

Scania Interim Report January–June 2007

- Scania reports strong volume and revenue growth
- Order bookings continue to be strong, up 39 percent in the first six months
- Sharp increase in earnings, operating margin rose to 14.7 percent
- Investments to significantly increase production capacity are in progress
- Scania expects demand for heavy trucks to remain strong

First half in brief

Units	First half		Change in %	Q 2	
	2007	2006		2007	2006
Trucks and bus chassis					
– Order bookings	49,822	35,937	39	22,185	16,922
– Deliveries	37,578	31,824	18	19,995	16,447

Net sales and earnings

SEK m. (unless otherwise stated)	EUR m. *					
Net sales, Scania Group	4,333	40,040	35,224	14	20,911	17,978
Operating income, Vehicles and Services	610	5,638	3,907	44	2,720	1,907
Operating income, Financial Services	27	252	240	5	131	126
Operating income	637	5,890	4,147	42	2,851	2,033
Income after financial items	637	5,890	4,093	44	2,895	1,984
Net income for the period	443	4,093	2,834	44	2,008	1,387
Operating margin, percent		14.7	11.8		13.6	11.3
Return on equity, percent		29.2	22.2			
Return on capital employed, Vehicles and Services, percent		36.0	29.5			
Earnings, per share, SEK	0.55	5.12	3.54	44	2.51	1.73
Cash flow, Vehicles and Services	308	2,850	3,258		1,786	2,068
Number of employees, 30 June		34,340	31,835			
Number of shares: 800 million						

* Translated to euros at a balance sheet date exchange rate of SEK 9.24 = EUR 1.00, solely for the convenience of the reader.

This report has not been subjected to review by the company's auditors.

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

This report is also available at www.scania.com.

Scania, first half of 2007 – comments of the President and CEO

Scania's order bookings, revenue and earnings increased sharply during the first six months of 2007. Order bookings rose by 39 percent and deliveries increased by 18 percent. Operating income increased by 42 percent and the operating margin rose to 14.7 percent.

The demand for vehicles and services is rising in virtually all markets where Scania operates and we expect demand for heavy trucks to remain strong.

In Europe there is a shortage of transport capacity, with high demand for both new and used trucks. Demand is increasing especially rapidly in central and eastern Europe, with 80 percent higher order bookings during the first half of 2007. Large infrastructure projects and production-related investments in the new European Union member countries, Russia and the other CIS states are contributing to higher demand for trucks. Investment levels are expected to remain high for several years ahead, leading to increased need for transport capacity.

In Latin America, demand improved during the first half, primarily driven by high activity in the agricultural and mining sectors. In Asia and in Africa, demand was nearly unchanged compared to last year.

Rapidly rising demand has created long lead times in the heavy vehicle industry, among suppliers as well as chassis manufacturers and manufacturers of superstructures and trailers. This is valid for all market segments: distribution, construction and long-haulage. Strong economic activity has also led to a shortage of steel and other raw materials and upward pressure on prices.

Scania's production units are currently fully utilised and investments of some SEK 2,000 m. to significantly increase capacity are in progress. By the end of 2009 our technical production capacity will reach 100,000 vehicles. The increase will be gradual and Scania plans to raise its production rate by some 5 percent during the final months of 2007, from a current annual rate of 80,000 vehicles. The concentration of our axle and gearbox production is proceeding as planned. These efforts will yield savings of more than SEK 300 m. per year from 2009. The move of European parts management to Belgium is progressing and will lead to both higher availability and lower costs.

Service-related sales are steadily increasing due to the growing number of Scania vehicles on the roads, as well as higher economic activity. As demand increases, the expansion of Scania's service network is continuing, especially in the markets of central and eastern Europe.

Scania is continuously working to reduce the environmental impact of its own operations as well as products in use. More efficient use of resources and vehicles, as well as offering renewable fuel technology are important elements of these efforts. Starting in 2008 Storstockholms Lokaltrafik (SL), the regional public transport company in Stockholm, will carry out large-scale testing of Scania electric hybrid buses. In June, Scania received an order for ethanol buses that will go into service in Oslo, Norway next year. As the only manufacturer of such vehicles, Scania has begun to deliver ethanol buses for testing in public transport systems in Great Britain, Poland, Hungary, Italy, Spain and China. Scania's ethanol buses have been in operation in Stockholm since 1989.

In June, Scania completed the share split and redemption programme which was approved by the Annual General Meeting. Together with the regular dividend of SEK 3,000 m., this means that SEK 10,000 m. has been repaid to the shareholders in 2007. The number of shares outstanding totals 800 million after the split and redemption.

Scania expects continued strong growth with good profitability and cash flow. This means that Scania's financial outlook remains unchanged: an annual increase in sales averaging about 10 percent during 2007–2009 and an operating margin of 12–15 percent.

Market overview

Trucks

Scania's order bookings in the first half of 2007 amounted to 45,708 (33,003) trucks, an increase of 38 percent.

In western Europe, order bookings rose by 40 percent to 26,223 (18,758) units. During the second quarter, order bookings rose by 47 percent. Order bookings increased in nearly all markets and especially in Great Britain. During the second quarter of last year, order bookings were affected by a shortage of Euro 3 trucks.

In central and eastern Europe, order bookings rose by 80 percent to 8,864 (4,937) trucks. During the second quarter, order bookings rose by 43 percent. The upturn was explained primarily by the fast-growing markets in Russia and Poland, together with generally higher demand in most other markets.

The total market for heavy trucks in the EU 27 (25 European Union members plus Norway and Switzerland) rose by 3 percent during the first half of 2007 to some 161,000 units. Scania truck registrations amounted to about 23,000 units, equivalent to a market share of about 14.3 (13.0) percent.

In Latin America, order bookings rose by 30 percent during the first half of 2007. In the second quarter, order bookings increased by 18 percent. The increase was largely attributable to Brazil.

Order bookings in Asia rose by 4 percent during the first half. In the second quarter, order bookings decreased by 6 percent. The downturn was mainly attributable to the United Arab Emirates and Turkey. In Africa and other markets, order bookings were down by 9 percent during the first half. In the second quarter, the decrease was 63 percent, due to a general downturn in African markets.

Buses and coaches

During the first half of 2007, Scania's order bookings for buses and coaches rose by 40 percent to 4,114 (2,934) units. In Europe, demand strengthened by 13 percent compared to the year-earlier period. In Latin America, order bookings rose by 64 percent, while other markets rose by 49 percent.

During the second quarter, order bookings rose by 30 percent to 1,856 (1,433) units. In Europe, demand strengthened by 30 percent, mainly attributable to Ireland and Great Britain. In Latin America, order bookings rose by 16 percent. The increase was primarily due to the Mexican market. In other markets (Asia, Africa and the Pacific), order bookings rose by 46 percent. The upturn was mainly due to southern Africa and Taiwan.

Industrial and marine engines

Order bookings for engines rose by 29 percent to 4,036 (3,132) units during the first half. Deliveries rose by 3 percent to 3,179 (3,080) units.

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

	2007	2006	Change in %
Brazil	3,142	2,275	38
Germany	2,681	2,592	3
Russia*	2,372	1,044	127
France	2,195	1,938	13
Spain	2,140	1,586	35
Great Britain	2,074	3,218	-36
Poland	1,879	740	154
Italy	1,455	1,739	-16
Netherlands	1,433	1,489	-4
Sweden	1,323	1,137	16

*refers to delivered trucks

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

	2007	2006
Brazil	24.8	23.5
Germany	7.5	7.1
Russia	Not available	n/a
France	10.0	8.7
Spain	12.0	10.4
Great Britain	16.5	17.4
Poland	18.8	13.4
Italy	11.2	12.7
Netherlands	20.8	18.1
Sweden	43.8	42.7

Deliveries

During the first half of 2007, Scania delivered 34,212 (28,921) trucks, an increase of 18 percent. During the second quarter, deliveries rose by 23 percent to 18,264 (14,871) trucks. The upturn was mainly attributable to central and eastern Europe, where deliveries rose by 103 percent. During the second quarter of last year, production disruptions adversely affected deliveries by about 1,000 trucks.

Deliveries of bus chassis totalled 3,366 (2,903) units during the first half. In the second quarter, deliveries increased by 10 percent to 1,731 (1,576) units.

Net sales

Net sales rose by 14 percent to SEK 40,040 m. (35,224) during the first half of 2007. Currency rate effects had a negative impact on sales of around SEK 550 m. During the second quarter, revenue rose by 16 percent to SEK 20,911 m. (17,978). Sales were positively influenced by a favourable product mix and to some extent also by price increases. Currency rate effects amounted to about SEK -200 m. **New vehicle sales revenue** rose by 17 percent during the first half and by 21 percent in the second quarter.

Service revenue during the first half increased by 8 percent in Swedish kronor to SEK 7,362 m. (6,830), equivalent to 10 percent in local currencies. During the second quarter, service revenue was SEK 3,632 m. (3,302), an upturn of 10 percent, equivalent to 11 percent in local currencies.

Earnings

Scania's operating income rose by 42 percent to SEK 5,890 m. (4,147) during the first half of 2007. In the second quarter, operating income rose by 40 percent to SEK 2,851 m. (2,033).

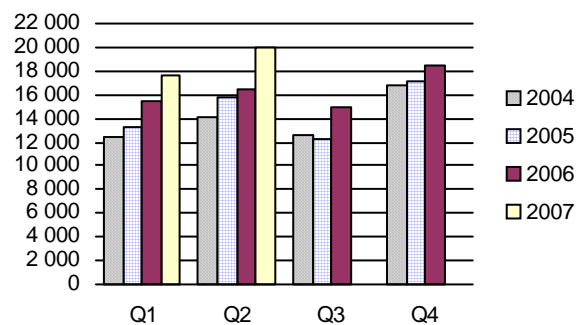
Operating income in Vehicles and Services increased by 44 percent to SEK 5,638 m. (3,907) during the first half. Higher vehicle volume and improved capacity utilisation, and to some extent higher prices, contributed to the earnings improvement. This was offset somewhat by negative currency rate effects and a changed market mix.

Also contributing to the earnings improvement was higher service revenue, mainly attributable to higher volume.

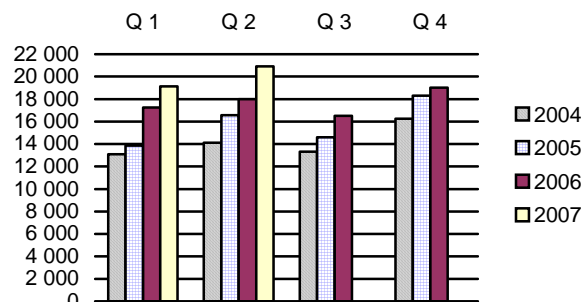
Net sales by market (SEK m.), Scania's 10 largest markets, January-June

	2007	2006	Change in %
Great Britain	3,874	4,457	-13
Brazil	3,236	2,612	24
Germany	2,425	2,211	10
France	2,375	2,050	16
Sweden	2,270	2,442	-7
Spain	2,044	1,771	15
Norway	1,880	1,553	21
The Netherlands	1,735	2,059	-16
Russia	1,672	872	92
Poland	1,662	732	127

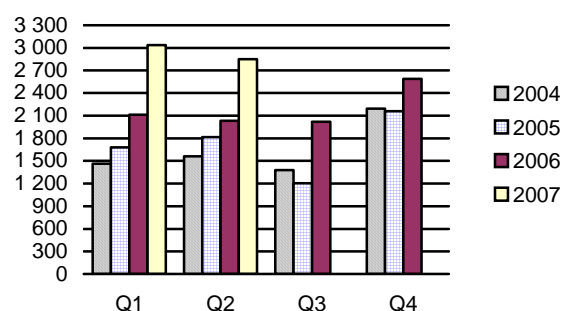
Vehicles delivered (units)



Net sales (SEK m.)



Operating income (SEK m.)



Scania's research and development expenditures amounted to SEK 1,659 m. (1,426). After adjusting for SEK 176 m. (74) in capitalised expenditures and SEK 203 m. (168) in amortisation of previously capitalised expenditures, recognised expenses increased to SEK 1,686 m. (1,520).

Compared to the first half of 2006, currency spot rate effects amounted to about SEK -225 m. Currency hedging income amounted to SEK -15 m. During the first half of 2006, the impact of currency hedgings on earnings was SEK -35 m. Compared to the first half of 2006, the total currency rate effect was thus SEK -205 m.

Operating income in the second quarter increased by 43 percent to SEK 2,720 m. (1,907) for Vehicles and Services. This improvement was attributable to higher volume, somewhat higher prices and a better product mix, which were partly offset by wage increases, negative currency effects, and higher raw material costs. Higher service revenue also contributed to the earnings improvement. Research and development expenses increased by SEK 114 m. compared to the same quarter of last year.

Compared to the second quarter of 2006, currency spot rate effects totalled about SEK -20 m. Currency hedging income amounted to SEK -85 m. During the second quarter of 2006, the impact of currency hedgings on earnings was SEK 45 m. Compared to the second quarter of 2006, the total currency rate effect was thus SEK -150 m.

Operating income in Financial Services amounted to SEK 252 m. (240) during the first half of 2007. During the second quarter, operating income was SEK 131 m. (126). The positive effects of portfolio growth were partly offset by lower interest rate margins. Operating expenses increased due to continued expansion, especially in emerging markets. Bad debt expenses remained low. At the end of June, the size of the customer finance portfolio amounted to SEK 34,924 m., which represents an increase of about SEK 3,083 m. since the end of 2006. In local currencies, the portfolio increased by 8 percent, equivalent to SEK 2,562 m.

Scania's net financial items totalled SEK 0 m. (-54). Net interest items totalled SEK -61 m. (-107). Other financial income and expenses amounted to SEK 61 m. (53). This included SEK 65 m. (55) in valuation effects related to financial instruments where hedge accounting was not applied.

The Scania Group's **tax expenses** in the first half of 2007 were equivalent to 30.5 (30.8) percent of income after financial items. **Net income** for the period increased by 44 percent during the first half and amounted to SEK 4,093 m. (2,834). In the second quarter, net income amounted to SEK 2,008 m. (1,387).

Cash flow, Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 2,850 m. (3,258) in the first half of 2007. During the second quarter, cash flow amounted to SEK 1,786 m. (2,068).

During the first half, tied-up working capital increased by SEK 597 m., mainly due to higher vehicle volume and longer lead times at manufacturers of superstructures and trailers.

Net investments amounted to SEK 2,107 m. (1,753), including SEK 176 m. (74) in capitalisation of development expenditures. During the period, net investments were affected by acquisitions totalling SEK 268 m. (-). Net debt at the end of the first half totalled SEK 2,925 m., compared to a net cash position of SEK 173 m. at the end of June 2006. Net debt increased due to the repayment of a total of SEK 10,000 m. to the shareholders by means of regular dividend and the redemption programme.

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. During the first half, Scania AB reported an income after financial items of SEK 60 m. (51).

Miscellaneous

Number of employees

The number of employees at the end of June 2007 was 34,340, compared to 32,820 at the end of 2006. Higher volume of vehicles and services was the main reason behind the increase.

Redemption procedure

The Annual General Meeting of Shareholders 2007 approved a share split and a share redemption, which were completed in June. One Scania share was divided into four Scania shares and one redemption share. The redemption shares were redeemed for a cash amount of SEK 35 per share. The number of shares in Scania, after the split and redemption, amounts to 400,000,000 A shares and 400,000,000 B shares compared with 100,000,000 A shares and 100,000,000 B shares before the split. Together with the regular dividend of SEK 3,000 m., this means that SEK 10,000 m. has been repaid to the shareholders in 2007. In conjunction with the share split, Scania carried out a reduction in its share capital by withdrawing redemption shares, followed by a bonus issue, which restored the share capital to its original level.

Essential risks and uncertainty factors

The section entitled "Risks and risk management at Scania" in the Annual Report for 2006 describes Scania's strategic, operational and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. The risks that have the greatest impact on financial reporting for the Group and the Parent Company 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.

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.

Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the European Commission for application in the EU. Scania's interim report is designed in accordance with IAS 34, "Interim Financial Reporting", and RR 31, "Interim Reporting for Groups". Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2006. Interpretation URA 43 of the Emerging Issues Task Force, Swedish Financial Accounting Standards Council, "Accounting for Special Payroll Tax and Tax on Investment Returns", was published late in March 2007. URA 43 had no effect on the income statement and balance sheet for the report period, and its effect in 2006 was not significant.

Acquisitions of businesses

Up to the publication date of this report, Scania acquired three businesses with a total purchase price of SEK 268 m. Late in March, the company acquired 100 percent of a dealership in Austria with 42 employees. Early in April, Scania acquired the operations for distribution and service of its trucks and buses in the Portuguese market, with 250 employees. Late in April, the company acquired a dealership in Poland with 26 employees. Since these acquisitions have little impact on Scania's earnings and financial position, a complete account in compliance with IFRS 3 will be presented in the Annual Report for 2007.

The Board of Directors declares that this six-month interim report provides a true and fair overview of the Parent Company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Södertälje, 26 July 2007

Martin Winterkorn

Chairman

Börje Ekholm

Vice chairman

Vito H Baumgartner

Director

Staffan Bohman

Director

Peggy Bruzelius

Director

Francisco J. Garcia Sanz

Director

Hans Dieter Pötsch

Director

Peter Wallenberg Jr

Director

Kjell Wallin

Director

Jan Westberg

Director

Leif Östling

Director

President and CEO

Financial information from Scania

Scania's interim report for the first nine months of 2007 will be published on 29 October 2007.

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

In the interim report for January-March 2007, the following was stated by Leif Östling, President and CEO:

"In Scania's largest market, Europe, transport needs are growing and there is a shortage of transport capacity. Demand is higher than supply of both new and used vehicles. We expect demand for heavy trucks to remain strong in Europe throughout 2007. Generally strong demand is giving rise to long lead times in the heavy vehicle industry. This applies to suppliers as well as chassis manufacturers and body building companies. For the purpose of meeting the high demand, Scania has successively raised its production rate, to an annual rate of 80,000 vehicles. This is equivalent to a 25 percent increase compared to the first quarter of last year. During 2008, Scania will increase production capacity to 90,000 vehicles. Towards the end of 2009, capacity will reach 100,000 vehicles".

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Income statement

Amounts in SEK m. unless otherwise stated	First half		Change in %	Q2		Full year 2006	Jul 06 - Jun 07	
	EUR m.*	2007		2007	2006			
Vehicles and Services								
Net sales	4,333	40,040	35,224	14	20,911	17,978	70,738	75,554
Cost of goods sold	-3,138	-28,997	-26,375	10	-15,367	-13,521	-52,255	-54,877
Gross income	1,195	11,043	8,849	25	5,544	4,457	18,483	20,677
Research and development expenses	-182	-1,686	-1,520	11	-905	-791	-3,023	-3,189
Selling expenses	-333	-3,071	-2,942	4	-1,581	-1,514	-6,016	-6,145
Administrative expenses	-70	-649	-486	34	-340	-251	-1,189	-1,352
Share of income in associated companies and joint ventures	0	1	6		2	6	5	0
Operating income, Vehicles and Services	610	5,638	3,907	44	2,720	1,907	8,260	9,991
Financial Services								
Interest and lease income	211	1,953	1,737	12	1,010	871	3,527	3,743
Interest and depreciation expenses	-159	-1,477	-1,272	16	-768	-636	-2,608	-2,813
Interest surplus	52	476	465	2	242	235	919	930
Other income	14	127	97	31	60	43	232	262
Other expenses	-10	-91	-77	18	-32	-35	-179	-193
Gross income	56	512	485	6	270	243	972	999
Selling and administrative expenses	-24	-218	-199	10	-113	-101	-416	-435
Bad debt expenses	-5	-42	-46	-9	-26	-16	-63	-59
Operating income, Financial Services	27	252	240	5	131	126	493	505
Operating income	637	5,890	4,147	42	2,851	2,033	8,753	10,496
Interest income	26	241	295	-18	105	133	632	578
Interest expenses	-33	-302	-402	-25	-133	-195	-863	-763
Net interest items	-7	-61	-107	-43	-28	-62	-231	-185
Other financial income	11	100	116	-14	84	54	142	126
Other financial expenses	-4	-39	-63	-38	-12	-41	-81	-57
Other financial items	7	61	53	15	72	13	61	69
Net financial items	0	0	-54	-	44	-49	-170	-116
Income after financial items	637	5,890	4,093	44	2,895	1,984	8,583	10,380
Income taxes	-194	-1,797	-1,259	43	-887	-597	-2,644	-3,182
Net income for the period	443	4,093	2,834	44	2,008	1,387	5,939	7,198
Attributable to:								
Scania shareholders	443	4,093	2,834		2,008	1,387	5,939	7,198
Minority interest	0	0	0		0	0	0	0
Includes depreciation of	-169	-1,557	-1,517		-805	-767	-3,023	-3,063
Number of shares: 800 million								
Earnings per share, SEK (no dilution) ¹		5.12	3.54		2.51	1.73	7.42	9.00
Return on equity, percent ^{1, 2}		29.2	22.2				24.1	
Operating margin, percent		14.7	11.8		13.6	11.3	12.4	13.9

Acquired companies have the following accumulated effect in 2007:

"Net sales", SEK +59 m.; "Gross income", SEK +9 m.; "Expenses", SEK -21 m.; "Operating income", SEK -12 m.; and "Income after financial items", SEK -15 m.

¹ Attributable to Scania shareholders' part of earnings.

² Calculations are based on rolling 12-months income.

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.24 = EUR 1.00.

Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	First half			Change in %	Q2		Full year 2006	Jul 06 - Jun 07
	EUR m.	2007	2006		2007	2006		
Net sales								
Trucks	2,756	25,466	21,098	21	13,667	10,849	43,021	47,389
Buses *	374	3,454	3,528	-2	1,850	1,941	6,766	6,692
Engines	56	518	493	5	296	268	1,024	1,049
Service-related products	797	7,362	6,830	8	3,632	3,302	13,595	14,127
Used vehicles	269	2,485	2,538	-2	1,245	1,307	5,189	5,136
Miscellaneous	183	1,693	1,287	32	652	624	3,032	3,438
Delivery sales value	4,435	40,978	35,774	15	21,342	18,291	72,627	77,831
Adjustment for lease income ³	-102	-938	-550		-431	-313	-1,889	-2,277
Net sales	4,333	40,040	35,224	14	20,911	17,978	70,738	75,554

Net sales ⁴

Western Europe	2,578	23,828	23,192	3	11,843	11,489	45,475	46,111
Central and eastern Europe	717	6,621	3,505	89	3,613	2,011	8,293	11,409
Latin America	526	4,860	4,196	16	2,837	2,189	8,420	9,084
Asia	285	2,631	2,240	17	1,471	1,273	4,603	4,994
Other markets	227	2,100	2,091	0	1,147	1,016	3,947	3,956
Net sales	4,333	40,040	35,224	14	20,911	17,978	70,738	75,554

Total delivery volume, units

Trucks	34,212	28,921	18	18,264	14,871	59,344	64,635
Buses*	3,366	2,903	16	1,731	1,576	5,937	6,400
Engines	3,179	3,080	3	1,834	1,628	6,546	6,645

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

⁴ Revenue from external customers by location of customers.

* Including body-built buses and coaches.

Quarterly data, earnings

Amounts in SEK m. unless otherwise stated	2007			2006			
	EUR m.	Q2	Q1	Q4	Q3	Q2	Q1
Vehicles and Services							
Net sales	2,263	20,911	19,129	19,007	16,507	17,978	17,246
Cost of goods sold	-1,663	-15,367	-13,630	-13,752	-12,128	-13,521	-12,854
Gross income	600	5,544	5,499	5,255	4,379	4,457	4,392
Research and development expenses	-98	-905	-781	-798	-705	-791	-729
Selling expenses	-171	-1,581	-1,490	-1,608	-1,466	-1,514	-1,428
Administrative expenses	-37	-340	-309	-381	-322	-251	-235
Share of income in associated companies and joint ventures	0	2	-1	2	-3	6	0
Operating income, Vehicles and Services	294	2,720	2,918	2,470	1,883	1,907	2,000
Financial Services							
Interest and lease income	109	1,010	943	910	880	871	866
Interest and depreciation expenses	-83	-768	-709	-675	-661	-636	-636
Interest surplus	26	242	234	235	219	235	230
Other income	6	60	67	70	65	43	54
Other expenses	-3	-32	-59	-53	-49	-35	-42
Gross income	29	270	242	252	235	243	242
Selling and administrative expenses	-12	-113	-105	-119	-98	-101	-98
Bad debt expenses	-3	-26	-16	-14	-3	-16	-30
Operating income, Financial Services	14	131	121	119	134	126	114
Operating income	308	2,851	3,039	2,589	2,017	2,033	2,114
Interest income	11	105	136	234	103	133	162
Interest expenses	-14	-133	-169	-292	-169	-195	-207
Net interest items	-3	-28	-33	-58	-66	-62	-45
Other financial income	9	84	16	56	-30	54	62
Other financial expenses	-1	-12	-27	-9	-9	-41	-22
Other financial items	8	72	-11	47	-39	13	40
Net financial items	5	44	-44	-11	-105	-49	-5
Income after financial items	313	2,895	2,995	2,578	1,912	1,984	2,109
Income taxes	-96	-887	-910	-754	-631	-597	-662
Net income for the period	217	2,008	2,085	1,824	1,281	1,387	1,447
Attributable to: Scania shareholders	217	2,008	2,085	1,824	1,281	1,387	1,447
Minority interest	0	0	0	0	0	0	0
Earnings per share, SEK *		2.51	2.61	2.28	1.60	1.73	1.81
Operating margin, in percent		13.6	15.9	13.6	12.2	11.3	12.3

* Attributable to Scania shareholders' part of earnings.

Balance sheet by business segment

Amounts in SEK m.
unless otherwise stated

	2007			2006			
	EUR m.	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Vehicles and Services							
Assets							
Non-current assets							
Intangible non-current assets	280	2,586	2,477	2,452	2,486	2,568	2,647
Tangible non-current assets	1,901	17,565	17,367	17,104	16,950	16,660	16,872
Lease assets	441	4,078	4,030	3,775	4,149	3,881	3,875
Shares and participations	27	247	196	173	150	136	129
Interest-bearing receivables	37	343	304	241	285	269	303
Other receivables ⁵	192	1,773	1,641	1,485	1,976	1,838	1,796
Current assets							
Inventories	1,277	11,798	11,664	10,100	10,073	10,461	10,748
Interest-bearing receivables	69	635	505	496	860	461	531
Other receivables ⁶	1,333	12,324	11,513	10,737	10,942	11,712	11,578
Short-term investments	165	1,526	3,984	911	1,105	368	791
Cash and cash equivalents	247	2,279	1,544	9,761	8,444	1,970	5,389
Total assets	5,969	55,154	55,225	57,235	57,420	50,324	54,659
Equity and liabilities							
Equity							
Scania shareholders	1,869	17,266	25,018	22,966	21,373	20,211	22,147
Minority interest	0	5	5	5	8	8	8
Total equity	1,869	17,271	25,023	22,971	21,381	20,219	22,155
Interest-bearing liabilities	706	6,527	0	6,463	7,391	2,263	5,174
Non-current liabilities							
Provisions for pensions	400	3,694	3,645	3,590	3,575	3,522	3,487
Other provisions	238	2,202	2,273	3,174	3,400	3,357	3,230
Other liabilities ⁷	317	2,930	2,383	2,554	2,855	2,776	3,024
Current liabilities							
Provisions	228	2,110	1,942	1,123	1,097	1,038	1,071
Other liabilities ⁸	2,211	20,420	19,959	17,360	17,721	17,149	16,518
Total equity and liabilities	5,969	55,154	55,225	57,235	57,420	50,324	54,659
 ⁵ Including derivatives with positive value for hedging of borrowings							
	29	269	197	99	349	284	253
 ⁶ Including derivatives with positive value for hedging of borrowings							
	11	101	59	365	253	257	216
 ⁷ Including derivatives with negative value for hedging of borrowings							
	34	317	409	213	207	327	356
 ⁸ Including derivatives with negative value for hedging of borrowings							
	28	256	192	125	182	116	129
 Net cash (-) / Net debt (+) excl. provisions for pensions, incl. derivatives as above							
	316	2,925	-5,183	-4,335	-2,371	-173	-990

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2007			2006			
	<i>EUR m.</i>	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Financial Services							
Assets							
Non-current assets							
Intangible non-current assets	2	15	12	12	13	13	12
Tangible non-current assets	3	30	28	26	24	23	23
Lease assets	841	7,775	7,706	7,379	6,933	6,803	7,073
Financial receivables	1,967	18,171	17,403	16,358	16,197	15,587	15,171
Other receivables	37	343	473	221	165	206	202
Current assets							
Financial receivables	982	9,071	8,645	8,104	7,531	7,494	7,463
Other receivables	77	709	613	590	592	586	460
Cash and cash equivalents	17	159	166	173	185	148	260
Total assets	3,926	36,273	35,046	32,863	31,640	30,860	30,664
Equity and liabilities							
Equity							
Scania shareholders	355	3,280	3,365	3,163	3,265	3,139	3,156
Total equity	355	3,280	3,365	3,163	3,265	3,139	3,156
Interest-bearing liabilities	3,341	30,872	29,666	27,805	26,636	25,738	25,692
Non-current liabilities							
Provisions for pensions	2	17	16	15	14	13	14
Other provisions	66	609	604	577	591	582	594
Other liabilities	2	19	24	13	20	14	11
Current liabilities							
Provisions	0	0	1	2	1	1	1
Other liabilities	160	1,476	1,370	1,288	1,113	1,373	1,196
Total equity and liabilities	3,926	36,273	35,046	32,863	31,640	30,860	30,664

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	2007			2006			
	EUR m.	30 Jun	31 Mar	31 Dec	30 Sept	30 Jun	31 Mar
Eliminations							
Assets							
Lease assets	-170	-1,566	-1,541	-1,488	-1,408	-1,374	-1,352
Other current receivables	-92	-852	-787	-532	-447	-703	-589
Short-term investments			-2,732				
Total assets	-262	-2,418	-5,060	-2,020	-1,855	-2,077	-1,941
Equity and liabilities							
Other current liabilities	-262	-2,418	-2,325	-2,020	-1,855	-2,077	-1,941
Interest-bearing liabilities			-2,735				
Total equity and liabilities	-262	-2,418	-5,060	-2,020	-1,855	-2,077	-1,941
Scania Group							
Assets							
Non-current assets							
Intangible non-current assets	282	2,601	2,489	2,464	2,499	2,581	2,659
Tangible non-current assets	1,904	17,595	17,395	17,130	16,974	16,683	16,895
Lease assets	1,112	10,287	10,195	9,666	9,674	9,310	9,596
Shares and participations	27	247	196	173	150	136	129
Interest-bearing receivables	2,004	18,514	17,707	16,599	16,482	15,856	15,474
Other receivables ⁹	229	2,116	2,114	1,706	2,141	2,044	1,998
Current assets							
Inventories	1,277	11,798	11,664	10,100	10,073	10,461	10,748
Interest-bearing receivables	1,051	9,706	9,150	8,600	8,391	7,955	7,994
Other receivables ¹⁰	1,318	12,181	11,339	10,795	11,087	11,595	11,449
Short-term investments	165	1,526	1,252	911	1,105	368	791
Cash and cash equivalents	264	2,438	1,710	9,934	8,629	2,118	5,649
Total assets	9,633	89,009	85,211	88,078	87,205	79,107	83,382
Total equity and liabilities							
Equity							
Scania shareholders	2,224	20,546	28,383	26,129	24,638	23,350	25,303
Minority interest	0	5	5	5	8	8	8
Total equity	2,224	20,551	28,388	26,134	24,646	23,358	25,311
Non-current liabilities							
Interest-bearing liabilities	2,518	23,270	17,172	17,918	19,536	18,652	20,345
Provisions for pensions	402	3,711	3,661	3,605	3,589	3,535	3,501
Other provisions	304	2,811	2,877	3,751	3,991	3,939	3,824
Other liabilities ¹¹	319	2,949	2,407	2,567	2,875	2,790	3,035
Current liabilities							
Interest-bearing liabilities	1,529	14,129	9,759	16,350	14,491	9,349	10,521
Provisions	228	2,110	1,943	1,125	1,098	1,039	1,072
Other liabilities ¹²	2,109	19,478	19,004	16,628	16,979	16,445	15,773
Total equity and liabilities	9,633	89,009	85,211	88,078	87,205	79,107	83,382
⁹ Including derivatives with positive value for hedging of borrowings							
	29	269	197	99	349	284	253
¹⁰ Including derivatives with positive value for hedging of borrowings							
	11	101	59	365	253	257	216
¹¹ Including derivatives with negative value for hedging of borrowings							
	34	317	409	213	207	327	356
¹² Including derivatives with negative value for hedging of borrowings							
	28	256	192	125	182	116	129
Equity/assets ratio, percent		23.1	33.3	29.7	28.3	29.5	30.4

Statement of recognised income and expense and changes in equity

Amounts in SEK m. unless otherwise stated	EUR m.	First half		Full year
		2007	2006	2006
Exchange rate difference for the year	49	457	-413	-661
Hedge reserve				
Fair value changes on cash flow hedging recognised directly in equity	-22	-202	244	340
Cash flow hedge reserve transferred to sales revenue in income statement	2	18	35	-103
Actuarial gains and losses related to pension liabilities recognised directly in equity	-	-	-	-68
Tax attributable to items recognised directly in equity	6	51	-78	-46
Total income and expense recognised directly in equity	35	324	-212	-538
Net income for the period	443	4,093	2,834	5,939
Total recognised income and expense for the period	478	4,417	2,622	5,401
Attributable to:				
Scania AB shareholders	478	4,417	2,623	5,402
Minority interest	0	0	-1	-1
Equity, 1 January	2,829	26,134	23,736	23,736
Total recognised income and expense for the period	478	4,417	2,622	5,401
Dividend	-325	-3,000	-3,000	-3,000
Redemption	-758	-7,000	-	-
Change in minority interest related to Ainax	-	-	-	-3
Total equity at the end of the period	2,224	20,551	23,358	26,134
Attributable to:				
Scania AB shareholders	2,224	20,546	23,350	26,129
Minority interest	0	5	8	5

Cash flow statement

	First half			2007		2006			
	EUR m.	2007	2006	Q2	Q1	Q4	Q3	Q2	Q1
Amounts in SEK m. unless otherwise stated									
Operating activities									
Income after financial items	637	5,890	4,093	2,895	2,995	2,578	1,912	1,984	2,109
Items not affecting cash flow	189	1,743	1,603	883	860	827	806	835	768
Taxes paid	-198	-1,828	-1,364	-865	-963	-667	-521	-755	-609
Cash flow from operating activities before change in working capital	628	5,805	4,332	2,913	2,892	2,738	2,197	2,064	2,268
of which: Vehicles and Services	601	5,554	4,111	2,780	2,774	2,691	2,071	1,941	2,170
Financial Services	27	251	221	133	118	47	126	123	98
Change in working capital etc., Vehicles and Services	-65	-597	900	287	-884	63	916	924	-24
Cash flow from operating activities	563	5,208	5,232	3,200	2,008	2,801	3,113	2,988	2,244
Investing activities									
Net investments, Vehicles and Services	-228	-2,107	-1,753	-1,281	-826	-1,142	-915	-797	-956
Net investments in credit portfolio etc., Financial Services	-298	-2,757	-1,144	-1,344	-1,413	-1,532	-838	-678	-466
Cash flow from investing activities	-526	-4,864	-2,897	-2,625	-2,239	-2,674	-1,753	-1,475	-1,422
Cash flow from Vehicles and Services	308	2,850	3,258	1,786	1,064	1,612	2,072	2,068	1,190
Cash flow from Financial Services	-271	-2,506	-923	-1,211	-1,295	-1,485	-712	-555	-368
Financing activities									
Change in net debt from financing activities	224	2,068	1,189	10,107	-8,039	1,221	5,181	-2,029	3,218
Dividend to shareholders	-325	-3,000	-3,000	-3,000	-	-	-	-3,000	-
Redemption	-758	-7,000	-	-7,000	-	-	-	-	-
Cash flow from financing activities	-859	-7,932	-1,811	107	-8,039	1,221	5,181	-5,029	3,218
Cash flow for the year	-822	-7,588	524	682	-8,270	1,348	6,541	-3,516	4,040
Cash and cash equivalents at beginning of period	1,075	9,934	1,599	1,710	9,934	8,628	2,118	5,649	1,599
Exchange rate differences in cash and cash equivalents	10	92	-5	46	46	-42	-31	-15	10
Cash and cash equivalents at end of period	263	2,438	2,118	2,438	1,710	9,934	8,628	2,118	5,649

Number of employees

	2007		2006			
	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	17,198	17,005	16,517	16,106	15,935	15,481
Research and development	2,275	2,243	2,174	2,161	2,127	2,111
Sales and service companies	14,412	13,985	13,682	13,510	13,344	13,247
Vehicles and Services	33,885	33,233	32,373	31,777	31,406	30,839
Financial Services	455	464	447	434	429	420
Total number of employees	34,340	33,697	32,820	32,211	31,835	31,259

Quarterly data, units by geographic area

	2007		2006				
	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks							
Western Europe	12,023	14,200	38,642	13,437	6,447	8,155	10,603
Central and eastern Europe	3,853	5,011	11,568	4,475	2,156	2,686	2,251
Latin America	2,611	2,994	9,036	2,755	1,977	2,217	2,087
Asia	1,547	2,178	6,389	1,770	1,030	1,642	1,947
Other markets	295	996	2,774	767	592	789	626
Total	20,329	25,379	68,409	23,204	12,202	15,489	17,514
Trucks delivered							
Western Europe	9,092	8,648	34,396	9,708	7,295	8,545	8,848
Central and eastern Europe	4,091	3,532	8,830	3,177	2,062	2,014	1,577
Latin America	2,772	1,946	7,957	2,042	2,196	1,991	1,728
Asia	1,632	1,220	5,546	1,359	1,348	1,660	1,179
Other markets	677	602	2,615	606	630	661	718
Total	18,264	15,948	59,344	16,892	13,531	14,871	14,050
Order bookings, buses*							
Western Europe	585	428	1,999	655	458	390	496
Central and eastern Europe	93	107	569	251	126	130	62
Latin America	589	920	1,643	358	365	509	411
Asia	312	505	1,462	725	185	268	284
Other markets	277	298	816	224	208	136	248
Total	1,856	2,258	6,489	2,213	1,342	1,433	1,501
Buses delivered*							
Western Europe	455	497	2,282	538	513	641	590
Central and eastern Europe	123	62	428	161	100	109	58
Latin America	575	397	1,679	313	509	470	387
Asia	393	453	879	433	121	223	102
Other markets	185	226	669	161	185	133	190
Total	1,731	1,635	5,937	1,606	1,428	1,576	1,327

* Including body-built buses and coaches.

Parent company Scania AB, Financial statements

Amounts in SEK m. unless otherwise stated	First half		Full year	
	EUR m.	2007	2006	2006
Income statement				
Operating income*	-4	-41	0	0
Financial income and expenses	10	101	51	10,110
Withdrawal from tax allocation reserve	-	-	-	634
Income taxes	-2	-21	-20	-224
Net income for the period	4	39	31	10,520

Amounts in SEK m. unless otherwise stated	2007		2006	
	EUR m.*	30 Jun	31 Dec	30 Jun
Balance sheet				
Assets				
Financial non-current assets				
Shares in subsidiaries	909	8,401	8,401	8,484
Current assets				
Due from subsidiaries	520	4,810	14,722	5,357
Total assets	1,429	13,211	23,123	13,841
Equity and liabilities				
Equity	1,301	12,011	21,972	12,028
Untaxed reserves	124	1,140	1,140	1,774
Current liabilities				
Trade payables	4	39	-	-
Tax liabilities	2	21	11	39
Total shareholders' equity and liabilities	1,429	13,211	23,123	13,841

Amounts in SEK m. unless otherwise stated	2007		2006	
	EUR m.*	30 Jun	31 Dec	30 Jun
Equity				
Equity, 1 January	2,380	21,972	14,997	14,997
Net income for the period	4	39	10,520	31
Group contributions, net	-	-	-545	-
Dividend	-325	-3,000	-3,000	-3,000
Redemption	-758	-7,000	-	-
Total equity at the end of the period	1,301	12,011	21,972	12,028

* Refers to administrative expenses