

21 March 2007

Scania receives important order in Russia – will deliver 144 trucks to expansive grocery chain

With an order for 144 trucks from X5 Retail Group, Scania is consolidating its position as the largest western European make in the fast-growing Russian market.

“X5 Retail Group plans to open shops in most large cities in Russia and is choosing Scania because we both have trucks with low operating costs and a well-developed service network,” says Raimo Lehtiö, Managing Director of Scania Russia.

Scania previously delivered about one hundred trucks to X5, which is the leading company in the Russian grocery business and was formed through a merger between two companies, Perekrestok and Pyaterochka. The order for additional trucks means that X5 is continuing to increase the share of Scania trucks in its fleet, which was previously dominated by domestic makes.

Most of the 144 vehicles, which will begin to be delivered in April, are two-axle local delivery trucks equipped with Scania 9-litre engines. The trucks are furnished with box bodies from a Russian bodybuilder.

“The order signifies that we are strengthening Scania’s position in the Russian distribution segment. In addition, it confirms that our strategy of expanding the service network is a success factor,” Mr Lehtiö says.

Today Scania has nearly 30 service workshops in Russia and plans to continue its expansion. During 2007, for example, workshop capacity in Moscow will double.

The rapid growth of the Russian heavy truck market will continue. Imports of western European makes nearly doubled during 2006. A total of 9,000 new trucks were imported, compared to 4,700 during 2005.

Scania was the largest western European make for the sixth straight year. Its market share increased from 28.9 to 31.1 per cent.

In 2006, Scania also sold about 150 fully built city buses and 250 chassis to local bus bodybuilders.

X5 Retail Group N.V has more than 600 own stores and supermarkets in major Russian cities as Moscow, St Petersburg and Yekaterinburg, and in addition 600 franchisees in Russia, Ukraine and Kazkakstan.

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Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. A growing proportion of the company's operations is comprised of products and services in the financial and service sectors, assuring Scania customers of cost-effective transport solutions and maximum uptime. Employing 32,800 people, Scania operates in about 100 countries. Research and development activities are concentrated in Sweden, while production plants are located in Europe and South America, with facilities for the global exchange of both components and finished vehicles. In 2006, invoiced sales totalled SEK 70.7 billion and net income amounted to SEK 5.9 billion.

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

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