

Business outlook

Leif Östling, President and CEO



Scania's Core Values

- Customer first
- Respect for the individual
 - Utilising all employees knowledge and ambition
- Quality
 - Deviations used for further improvements



Low transport activity



-17%

Scania Assistance cases
June 2009 vs June 2008



-25%

German railway
First half 2009
(No. of orders unchanged)



-14%

German road transport (Maut)
First half of 2009

Customer behaviour

- **Excess inventory in industry**
 - Scania has normalised inventory in most markets
- **Need to de-fleet**
- **Price pressure on transports**
 - Cash flow
- **Difficulties to obtain financing**
- **Demand for repair & maintainance at good level**
 - Volume decrease over 10% first half of 2009

Short term priorities – the 3 Cs

Customer

- Sell new vehicles
- Sell used vehicles
- Sell services
- Collect the money

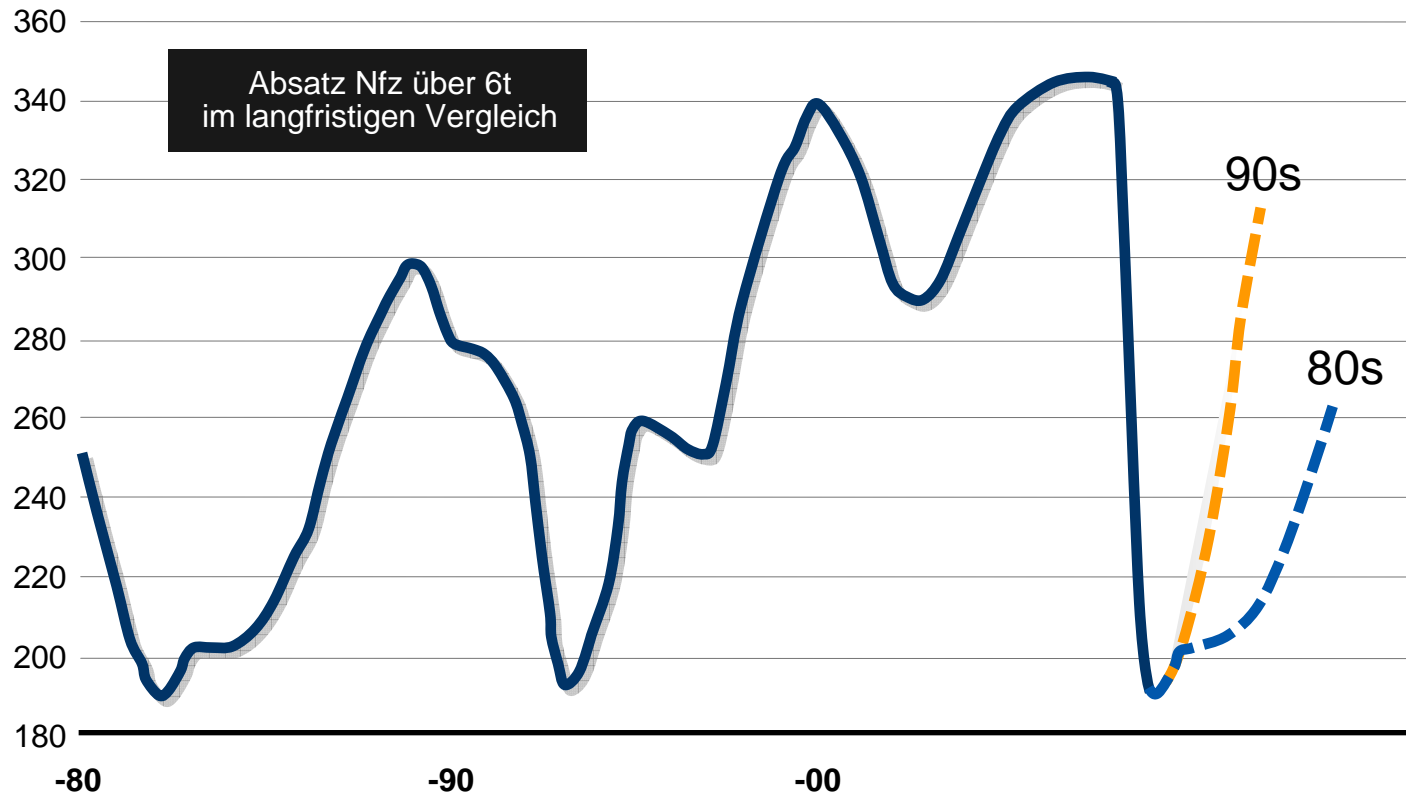
Cash flow

- Cash in
- Cash out

Cost

- Reduce cost in the organisation
- Postpone projects

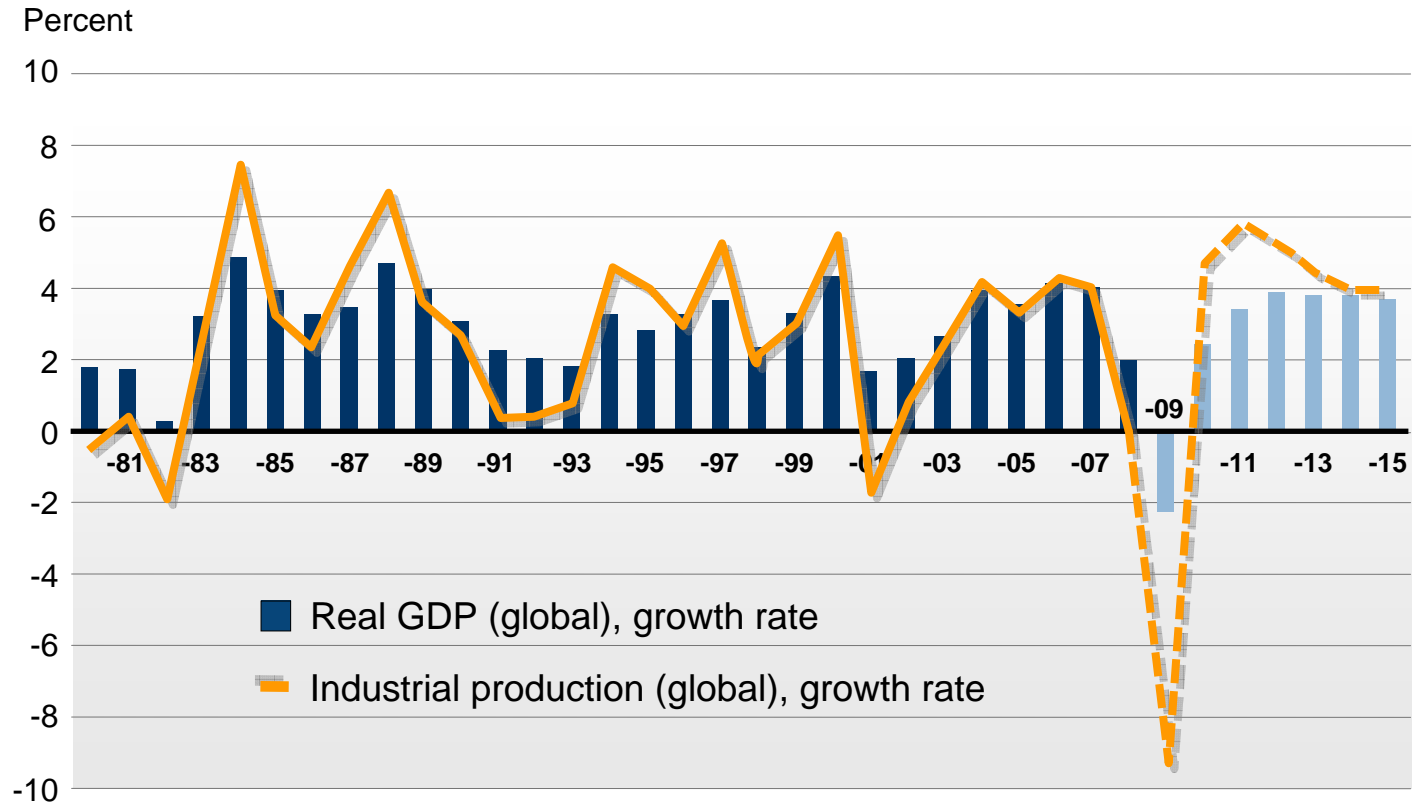
VDA-statistics, GVW > 6 tonnes



Quelle: VDA Statistik.

GDP growth

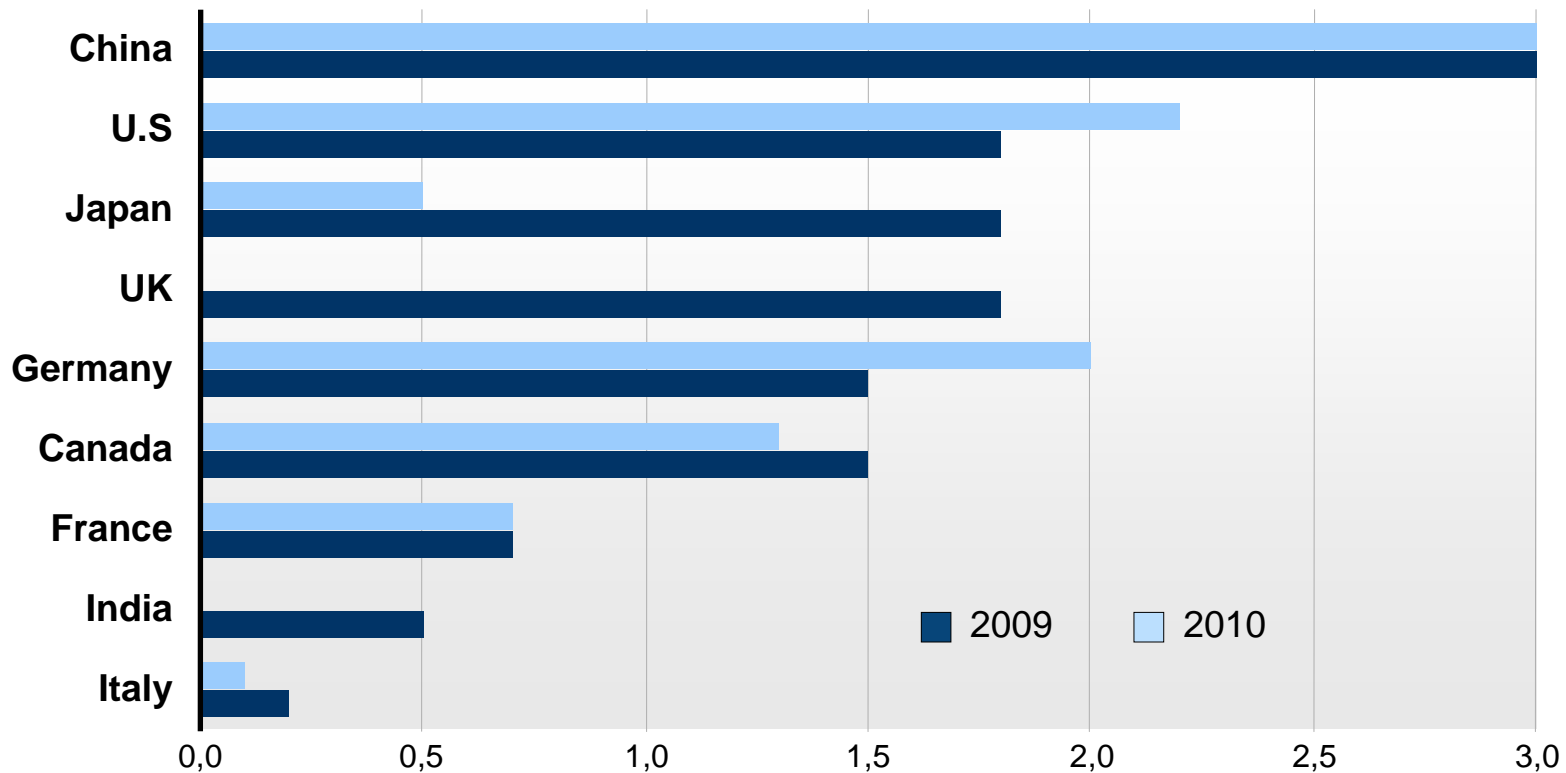
The base for transport demand



Source: IHS Global Insight

Support from fiscal stimulus

Percent of GDP

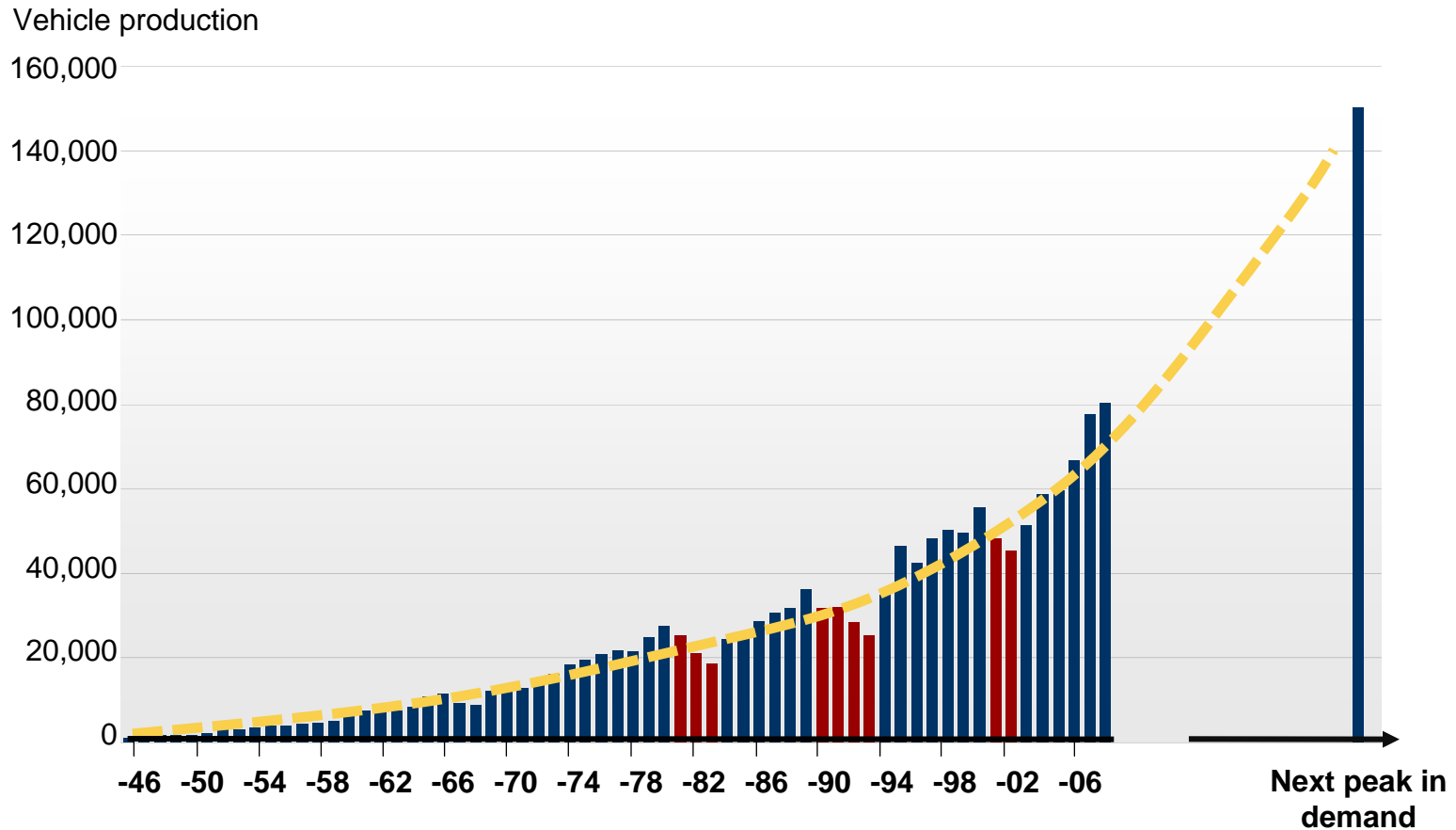


Sources: International Monetary Fund, IHS Global Insight

Long-term trends

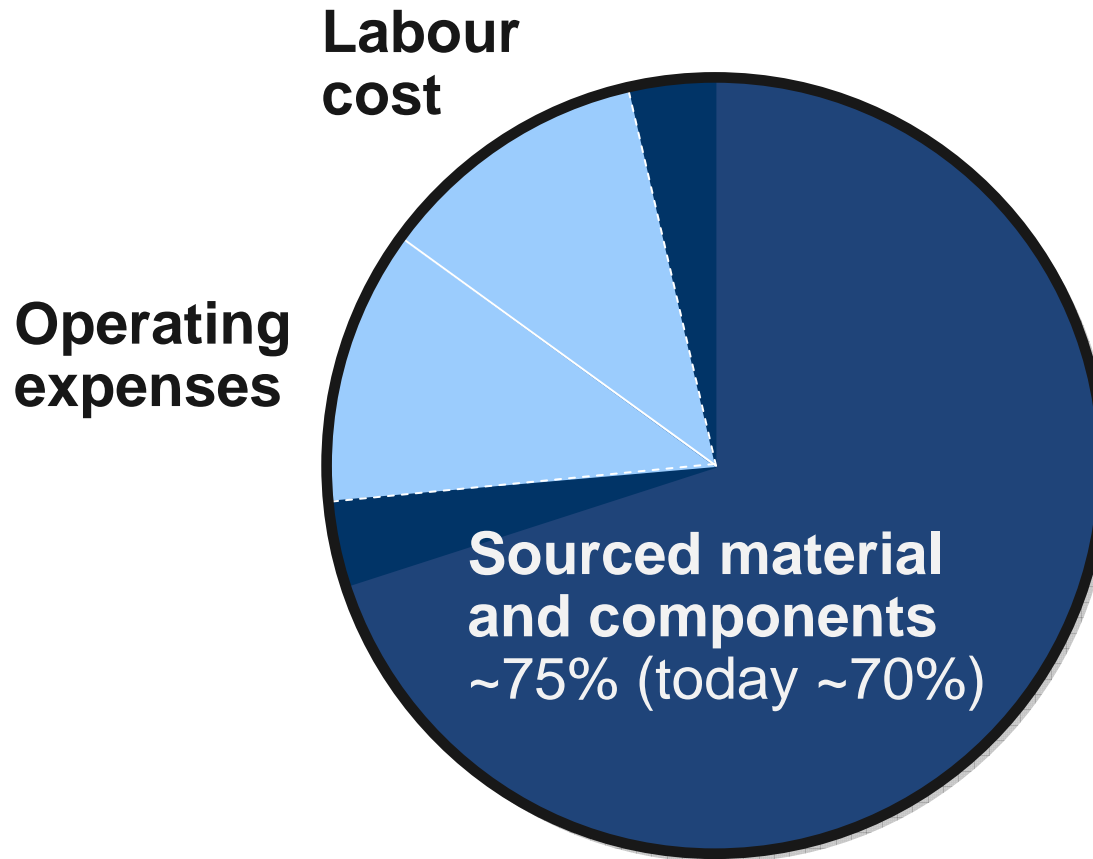
- Global trade will increase
- Road transport continues to dominate
- Focus on life-cycle cost
- Transport companies outsource workshops
- More demand for one-stop shopping
- Alternative fuels and energy efficiency

Scania's long-term scenario

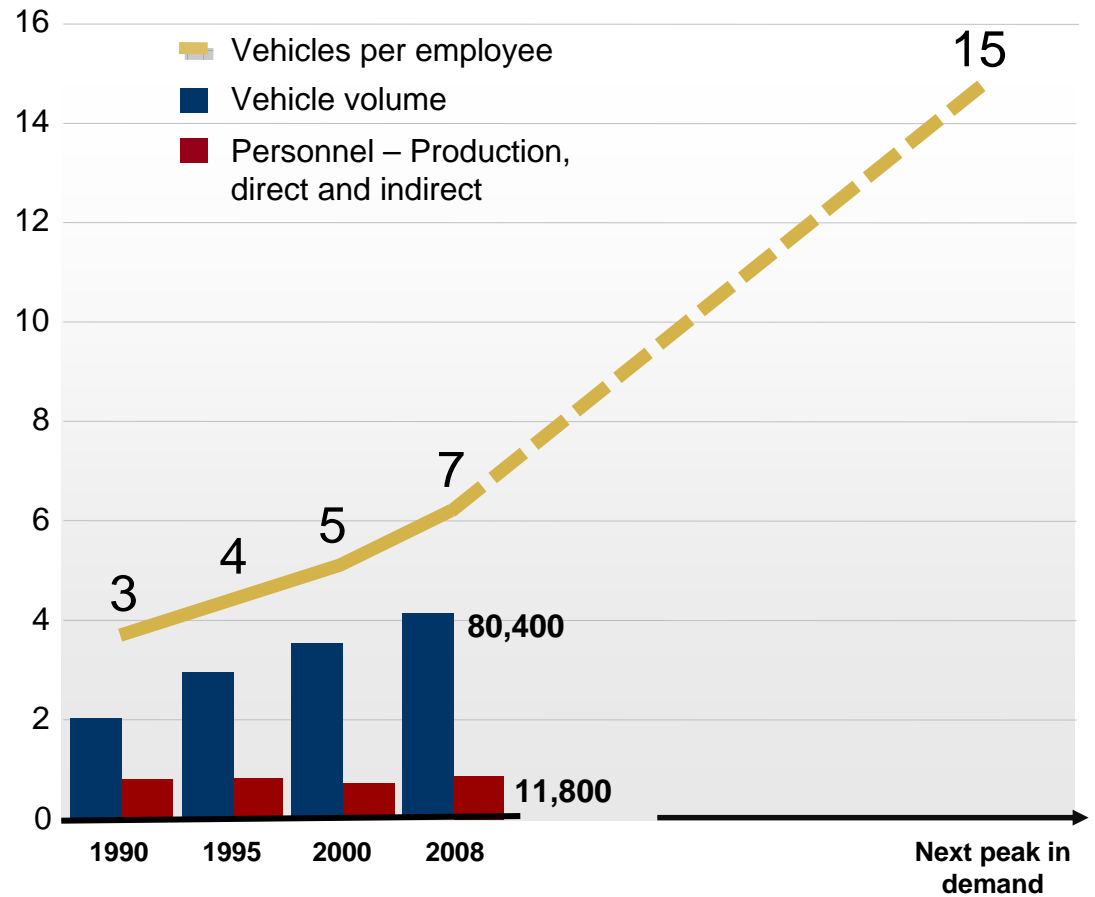


Increased outsourcing

Chassis production cost next peak in demand

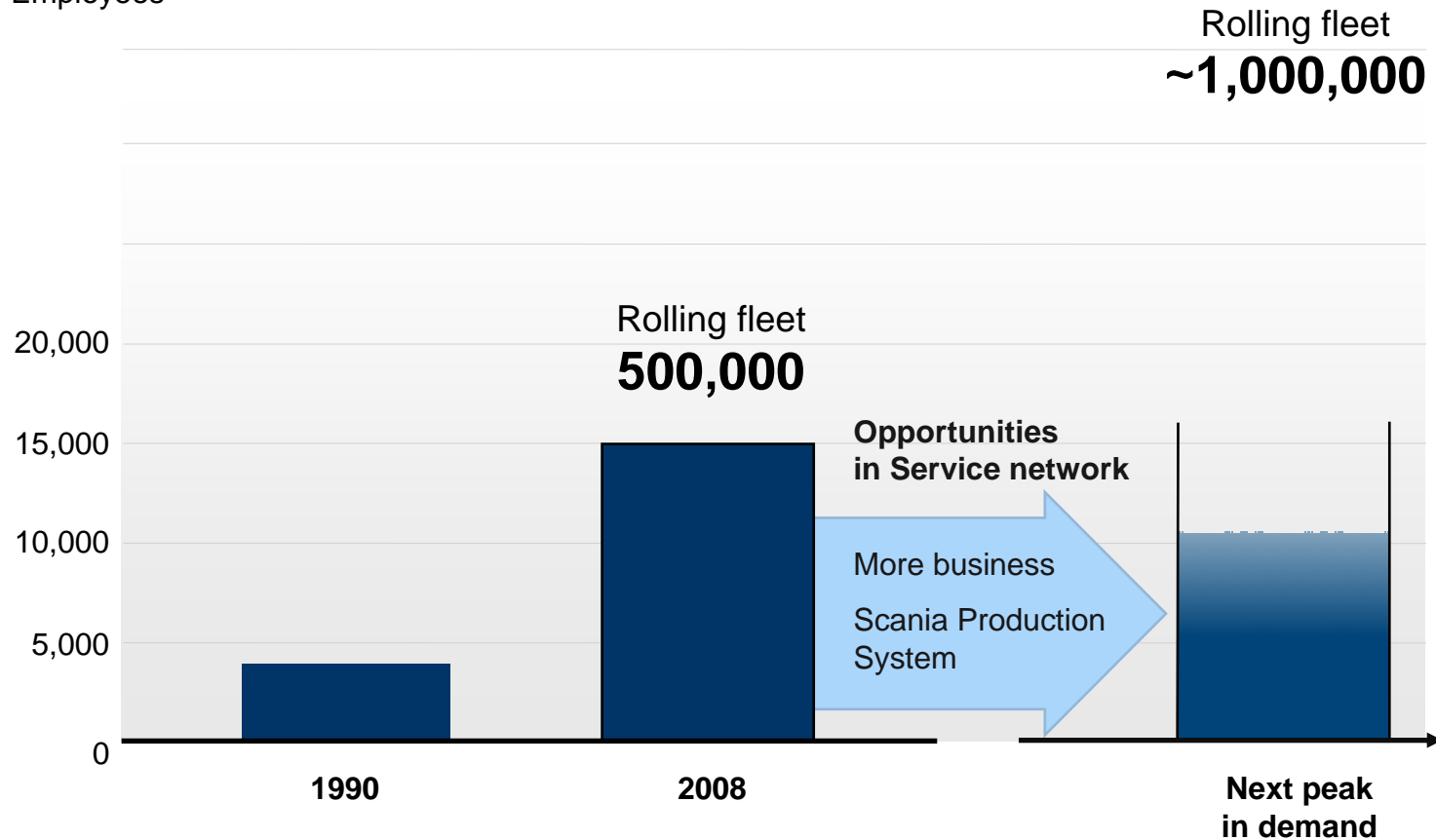


Productivity improvement



Sales and Service network

Employees



Quick and cost efficient ramp-up

