

Scania Interim Report January-September 2008

- Operating margin rose to 15.8 (14.1) percent and net margin increased to 11.1 (9.8) percent
- Net sales rose by 11 percent to SEK 66,319 m. (59,947)
- Service revenue continued to show strong growth, +8 percent
- Earnings per share amounted to SEK 9.21 (7.31)
- The forecast of higher earnings in 2008 than in 2007 remains unchanged
- Scania is adjusting its production rate due to lower order bookings

Comments by Leif Östling, President and CEO

"Scania's earnings were strong during the first nine months of 2008, primarily driven by higher vehicle volume and increased prices. Sales of service-related products continued at a high level, with revenue increasing by 8 per cent. Due to uncertainty about future business conditions as well as liquidity shortages, customers in Europe have become increasingly cautious about placing new orders. Order bookings decreased in Europe including Russia but remained strong in Latin America and Asia. In light of lower overall order bookings and higher inventories, Scania will now adjust its production rate accordingly. Scania will use the flexibility it has with employees on temporary contracts, today close to 20 percent of the workforce in the manufacturing organisation. The restructuring of Scania's European axle and gearbox production is now in its final phase, and together with the earlier transfer of the central parts warehouse, Scania will achieve annual savings of SEK 300 m. with full effect from 2009. Since early this year, Scania has had one common global product range, which provides increased flexibility in production of vehicles for the approximately 100 markets where Scania operates. The long-term outlook remains good, with an increasing need for transport services. Our forecast of higher earnings in 2008 than in 2007 remains unchanged. In view of the currently unclear situation about future business conditions, Scania is providing no forecast for 2009."

	First nine months of the year		Change in %	Q3		
Trucks and bus chassis						
Units	2008	2007		2008	2007	
– Order bookings	48,611	68,086	-29	11,356	18,264	
– Deliveries	55,818	53,873	4	16,244	16,295	
Net sales and earnings						
SEK m. (unless otherwise stated)	EUR m.*					
Net sales, Scania Group	6,795	66,319	59,947	11	20,434	19,907
Operating income, Vehicles and Services	1,034	10,089	8,064	25	2,736	2,426
Operating income, Financial Services	37	366	378	-3	84	126
Operating income	1,071	10,455	8,442	24	2,820	2,552
Income before taxes	1,052	10,270	8,265	24	2,507	2,375
Net income for the period	755	7,369	5,847	26	1,818	1,754
Operating margin, percent		15.8	14.1		13.8	12.8
Net margin, percent		11.1	9.8		8.9	8.8
Return on equity, percent		43.3	31.4			
Return on capital employed,						
Vehicles and Services, percent		50.5	37.3			
Earnings per share, SEK	0.94	9.21	7.31		2.27	2.19
Cash flow, Vehicles and Services	373	3,638	4,240		794	1,390
Number of employees, 30 September		36,226	34,650			
Number of shares: 800 million						

* Translated to euros solely for the convenience of the reader at a balance sheet date exchange rate of SEK 9.76= EUR 1.00.

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

This report is also available on www.scania.com

Business overview

Vehicles and Services

In the first nine months of 2008, order bookings declined by 29 percent to 48,611 (68,068) vehicles, compared to the same period of last year. In the third quarter, order bookings fell by 38 percent to 11,356 (18,264 vehicles).

Total deliveries increased by 4 percent to 55,818 (53,873) vehicles compared to the first nine months of 2007. During the third quarter, deliveries totalled 16,244 (16,295) vehicles.

During the first nine months, net sales rose by 11 percent to SEK 66,319 m. Currency rate effects had limited impact. In the third quarter, net sales amounted to SEK 20,434 m. (19,907).

Trucks

The demand for Scania's trucks declined in Europe during the first nine months compared to the same period of last year. Due to uncertainty about future business conditions as well as liquidity shortages, customers have become more cautious. Demand in Russia remained high but levelled off towards the end of the report period, while it continued to be strong in Latin America and in Asia.

Scania's **order bookings** during the first nine months of 2008 amounted to 43,275 (62,538) trucks, a decrease of 31 percent. In the third quarter, order bookings fell by 41 percent to 9,927 (16,830) trucks.

In western Europe, order bookings were down by 51 percent to 17,763 (36,133) units due to a generally lower demand in most markets. In the third quarter, order bookings fell by 69 percent.

In central and eastern Europe, order bookings fell by 34 percent to 8,138 (12,313) trucks in the first nine months of 2008. Demand was lower in several countries, especially in Poland and the Baltic countries. Demand in Russia remained high but levelled off towards the end of the report period. During the third quarter, order bookings were down by 45 percent.

In Latin America, order bookings increased by 29 percent during the first nine months of 2008. In the third quarter, order bookings were up by 61 percent. Demand continued to increase sharply in Brazil, supported by strong growth in the mining and agricultural sectors. During the third quarter, Scania received its largest order ever in Brazil, totalling 260 trucks including driver training and on-board transport planning computers.

Order bookings in Asia rose by 3 percent in the first nine months and decreased by 20 percent during the third quarter. There was increasing demand in a number of countries in the Middle East and in South East Asia, while demand was lower in Turkey and South Korea. In other markets, order bookings were up by 60 percent in the first nine months and by 233 percent during the third quarter. The upturn was broadly based, with particular improvement in South Africa, Morocco and Australia.

Scania's **deliveries** of trucks increased by 4 percent to a total of 50,570 (48,791) units during the first nine months of 2008 and decreased by 1 percent in the third quarter. In western Europe, the upturn was mainly attributable to Great Britain. In central and eastern Europe, deliveries fell in Poland and in the Baltic countries, whereas Russia continued to increase. Deliveries rose in Latin America, supported by an increase in Brazil. The upturn in Asia was due to higher deliveries in a number of countries, among others India and China. In other markets, deliveries generally decreased.

Net sales of trucks rose by 13 percent to SEK 41,436 m. (36,745) in the first nine months. Net sales in the third quarter were 7 percent higher than a year earlier, amounting to SEK 12,097 m. (11,279). The upturn was explained by increased prices and a more favourable product mix.

Order bookings, Scania trucks

	9 months 2008	9 months 2007	Change in %
Western Europe	17,763	36,133	-51
Central and eastern Europe	8,138	12,313	-34
Latin America	9,750	7,529	29
Asia	5,176	5,032	3
Other markets	2,448	1,531	60
Total	43,275	62,538	-31

Order bookings, Scania buses and coaches

	9 months 2008	9 months 2007	Change in %
Europe	1,665	1,775	-6
Latin America	1,628	2,000	-19
Asia & other markets	2,043	1,773	15
Total	5,336	5,548	-4

Due to lower order bookings and higher truck inventories, Scania will now adjust its production rate accordingly. Scania will use the flexibility it has with employees on temporary contracts, today close to 20 percent of the workforce in the manufacturing organisation. Scania carefully follows market trends to be able to react quickly to any changes.

The ongoing concentration of European axle and gearbox production is proceeding as planned. In June, Scania completed the transfer of gearbox production from Sibbhult to Södertälje. The transfer of axle production from Falun to Södertälje will be completed by year-end. Restructuring, including the concentration of parts logistics, will result in savings of SEK 300 m. per year with full effect from 2009.

In Brazil, Scania's transition to production of the P-, G- and R-series early in the year proceeded as planned. This means that Scania has increased its efficiency and flexibility both in production and distribution, since the same truck range is being offered in the approximately 100 markets where Scania operates.

The **total market** for heavy trucks in 24 of the European Union member countries (all EU countries except for Bulgaria, Greece and Malta) plus Norway and Switzerland rose by 5 percent to about 251,000 units during the first nine months of 2008. Scania truck registrations amounted to some 32,600 units, equivalent to a market share of about 13.0 (13.6) percent. Calculated as rolling twelve-month figures, the European heavy truck market totalled about 335,000 units, compared to 323,000 trucks during 2007.

Scania is working to gradually increase its presence in the fast-growing markets of Asia and the Middle East. Continued infrastructure investments are leading to strong demand for both long-haul and construction trucks in the Middle East. To meet this demand, Scania will begin operations at a new industrial facility in Dubai for bodyworking and equipping of complete vehicles.

In April, Scania launched its first ethanol trucks for urban transport. Scania's ethanol engines work according to the diesel principle and their efficiency is the same as for an ordinary diesel engine. The engine meets the enhanced environmentally friendly vehicle (EEV) standard, which is somewhat stricter than the European environmental emission standard Euro 5.

There is increasing demand for Scania's Euro 5 engines featuring the Scania XPI (extra high-pressure injection) fuel injection system, which makes it possible to meet the emission standard without aftertreatment.

Number of Scania truck registrations, Scania's 10 largest markets, January–September

	9 months 2008	9 months 2007	Change in %
Brazil	5,486	4,601	19
Great Britain	4,232	3,455	22
Russia*	4,023	3,544	14
Germany	3,868	3,785	2
France	3,312	3,084	7
Italy	2,404	2,057	17
Spain	2,186	2,924	-25
Netherlands	2,172	1,869	16
Poland	2,069	2,338	-12
Sweden	1,887	1,847	2

* Refers to delivered trucks

Scania's market share, heavy trucks, Scania's 10 largest markets, percent, January–September

	9 months 2008	9 months 2007
Brazil	17.6	21.9
Great Britain	15.7	17.2
Russia*	not available	n/a
Germany	6.9	7.1
France	8.8	9.3
Italy	13.1	11.3
Spain	10.6	11.2
Netherlands	17.3	18.4
Poland	14.2	16.1
Sweden	42.2	42.9

Buses and coaches

During the first nine months of 2008, Scania's **order bookings** for buses and coaches fell by 4 percent to 5,336 (5,548) units. In Europe, demand decreased by 6 percent compared to the same period of 2007. Italy and Denmark noted rising demand, however. In the third quarter, demand was 49 percent lower than in the year earlier.

In Latin America, order bookings fell by 19 percent in the first nine months. Demand was lower in Brazil and Mexico, while it strengthened in Peru. In the third quarter, order bookings were 26 percent lower than in the year-earlier period.

In Asia and other markets, order bookings increased by 15 percent during the first nine months of 2008. The increase was related to several markets, while demand was lower in Taiwan. In the third quarter, order bookings rose by 105 percent. There is increasing interest in buses that meet stricter environmental rules, and Scania received an order from Singapore for 400 city buses equipped with engines featuring exhaust gas recirculation (EGR) technology, which meet both 2009 European environmental standards (Euro 5) and the stricter enhanced environmentally friendly vehicle (EEV) standard. This is a follow-up of an order for 500 buses during 2007.

Scania's **deliveries** of buses and coaches amounted to 5,248 (5,082) units. In Europe the increase was mainly related to Italy. The decrease in Latin America was attributable to Brazil and Venezuela. In Asia deliveries rose, primarily due to higher deliveries to Singapore. Net sales increased by 10 percent to SEK 5,759 m. (5,238). In the third quarter, deliveries totalled 1,788 (1,716) buses and coaches, and net sales increased by 15 percent to SEK 2,055 m. (1,784).

Engines

Order bookings for engines increased by 2 percent to 5,383 units during the first nine months of 2008. Growth was mainly attributable to gensets, due to prevailing electricity shortages, with especially strong demand in Brazil and South Africa. In Singapore and Malaysia as well, demand rose due to electricity supply shortages. In Europe, order bookings fell as a consequence of lower demand in Germany and Spain. Engine deliveries decreased by 5 percent to 5,080 units during the first nine months, and net sales increased by 1 percent to SEK 867 m. (862). In the third quarter, order bookings were 14 percent lower than in the same period of 2007. Deliveries decreased by 24 percent and net sales decreased to SEK 280 m. (344).

Services

The demand for Scania's services remained strong during the first nine months of 2008. Service revenue increased by 8 percent to SEK 12,078 m. (11,158), as a consequence of higher volume and increased prices. In the third quarter, service revenue rose by 6 percent to SEK 4,013 m. (3,796). Currency effects had limited impact. Demand is fuelled by a growing Scania vehicle population on the roads as well as increased demand for one-stop shopping solutions. Scania is focusing on meeting higher demand by boosting the efficiency and capacity of service workshops as well as by increasing its presence in fast-growing markets such as Russia. Investments of around SEK 1 billion annually are under way in order to strengthen the global service network.

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

	9 months 2008	9 months 2007	Change in %
Brazil	6,639	4,762	39
Great Britain	6,001	6,362	-6
Germany	4,359	3,473	26
Sweden	3,979	2,645	50
Russia	3,723	3,050	22
France	3,587	3,385	6
Norway	3,285	2,793	18
Netherlands	3,060	2,640	16
Italy	2,804	2,314	21
Spain	2,432	2,999	-19

Earnings

Vehicles and Services

Operating income in Vehicles and Services increased by 25 percent to SEK 10,089 m. (8,064) during the first nine months of 2008. The improvement was attributable to higher vehicle volume, increased prices and an improved product mix. Higher service volume also contributed to the earnings improvement. Scania's research and development expenditures amounted to SEK 2,829 m. (2,322). After adjusting for SEK 127 m. (252) in capitalised expenditures and SEK 354 m. (306) in amortisation of previously capitalised expenditures, recognised expenses increased to SEK 3,056 m. (2,376).

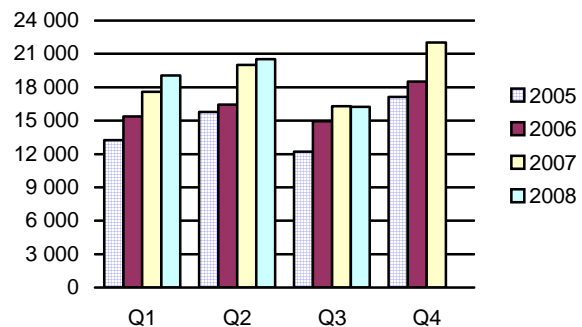
Compared to the first nine months of 2007, currency spot rate effects amounted to about SEK -260 m. Currency hedging income amounted to SEK 85 m. During the first nine months of last year, the impact of currency hedgings on earnings was SEK -125 m. The total currency rate effect was thus SEK -50 m.

In the third quarter, operating income in Vehicles and Services increased by 13 percent to SEK 2,736 m. (2,426). The improvement was attributable to higher prices and an improved product mix. Higher service revenue also contributed to the earnings improvement.

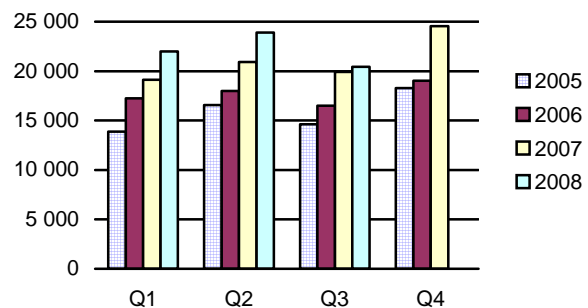
Scania's research and development expenditures amounted to SEK 877 m. (663). After adjusting for SEK 62 m. (76) in capitalised expenditures and SEK 118 m. (103) in amortisation of previously capitalised expenditures, recognised expenses increased to SEK 933 m. (690).

Compared to the third quarter of 2007, currency spot rate effects amounted to about SEK 70 m. Currency hedging income amounted to SEK -15 m. During the third quarter of last year, the impact of currency hedgings on earnings was SEK -110 m. The total currency rate effect was thus SEK 165 m.

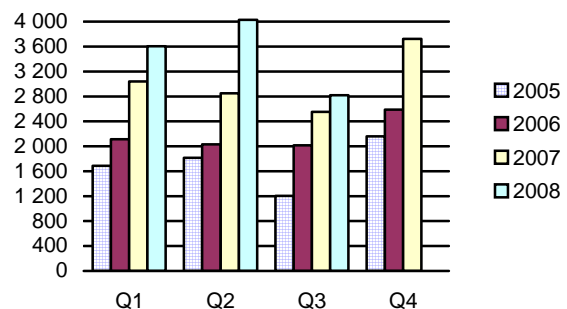
Vehicles delivered (units)



Net sales (SEK m.)



Operating income (SEK m.)



Financial Services

At the end of September 2008, the size of Scania's customer finance portfolio amounted to SEK 42,011 m., representing an increase of SEK 3,697 m. since the end of 2007. In local currencies, the portfolio increased by 8 percent, equivalent to SEK 3,003 m.

Financing volume amounted to SEK 16,513 m. (14,562). This was equivalent to a penetration rate of 34 (36) percent on a rolling twelve month basis in those markets where Scania has its own financing operations.

Operating income in Financial Services amounted to SEK 366 m. (378) during the first nine months of 2008. The positive effects of portfolio growth were more than offset by increased operating expenses due to continued expansion, especially in fast-growing markets and higher bad debt expenses. The number of delayed payments rose generally during the year. Increased bad debt expenses were attributable to several markets, especially Germany. In the third quarter, operating income amounted to SEK 84 m. (126).

Scania Group

Scania's operating income rose by 24 percent to SEK 10,455 m. (8,442) in the first nine months of 2008. Operating margin rose to 15.8 (14.1) percent. Scania's net financial items totalled SEK -185 m. (-177). Net interest items amounted to SEK -202 m. (-158). Other financial income and expenses amounted to SEK 17 m. (-19). These included SEK 33 m. (-11) in valuation effects related to financial instruments where hedge accounting was not applied.

The Scania Group's tax expenses during the first nine months were equivalent to 28.2 (29.3) percent of income before taxes. In September, the Swedish government proposed lowering the corporate tax rate in Sweden to 26.3 percent from the previous 28 percent. The effect of this proposal has not been considered in the third quarter. Scania will consider this effect when a decision has been formally made, which is expected to happen during the fourth quarter.

Net income for the period increased by 26 percent to SEK 7,369 m. (5,847), equivalent to a net margin of 11.1 (9.8) percent. Earnings per share amounted to SEK 9.21 (7.31).

In the third quarter, operating income amounted to SEK 2,820 m. (2,552). Operating margin rose to 13.8 (12.8) percent. Scania's net financial items totalled SEK -313 m. (-177). Net interest items amounted to SEK -129 m. (-97). Other financial income and expenses amounted to SEK -184 m. (-80). These included SEK -177 m. (-76) in valuation effects related to financial instruments where hedge accounting was not applied. Net income for the period increased by 4 percent to SEK 1,818 m. (1,754), corresponding to a net margin of 8.9 (8.8) percent. Earnings per share amounted to SEK 2.27 (2.19).

Cash flow

Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 3,638 m. (4,240) during the first nine months of 2008. Tied-up working capital increased by SEK 2,570 m., mainly related to an increase in inventory due to higher volume and a certain hesitation among European customers to take delivery of previously ordered trucks as well as a higher degree of cancellations.

Net investments amounted to SEK 3,642 m. (3,474) including SEK 127 m. (252) in capitalisation of development expenditures. Net investments were affected by divestments totalling SEK 59 m. Net debt position at the end of the first nine months totalled SEK 4,721 m., compared to a net debt position of SEK 1,863 m. on the same date last year.

Outlook

The long-term outlook remains good, with an increasing need for transport services. Our forecast of higher earnings in 2008 than in 2007 remains unchanged. In view of the currently unclear situation about future business conditions, Scania is providing no forecast for 2009.

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. Scania AB reported an income before taxes of SEK 127 m. (104).

Miscellaneous

Number of employees

The number of employees at the end of September 2008 was 36,226, compared to 34,650 on the same date in 2007.

Material risks and uncertainty factors

The section entitled "Risks and risk management" in Scania's Annual Report for 2007 describes Scania's strategic, operational and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. Note 30 of the same report describes the financial risks, such as currency risk and interest rate risk. The risks that have the greatest impact on financial performance and reporting for the Group are summarised as follows:

a) Sales with obligations

About 10 percent of the vehicles Scania sells are delivered with residual value obligations or repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract). Major changes in the market value of used vehicles thus affect Scania's successive income recognition. In case the as yet unrecognised profit on a sold vehicle does not cover the effects of a possible downturn in market value, a provision in the required amount is made. At the end of 2007, obligations related to residual values or repurchase amounted to SEK 6,257 m. (6,084). There has been no material change in those obligations during the first nine months of 2008.

b) Credit risks

In its Financial Services operations, Scania has an exposure in the form of contractual future payments. This exposure is reduced by the collateral Scania has in the form of the right to repossess the underlying vehicle. In case the market value of the collateral does not cover the exposure to the customer, Scania runs a credit risk. Reserves for probable losses in Financial Services operations are set aside in the estimated amounts required.

c) Refinancing risk

Refinancing risk is the risk of not being able to meet the need for future funding. Scania applies a conservative policy concerning refinancing risk. For Vehicles and Services, there shall be a liquidity reserve consisting of available cash and cash equivalents as well as unutilised credit facilities which exceeds the funding needs of the Scania Group, excluding Financial Services, for the next two years. For Financial Services, there shall be dedicated funding that covers the estimated demand for funding during the next year. There shall also always be borrowings that safeguard the financing of the existing portfolio. Controlling Scania's refinancing risk includes safeguarding access to credit facilities and ensuring that the maturity structure of borrowings is diversified.

As of 30 September 2008 Scania had unutilised credit facilities of SEK 24,300 m., an increase of SEK 10,100 m. since the turn of the year. The credit facilities are committed by 18 banks that have received a credit rating of at least A or the equivalent from Standard and Poor's and/or Moodys. Scania has also arranged a loan of SEK 3,000 m. with the European Investment Bank (EIB) which will be used for research and development during the years 2008 to 2010. The loan has a maximum term of seven years and as of end of September it was unutilised.

Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. The Interim Report of the Scania Group is designed in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. In the accounts of the Parent Company, Scania applies the Annual Accounts Act and RFR 2.1, "Accounting for Legal Entities". Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2007. IASB has issued amendments in IAS 39 and IFRS 7, which may be applied as of July 2008. These amendments have been accepted by the European Commission and imply the possibility of re-classifying financial instrument in certain cases. Scania has not utilised this possibility.

Material changes in ownership

On 22 July 2008, Volkswagen acquired 134,711,900 Scania Series A shares, or 30.62 percent of voting power, held by Investor and the Wallenberg foundations, in accordance with an agreement signed in March 2008. This means that Volkswagen's holding in Scania has increased to 68.60 (previously 37.98) percent of voting power and 37.73 (previously 20.89) percent of share capital. The transaction was closed after receiving customary antitrust clearance.

In September, Porsche Automobil Holding SE announced that it had purchased an additional 4.89 percent of Volkswagen's ordinary shares, bringing its equity interest in Volkswagen AG to a total of 35.14 percent of the voting rights.

Transfers of assets

On 5 May 2008, Scania's Annual General Meeting of Shareholders approved a resolution setting the dividend for 2007 at SEK 5.00 per share, totalling SEK 4,000 m. The AGM also approved a 2:1 share split as well as a transfer of assets through redemption of the new shares. For each redemption share, a cash payment of SEK 7.50 was made. The dividend distribution, split and redemption were implemented during May and June. A total of SEK 10,000 m. was thereby returned to the shareholders.

Due to the share redemption, Scania's share capital decreased by SEK 1,000 m. Share capital was restored to its original level by means of a bonus issue. After the split and redemption, the number of Scania shares is unchanged and amounts to 400,000,000 Series A shares and 400,000,000 Series B shares.

Annual General Meeting

Scania's AGM will be held on Thursday, 7 May 2009 in Södertälje, Sweden.

Södertälje, 24 October 2008

LEIF ÖSTLING

President and CEO

Review Report

To the Board of Directors of Scania AB (publ)

Introduction

We have reviewed the interim report for Scania AB (publ) for the period from 1 January 2008 to 30 September 2008. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The scope of the review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorised Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 24 October 2008

Ernst & Young AB

Lars Träff

Authorised Public Accountant

Financial information from Scania

Scania's Year-end Report for 2008 will be published on 3 February 2009.

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 levels 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 OMX Nordic Exchange Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were issued.

The Interim Report for January-June 2008 stated the following:

"The long-term outlook remains good, but recent developments in various markets in Europe make it difficult to give an outlook for 2009. Earnings in 2008 will be higher than in 2007."

Contact persons:

Stina Thorman
Investor Relations
tel. +46 8 553 837 16
mobile tel. +46 70 518 37 16

Erik Ljungberg
Corporate Relations
tel. +46 8 553 835 57
mobile tel. +46 73 988 35 57

The information in this Interim Report is that which Scania is required to disclose under Sweden's Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 08:50 CET on 24 October 2008.

Income statement

Amounts in SEK m. unless otherwise stated	Nine months			Change in %	Q3		Full year 2007	Oct 07 - Sep 08
	EUR m.*	2008	2007		2008	2007		
Vehicles and Services								
Net sales	6,795	66,319	59,947	11	20,434	19,907	84,486	90,858
Cost of goods sold	-4,838	-47,216	-43,843	8	-14,826	-14,846	-61,810	-65,183
Gross income	1,957	19,103	16,104	19	5,608	5,061	22,676	25,675
Research and development expenses	-313	-3,056	-2,376	29	-933	-690	-3,343	-4,023
Selling expenses	-517	-5,042	-4,687	8	-1,652	-1,616	-6,438	-6,793
Administrative expenses	-94	-922	-944	-2	-292	-295	-1,259	-1,237
Share of income from associated companies and joint ventures	1	6	-33		5	-34	-4	35
Operating income, Vehicles and Services	1,034	10,089	8,064	25	2,736	2,426	11,632	13,657
Financial Services								
Interest and lease income	347	3,389	2,955	15	1,177	1,002	4,070	4,504
Interest and depreciation expenses	-264	-2,577	-2,224	16	-894	-747	-3,057	-3,410
Interest surplus	83	812	731	11	283	255	1,013	1,094
Other income	30	299	225	33	119	98	283	357
Other expenses	-23	-223	-165	35	-116	-74	-204	-262
Gross income	90	888	791	12	286	279	1,092	1,189
Selling and administrative expenses	-39	-385	-332	16	-130	-114	-470	-523
Bad debt expenses	-14	-137	-81	69	-72	-39	-90	-146
Operating income, Financial Services	37	366	378	-3	84	126	532	520
Operating income	1,071	10,455	8,442	24	2,820	2,552	12,164	14,177
Interest income	34	328	341	-4	116	100	479	466
Interest expenses	-54	-530	-499	6	-245	-197	-693	-724
Other financial income	10	100	34	194	-148	-66	74	140
Other financial expenses	-9	-83	-53	57	-36	-14	-118	-148
Total financial items	-19	-185	-177	5	-313	-177	-258	-266
Income before taxes	1,052	10,270	8,265	24	2,507	2,375	11,906	13,911
Taxes	-297	-2,901	-2,418	20	-689	-621	-3,352	-3,835
Net income for the period	755	7,369	5,847	26	1,818	1,754	8,554	10,076
Attributable to:								
Scania shareholders	755	7,369	5,847		1,818	1,754	8,554	10,076
Minority interest	0	0	0		0	0	0	0
Includes depreciation of	-249	-2,428	-2,309		-817	-752	-3,121	-3,240
Number of shares: 800 million								
Earnings per share, SEK (no dilution) ¹		9.21	7.31		2.27	2.19	10.69	12.60
Return on equity, percent ^{1, 2}		43.3	31.4				35.0	
Operating margin, percent		15.8	14.1		13.8	12.8	14.4	15.6

Acquired and divested companies had a limited effect in 2008.

¹ Attributable to Scania shareholders' portion of earnings.

² Calculations are based on rolling 12-month income.

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.76 = EUR 1.00.

Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	Nine months			Change in %	Q3		Full year 2007	Oct 07 - Sep 08
	EUR m.	2008	2007		2008	2007		
Net sales								
Trucks	4,245	41,436	36,745	13	12,097	11,279	52,599	57,290
Buses *	590	5,759	5,238	10	2,055	1,784	7,429	7,950
Engines	89	867	862	1	280	344	1,185	1,190
Service-related products	1,238	12,078	11,158	8	4,013	3,796	15,139	16,059
Used vehicles	344	3,355	3,800	-12	986	1,315	5,270	4,825
Miscellaneous	288	2,814	2,710	4	1,022	1,017	3,840	3,944
Delivery sales value	6,794	66,309	60,513	10	20,453	19,535	85,462	91,258
Revenue deferrals ³	1	10	-566		-19	372	-976	-400
Net sales	6,795	66,319	59,947	11	20,434	19,907	84,486	90,858
Net sales ⁴								
Western Europe	3,933	38,384	35,425	8	11,240	11,597	49,453	52,412
Central and eastern Europe	1,134	11,070	10,119	9	3,191	3,498	14,146	15,097
Latin America	934	9,114	7,267	25	3,153	2,407	10,573	12,420
Asia	475	4,635	3,895	19	1,643	1,264	5,699	6,439
Other markets	319	3,116	3,241	-4	1,207	1,141	4,615	4,490
Net sales	6,795	66,319	59,947	11	20,434	19,907	84,486	90,858
Total delivery volume, units								
Trucks		50,570	48,791	4	14,456	14,579	68,654	70,433
Buses*		5,248	5,082	3	1,788	1,716	7,224	7,390
Engines		5,080	5,357	-5	1,653	2,178	7,228	6,951

³ Refers to the difference between sales value based on deliveries and revenue recognised as income.

⁴ Revenues from external customers by location of customers.

* Including body-built buses and coaches.

Quarterly data, earnings

Amounts in SEK m. unless otherwise stated	2008				2007			
	EUR m.	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Vehicles and Services								
Net sales	2,094	20,434	23,894	21,991	24,539	19,907	20,911	19,129
Cost of goods sold	-1,519	-14,826	-16,880	-15,510	-17,967	-14,846	-15,367	-13,630
Gross income	575	5,608	7,014	6,481	6,572	5,061	5,544	5,499
Research and development expenses	-97	-933	-1,068	-1,055	-967	-690	-905	-781
Selling expenses	-169	-1,652	-1,753	-1,637	-1,751	-1,616	-1,581	-1,490
Administrative expenses	-30	-292	-295	-335	-315	-295	-340	-309
Share of income in associated companies and joint ventures	1	5	3	-2	29	-34	2	-1
Operating income, Vehicles and Services	280	2,736	3,901	3,452	3,568	2,426	2,720	2,918
Financial Services								
Interest and lease income	121	1,177	1,114	1,098	1,115	1,002	1,010	943
Interest and depreciation expenses	-92	-894	-843	-840	-833	-747	-768	-709
Interest surplus	29	283	271	258	282	255	242	234
Other income	12	119	86	94	58	98	60	67
Other expenses	-12	-116	-42	-65	-39	-74	-32	-59
Gross income	29	286	315	287	301	279	270	242
Selling and administrative expenses	-13	-130	-128	-127	-138	-114	-113	-105
Bad debt expenses	-7	-72	-57	-8	-9	-39	-26	-16
Operating income, Financial Services	9	84	130	152	154	126	131	121
Operating income	289	2,820	4,031	3,604	3,722	2,552	2,851	3,039
Interest income	12	116	124	88	138	100	105	136
Interest expenses	-25	-245	-168	-117	-194	-197	-133	-169
Other financial income	-15	-148	221	27	40	-66	84	16
Other financial expenses	-4	-36	39	-86	-65	-14	-12	-27
Total financial items	-32	-313	216	-88	-81	-177	44	-44
Income before taxes	257	2,507	4,247	3,516	3,641	2,375	2,895	2,995
Taxes	-71	-689	-1,209	-1,003	-934	-621	-887	-910
Net income for the period	186	1,818	3,038	2,513	2,707	1,754	2,008	2,085
Attributable to: Scania shareholders	186	1,818	3,038	2,513	2,707	1,754	2,008	2,085
Minority interest	0	0	0	0	0	0	0	0
Earnings per share, SEK *		2.27	3.80	3.14	3.38	2.19	2.51	2.61
Operating margin, in percent		13.8	16.9	16.4	15.2	12.8	13.6	15.9

* Attributable to Scania shareholders' portion of earnings.

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2008				2007			
	EUR m.	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Vehicles and Services								
Assets								
Non-current assets								
Intangible non-current assets	231	2,254	2,306	2,343	2,498	2,528	2,586	2,477
Tangible non-current assets	2,036	19,870	19,171	18,595	18,487	17,916	17,565	17,367
Lease assets	426	4,160	4,182	4,133	4,269	4,103	4,078	4,030
Shares and participations	41	399	308	287	264	217	247	196
Interest-bearing receivables	23	225	359	358	410	765	343	304
Other receivables ^{5, 6}	203	1,981	2,006	1,143	1,211	1,510	1,773	1,641
Current assets								
Inventories	1,596	15,582	14,041	12,515	11,242	11,769	11,798	11,664
Interest-bearing receivables	42	407	472	422	450	458	635	505
Other receivables ⁷	1,132	11,044	11,185	11,774	11,149	12,239	12,324	11,513
Short-term investments	111	1,087	1,939	1,610	679	1,213	1,526	3,984
Cash and cash equivalents	224	2,186	1,826	2,261	3,211	3,248	2,279	1,544
Total assets	6,065	59,195	57,795	55,441	53,870	55,966	55,154	55,225
Equity and liabilities								
Equity								
Scania shareholders	1,803	17,593	16,188	22,997	20,772	18,608	17,266	25,018
Minority interest	0	2	2	4	4	4	5	5
Total equity	1,803	17,595	16,190	23,001	20,776	18,612	17,271	25,023
Interest-bearing liabilities								
Non-current liabilities								
Provisions for pensions	415	4,055	4,040	3,957	3,985	3,719	3,694	3,645
Other provisions	111	1,081	1,044	1,058	1,051	791	550	637
Other liabilities ^{5, 8}	494	4,820	5,084	4,561	4,569	3,819	4,582	4,019
Current liabilities								
Provisions	200	1,953	2,122	2,034	2,024	2,012	2,110	1,942
Other liabilities ⁹	2,241	21,868	20,642	20,589	19,787	20,603	20,420	19,959
Total equity and liabilities	6,065	59,195	57,795	55,441	53,870	55,966	55,154	55,225
⁵ Including deferred tax								
⁶ Including derivatives with positive value for hedging of borrowings								
	17	170	344	145	120	301	269	197
⁷ Including derivatives with positive value for hedging of borrowings								
	41	404	234	364	177	215	101	59
⁸ Including derivatives with negative value for hedging of borrowings								
	41	400	393	358	211	229	317	409
⁹ Including derivatives with negative value for hedging of borrowings								
	35	345	232	249	396	201	256	192
Net cash (-) / Net debt (+)								
excl. provisions for pensions, incl. derivatives as above	484	4,721	4,955	-3,532	-1,902	1,863	2,925	-5,183

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2008				2007			
	EUR m.	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Financial Services								
Assets								
Non-current assets								
Intangible non-current assets	2	20	14	15	13	16	15	12
Tangible non-current assets	4	36	42	38	38	31	30	28
Lease assets	825	8,055	7,744	7,703	8,019	7,605	7,775	7,706
Financial receivables	2,332	22,763	21,288	20,257	20,180	18,573	18,171	17,403
Other receivables ¹⁰	5	46	42	31	24	17	343	473
Current assets								
Financial receivables	1,147	11,193	11,044	10,511	10,115	9,180	9,071	8,645
Other receivables	105	1,025	1,290	1,071	1,295	891	709	613
Cash and cash equivalents	21	203	124	256	244	149	159	166
Total assets	4,441	43,341	41,588	39,882	39,928	36,462	36,273	35,046
Equity and liabilities								
Equity								
Scania shareholders	438	4,278	4,107	4,034	4,036	3,662	3,280	3,365
Total equity	438	4,278	4,107	4,034	4,036	3,662	3,280	3,365
Interest-bearing liabilities	3,786	36,944	35,291	33,871	33,680	30,730	30,872	29,666
Non-current liabilities								
Provisions for pensions	2	20	19	20	20	17	17	16
Other provisions	0	2	1	1	2	1	0	0
Other liabilities ¹⁰	65	635	614	612	612	608	628	628
Current liabilities								
Provisions	0	1	0	0	0	0	0	1
Other liabilities	150	1,461	1,556	1,344	1,578	1,444	1,476	1,370
Total equity and liabilities	4,441	43,341	41,588	39,882	39,928	36,462	36,273	35,046

¹⁰ Including deferred tax

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2008				2007			
	EUR m.	30 Sep	30 Jun	31 Mar	31 Dec	30 Sept	30 Jun	31 Mar
Eliminations								
Assets								
Lease assets	-174	-1,699	-1,646	-1,578	-1,580	-1,500	-1,566	-1,541
Other current receivables	-63	-611	-719	-595	-764	-1,122	-852	-787
Short-term investments								-2,732
Total assets	-237	-2,310	-2,365	-2,173	-2,344	-2,622	-2,418	-5,060
Equity and liabilities								
Other current liabilities	-237	-2,310	-2,365	-2,173	-2,344	-2,622	-2,418	-2,325
Interest-bearing liabilities								-2,735
Total equity and liabilities	-237	-2,310	-2,365	-2,173	-2,344	-2,622	-2,418	-5,060
Scania Group								
Assets								
Non-current assets								
Intangible non-current assets	233	2,274	2,320	2,358	2,511	2,544	2,601	2,489
Tangible non-current assets	2,040	19,906	19,213	18,633	18,525	17,947	17,595	17,395
Lease assets	1,077	10,516	10,280	10,258	10,708	10,208	10,287	10,195
Shares and participations	41	399	308	287	264	217	247	196
Interest-bearing receivables	2,355	22,988	21,647	20,615	20,590	19,338	18,514	17,707
Other receivables ^{11, 12}	208	2,027	2,048	1,174	1,235	1,527	2,116	2,114
Current assets								
Inventories	1,596	15,582	14,041	12,515	11,242	11,769	11,798	11,664
Interest-bearing receivables	1,189	11,600	11,516	10,933	10,565	9,638	9,706	9,150
Other receivables ¹³	1,174	11,458	11,756	12,250	11,680	12,008	12,181	11,339
Short-term investments	111	1,087	1,939	1,610	679	1,213	1,526	1,252
Cash and cash equivalents	245	2,389	1,950	2,517	3,455	3,397	2,438	1,710
Total assets	10,269	100,226	97,018	93,150	91,454	89,806	89,009	85,211
Total equity and liabilities								
Equity								
Scania shareholders	2,241	21,871	20,295	27,031	24,808	22,270	20,546	28,383
Minority interest	0	2	2	4	4	4	5	5
Total equity	2,241	21,873	20,297	27,035	24,812	22,274	20,551	28,388
Non-current liabilities								
Interest-bearing liabilities	1,912	18,660	20,161	20,279	19,866	26,603	23,270	17,172
Provisions for pensions	417	4,075	4,059	3,977	4,005	3,736	3,711	3,661
Other provisions	111	1,083	1,045	1,059	1,053	792	550	637
Other liabilities ^{11, 14}	559	5,455	5,698	5,173	5,181	4,427	5,210	4,647
Current liabilities								
Interest-bearing liabilities	2,675	26,107	23,803	13,833	15,492	10,537	14,129	9,759
Provisions	200	1,954	2,122	2,034	2,024	2,012	2,110	1,943
Other liabilities ¹⁵	2,154	21,019	19,833	19,760	19,021	19,425	19,478	19,004
Total equity and liabilities	10,269	100,226	97,018	93,150	91,454	89,806	89,009	85,211
¹¹ Including deferred tax								
¹² Including derivatives with positive value for hedging of borrowings								
	17	170	344	145	120	301	269	197
¹³ Including derivatives with positive value for hedging of borrowings								
	41	404	234	364	177	215	101	59
¹⁴ Including derivatives with negative value for hedging of borrowings								
	41	400	393	358	211	229	317	409
¹⁵ Including derivatives with negative value for hedging of borrowings								
	35	345	232	249	396	201	256	192
Equity/assets ratio, percent		21.8	20.9	29.0	27.1	24.8	23.1	33.3

Statement of recognised income and expense and changes in equity

Amounts in SEK m. unless otherwise stated	EUR m.	Nine months		Full year
		2008	2007	2007
Exchange rate difference for the year	0	1	272	642
Hedge reserve				
Fair value changes on cash flow hedging recognised directly in equity	-34	-341	-82	-521
Cash flow hedge reserve transferred to sales revenue in income statement	-9	-86	128	137
Actuarial gains and losses related to pension liabilities recognised directly in equity	-	-	-	-316
Tax attributable to items recognised directly in equity	12	120	-25	182
Total income and expense recognised directly in equity	-31	-306	293	124
Net income for the period	755	7,369	5,847	8,554
Total recognised income and expense for the period	724	7,063	6,140	8,678
Attributable to:				
Scania AB shareholders	724	7,063	6,141	8,679
Minority interest	0	0	-1	-1
Equity, 1 January	2,542	24,812	26,134	26,134
Total recognised income and expense for the period	724	7,063	6,140	8,678
Dividend *	-410	-4,002	-3,000	-3,000
Redemption	-615	-6,000	-7,000	-7,000
Total equity at the end of the period	2,241	21,873	22,274	24,812
Attributable to:				
Scania AB shareholders	2,241	21,871	22,270	24,808
Minority interest	0	2	4	4

* Of which dividend to minority interest SEK -2 m.

Cash flow statement

	Nine months			2008			2007			
	EUR m.	2008	2007	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amounts in SEK m. unless otherwise stated										
Operating activities										
Income before taxes	1,052	10,270	8,265	2,507	4,247	3,516	3,641	2,375	2,895	2,995
Items not affecting cash flow	287	2,809	2,617	1,265	635	909	1,026	874	883	860
Taxes paid	-275	-2,688	-2,565	-627	-1,084	-977	-667	-737	-865	-963
Cash flow from operating activities before change in working capital	1,064	10,391	8,317	3,145	3,798	3,448	4,000	2,512	2,913	2,892
of which: Vehicles and Services	1,009	9,850	7,890	2,939	3,641	3,270	3,898	2,336	2,780	2,774
Financial Services	55	541	427	206	157	178	102	176	133	118
Change in working capital etc., Vehicles and Services	-263	-2,570	-176	-643	-1,364	-563	1,162	421	287	-884
Cash flow from operating activities	801	7,821	8,141	2,502	2,434	2,885	5,162	2,933	3,200	2,008
Investing activities										
Net investments, Vehicles and Services	-373	-3,642	-3,474	-1,502	-1,119	-1,021	-1,071	-1,367	-1,281	-826
Net investments in credit portfolio etc., Financial Services	-310	-3,028	-3,316	-833	-1,162	-1,033	-2,382	-559	-1,344	-1,413
Cash flow from investing activities	-683	-6,670	-6,790	-2,335	-2,281	-2,054	-3,453	-1,926	-2,625	-2,239
Cash flow from Vehicles and Services	373	3,638	4,240	794	1,158	1,686	3,989	1,390	1,786	1,064
Cash flow from Financial Services	-255	-2,487	-2,889	-627	-1,005	-855	-2,280	-383	-1,211	-1,295
Financing activities										
Change in net debt from financing activities	804	7,843	2,059	308	9,197	-1,662	-1,756	-9	10,107	-8,039
Dividend to shareholders	-410	-4,000	-3,000	-	-4,000	-	-	-	-3,000	-
Redemption	-615	-6,000	-7,000	-	-6,000	-	-	-	-7,000	-
Cash flow from financing activities	-221	-2,157	-7,941	308	-803	-1,662	-1,756	-9	107	-8,039
Cash flow for the year	-103	-1,006	-6,590	475	-650	-831	-47	998	682	-8,270
Cash and cash equivalents at beginning of period	354	3,455	9,934	1,950	2,517	3,455	3,397	2,438	1,710	9,934
Exchange rate differences in cash and cash equivalents	-6	-60	53	-36	83	-107	105	-39	46	46
Cash and cash equivalents at end of period	245	2,389	3,397	2,389	1,950	2,517	3,455	3,397	2,438	1,710

Number of employees

	2008			2007			
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	17,695	17,602	17,510	17,291	17,178	17,072	16,879
Research and development	2,803	2,732	2,650	2,528	2,451	2,401	2,369
Sales and service companies	15,229	15,057	14,917	14,797	14,553	14,412	13,985
Vehicles and Services	35,727	35,391	35,077	34,616	34,182	33,885	33,233
Financial Services	499	501	488	480	468	455	464
Total number of employees	36,226	35,892	35,565	35,096	34,650	34,340	33,697

Quarterly data, units by geographic area

	2008			2007				
	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks								
Western Europe	3,077	6,209	8,477	48,343	12,210	9,910	12,023	14,200
Central and eastern Europe	1,907	2,518	3,713	17,216	4,903	3,449	3,853	5,011
Latin America	3,099	3,777	2,874	10,904	3,375	1,924	2,611	2,994
Asia	1,046	2,098	2,032	7,387	2,355	1,307	1,547	2,178
Other markets	798	615	1,035	2,089	558	240	295	996
Total	9,927	15,217	18,131	85,939	23,401	16,830	20,329	25,379
Trucks delivered								
Western Europe	6,931	9,646	9,412	35,409	10,472	7,197	9,092	8,648
Central and eastern Europe	2,942	3,949	3,696	14,789	3,991	3,175	4,091	3,532
Latin America	2,412	2,903	2,266	9,790	2,780	2,292	2,772	1,946
Asia	1,613	1,489	1,768	6,061	1,862	1,347	1,632	1,220
Other markets	558	557	428	2,605	758	568	677	602
Total	14,456	18,544	17,570	68,654	19,863	14,579	18,264	15,948
Order bookings, buses*								
Western Europe	213	440	737	2,484	998	473	585	428
Central and eastern Europe	71	120	84	399	110	89	93	107
Latin America	364	618	646	2,534	534	491	589	920
Asia	491	455	307	1,686	643	226	312	505
Other markets	290	179	321	1,051	321	155	277	298
Total	1,429	1,812	2,095	8,154	2,606	1,434	1,856	2,258
Buses delivered*								
Western Europe	482	643	426	1,987	564	471	455	497
Central and eastern Europe	101	118	93	460	156	119	123	62
Latin America	477	534	505	2,344	695	677	575	397
Asia	458	423	312	1,495	438	211	393	453
Other markets	270	246	160	938	289	238	185	226
Total	1,788	1,964	1,496	7,224	2,142	1,716	1,731	1,635

* Including body-built buses and coaches.

Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	Nine months		Full year	
	EUR m.	2008	2007	2007
Income statement				
Operating income*	-	-	-41	-41
Financial income and expenses	13	127	145	7,695
Withdrawal from tax allocation reserve	-	-	-	326
Income taxes	-4	-41	-47	-154
Net income	9	86	57	7,826

Amounts in SEK m. unless otherwise stated	2008		2007	2007
	EUR m.	30 Sep	30 Sep	31 Dec
Balance sheet				
Assets				
Financial non-current assets				
Shares in subsidiaries	861	8,401	8,401	8,401
Current assets				
Due from subsidiaries	201	1,963	4,814	11,844
Total assets	1,062	10,364	13,215	20,245
Equity and liabilities				
Equity				
	974	9,509	12,029	19,423
Untaxed reserves				
	84	814	1,140	814
Current liabilities				
Tax liabilities	4	41	46	8
Total shareholders' equity and liabilities	1,062	10,364	13,215	20,245

Amounts in SEK m. unless otherwise stated	2008		2007	2007
	EUR m.	30 Sep	30 Sep	31 Dec
Statement of changes in equity				
Equity, 1 January	1,990	19,423	21,972	21,972
Net income	9	86	57	7,826
Group contributions, net	-	-	-	-375
Dividend	-410	-4,000	-3,000	-3,000
Redemption	-615	-6,000	-7,000	-7,000
Equity, 31 December	974	9,509	12,029	19,423

* Refers to administrative expenses