

PRESS info

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Scania to commence bus assembly in Russia

Scania has decided to set up a bus assembly plant in St. Petersburg, Russia. "We see Russia as an important growth market for Scania, with a major potential for buses," comments Håkan Ericsson, Vice President, Scania Buses & Coaches.

"The demand for new buses is extremely high, some 15,000 vehicles per year, and we already have enquiries from many cities in Russia."

The plant will be established in St. Petersburg, whose authorities have expressed an urgent need for city buses. The St Petersburg area is also considered to offer major growth potential for industrial activities. Scania's investment in the new assembly plant will be of the order of SEK50 million. Covering an area of 4,300 square metres, the plant will initially employ about 100 people initially.

The technical production capacity of the new facility will be 250 buses per year. Operations are scheduled to start in November 2000. Next year production is expected to some 100 buses.

Proven product concept

"Production will be concentrated mainly on city buses and we will be using the same proven product concept as in our Estonian assembly plant," adds Håkan Ericsson. "The model will be a Scania low-entry buss for city service, with an aluminium body supply by the Swiss firm of Hess. We have good experience of this concept from the Baltic markets," he concludes.

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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. With 25,800 employees and production facilities in Europe and Latin America, Scania is one of the most profitable companies in its sector. In 1999, turnover totalled SEK 47,100 million and the result after net interest income/expense was SEK 4,500 million. Scania products are marketed in about 100 countries worldwide and some 95 percent of Scania's vehicles are sold outside Sweden. Bus manufacture takes place in Sweden, Brazil, Denmark, Poland and Mexico.

Scania press releases are available on the Internet, <u>www.scania.com</u> For pictures, click on 'Media services' on the Scania web site at <u>www.scania.com</u>

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