

The Board of Director's full proposal to the AGM 2006 for reduction of the share capital

The Board of Director's of Scania AB (publ) ("Scania") proposes that the shareholders at the annual general meeting on May 4, 2006, decides to reduce the share capital in accordance with the following:

That the share capital is reduced with a total amount of SEK 262,965,080 by way of redemption of a total 26,296,508 A-shares in Scania that are owned by Scania;

That the reduction shall be made without repayment to the shareholder and the the reduction amount SEK 262,965,080 shall be transferred to a fund to be utilised pursuant to resolutions by meetings of the shareholders;

That the managing director, the chairman of the board or such person as the board may authorise shall be authorised to make any minor changes to the resolutions of the general meeting that are necessary in order to receive authorisation to execute the reduction and the registration thereof with the Swedish Companies Registration Office.

The decision is conditioned upon that it is supported by shareholders holding two-thirds of the votes cast as well as two-thirds of the shares represented at the general meeting and that the decision is supported by two-thirds of the number of A-shares represented at the general meeting. The execution of the decision is further conditioned upon the receipt of authorisation from the Swedish Companies Registration Office or, in case of dispute, the general courts.

Background and reasons for the reduction

In connection with the acquisition of Ainax AB (publ) ("Ainax") 26,296,508 A-shares in Scania was issued as consideration to those shareholders in Ainax that accepted the offer, which increased the share capital with SEK 262,965,080] Ainax is currently under liquidation and in the course thereof 26 296 508 A-shares in Scania have been transferred to Scania. As a result of the now proposed reduction of the share capital the temporary increase of the share capital in Scania resulting from the Ainax-acquisition will be restored in accordance with what has previously been presented at the general meeting held on November 19, 2004, and in the offering prospectus Against this background the redemption is only directed to Scania.

