

Press conference

Erik Ljungberg, Corporate Relations



Year-end Report, January–December 2011

Jan Ytterberg, CFO



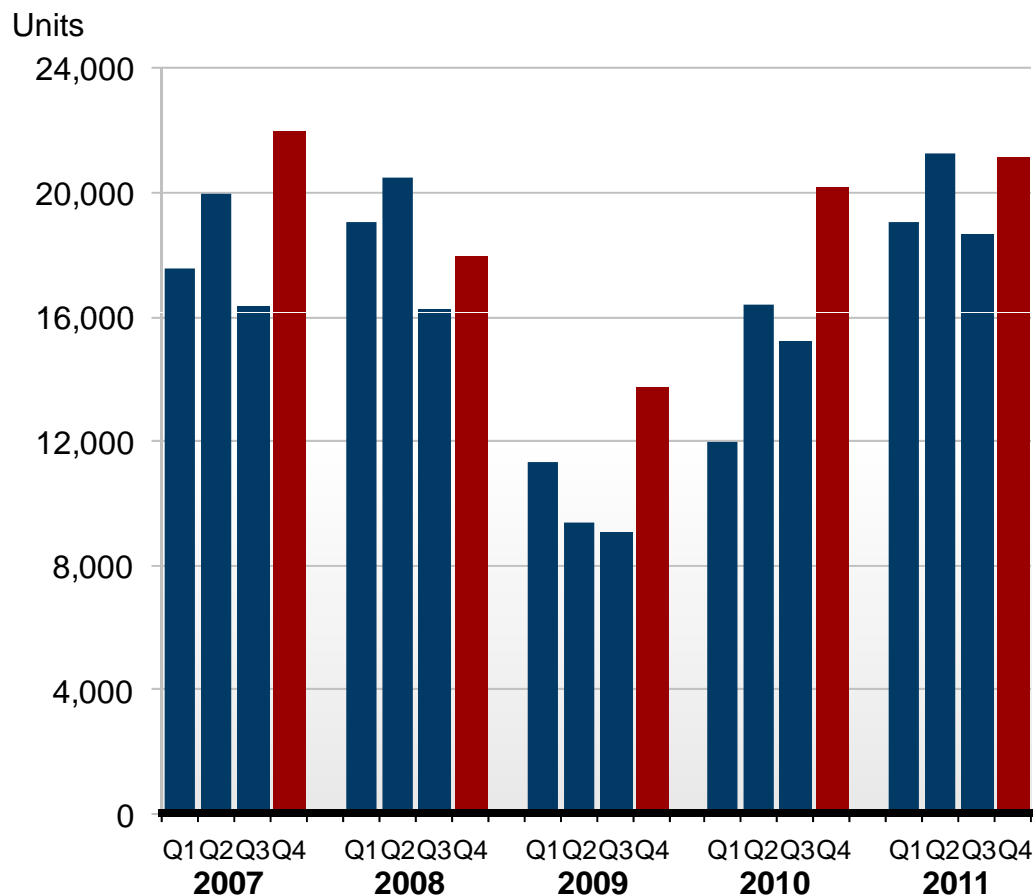
FY 2011 – highlights

- **Strong earnings**
- **Record high EPS of SEK 11.78 (11.38)**
- **Proposed DPS of SEK 5.00 (5.00)**

Volume trend

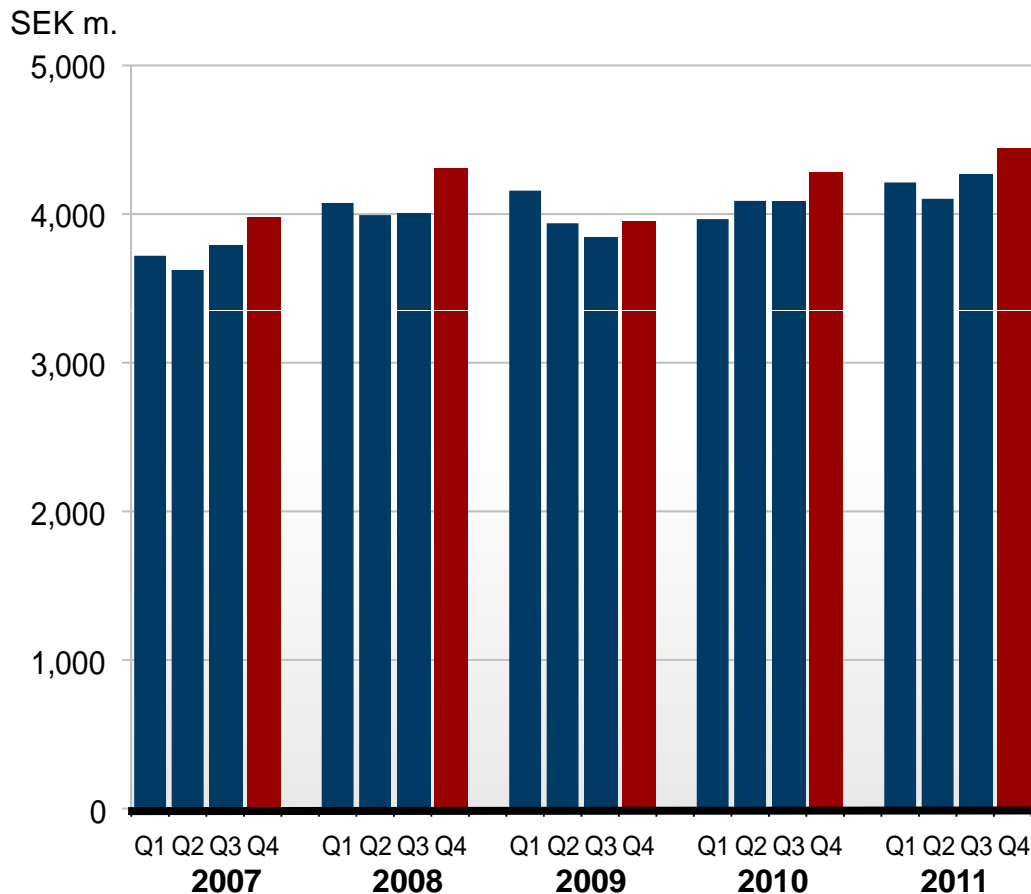
Total deliveries, trucks and buses

- Record high deliveries in 2011
- More vehicles to Russia and Middle East – fewer to Brazil
- Production cuts in November 2011 and January 2012



Service revenue

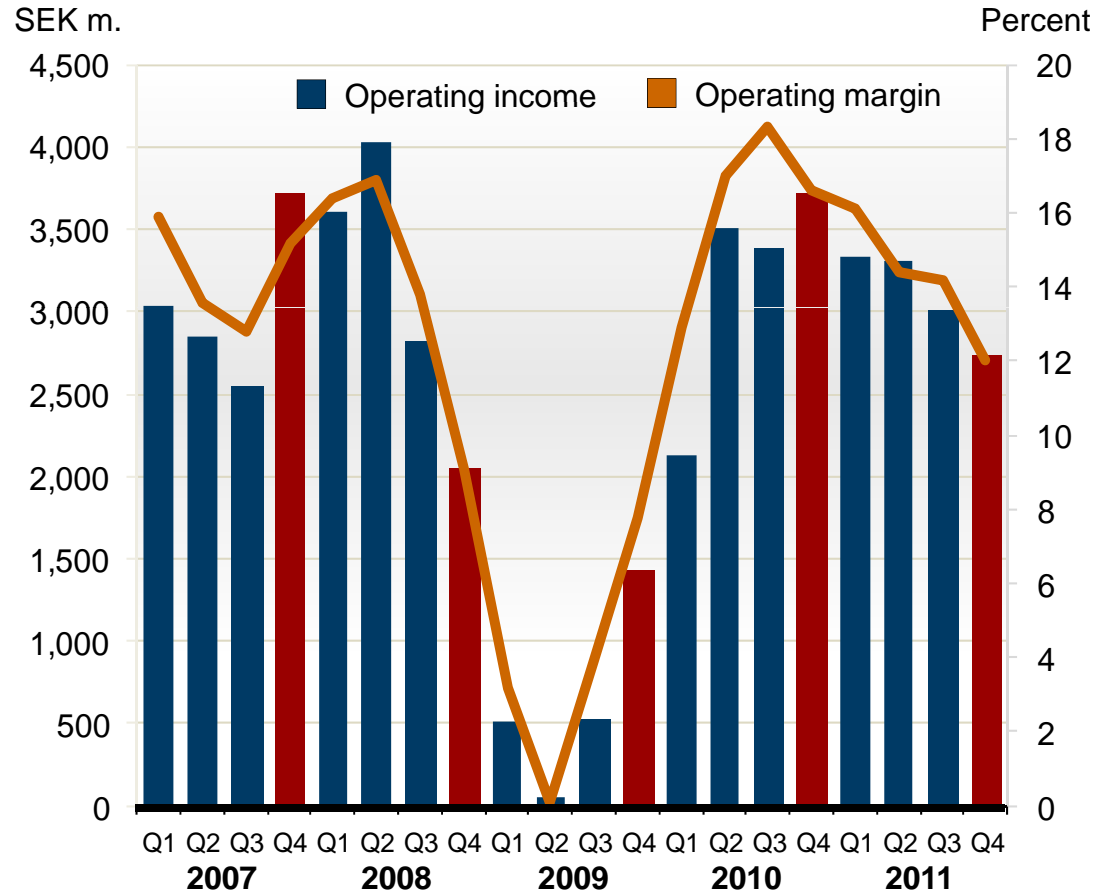
- Volume increase ~10% in 2011
- All-time high revenue
- Negative impact from currency rates



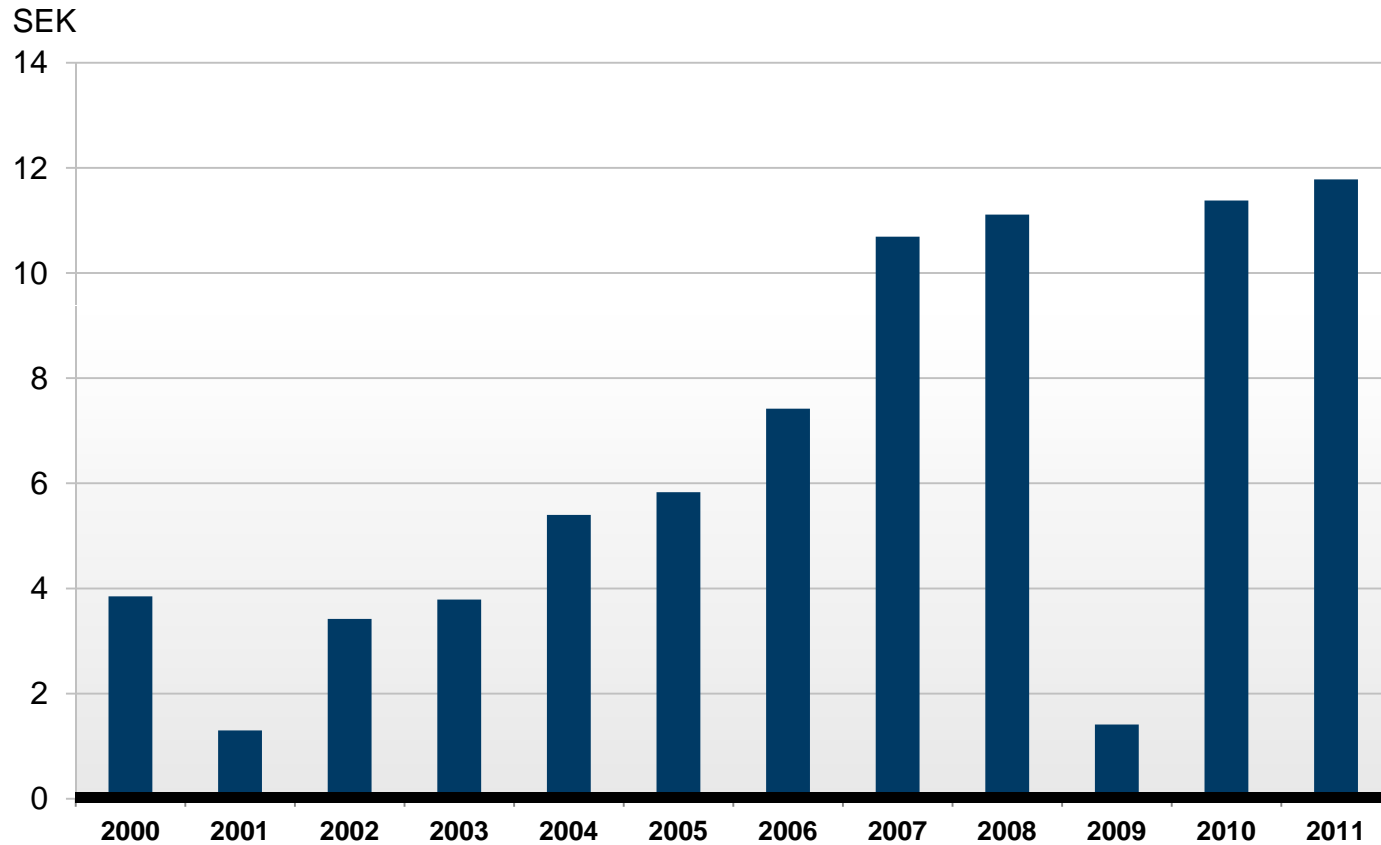
Earnings trend

Operating income, Scania Group

- Net sales +12% in FY 2011
- EBIT margin 14.1% (16.3) FY and 12.0% (16.6) in Q4



Earnings per share



Operating income

Vehicles and Services

■ EBIT decrease due to:

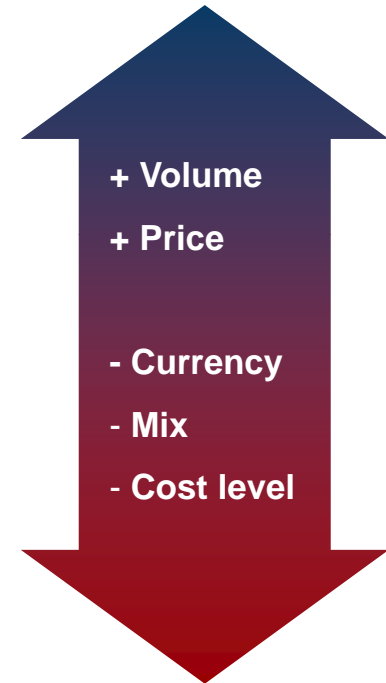
- Currency rates
- Higher cost level
- Market mix

■ Positive effects:

- Volume
- Price

EBIT decrease:

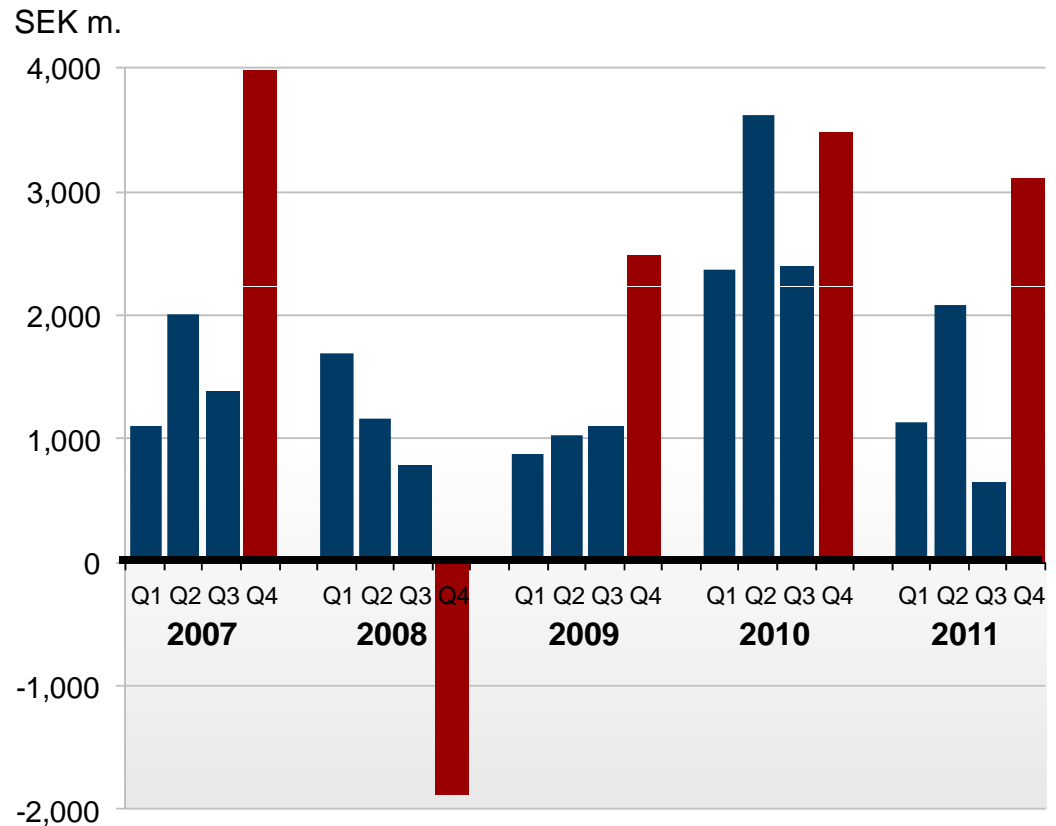
SEK 694 m.,
FY 2011



Cash flow

Vehicles and Services

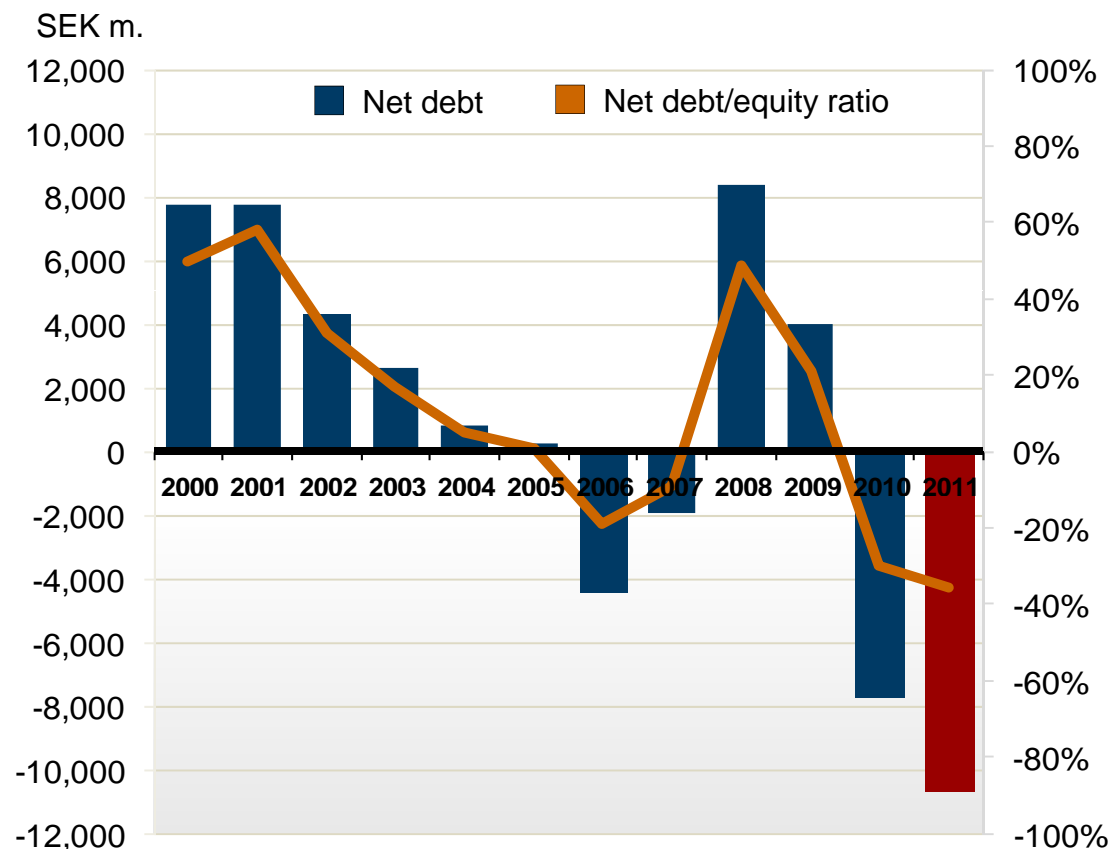
- Good cash generation in Q4
- High inventory level in Brazil due to Euro 3 vehicles
- Higher level of investments in 2011



Net debt

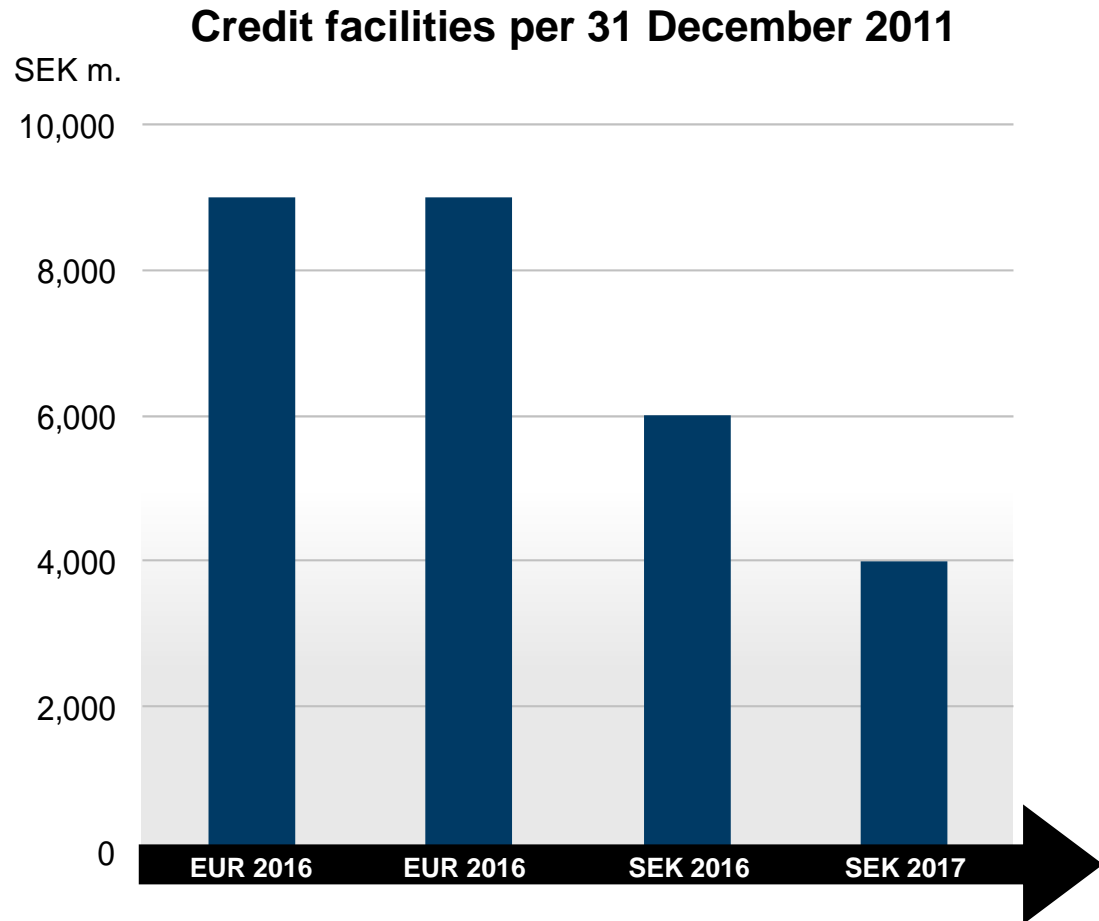
Vehicles and Services

- **Net cash**
SEK 10,615 m.
(Net cash 7,700 at
end of 2010)
- **Dividend paid**
SEK 4,000 m. in
Q2
- **Board proposes**
DPS of SEK 5.00
for 2011



Conservative refinancing policy

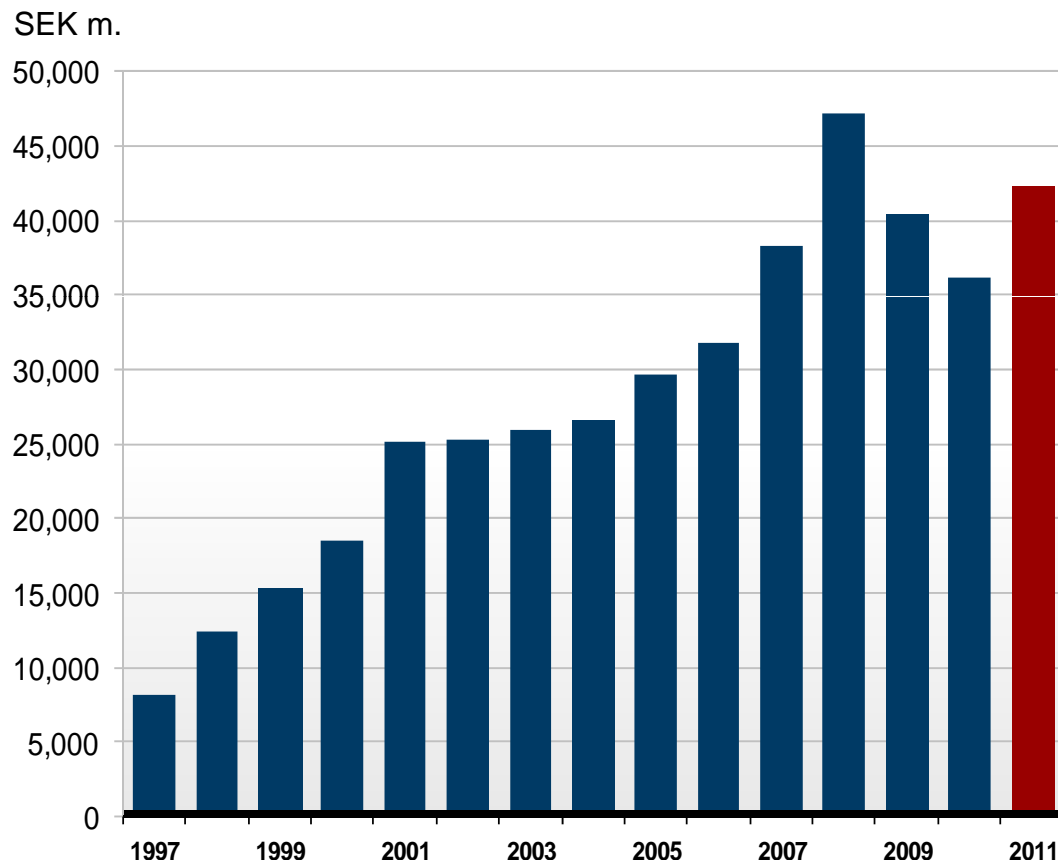
- **Unutilised credit facilities of SEK 28 bn.**
- **Financing secured for the coming years**
- **High level of liquid assets**



Volume trend

Credit portfolio, Financial Services

- **Portfolio +20%***
since end of 2010
- **Lower level of bad
debt expenses**
- **Operating income
SEK 517 m. (171) in
2011**



*In local currencies

Summary

- **Strong earnings**
- **Record high EPS SEK 11.78
(11.38)**
- **Strong balance sheet**



SCANIA

Outlook

Leif Östling, President and CEO



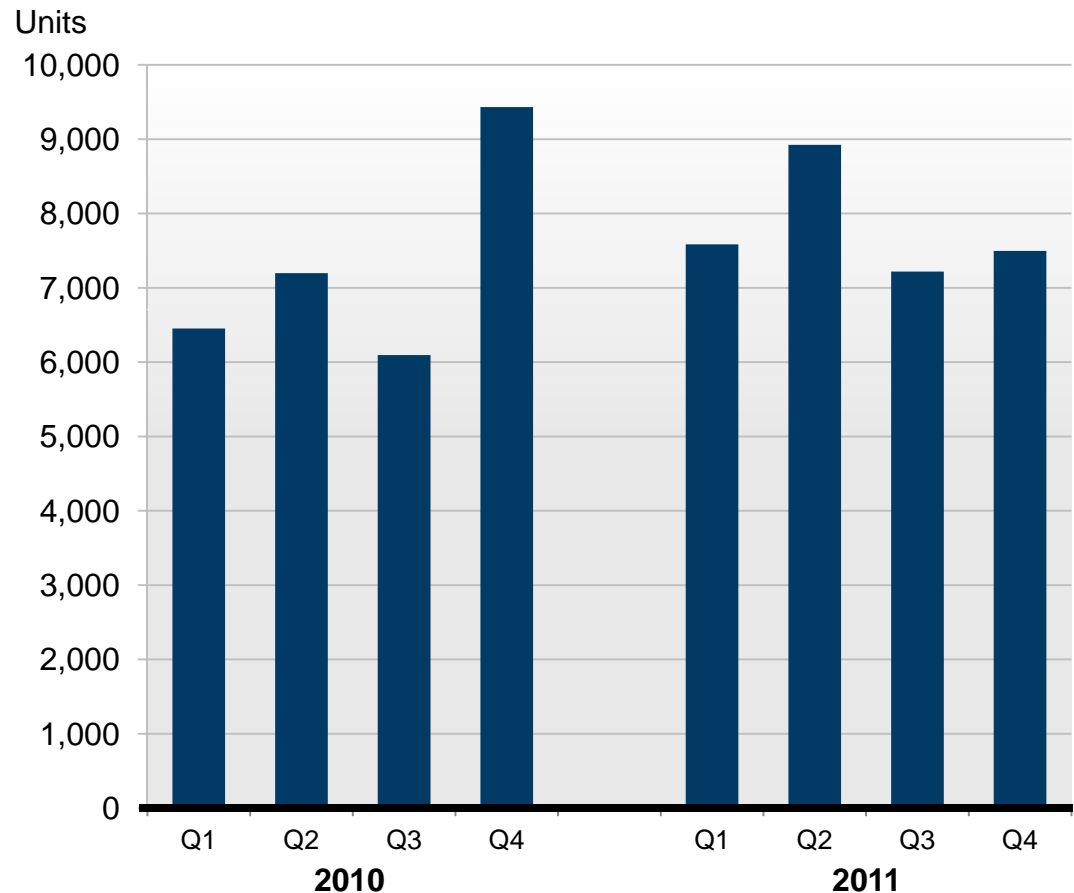
Business overview – 2011

- **Record high deliveries**
- **Decelerating order bookings for trucks in H2 2011**
- **Production rate in balance with current demand level**
- **High demand for service in all regions**

Europe

Scania trucks, order bookings

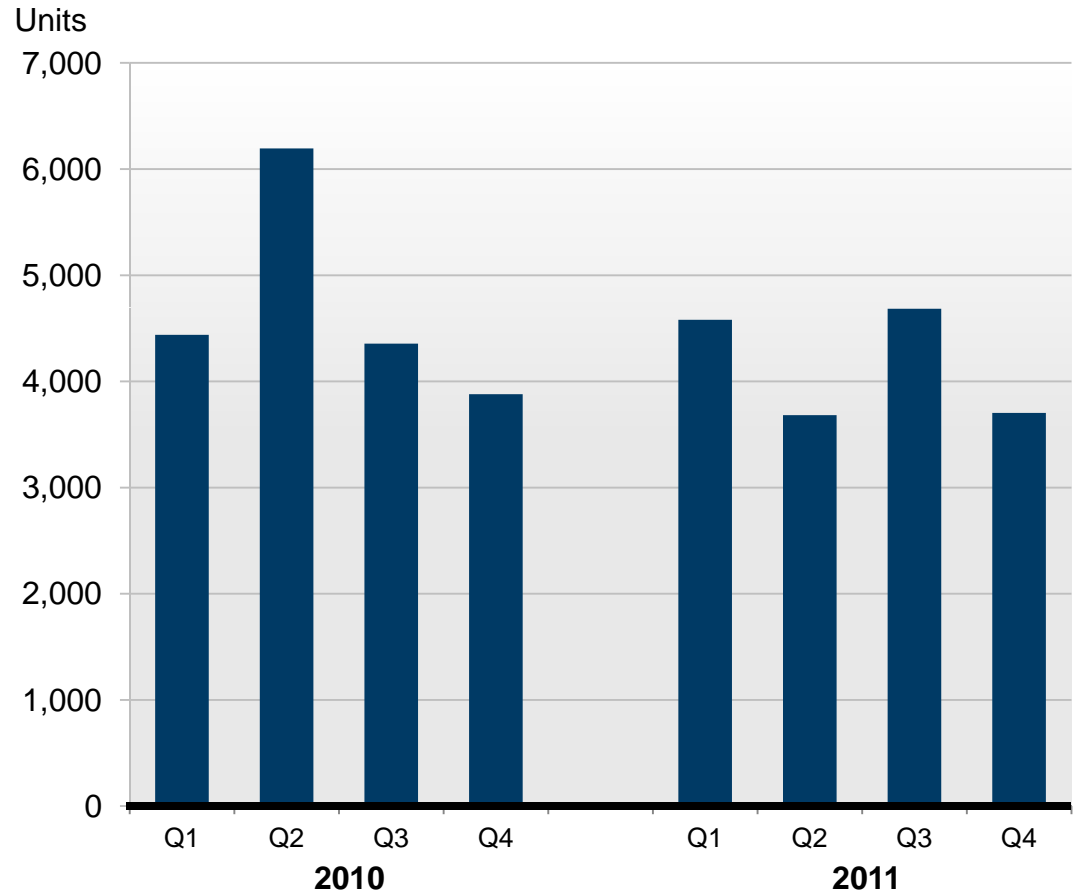
- **Low level in Southern Europe throughout H2**
- **Northern Europe somewhat lower in Q4**
- **Short delivery times**



Latin America

Scania trucks, order bookings

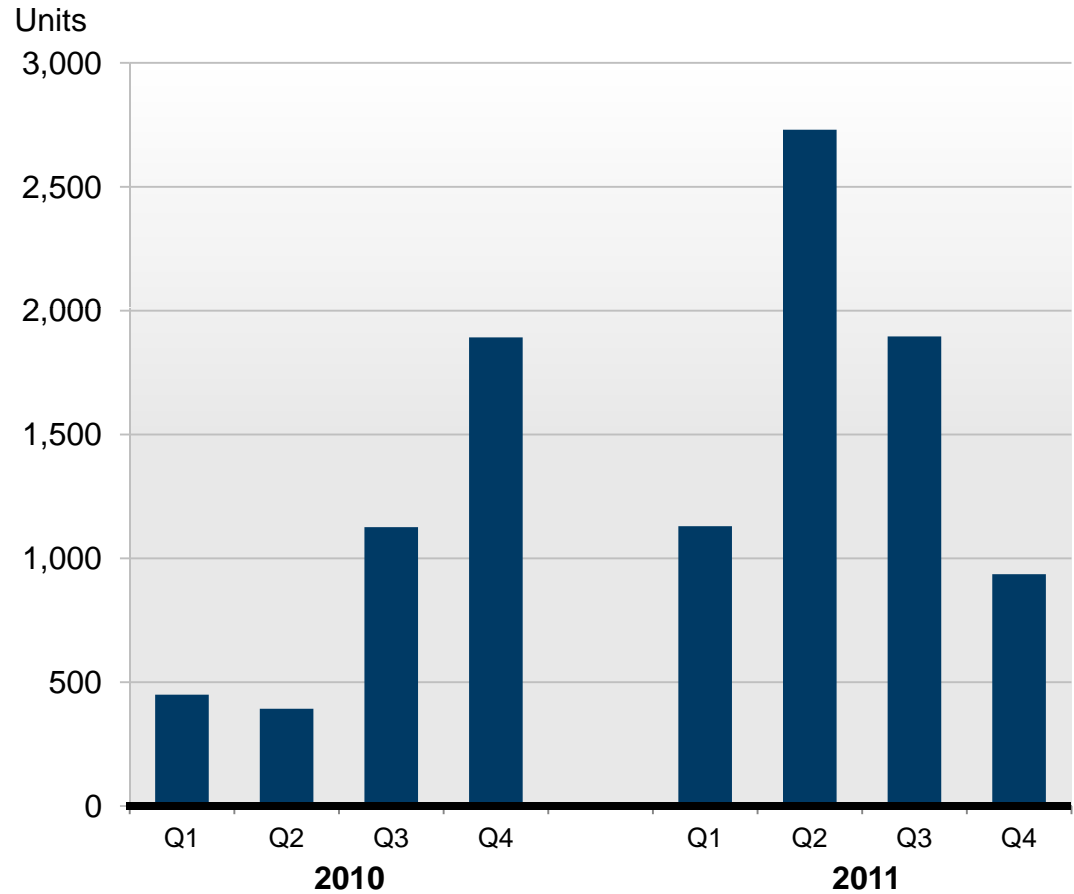
- Brazil affected by Euro 5 transition
- Lower order bookings in the final months
- Short delivery times



Eurasia

Scania trucks, order bookings

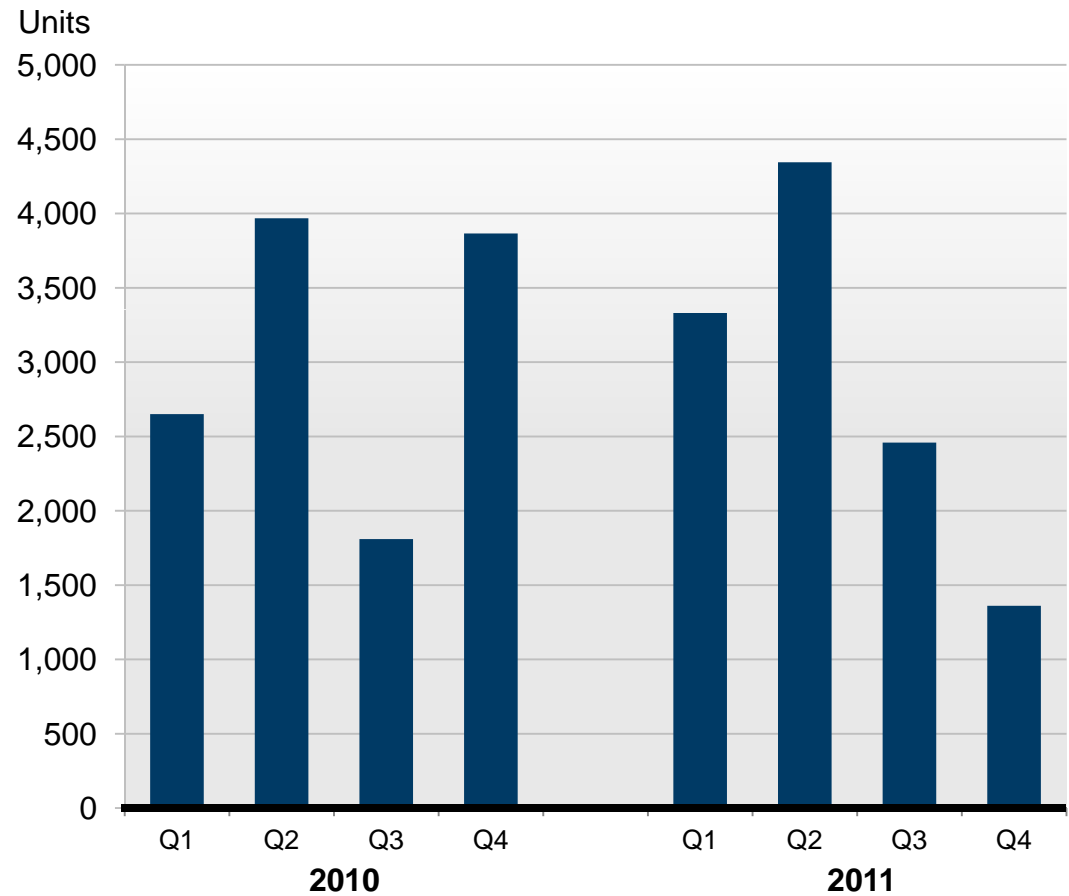
- Lower momentum in Eurasia in Q4



Asia

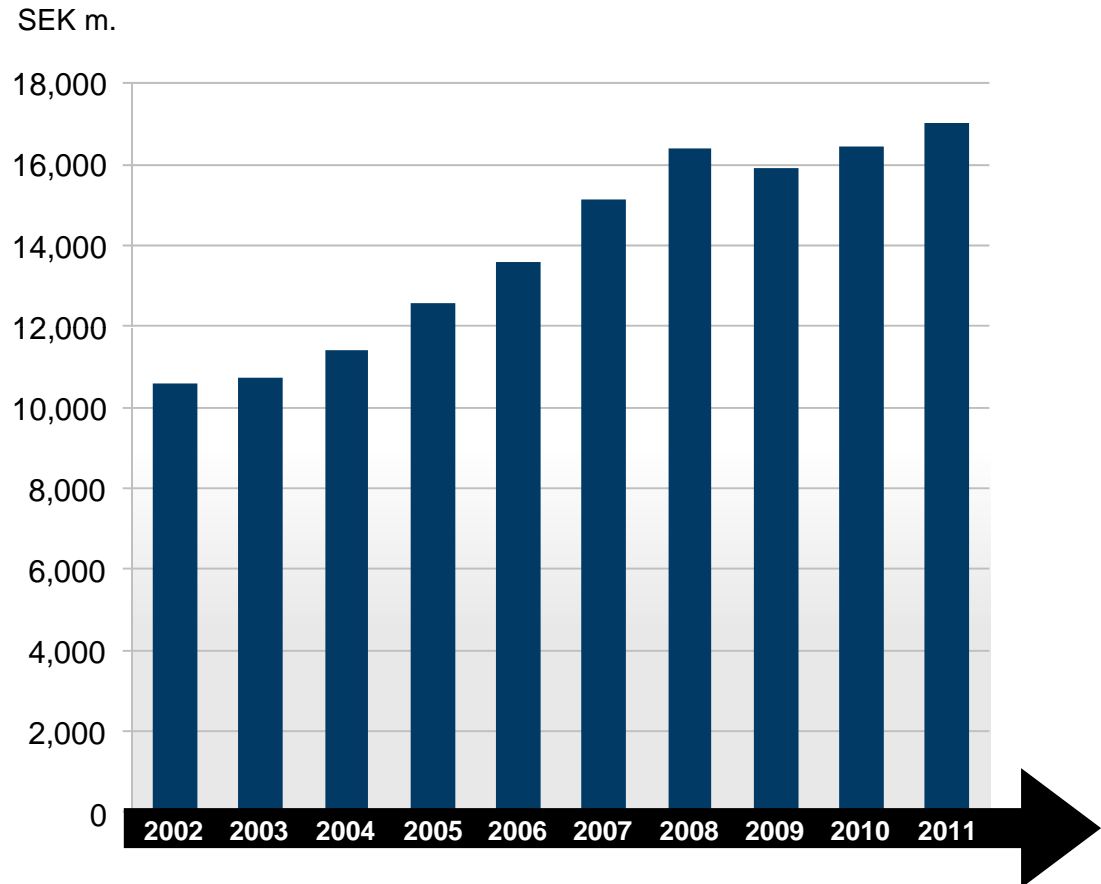
Scania trucks, order bookings

■ Very low level in Middle East in Q4



Growing demand of services

- **Strong demand in Europe due to ageing fleet**
- **Good demand outside Europe**
- **Stablising Group profitability**
- **Expanded capacity and offering**



Adjusting to lower demand

- Production was cut in two steps, each 15%
- Both European and Latin American production units affected
- Total of 1,900 employees affected
- Deferring some investments
- Restrictive in recruitment and spending



Well positioned

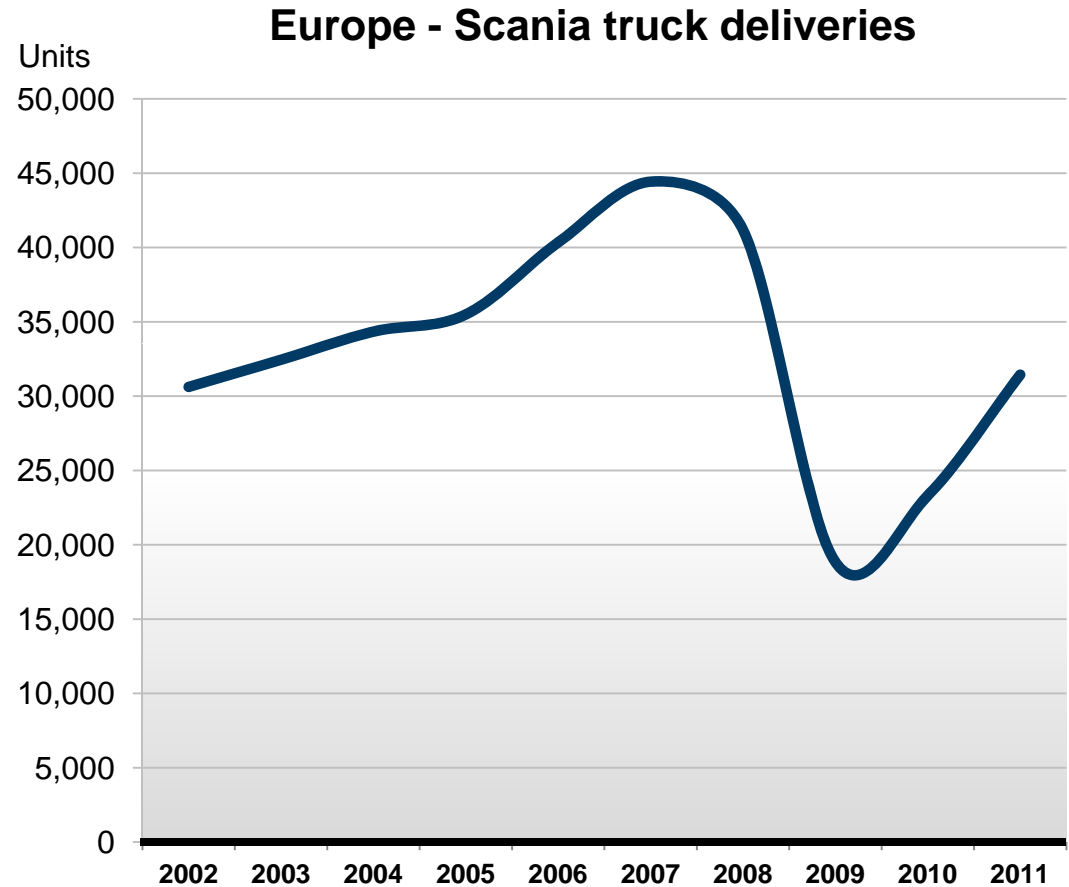
Recent service and product launches

- Euro 6 trucks
- Scania Citywide
- Driver support systems
- Ecolution by Scania



Summary

- **Adjusting to lower demand level**
- **2012 outlook difficult to assess**
- **Strong demand for services**
- **Growing replacement need in Europe in 2013 and onwards**
- **Scania well positioned**





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