operations		<b>-7.2</b>	-12.1		-7.2	-5.1
Total Scania products		<b>8.9</b>	11.5		11.5	10.2
Passenger car operations		<b>3.5</b>	4.7		4.6	3.9
Scania Group total		<b>8.2</b>	10.7		10.7	9.4

## SALES BY PRODUCT CATEGORY

Amounts in SEK m. unless otherwise stated	<i>USD m.*</i>	First half <b>2000</b>	1999	Change in %	1999	July 99 - June 00
Trucks	1,709	<b>15,061</b>	13,837	9	27,888	29,112
Buses	203	<b>1,792</b>	1,743	3	3,601	3,650
Engines	25	<b>217</b>	200	9	444	461
Service-related products	449	<b>3,955</b>	3,438	15	6,927	7,444
Used vehicles etc.	202	<b>1,777</b>	1,383	28	2,765	3,159
Total Scania products	2,588	<b>22,802</b>	20,601	11	41,625	43,826
Passenger cars	404	<b>3,566</b>	2,818	27	5,485	6,233
Total	2,992	<b>26,368</b>	23,419	13	47,110	50,059

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

<sup>4</sup> Passenger car operations include half of the importer operations of the Svenska Volkswagen Group in Sweden, the wholly-owned Swedish car dealership network Din Bil and a car dealership network in Finland which is part of the recently acquired Finnish distributor Oy Scan-Auto Ab.

<sup>5</sup> Of which Svenska Volkswagen products SEK 2,957 m. (2,765).

## INCOME STATEMENT

Amounts in SEK m. unless otherwise stated	USD m.*	First half 2000	1999	Change in %	1999	July 99 - June 00
Sales <sup>6</sup>	2,992	<b>26,368</b>	23,419	13	47,110	50,059
Cost of goods sold	-2,252	<b>-19,847</b>	-17,240		-34,351	-36,958
Gross income <sup>6</sup>	740	<b>6,521</b>	6,179	6	12,759	13,101
Research and development expenses	-91	<b>-798</b>	-662		-1,267	-1,403
Selling expenses <sup>6,7</sup>	-381	<b>-3,367</b>	-2,836		-6,047	-6,578
Administrative expenses <sup>8</sup>	-49	<b>-432</b>	-408		-866	-890
Income from customer finance operations	9	<b>80</b>	69		140	151
Share of income of associated companies	17	<b>152</b>	161		326	317
Operating income <sup>9</sup>	245	<b>2,156</b>	2,503	-14	5,045	4,698
Financial income and expenses	-35	<b>-310</b>	-263		-545	-592
Income after financial items	210	<b>1,846</b>	2,240	-18	4,500	4,106
Taxes	-64	<b>-567</b>	-685		-1,353	-1,235
Minority interests	0	<b>-2</b>	-1		-1	-2
Net income	146	<b>1,277</b>	1,554	-18	3,146	2,869

Number of shares: 200 million

Operating margin, percent	<b>8.2</b>	10.7		10.7	9.4
Return on equity, percent	<b>21.8</b>	23.8		25.1	21.8
Return on capital employed, excluding customer finance operations, percent	<b>18.7</b>	20.1		21.4	18.7
Return on capital employed, percent	<b>12.8</b>	14.2		14.8	12.8
Earnings per share, SEK	0.73	<b>6.40</b>	7.75	15.75	14.35
Earnings per share according to U.S. GAAP, SEK	0.70	<b>6.20</b>	8.50	16.40	15.60
<sup>9</sup> Includes depreciation of	-112	<b>-990</b>	-1,005	-1,948	-1,933

<sup>6</sup> **Acquired businesses** impacted sales by SEK 1,441 m., gross income by SEK 396 m., selling expenses by SEK -368 m. and income in associated companies by SEK -12 m.

<sup>7</sup> **Selling expenses:** Defined as the costs of corporate marketing resources, plus all overhead in marketing companies, including goodwill and warranty payments. Comparative periods have been adjusted for the fact that parts distribution costs were previously included but are now reported under "Cost of goods sold".

<sup>8</sup> **Administrative expenses:** Defined as Group-wide costs for management and for the staff units in European and Latin American operations.

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

## EARNINGS BY QUARTER

Amounts in SEK m. unless otherwise stated	2000				1999			
	<i>Q 2</i> <i>USD m. *</i>	<b>Q 2</b>	Q 1	Full year	Q 4	Q 3	Q 2	Q 1
<b>Sales</b>								
European operations	1,228	<b>10,818</b>	10,165	38,107	10,639	8,536	9,189	9,743
Latin American operations	161	<b>1,421</b>	1,120	4,560	1,266	1,193	1,139	962
Less intra-Group sales	-47	<b>-417</b>	-305	-1,042	-318	-292	-249	-183
Total Scania products	1,342	<b>11,822</b>	10,980	41,625	11,587	9,437	10,079	10,522
Passenger car operations	212	<b>1,871</b>	1,695	5,485	1,457	1,210	1,561	1,257
Scania Group total	1,554	<b>13,693</b>	12,675	47,110	13,044	10,647	11,640	11,779
<b>Operating income</b>								
European operations	114	<b>1,003</b>	1,133	4,980	1,303	1,122	1,313	1,243
Latin American operations	-7	<b>-61</b>	-122	-328	-6	-68	-158	-96
Customer finance operations	5	<b>42</b>	38	140	39	32	39	30
Total Scania products	112	<b>984</b>	1,049	4,792	1,336	1,086	1,194	1,177
Passenger car operations	8	<b>67</b>	56	253	67	53	69	63
Scania Group total	120	<b>1,051</b>	1,105	5,045	1,403	1,139	1,263	1,240
Income after financial items	101	<b>891</b>	955	4,500	1,276	984	1,130	1,110
Net income	70	<b>616</b>	661	3,146	883	709	784	770
Earnings per share, SEK	0.35	<b>3.10</b>	3.30	15.75	4.40	3.55	3.90	3.85
<b>Operating margin, percent</b>								
European operations		<b>9.3</b>	11.1	13.1	12.2	13.1	14.3	12.8
Latin American operations		<b>-4.3</b>	-10.9	-7.2	-0.5	-5.7	-13.9	-10.0
Total Scania products		<b>8.3</b>	9.6	11.5	11.5	11.5	11.8	11.2
Passenger car operations		<b>3.6</b>	3.3	4.6	4.6	4.4	4.5	4.9
Scania Group total		<b>7.7</b>	8.7	10.7	10.8	10.7	10.9	10.5

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.



## UNITS BY QUARTER

	2000			1999			
	Q 2	Q 1	Full year	Q 4	Q 3	Q 2	Q 1
<b>ORDER BOOKINGS, TRUCKS</b>							
- Western Europe	<b>9,888</b>	10,222	36,194	11,036	8,065	8,842	8,251
- Central and eastern Europe	<b>736</b>	462	1,783	538	396	465	384
- Latin America	<b>1,703</b>	1,463	6,122	1,715	1,348	1,509	1,550
- Asia	<b>941</b>	695	1,548	434	462	335	317
- Other markets	<b>253</b>	360	1,030	299	161	355	215
Total	<b>13,521</b>	13,202	46,677	14,022	10,432	11,506	10,717
<b>TRUCKS SOLD</b>							
- Western Europe	<b>9,997</b>	9,625	36,106	10,389	7,821	8,448	9,448
- Central and eastern Europe	<b>535</b>	349	1,551	563	330	363	295
- Latin America	<b>1,709</b>	1,313	6,253	1,593	1,523	1,549	1,588
- Asia	<b>949</b>	467	1,481	541	232	374	334
- Other markets	<b>367</b>	300	1,260	290	317	305	348
Total	<b>13,557</b>	12,054	46,651	13,376	10,223	11,039	12,013
<b>ORDER BOOKINGS, BUSES</b>							
- Europe	<b>381</b>	411	1,704	531	367	360	446
- Latin America	<b>573</b>	378	1,219	300	340	397	182
- Other markets	<b>228</b>	223	628	163	73	195	197
Total	<b>1,182</b>	1,012	3,551	994	780	952	825
<b>BUSES SOLD</b>							
- Europe	<b>451</b>	446	2,002	450	441	551	560
- Latin America	<b>421</b>	368	1,237	381	365	255	236
- Other markets	<b>212</b>	138	524	158	151	114	101
Total	<b>1,084</b>	952	3,763	989	957	920	897

**Sales of industrial and marine engines totalled 1,600 (1,471) units during the first half of 2000.**

**BALANCE SHEET**  
**WITH CUSTOMER FINANCE OPERATIONS REPORTED**  
**ACCORDING TO THE EQUITY ACCOUNTING METHOD**

Amounts in SEK m. unless otherwise stated	<i>30 June</i>		31 March 2000	31 Dec 1999	30 Sept 1999	30 June 1999
	<i>2000</i>	<b>30 June 2000</b>				
	<i>USD m.*</i>					
<b>ASSETS</b>						
Intangible fixed assets	61	<b>534</b>	550	555	417	404
Tangible fixed assets	1,570	<b>13,836</b>	13,868	13,975	13,659	13,841
Shares and participations	302	<b>2,657</b>	2,663	2,616	2,421	2,262
Inventories	881	<b>7,768</b>	7,852	7,279	6,945	7,217
Other receivables	1,202	<b>10,589</b>	10,190	10,477	9,318	8,406
Interest-bearing receivables	160	<b>1,406</b>	1,393	1,361	1,153	1,405
Liquid investments	488	<b>4,304</b>	1,794	2,543	3,637	3,865
Total assets	4,664	<b>41,094</b>	38,310	38,806	37,550	37,400
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
Shareholders' equity	1,524	<b>13,430</b>	14,179	13,548	12,605	12,009
Provisions for pensions	214	<b>1,886</b>	1,874	1,839	1,835	1,839
Other provisions	413	<b>3,641</b>	3,622	3,623	3,361	3,309
Other liabilities	1,104	<b>9,726</b>	9,134	9,021	8,741	8,295
Borrowings	1,408	<b>12,411</b>	9,501	10,775	11,008	11,948
Total shareholders' equity and liabilities	4,663	<b>41,094</b>	38,310	38,806	37,550	37,400
Net indebtedness, excluding pension liabilities	920	<b>8,107</b>	7,707	8,232	7,371	8,083
Net indebtedness as ratio of shareholders' equity (debt/equity ratio)	0.60	<b>0.60</b>	0.54	0.61	0.58	0.67
Equity per share, SEK	7.62	<b>67.15</b>	70.80	67.75	63.05	60.05

Reporting of deferred gains on sales with guaranteed residual values in operating leases has been changed in the above balance sheet from being subtracted from "Tangible fixed assets" to being part of "Other liabilities". The comparative periods have been changed accordingly. In the balance sheet including customer finance operations, this deferred gain is still subtracted from operational leases that are part of "Tangible fixed assets".

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

## BALANCE SHEET CUSTOMER FINANCE OPERATIONS

	<i>30 June</i>					
Amounts in SEK m. unless otherwise stated	<i>2000</i> <i>USD m.*</i>	<b>30 June</b> <b>2000</b>	31 March 2000	31 Dec 1999	30 Sept 1999	30 June 1999
<b>ASSETS</b>						
Leasing assets	735	<b>6,480</b>	6,399	6,164	5,325	4,917
Financial receivables	1,115	<b>9,822</b>	9,340	9,175	8,915	8,203
Other assets	72	<b>632</b>	356	668	449	422
Cash and bank balances	18	<b>162</b>	94	167	95	80
Total assets	1,940	<b>17,096</b>	16,189	16,174	14,784	13,622
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
Shareholders' equity	145	<b>1,280</b>	1,251	1,229	1,008	880
Borrowings	1,612	<b>14,205</b>	13,703	13,612	12,543	11,649
Other liabilities and provisions	183	<b>1,611</b>	1,235	1,333	1,233	1,093
Total shareholders' equity and liabilities	1,940	<b>17,096</b>	16,189	16,174	14,784	13,622

## BALANCE SHEET INCLUDING CUSTOMER FINANCE OPERATIONS

	<i>30 June</i>					
Amounts in SEK m. unless otherwise stated	<i>2000</i> <i>USD m.*</i>	<b>30 June</b> <b>2000</b>	31 March 2000	31 Dec 1999	30 Sept 1999	30 June 1999
<b>ASSETS</b>						
Intangible fixed assets	61	<b>534</b>	550	555	417	404
Tangible fixed assets	2,142	<b>18,880</b>	18,908	18,860	17,776	17,634
Shares and participations	156	<b>1,377</b>	1,411	1,388	1,410	1,382
Inventories	906	<b>7,981</b>	7,959	7,437	7,126	7,382
Other receivables	1,215	<b>10,711</b>	10,257	10,702	9,262	8,400
Interest-bearing receivables	1,274	<b>11,228</b>	10,733	10,537	10,069	9,608
Liquid investments	507	<b>4,466</b>	1,888	2,710	3,733	3,946
Total assets	6,261	<b>55,177</b>	51,706	52,189	49,793	48,756
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
Shareholders' equity	1,524	<b>13,430</b>	14,179	13,548	12,605	12,009
Provisions for pensions	214	<b>1,889</b>	1,877	1,842	1,838	1,841
Other provisions	476	<b>4,198</b>	4,175	4,159	3,817	3,768
Other liabilities	992	<b>8,740</b>	8,271	8,253	7,981	7,542
Borrowings	3,055	<b>26,920</b>	23,204	24,387	23,552	23,596
Total shareholders' equity and liabilities	6,261	<b>55,177</b>	51,706	52,189	49,793	48,756
Equity/assets ratio, %		<b>24.3</b>	27.4	26.0	25.3	24.6

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

## STATEMENT OF CASH FLOWS

Amounts in SEK m. unless otherwise stated	First half			2000			1999
	<i>USD m.*</i>	<b>2000</b>	1999	<i>USD m.*</i>	<b>Q 2</b>	Q 1	Q 2
Cash from operating activities	270	<b>2,377</b>	2,758	140	<b>1,234</b>	1,143	1,477
Change in working capital etc.	-16	<b>-145</b>	-1,092	15	<b>135</b>	-280	-148
Cash flows from operating activities	254	<b>2,232</b>	1,666	155	<b>1,369</b>	863	1,329
Net investments excluding acquired companies	-86	<b>-758</b>	-959	-43	<b>-376</b>	-382	-478
<b>Operating cash flows before acquisitions of companies</b>	168	<b>1,474</b>	707	112	<b>993</b>	481	851
Net investments in acquired companies	-2	<b>-20</b>	-686	-1	<b>-7</b>	-13	-26
<b>Operating cash flows excluding customer finance operations</b>	166	<b>1,454</b>	21	111	<b>986</b>	468	825
Expansion of customer finance operations	-123	<b>-1,082</b>	-962	-89	<b>-781</b>	-301	-668
Change in net indebtedness including customer finance operations	43	<b>372</b>	-941	22	<b>205</b>	167	157
Change in indebtedness from financing activities	313	<b>2,760</b>	4,371	427	<b>3,759</b>	-999	2,519
Dividend to shareholders	-159	<b>-1,400</b>	-1,300	-159	<b>-1,400</b>		-1,300
Net change in cash and short-term investments	197	<b>1,732</b>	2,130	290	<b>2,564</b>	-832	1,376
Effect of exchange rate fluctuations on cash and short-term investments	3	<b>24</b>	42	2	<b>14</b>	10	25
Cash and short-term investments at beginning of period	308	<b>2,710</b>	1,774	214	<b>1,888</b>	2,710	2,545
Cash and short-term investments at end of period	508	<b>4,466</b>	3,946	506	<b>4,466</b>	1,888	3,946

\* Translated solely for the convenience of the reader at an exchange rate of SEK 8.8125 = USD 1.00.

## NUMBER OF EMPLOYEES

	<b>30 June 2000</b>	31 March 2000	31 Dec 1999	30 Sept 1999	30 June 1999
Production companies etc.	<b>13,412</b>	13,365	13,346	13,314	13,215
Marketing companies	<b>9,036</b>	8,859	8,642	7,704	6,668
European operations	<b>22,448</b>	22,224	21,988	21,018	19,883
Latin American operations	<b>3,443</b>	3,503	3,660	3,620	3,625
Customer finance operations	<b>187</b>	179	166	162	150
<b>Total number of employees</b>	<b>26,078</b>	25,906	25,814	24,800	23,658

## Scania's ten largest truck markets

### Registrations of Scania trucks during the first half

	<b>2000</b>	<b>1999</b>	Change in percent
Great Britain	<b>3,467</b>	2,554	36
France	<b>2,943</b>	2,678	10
Germany	<b>2,927</b>	2,928	0
Brazil	<b>2,317</b>	2,261	2
Spain	<b>1,955</b>	1,786	9
The Netherlands	<b>1,801</b>	1,412	28
Italy	<b>1,730</b>	1,405	23
Sweden	<b>1,185</b>	1,134	4
Belgium	<b>954</b>	1,039	-8
Austria	<b>622</b>	652	-5
Western Europe	<b>20,672</b>	18,547	11

### Scania's market shares during the first half, percent

	<b>2000</b>	<b>1999</b>
Great Britain	<b>21.7</b>	17.0
France	<b>11.4</b>	11.4
Germany	<b>9.6</b>	9.3
Brazil	<b>28.6</b>	32.4
Spain	<b>14.3</b>	15.3
The Netherlands	<b>23.6</b>	19.5
Italy	<b>13.3</b>	11.8
Sweden	<b>51.3</b>	47.5
Belgium	<b>18.8</b>	19.5
Austria	<b>15.1</b>	15.6
Western Europe	<b>15.8</b>	14.9