

## SCANIA YEAR-END REPORT – JANUARY – DECEMBER 2005

**“Scania had a strong year in 2005, setting new records for invoiced volume of both vehicles and services. The strong trend in order bookings for trucks during the fourth quarter, partly due to pre-buy of vehicles with Euro 3 engines in Europe, will have an effect on order bookings in the second half of 2006,” says Leif Östling, President and CEO.**

2005 IN BRIEF	Full year		Change in %	Q4		
	2005	2004		2005	2004	
<b>Units</b>						
Trucks and bus chassis						
– Order bookings	<b>62,588</b>	59,981	4	<b>17,597</b>	15,429	
– Deliveries	<b>58,383</b>	56,082	4	<b>17,134</b>	16,862	
<hr/>						
<b>Revenue and earnings</b>						
<b>SEK m. (unless otherwise stated)</b>	<i>EUR m.*</i>					
<hr/>						
• <b>Revenue, Scania Group</b>	<i>6,716</i>	<b>63,328</b>	56,788	12	<b>18,286</b>	16,264
Operating income, Vehicles and Service	<i>671</i>	<b>6,330</b>	6,149	3	<b>2,025</b>	2,080
Operating income, Customer Finance	<i>56</i>	<b>529</b>	450	18	<b>132</b>	115
<b>Operating income</b>	<i>727</i>	<b>6,859</b>	6,599	4	<b>2,157</b>	2,195
<b>Income before taxes</b>	<i>717</i>	<b>6,765</b>	6,276	8	<b>2,170</b>	2,133
• <b>Net income</b>	<i>495</i>	<b>4,665</b>	4,316	8	<b>1,524</b>	1,418
Operating margin, percent		<b>10.8</b>	11.6		<b>11.8</b>	13.5
Return on equity, percent**		<b>20.8</b>	21.8			
Return on capital employed, Vehicles and Service, percent		<b>27.4</b>	29.0			
• <b>Earnings per share, SEK**</b>		<b>23.33</b>	21.57		<b>7.62</b>	7.09
• <b>Dividend</b>		<b>15.00***</b>	15.00			
Cash flow, Vehicles and Service		<b>3,865</b>	2,685		<b>1,733</b>	956
<hr/>						
Number of employees, 31 December		<b>30,765</b>	29,993			

**Number of shares: 200 million \*\*\*\***

\* Translated to euros solely for the convenience of the reader at a balance sheet date exchange rate of SEK 9.4300 = EUR 1.00.

\*\* Related to Scania's shareholders.

\*\*\* Proposed dividend to the Annual general meeting.

\*\*\*\* 26,296,508 shares owned by Scania's subsidiary Ainax have been eliminated.

Unless otherwise stated, all comparisons in brackets refer to the same period of the previous year.

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

## **SCANIA, FULL YEAR 2005 – COMMENTS BY THE PRESIDENT AND CEO**

*Scania had a strong year in 2005, setting new records for invoiced volume of both vehicles and services. Order bookings and vehicle deliveries each rose by 4 percent. Scania's operating income rose by 4 percent to SEK 6,859 m. Net income increased by 8 percent to SEK 4,665 m., which resulted in earnings per share of SEK 23.33 (21.57). The Board of Directors proposes a dividend of SEK 15.00 (15.00) per share.*

*Demand for Scania trucks improved during 2005. In western Europe, order bookings for trucks gradually increased during the year. Scania's market share strengthened to 13.2 (13.0) percent. After a period of weakness early in the year, order bookings increased in central and eastern Europe. In Latin America, demand was unchanged for 2005 as a whole, but however rose during the fourth quarter. In Asia, order bookings fell during the year, while the fourth quarter showed a recovery. In other markets, demand increased both during the full year and in the fourth quarter.*

*The strong trend in order bookings for trucks during the fourth quarter will have a positive effect on deliveries during the first half of 2006. Customers' good experiences with Scania's truck series and strong engine range are contributing to a favourable trend in demand for Scania trucks. Order bookings are also affected by the fact that a number of European customers are accelerating investment in vehicles with Euro 3 engines before the Euro 4 environmental regulations enter into force in the autumn of 2006. This will have an effect on order bookings in the second half of 2006. Increasing transport needs in western Europe and good demand for used trucks in central and eastern Europe point towards a favourable long-term market for trucks in Europe.*

*Bus and coach deliveries during 2005 were higher than ever before. Order bookings were unchanged, with a stronger first half than second half. In the European market, demand increased somewhat. In Latin America, demand strengthened, with an especially clear upturn in Brazil. In Africa and Asia, order bookings declined. In Industrial and Marine Engines, Scania noted record volume in 2005.*

*Service-related sales and Customer Finance reached new peak levels during 2005. Scania is in a very good starting position to enlarge its service business, with a leading range of vehicles and an extensive service network with proximity to customers in Europe and elsewhere in the world. Scania is now attaching increased importance to expanding this business further as well as taking advantage of synergies.*

*Adjustment of the number of employees at European production units, after extra staffing in connection with the introduction of the new truck range, was concluded as planned by year-end 2005. The on-going review of the production of axles and gearboxes in Sweden is scheduled for completion during the first quarter of 2006. This review is one step in Scania's continuous efforts to boost productivity and strengthen its competitiveness and is expected to lead to substantial cost savings.*

*During the fourth quarter Scania bought its distributor in Taiwan. As a result, Scania is expected to further strengthen its position as the largest non-Japanese heavy truck make in this market. During the year, Scania also acquired the Universal Auto dealership group in Belgium. As a result, Scania owns nearly 80 percent of its Belgian sales and service network. Scania is continuing to expand its Customer Finance activities and has recently started a finance company in Turkey.*

*Scania is gaining recognition for its work to improve the environment and road safety. In November, Scania was awarded the Premio Europa prize for being the best at offering trucks with engines that meet tougher environmental standards. Scania also received a Prince Michael International Road Safety Award. Scania was nominated for this award for its efforts to improve professional driver training, among other things through the Young European Truck Driver competition, and for its continuing work to develop vehicles that are safer on the road.*

*For the third consecutive year, Scania has been named the most admired truck company in Brazil. High-quality products and services, as well as customer relations in general, were decisive factors.*

*During 2005 Scania completed its offer for Ainax, which was accepted by 96.3 percent of Ainax' shareholders. This means that Ainax is a subsidiary of Scania. Scania's intention is to carry out a liquidation of Ainax during 2006.*

## MARKET OVERVIEW

### Trucks

Scania's order bookings during the full year 2005 amounted to 56,542 (53,928) trucks, an increase of 5 percent. During the fourth quarter, order bookings rose by 17 percent to 16,342 (13,938) units.

In western Europe, order bookings improved by 7 percent to 34,900 units during the full year. The relatively weak first quarter was followed by three quarters that surpassed the corresponding periods of 2004. Order bookings increased in most markets in western Europe. Demand was especially strong in the Nordic markets. Germany, France, Spain and the Netherlands also noted stronger order bookings. One exception was Austria, where demand fell after the end of investment subsidies that had stimulated the market the year before. The total market for heavy trucks in western Europe rose by 9 percent to about 251,000. Scania truck registrations amounted to about 33,100 units, equivalent to a market share of about 13.2 (13.0) percent.

In central and eastern Europe, order bookings during the full year 2005 increased by 5 percent to 6,005 trucks. A weak beginning was followed by gradual improvement. Demand strengthened in most markets, except Poland.

In Latin America, order bookings were unchanged compared to the previous year. Lower demand in Brazil was offset by upturns in Argentina and Chile. Order bookings in Asia fell by 10 percent, mainly due to a downturn in Taiwan. In Scania's other markets, order bookings strengthened by 32 percent.

During the fourth quarter, order bookings in western Europe increased by 15 percent. Germany, Spain, Great Britain and the Netherlands showed good growth while order bookings fell from high levels in France and in the Nordic countries. In central and eastern Europe a clear improvement was noted, and order bookings went up by 22 percent.

In Latin America, order bookings increased by 17 percent during the fourth quarter. Higher demand was mainly attributable to the Argentinean market. Demand in Asia increased by 31 percent, compared to a weak quarter the year before. The growth was mainly due to positive growth in South Korea and Turkey.

### Buses and coaches

During the full year 2005, Scania's order bookings for buses and coaches were unchanged, amounting to 6,046 units. During the fourth quarter, order bookings amounted to 1,255 (1,491) units, a decrease of 16 percent.

In Europe, order bookings increased by 3 percent during the full year. Demand increased in the Nordic countries and Great Britain, while Russia and Spain showed lower figures. In Latin America, order bookings rose by 10 percent. In other markets, Scania's order bookings decreased by 16 percent.

During the fourth quarter, order bookings in Europe were unchanged. In Latin American, demand increased by 5 percent. In other markets, order bookings fell by 62 percent.

### Industrial and marine engines

Scania's deliveries in the full year 2005 rose by 14 percent and amounted to 5,704 units, which represented a new record volume. Order bookings rose by 21 percent to 6,459 units.

### Number of Scania truck registrations, Scania's 10 largest markets, January-December

	2005	2004	Change in %
Great Britain	5,698	5,818	-2
Brazil	5,217	6,093	-14
France	4,417	3,382	31
Germany	4,166	3,777	10
Spain	3,344	3,218	4
Italy	3,160	3,194	-1
Sweden	2,235	1,980	13
The Netherlands	2,190	2,212	-1
Turkey	2,073	1,837	13
Argentina	1,659	893	86

### Scania's market share, heavy trucks, Scania's 10 largest markets, January-December, percent

	2005	2004
Great Britain	15.9	17.1
Brazil	25.8	24.2
France	9.6	8.8
Germany	7.4	7.0
Spain	10.5	11.1
Italy	12.9	13.4
Sweden	45.4	45.2
The Netherlands	19.6	19.3
Turkey	6.2	6.4
Argentina	14.7	9.8

**REVENUE**

During the full year 2005, Scania delivered 52,567 (50,563) trucks, an increase of 4 percent. Bus chassis deliveries increased by 5 percent, amounting to 5,816 (5,519) units.

**Revenue** rose by 12 percent to SEK 63,328 m. (56,788), due to higher volume. Positive currency rate effects influenced revenue by about SEK 2,300 m.

**New vehicle sales revenue** rose by 13 percent.

**Service revenue** increased by 10 percent in Swedish kronor, equivalent to 7 percent in local currencies, and amounted to SEK 12,591 m. (11,418).

During the fourth quarter, revenue amounted to SEK 18,286 m. (16,264). Currency rate effects had a positive influence of about SEK 1,300 m. New vehicle sales revenue increased by 13 percent. Service revenue rose by 17 percent in Swedish kronor, equivalent to 9 percent in local currencies.

**EARNINGS**

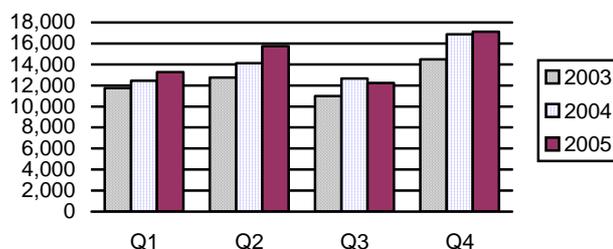
**Scania's operating income** rose by 4 percent to SEK 6,859 m. (6,599) during the full year 2005. During the fourth quarter, operating income decreased by 2 percent to SEK 2,157 m. (2,195).

**Operating income in Vehicles and Service** increased by 3 percent to SEK 6,330 m. (6,149) during the full year 2005. The new truck range and higher vehicle volume were the main contributors to the earnings improvement. Increased service-related sales also contributed favourably. The above positive effects were offset by higher material and production costs as well as higher research and development costs. Scania's research and development expenditures amounted to SEK 2,480 m. (2,219). After adjusting for SEK 279 m. (316) in capitalised expenditures and depreciation of SEK 283 m. (84) on previously capitalised expenditures, recognised expenses increased to SEK 2,484 m. (1,987).

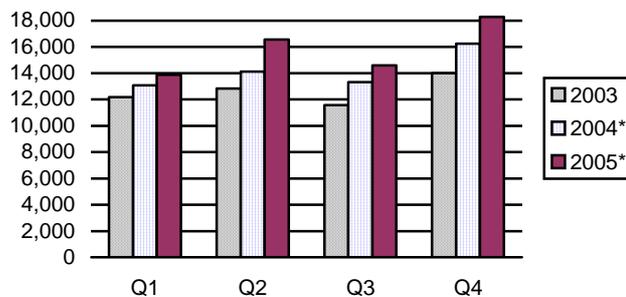
**Revenue by market (SEK m.), Scania's 10 largest markets, January-December**

	2005	2004	Change in %
Great Britain	7,787	7,744	1
Brazil	4,968	3,815	30
Sweden	3,947	3,499	13
Germany	3,928	3,816	3
France	3,901	3,545	10
The Netherlands	3,785	2,448	55
Italy	3,445	3,276	5
Spain	3,318	3,205	4
Norway	3,052	2,220	37
Finland	2,813	2,482	13

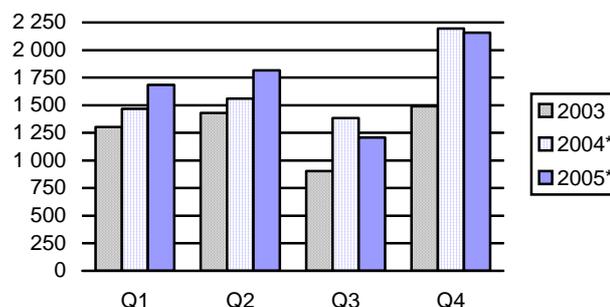
VEHICLES DELIVERED (units)



REVENUE (SEK m.)



OPERATING INCOME (SEK m.)



\* 2004 and 2005 in accordance with IFRS

Compared to the full year 2004, currency spot rate effects amounted to about SEK 695 m. Currency hedging income amounted to SEK -410 m. During the full year 2004, the impact of currency hedging on earnings was SEK 65 m. Compared to the full year 2004, the total positive currency rate effect was thus SEK 220 m.

Operating income in the fourth quarter decreased by 3 percent and amounted to SEK 2,025 m. (2,080). The new truck range, increased service-related sales plus somewhat higher volume were offset by increased material and production costs as well as higher research and development costs. Compared to the fourth quarter of 2004, currency spot rate effects amounted to about SEK 435 m. Currency hedging income amounted to SEK -195 m. During the fourth quarter of 2004, currency hedging had a positive impact of SEK 80 m. The total currency rate effect was thus SEK 160 m.

**Operating income in Customer Finance** increased by 18 percent and amounted to SEK 529 m. (450). Income was favourably influenced by increased volume in markets with higher interest margins. This was somewhat offset by increased operating expenses. Earnings were also improved by somewhat lower expenses for both potential and actual credit losses. At the end of December, the size of the portfolio amounted to about SEK 29,600 m., which represented an increase of about SEK 3,000 m. since the end of 2004. In local currencies, the portfolio increased by 2 percent. During the fourth quarter, income increased by SEK 17 m. to SEK 132 m. The portfolio increased in local currencies.

**Scania's net financial items** amounted to SEK -94 m. (-323). Net interest items improved by SEK 105 m. to SEK -187 m., mainly due to lower interest expenses in Latin America. Other financial income and expenses amounted to SEK 93 m. (-31). This included SEK 74 m. (-) in positive valuation effects related to financial instruments where hedge accounting was not applied. In addition, the acquisition of Ainax had a positive effect of SEK 47 m. on financial income. Other financial expenses were mainly bank expenses.

The Scania Group's **tax expenses** for the full year 2005 were equivalent to 31.0 (31.2) percent of income after financial items.

**Net income** increased by 8 percent and amounted to SEK 4,665 m. (4,316).

## CASH FLOW

**Scania's cash flow** for Vehicles and Service amounted to SEK 3,865 m. (2,685). Excluding acquisitions, cash flow amounted to SEK 4,077 m. (2,734). In the fourth quarter, cash flow excluding acquisitions amounted to SEK 1,800 m. (958).

**Tied-up working capital** decreased by SEK 762 m. During the fourth quarter, working capital decreased by SEK 50 m., with lower inventories offset by increased receivables.

**Net investments excluding acquisitions** amounted to SEK 3,590 m. (2,798), including SEK 279 m. (316) in capitalisation of development expenditures. The effect of acquisitions amounted to SEK 212 m. (49). The acquisition of Ainax had a positive effect of SEK 86 m. during the first quarter.

## PARENT COMPANY

The assets of the **Parent Company** of the Scania Group, Scania AB, consist of shares in the subsidiary Scania CV AB. Scania CV AB is the parent company of the Group comprising all production and sales and service companies as well as other companies. The net income of Scania AB amounted to SEK 4,426 m. (4,059).

## MISCELLANEOUS

### Number of employees

The number of employees at the end of 2005 was 30,765, compared to 29,993 at the end of 2004. In Scania's industrial operations the number of employees in Europe decreased, while staffing in Latin America increased. Staffing increased in research and development. In the global sales network, the number of employees increased, partly due to acquisitions and partly due to organic growth.

### Accounting principles

In accordance with the IAS regulation adopted by the European Union (EU) in 2002, it is prescribed that listed companies throughout the EU shall apply International Financial Reporting Standards (IFRS) when preparing their consolidated financial statements as of 2005. Scania's Year-end Report for the full year 2005 is thus designed in accordance with the IFRS standards adopted by the EU, as well as the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) adopted by the EU. Scania applies the amendment to IAS 39, Financial Instrument: Recognition and Measurement, "Cash Flow Hedge Accounting of Forecast Group Transactions", which was approved by the EU in December 2005. This report has been designed in accordance with IAS 34, Interim Financial Reporting. The differences between IFRS and Swedish GAAP are presented on pages 17 and 18.

Scania's Annual Report for the financial year 2004 presents a description of what accounting principles were affected by the transition to IFRS. For a description of the accounting principles that Scania is applying in the Year-end Report for the full year 2005, see the section entitled "Changes in accounting principles in 2005" in the Annual Report for 2004.

As of 2005, Scania is applying the amendment to IAS 19, Employee Benefits, issued by the International Accounting Standards Board (IASB) in December 2004 and approved by the EU in November 2005. In accordance with a new option in this amendment, as of 2005 Scania is, when calculating pension liability, accounting for actuarial gains and losses related to changed assumptions in equity. The actuarial loss of SEK 72 m. in the comparative year, as well as the corresponding deferred tax of SEK 21 m., has been reclassified from the income statement to equity. The impact of this in 2005 was a reduction in equity by an actuarial loss of SEK 770 m. minus a corresponding tax of SEK 217 m.

Holdings in associated companies and joint ventures are accounted for in accordance with IAS 28, applying the equity method, with income after taxes being included in operating income. The income statement of the comparative year has been reclassified, with SEK -4 m. being moved from tax expenses to "Share of income in associated companies", a component of operating income.

### Acquisitions of businesses

Scania's acquisitions during the full year 2005 are reported in the table on page 15.

### Annual General Meeting and proposed dividend

The Annual General Meeting of Shareholders will be held at 14.00 CET on Thursday, 4 May 2006 in Scaniarinken, AXA Sports Center in Södertälje, Sweden. The dividend proposed by the Board of Directors for 2005 is SEK 15.00 (15.00) per share with 9 May 2006 as the record date.

Södertälje, 6 February 2006

LEIF ÖSTLING  
*President and CEO*

## Financial information from Scania

Scania's Interim Report for the first quarter of 2006 will be published on 4 May 2006.

*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 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 Stockholmsbörsen, if and when circumstances arise that will lead to changes compared to the date when these statements were issued.*

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## Income statement

Amounts in SEK m. unless otherwise stated	Full year			Change in %	Q4	
	EUR m.*	2005	2004		2005	2004
<b>Vehicles and Service</b>						
Sales revenue	6,716	<b>63,328</b>	56,788	12	<b>18,286</b>	16,264
Cost of goods sold	-5,074	<b>-47,835</b>	-42,528	12	<b>-13,636</b>	-11,971
Gross income	1,642	<b>15,493</b>	14,260	9	<b>4,650</b>	4,293
Research and development expenses <sup>1</sup>	-263	<b>-2,484</b>	-1,987	25	<b>-705</b>	-563
Selling expenses	-618	<b>-5,829</b>	-5,343	9	<b>-1,726</b>	-1,417
Administrative expenses	-91	<b>-858</b>	-789	9	<b>-196</b>	-234
Share of income in associated companies	1	<b>8</b>	8	0	<b>2</b>	1
<b>Operating income, Vehicles and Service</b>	671	<b>6,330</b>	6,149	3	<b>2,025</b>	2,080
<b>Customer Finance</b>						
Interest and rent revenues	373	<b>3,518</b>	3,427	3	<b>921</b>	851
Cost of interest and depreciation expenses	-273	<b>-2,575</b>	-2,572	0	<b>-675</b>	-633
Net interest income	100	<b>943</b>	855	10	<b>246</b>	218
Other income and expenses	4	<b>40</b>	2	1900	<b>6</b>	-5
Gross income	104	<b>983</b>	857	15	<b>252</b>	213
Bad debts expenses	-8	<b>-80</b>	-89	-10	<b>-12</b>	-10
Selling and administrative expenses	-40	<b>-374</b>	-318	18	<b>-108</b>	-88
<b>Operating income, Customer Finance</b>	56	<b>529</b>	450	18	<b>132</b>	115
<b>Operating income</b>	727	<b>6,859</b>	6,599	4	<b>2,157</b>	2,195
Net interest items	-20	<b>-187</b>	-292	-36	<b>-36</b>	-72
Other financial revenues and expenses	10	<b>93</b>	-31	-400	<b>49</b>	10
<b>Financial income and expenses</b>	-10	<b>-94</b>	-323	-71	<b>13</b>	-62
<b>Income before taxes</b>	717	<b>6,765</b>	6,276	8	<b>2,170</b>	2,133
Taxes	-222	<b>-2,100</b>	-1,960	7	<b>-646</b>	-715
<b>Net income</b>	495	<b>4,665</b>	4,316	8	<b>1,524</b>	1,418
<i>Of which Scania shareholders</i>	495	<b>4,665</b>	4,314		<b>1,524</b>	1,419
<i>Of which minority interest</i>	0	<b>0</b>	2		<b>0</b>	-1
<i>Includes depreciation of</i>	-265	<b>-2,497</b>	-1,990		<b>-664</b>	-516
Number of shares: 200 million <sup>2</sup>						
Operating margin, in percent		<b>10.8</b>	11.6		<b>11.8</b>	13.5
Return on equity, in percent <sup>3**</sup>		<b>20.8</b>	21.8		<b>7.62</b>	7.09
Earnings per share, SEK <sup>**</sup>		<b>23.33</b>	21.57		<b>7.62</b>	7.09

Acquired companies have the following accumulated effect in 2005:

Sales revenue +185 MSEK, Gross income +56 MSEK, Expenses +43 MSEK, Operating income +13 MSEK and Income before tax +14 MSEK.

<sup>1</sup> Total research and development expenditures amounted to SEK 2.480 m. (2.219), of which SEK -4 m. (232) was capitalised net.

<sup>2</sup> After the issue of shares when acquiring Ainax the total number of Scania AB shares issued amounts to 226.296.508. The total number of Scania AB shares amounts to 200,000,000 after adjusting for an internal holding by the Scania Group.

<sup>3</sup> Calculations are based on rolling 12-month income.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.4300 = EUR 1.00.

\*\* Related to Scania shareholders part of earnings

## Revenue and deliveries, Vehicles and Service

Amounts in SEK m. unless otherwise stated	Full year			Change in %	Q4	
	EUR m.*	2005	2004		2005	2004
<b>Revenue</b>						
Trucks	4,007	<b>37,778</b>	33,407	13	<b>11,486</b>	10,202
Buses **	663	<b>6,256</b>	5,504	14	<b>1,809</b>	1,614
Engines	85	<b>803</b>	658	22	<b>277</b>	205
Service-related products	1,336	<b>12,591</b>	11,418	10	<b>3,470</b>	2,959
Used vehicles etc.	813	<b>7,670</b>	6,792	13	<b>1,925</b>	1,666
Revenue deferral <sup>4</sup>	-188	<b>-1,770</b>	-991		<b>-681</b>	-382
<b>Total</b>	<b>6,716</b>	<b>63,328</b>	56,788	12	<b>18,286</b>	16,264

### Revenue <sup>5</sup>

Western Europe	4,458	<b>42,027</b>	38,730	9	<b>11,670</b>	10,967
Central and eastern Europe	592	<b>5,586</b>	4,941	13	<b>1,900</b>	1,548
Latin America	803	<b>7,575</b>	5,653	34	<b>2,200</b>	1,544
Asia	439	<b>4,138</b>	3,995	4	<b>1,193</b>	1,156
Other markets	424	<b>4,002</b>	3,469	15	<b>1,323</b>	1,049
<b>Total</b>	<b>6,716</b>	<b>63,328</b>	56,788	12	<b>18,286</b>	16,264

### Total delivery volume, units

Trucks		<b>52,567</b>	50,563	4	<b>15,673</b>	15,236
Buses**		<b>5,816</b>	5,519	5	<b>1,461</b>	1,626
Engines		<b>5,704</b>	5,014	14	<b>1,903</b>	1,464

<sup>4</sup> Refers to the difference between sales recognised as revenues and sales value based on deliveries.

<sup>5</sup> Revenues from external customers by location of customers.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.4300 = EUR 1.00.

\*\* Including body-built buses and coaches.

## Earnings by quarter

Amounts in SEK m. unless otherwise stated	2005					2004			
	EUR m.*	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Vehicles and Service</b>									
Sales revenue	1,939	18,286	14,608	16,561	13,873	16,264	13,323	14,118	13,083
Cost of goods sold	-1,445	-13,636	-11,257	-12,624	-10,318	-11,971	-10,116	-10,534	-9,907
Gross income	494	4,650	3,351	3,937	3,555	4,293	3,207	3,584	3,176
Research and development expenses	-75	-705	-581	-631	-567	-563	-471	-561	-392
Selling expenses	-182	-1,726	-1,473	-1,398	-1,232	-1,417	-1,292	-1,381	-1,253
Administrative expenses	-21	-196	-239	-217	-206	-234	-190	-194	-171
Share of income in associated companies	0	2	2	1	3	1	4	2	1
<b>Operating income, Vehicles and Service</b>	216	2,025	1,060	1,692	1,553	2,080	1,258	1,450	1,361
<b>Customer Finance</b>									
Interest and rent revenues	98	921	884	858	855	851	881	836	859
Interest and depreciation expenses	-72	-675	-636	-631	-633	-633	-663	-624	-652
Net interest income	26	246	248	227	222	218	218	212	207
Other income and expenses	1	6	19	2	13	-5	3	3	1
Gross income	27	252	267	229	235	213	221	215	208
Bad debts expenses	-1	-12	-32	-13	-23	-10	-21	-25	-33
Selling and administrative expenses	-12	-108	-89	-91	-86	-88	-78	-80	-72
<b>Operating income, Customer Finance</b>	14	132	146	125	126	115	122	110	103
<b>Operating income</b>	230	2,157	1,206	1,817	1,679	2,195	1,380	1,560	1,464
Net interest items	-3	-36	-61	-41	-49	-72	-70	-82	-68
Other financial revenues and expenses	4	49	10	-34	68	10	-6	-12	-23
Financial revenue and expenses	1	13	-51	-75	19	-62	-76	-94	-91
Income before taxes	231	2,170	1,155	1,742	1,698	2,133	1,304	1,466	1,373
Taxes	-69	-646	-330	-581	-543	-715	-406	-440	-399
Net income	162	1,524	825	1,161	1,155	1,418	898	1,026	974
<i>Of which Scania shareholders</i>	162	1,524	825	1,161	1,155	1,419	897	1,026	972
<i>Of which minority interest</i>	0	0	0	0	0	-1	1	0	2
Earnings per share, SEK		7.62	4.13	5.81	5.78	7.09	4.49	5.13	4.86
Operating margin, in percent		11.8	8.3	11.0	12.1	13.5	10.4	11.0	11.2

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.4300 = EUR 1.00.

## Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2005					2004			
	EUR m.*	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Vehicles and Service</b>									
<b>ASSETS</b>									
Intangible non-current assets	285	<b>2,685</b>	2,699	2,819	2,667	2,613	2,596	2,554	2,551
Tangible non-current assets	2,192	<b>20,673</b>	20,074	19,707	18,520	18,173	17,952	18,002	18,063
Shares and participations	10	<b>96</b>	116	121	96	92	105	107	127
Inventories	1,055	<b>9,949</b>	11,071	11,470	10,957	9,446	10,050	10,082	9,674
Other receivables <sup>6</sup>	1,356	<b>12,784</b>	12,472	12,981	11,258	11,456	10,191	10,117	9,922
Interest-bearing receivables	109	<b>1,025</b>	1,036	1,135	1,010	1,074	1,029	1,156	1,107
Liquid investments	277	<b>2,616</b>	2,487	2,574	2,679	2,196	1,454	1,094	1,239
<b>Total assets</b>	<b>5,284</b>	<b>49,828</b>	49,955	50,807	47,187	45,050	43,377	43,112	42,683
<b>EQUITY AND LIABILITIES</b>									
Equity	2,194	<b>20,682</b>	19,413	18,295	19,418	18,336	17,077	16,140	16,546
Borrowings	349	<b>3,290</b>	5,470	6,942	4,168	3,050	3,444	4,210	3,742
Provisions for pensions	365	<b>3,445</b>	2,634	2,644	2,557	2,490	2,281	2,269	2,317
Other provisions	407	<b>3,834</b>	4,416	4,719	4,455	4,307	4,400	4,259	4,289
Other liabilities <sup>6</sup>	1,970	<b>18,577</b>	18,022	18,207	16,589	16,867	16,175	16,234	15,789
<b>Total equity and liabilities</b>	<b>5,285</b>	<b>49,828</b>	49,955	50,807	47,187	45,050	43,377	43,112	42,683
<sup>6</sup> Incl. market value net of derivatives for hedging of borrowings	43	<b>405</b>	594	801	547	N/A	N/A	N/A	N/A
Net debt excl. provisions for pensions, incl derivatives as above	29	<b>269</b>	2,389	3,567	942	854	1,990	3,116	2,503

## Customer Finance

<b>ASSETS</b>									
Intangible non-current assets	1	<b>13</b>	12	13	12	13	14	15	15
Lease assets	771	<b>7,269</b>	7,083	7,279	7,075	7,043	7,147	7,438	7,767
Other tangible non-current assets	2	<b>23</b>	24	23	22	22	23	22	21
Inventories	0	<b>0</b>	9	9	42	41	32	43	52
Other receivables	65	<b>612</b>	548	562	585	658	484	561	594
Financial receivables	2,372	<b>22,365</b>	21,464	21,880	20,545	19,558	19,022	19,074	18,737
Liquid investments	19	<b>177</b>	143	214	211	302	136	216	166
<b>Total assets</b>	<b>3,230</b>	<b>30,459</b>	29,283	29,980	28,492	27,637	26,858	27,369	27,352
<b>EQUITY AND LIABILITIES</b>									
Equity	324	<b>3,054</b>	3,289	3,393	3,392	3,097	3,194	3,234	3,257
Borrowings	2,692	<b>25,384</b>	24,271	24,762	23,378	22,563	22,044	22,456	22,360
Provisions for pensions	1	<b>13</b>	10	10	9	9	9	9	9
Other provisions	61	<b>578</b>	695	660	619	600	637	741	750
Other liabilities	152	<b>1,430</b>	1,018	1,155	1,094	1,368	974	929	976
<b>Total equity and liabilities</b>	<b>3,230</b>	<b>30,459</b>	29,283	29,980	28,492	27,637	26,858	27,369	27,352

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.4300 = EUR 1.00.

## Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2005				2004				
	EUR m.*	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sept	30 Jun	30 Mar
<b>Eliminations</b>									
<b>ASSETS</b>									
Tangible non-current assets	-145	<b>-1,367</b>	-1,317	-1,362	-1,296	-1,328	-1,325	-1,350	-1,353
Other receivables	-74	<b>-702</b>	-387	-449	-397	-656	-267	-301	-303
Total assets	-219	<b>-2,069</b>	-1,704	-1,811	-1,693	-1,984	-1,592	-1,651	-1,656
<b>EQUITY AND LIABILITIES</b>									
Other liabilities	-219	<b>-2,069</b>	-1,704	-1,811	-1,693	-1,984	-1,592	-1,651	-1,656
Total equity and liabilities	-219	<b>-2,069</b>	-1,704	-1,811	-1,693	-1,984	-1,592	-1,651	-1,656
<b>Scania Group</b>									
<b>ASSETS</b>									
Intangible non-current assets	286	<b>2,698</b>	2,711	2,832	2,679	2,626	2,610	2,569	2,566
Tangible non-current assets	2,820	<b>26,598</b>	25,864	25,647	24,321	23,910	23,797	24,112	24,498
Shares and participations	10	<b>96</b>	116	121	96	92	105	107	127
Inventories	1,055	<b>9,949</b>	11,080	11,479	10,999	9,487	10,082	10,125	9,725
Other receivables <sup>7</sup>	1,347	<b>12,694</b>	12,633	13,094	11,446	11,458	10,408	10,377	10,214
Interest-bearing receivables	2,481	<b>23,390</b>	22,500	23,015	21,555	20,632	20,051	20,230	19,844
Liquid investments	296	<b>2,793</b>	2,630	2,788	2,890	2,498	1,590	1,310	1,405
Total assets	8,295	<b>78,218</b>	77,534	78,976	73,986	70,703	68,643	68,830	68,379
<b>EQUITY AND LIABILITIES</b>									
Equity	2,518	<b>23,736</b>	22,702	21,688	22,810	21,433	20,271	19,374	19,803
Borrowings	3,041	<b>28,674</b>	29,741	31,704	27,546	25,613	25,488	26,666	26,102
Provisions for pensions	366	<b>3,458</b>	2,644	2,654	2,566	2,499	2,290	2,278	2,326
Other provisions	468	<b>4,412</b>	5,111	5,379	5,074	4,907	5,037	5,000	5,039
Other liabilities <sup>7</sup>	1,903	<b>17,938</b>	17,336	17,551	15,990	16,251	15,557	15,512	15,109
Total equity and liabilities	8,296	<b>78,218</b>	77,534	78,976	73,986	70,703	68,643	68,830	68,379
<sup>7</sup> Incl. market value net of derivatives for hedging of borrowings	43	<b>405</b>	594	801	547	N/A	N/A	N/A	N/A
Equity/assets ratio, in percent		<b>30.3</b>	29.3	27.5	30.8	30.3	29.5	28.1	29.0

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## Statement of changes in equity

### Full year 2005

Amounts in SEK m. unless otherwise stated	EUR m.*	IFRS 2005	IFRS 2004
Equity, 1 January	2,273	21,433	18,471
Effects of changes in accounting principles, opening balance <sup>8</sup>	2	22	-
Equity, 1 January	2,275	21,455	18,471
Revaluation reserve cash flow hedge	-20	-192	-
Actuarial gains/losses on post-employment liabilities	-82	-770	-72
Tax attributable to items accounted for directly in equity	29	271	21
Exchange rate differences	139	1,307	-103
Net income	494	4,665	4,316
Dividend to shareholders	-318	-3,000	-1,200
Total equity, 31 December	2,517	23,736	21,433
- of which attributable to shareholders in Scania AB	2,516	23,727	21,428
- of which attributable to minority interest	1	9	5

### Full year 2004

Amounts in SEK m. unless otherwise stated	EUR m.*	IFRS 2004	Swedish GAAP 2004
Equity, 1 January	1,938	18,277	18,251
Effects of changes in accounting policies, opening balance <sup>9</sup>	21	194	-
Equity, 1 January, IFRS adjusted	1,959	18,471	-
Effects of changes in accounting principles (RR29)	-	-	26
Actuarial gains/losses on post-employment liabilities	-8	-72	-72
Tax attributable to items accounted for directly in equity	2	21	21
Exchange rate differences	-11	-103	-104
Net income	458	4,316	4,128
Dividend to shareholders	-127	-1,200	-1,200
Total equity, 31 December	2,273	21,433	21,050 **
- of which attributable to shareholders in Scania AB	2,272	21,428	21,050
- of which attributable to minority interest	1	5	-

<sup>8</sup> The transition to IFRS with respect to IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39, Financial Instruments: Recognition and Measurement occurred as of 1 January 2005, which means that no recalculation of comparative figures occurs. According to IAS 39, all derivatives must be valued at market value and be recognised in the balance sheet. As a result of this, derivatives that were previously outside the balance sheet have been included since the beginning of 2005. Beyond this, IAS 32 requires that certain financial instruments previously recognised in a net amount be recognised on a gross basis. Due to recognition in accordance with IAS 32 and IAS 39 as of 1 January 2005, total assets rose by SEK 1,189 m. and long-term and current liabilities rose by SEK 835 m. and SEK 323 m., respectively. Equity were affected in an amount totalling SEK 22 m., taking the tax effect into account.

<sup>9</sup> Scania is presenting comparative figures applying IFRS rules, beginning with 1 January 2004. The transitional effects that arose in the opening balance for 1 January 2004 were attributable to component depreciation of buildings in accordance with IAS 16 Property, Plant and Equipment. The transition had an overall impact on tangible assets in the balance sheet of SEK 282 m., of which SEK 190 m. affected equity. IFRS also prescribed a reclassification of minority interest, which resulted in an adjustment of the opening balance by SEK 4 m.

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\*\* According to Swedish GAAP minority interest is not included in total equity.

## Statement of cash flow <sup>10</sup>

Amounts in SEK m. unless otherwise stated	Full year			2005				2004
	EUR m.*	2005	2004	Q4	Q3	Q2	Q1	Q4
<b>OPERATING ACTIVITIES</b>								
Income after financial items	717	<b>6,765</b>	6,276	<b>2,170</b>	1,155	1,742	1,698	2,133
Items not affecting cash flow	313	<b>2,953</b>	2,386	<b>825</b>	760	796	572	437
Taxes paid	-260	<b>-2,450</b>	-1,784	<b>-340</b>	-469	-624	-1,017	-352
<b>Cash flow from operating activities</b>								
<b>before change in working capital</b>	771	<b>7,268</b>	6,878	<b>2,655</b>	1,446	1,914	1,253	2,218
of which: Vehicles and Service	732	<b>6,905</b>	6,685	<b>2,666</b>	1,288	1,830	1,121	2,325
Customer Finance	38	<b>363</b>	193	<b>-11</b>	158	84	132	-107
Change in working capital etc., Vehicles and Service	81	<b>762</b>	-1,153	<b>50</b>	802	120	-210	-552
<b>Cash flow from operating activities</b>	<b>852</b>	<b>8,030</b>	5,725	<b>2,705</b>	2,248	2,034	1,043	1,666
<b>INVESTING ACTIVITIES</b>								
Net investments, Vehicles and Service	-403	<b>-3,802</b>	-2,847	<b>-983</b>	-899	-1,281	-639	-817
Net investments in credit portfolio etc., Customer Finance	-150	<b>-1,410</b>	-478	<b>-439</b>	184	-431	-724	-228
<b>Cash flow from investing activities</b>	<b>-553</b>	<b>-5,212</b>	-3,325	<b>-1,422</b>	-715	-1,712	-1,363	-1,045
<b>Cash flow from Vehicle and Service</b>	<b>410</b>	<b>3,865</b>	2,685	<b>1,733</b>	1,191	669	272	956
<b>Cash flow from Customer Finance</b>	<b>-111</b>	<b>-1,047</b>	-285	<b>-450</b>	342	-347	-592	-335
<b>FINANCING ACTIVITIES</b>								
Change in net debt from financing activities	7	<b>62</b>	-1,264	<b>-831</b>	-1,820	1,849	864	-390
Dividend to shareholders	-318	<b>-3,000</b>	-1,200	-	-	-3,000	-	-
<b>Cash flow from financing activities</b>	<b>-312</b>	<b>-2,938</b>	-2,464	<b>-831</b>	-1,820	-1,151	864	-390
<b>Cash flow for the year</b>	<b>-13</b>	<b>-120</b>	-64	<b>452</b>	-287	-829	544	231
<b>Liquid assets at beginning of period</b>	<b>169</b>	<b>1,589</b>	1,663	<b>1,186</b>	1,481	2,170	1,589	1,385
<b>Effect of exchange rate fluctuations on liquid assets</b>	<b>14</b>	<b>130</b>	-10	<b>-39</b>	-8	140	37	-27
<b>Liquid assets at end of period</b>	<b>170</b>	<b>1,599</b>	1,589	<b>1,599</b>	1,186	1,481	2,170	1,589

<sup>10</sup> The IFRS transition has not materially affected Scania's statement of cash flow.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.4300 = EUR 1.00.

## Number of employees

	2005				2004			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	15,888	15,955	15,906	16,026	15,968	16,105	15,870	15,651
Research and development	2,058	2,053	2,001	1,956	1,924	1,909	1,890	1,865
Sales and service companies	12,414	12,284	12,153	11,871	11,747	11,747	11,691	11,627
Vehicles and Service	30,360	30,292	30,060	29,853	29,639	29,761	29,451	29,143
Customer Finance	405	383	368	362	354	350	342	329
Total number of employees	30,765	30,675	30,428	30,215	29,993	30,111	29,793	29,472

## Acquisition of businesses

Amounts in SEK m. unless otherwise stated		Purchase sum	Net assets	Goodwill	Number of employees
<b>Quarter 1</b>	Ainax	-	86	-	1
<b>Quarter 2</b>	Dealer network, Belgium	243	193	50	171
	Other <sup>11</sup>	35	33	2	76
<b>Quarter 3</b>	Dealer, Switzerland	18	18	0	26
<b>Quarter 4</b>	Distributor, Taiwan	11	-4	15	110
	Other <sup>11</sup>	56	55	1	40

Complete disclosure in the Annual Report for 2005.

<sup>11</sup> Refers to small acquisitions: Quarter 2 in France and Namibia; Quarter 4 in Poland and Czech Republic.

## Units by quarter (by geographic area)

	2005					2004				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>										
Western Europe	34,900	10,211	7,630	8,863	8,196	32,645	8,899	6,790	8,349	8,607
Central and eastern Europe	6,005	1,981	1,527	1,495	1,002	5,727	1,618	1,260	1,532	1,317
Latin America	7,608	2,177	1,863	1,560	2,008	7,644	1,863	1,935	2,141	1,705
Asia	5,257	1,199	695	1,862	1,501	5,816	918	1,232	1,778	1,888
Other markets	2,772	774	751	613	634	2,096	640	388	463	605
<b>Total</b>	<b>56,542</b>	<b>16,342</b>	12,466	14,393	13,341	53,928	13,938	11,605	14,263	14,122
<b>Trucks delivered</b>										
Western Europe	31,392	9,119	6,149	8,689	7,435	30,312	9,276	6,198	7,554	7,284
Central and eastern Europe	5,693	1,939	1,229	1,339	1,186	5,272	1,678	1,216	1,509	869
Latin America	7,776	2,220	1,718	2,078	1,760	7,604	2,095	2,126	1,912	1,471
Asia	5,415	1,562	1,212	1,516	1,125	5,464	1,637	1,200	1,248	1,379
Other markets	2,291	833	470	491	497	1,911	550	527	438	396
<b>Total</b>	<b>52,567</b>	<b>15,673</b>	10,778	14,113	12,003	50,563	15,236	11,267	12,661	11,399
<b>Order bookings, buses**</b>										
Western Europe	2,568	739	326	673	830	2,333	693	591	505	544
Central and eastern Europe	348	58	38	121	131	491	101	149	67	174
Latin America	1,785	303	312	388	782	1,621	289	535	512	285
Asia	628	89	97	237	205	955	197	250	193	315
Other markets	717	66	216	283	152	653	211	181	163	98
<b>Total</b>	<b>6,046</b>	<b>1,255</b>	989	1,702	2,100	6,053	1,491	1,706	1,440	1,416
<b>Buses delivered**</b>										
Western Europe	2,271	685	526	573	487	2,157	648	426	550	533
Central and eastern Europe	394	126	95	89	84	424	129	95	98	102
Latin America	1,727	384	324	633	386	1,472	355	524	342	251
Asia	616	113	164	183	156	947	320	214	325	88
Other markets	808	153	339	176	140	519	174	142	135	68
<b>Total</b>	<b>5,816</b>	<b>1,461</b>	1,448	1,654	1,253	5,519	1,626	1,401	1,450	1,042

\*\* Including body-built buses and coaches.

# Transition SWE GAAP - IFRS

## Income statement

	IFRS	SWE GAAP		IFRS	SWE GAAP	IFRS	SWE GAAP	IFRS	SWE GAAP	IFRS	SWE GAAP	
	Q4	Q4	Differ-	Q3	Q3	Q2	Q2	Q1	Q1	Full year	Full year	Differ-
Amounts in SEK m. unless otherwise stated	2004	2004	ence Q4	2004	2004	2004	2004	2004	2004	2004	2004	ence
<b>Vehicles and Service</b>												
Sales revenue	16,264	16,264	0	13,323	13,323	14,118	14,118	13,083	13,083	56,788	56,788	0
Cost of goods sold <sup>12</sup>	-11,971	-11,980	9	-10,116	-10,102	-10,534	-10,545	-9,907	-9,917	-42,528	-42,544	16
Gross income	4,293	4,284	9	3,207	3,221	3,584	3,573	3,176	3,166	14,260	14,244	16
Research and development expenses	-563	-563	0	-471	-471	-561	-561	-392	-392	-1,987	-1,987	0
Selling expenses <sup>12</sup>	-1,417	-1,462	45	-1,292	-1,338	-1,381	-1,424	-1,253	-1,297	-5,343	-5,521	178
Administrative expenses <sup>12</sup>	-234	-235	1	-190	-189	-194	-195	-171	-170	-789	-789	0
Share of income in associated companies	1	1	0	4	4	2	2	1	1	8	8	0
<b>Operating income, Vehicles and Service</b>	<b>2,080</b>	<b>2,025</b>	<b>55</b>	<b>1,258</b>	<b>1,227</b>	<b>1,450</b>	<b>1,395</b>	<b>1,361</b>	<b>1,308</b>	<b>6,149</b>	<b>5,955</b>	<b>194</b>
<b>Customer Finance</b>			<b>0</b>									<b>0</b>
Interest and rent revenues	851	851	0	881	881	836	836	859	859	3,427	3,427	0
Interest and depreciation expenses	-633	-633	0	-663	-663	-624	-624	-652	-652	-2,572	-2,572	0
Net interest income	218	218	0	218	218	212	212	207	207	855	855	0
Other income and expenses	-5	-5	0	3	3	3	3	1	1	2	2	0
Gross income	213	213	0	221	221	215	215	208	208	857	857	0
Bad debts expenses	-10	-10	0	-21	-21	-25	-25	-33	-33	-89	-89	0
Selling and administrative expenses	-88	-88	0	-78	-78	-80	-80	-72	-72	-318	-318	0
<b>Operating income, Customer Finance</b>	<b>115</b>	<b>115</b>	<b>0</b>	<b>122</b>	<b>122</b>	<b>110</b>	<b>110</b>	<b>103</b>	<b>103</b>	<b>450</b>	<b>450</b>	<b>0</b>
<b>Operating income</b>	<b>2,195</b>	<b>2,140</b>	<b>55</b>	<b>1,380</b>	<b>1,349</b>	<b>1,560</b>	<b>1,505</b>	<b>1,464</b>	<b>1,411</b>	<b>6,599</b>	<b>6,405</b>	<b>194</b>
Financial revenue and expenses	-62	-62	0	-76	-76	-94	-94	-91	-91	-323	-323	0
<b>Income before taxes</b>	<b>2,133</b>	<b>2,078</b>	<b>55</b>	<b>1,304</b>	<b>1,273</b>	<b>1,466</b>	<b>1,411</b>	<b>1,373</b>	<b>1,320</b>	<b>6,276</b>	<b>6,082</b>	<b>194</b>
Taxes <sup>13</sup>	-715	-713	-2	-406	-404	-440	-438	-399	-397	-1,960	-1,952	-8
Minority interest <sup>14</sup>	-	1	-1	-	-1	-	0	-	-2	-	-2	2
<b>Net income</b>	<b>1,418</b>	<b>1,366</b>	<b>52</b>	<b>898</b>	<b>868</b>	<b>1,026</b>	<b>973</b>	<b>974</b>	<b>921</b>	<b>4,316</b>	<b>4,128</b>	<b>188</b>
<i>Minority interests <sup>14</sup></i>	<i>-1</i>	<i>-</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>0</i>	<i>-</i>	<i>2</i>	<i>-</i>	<i>2</i>	<i>-</i>	<i>2</i>
<i>Includes depreciation of</i>	<i>-516</i>	<i>-571</i>	<i>55</i>	<i>-527</i>	<i>-557</i>	<i>-503</i>	<i>-559</i>	<i>-444</i>	<i>-497</i>	<i>-1,990</i>	<i>-2,184</i>	<i>194</i>
Operating margin, in percent	13.5	13.2		10.4	10.1	11.0	10.7	11.2	10.8	11.6	11.3	
Return on equity, in percent										21.8	21.1	
Earnings per share, SEK	7.09	6.83		4.49	4.34	5.13	4.86	4.87	4.61	21.57	20.64	

## Transition SWE GAAP - IFRS

### Balance sheet

Amounts in SEK m. unless otherwise stated	IFRS	SWE GAAP	Difference
	31 Dec 2004	31 Dec 2004	
<b>ASSETS</b>			
Intangible non-current assets <sup>15</sup>	2,626	2,460	166
Tangible non-current assets <sup>16</sup>	23,910	23,598	312
Shares and participations	92	92	0
Inventories	9,487	9,487	0
Other receivables	11,458	11,458	0
Interest-bearing receivables	20,632	20,632	0
Liquid investments	2,498	2,498	0
<b>Total assets</b>	<b>70,703</b>	<b>70,225</b>	<b>478</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	21,433	21,050	383
Borrowings	25,613	25,613	0
Provisions for pensions	2,499	2,499	0
Other provisions <sup>17</sup>	4,907	4,804	103
Other liabilities	16,251	16,259	-8
<b>Equity and liabilities</b>	<b>70,703</b>	<b>70,225</b>	<b>478</b>
Equity/ assets ratio, %	30.3%	30.0%	

<sup>12</sup> The IFRS transition affects operating expenses positively, due to the reversal of goodwill amortisation carried out during 2004 according to Swedish GAAP, as well as component depreciation, which was adjusted as a consequence of changes in depreciation periods for tangible non-current assets.

<sup>13</sup> Taxes are affected by the changes in depreciation periods for tangible non-current assets according to IAS 16.

<sup>14</sup> In accordance with IAS 27, Consolidated and Separate Financial Statements, net income for the year is reported without taking minority interest into account. Instead a separate disclosure is provided of how much of earnings constitute the minority's interest.

<sup>15</sup> In accordance with IFRS 3, Business Combinations, no goodwill amortisation has been carried out in the recalculated balance sheet for 2004 according to IFRS. The total effect on the full year 2004 was an increase in recognised goodwill value of about SEK 166 m.

<sup>16</sup> Scania's tangible non-current assets have been affected by the IFRS transition, since component depreciation has been applied to Scania's buildings. IAS 16, Property, Plant and Equipment, states that the capitalised cost of an asset shall be allocated among the various significant constituent parts of the asset. As a result of this adjustment, depreciation periods have been affected by the transition to IFRS. The effect as a consequence of the use of component depreciation at Scania during the full year 2004 was that the carrying amount of tangible non-current assets rose by SEK 312 m.

<sup>17</sup> Other provisions are influenced by the tax effect attributable to changed depreciation periods for tangible non-current assets according to IAS 16.