

# Scania Year-end Report, January–December 2014

## Summary of the full year 2014

- Operating income rose by 3 percent to SEK 8,721 m. (8,455)
- Net sales rose by 6 percent to a record level of SEK 92,051 m. (86,847)
- Cash flow amounted to SEK 4,690 m. (3,742) in Vehicles and Services

## Comments by Martin Lundstedt, President and CEO:

“Scania’s net sales rose to a record level of SEK 92 billion and earnings for the full year 2014 increased to SEK 8,721 m. Record service volume, record earnings in Financial Services and positive currency rate effects were partly offset by a weaker market mix. Total order bookings for trucks increased during the fourth quarter, compared to the previous quarter. The increase was primarily related to an upturn in Europe, which is in line with the seasonal pattern in the European market. Scania has strengthened its position in the European market with increased market share compared to 2013, among other things through a leading Euro 6 range and a broad range of engines for alternative fuels. Order bookings in Latin America decreased. Low economic activity and uncertainty about the subsidised financing programme in Brazil had a

negative impact. In Asia, order bookings decreased compared to the previous quarter, related to the Middle East. Order bookings in Russia held up but the outlook for the region is uncertain. In buses and coaches, order bookings were sequentially higher, driven by Asia. In Engines, order bookings and deliveries reached all-time high levels. Scania is continuing its long-term efforts to boost market share in Services and revenue increased by 8 percent to a record SEK 18.8 billion during 2014. Financial Services reported record earnings, with operating income of more than SEK 1 billion. In gearboxes, Scania has initiated extensive cooperation with MAN, which will mean a stronger product offering and generate significant synergies in the longer term.”

## Financial overview

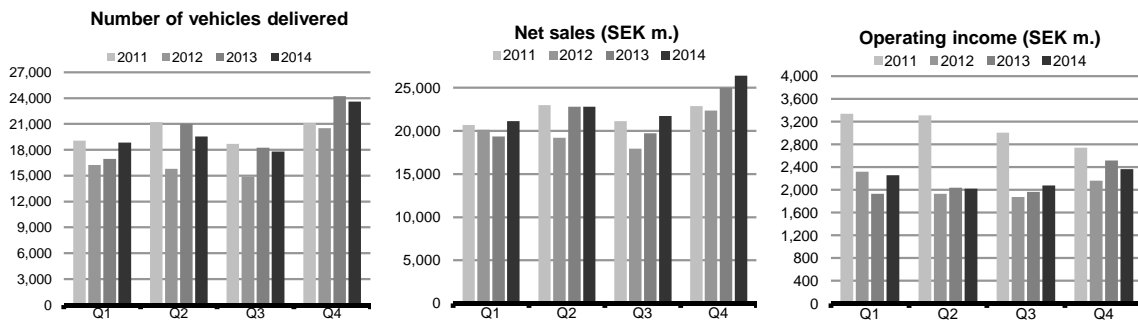
	Full year 2014			Q4			
	2014	2013	Change, %	2014	2013	Change, %	
<b>Trucks and buses, units</b>							
Order bookings	<b>82,984</b>	80,935	3	<b>20,683</b>	15,775	31	
Deliveries	<b>79,782</b>	80,464	-1	<b>23,589</b>	24,240	-3	
<b>Net sales and earnings</b>	<i>EUR m.*</i>						
<b>Net sales, Scania Group, SEK m.</b>	9,674	<b>92,051</b>	86,847	6	<b>26,413</b>	24,983	6
Operating income, Vehicles and Services, SEK m.	810	<b>7,705</b>	7,736	0	<b>2,134</b>	2,308	-8
Operating income, Financial Services, SEK m.	107	<b>1,016</b>	719	41	<b>231</b>	208	11
Operating income, SEK m.	917	<b>8,721</b>	8,455	3	<b>2,365</b>	2,516	-6
<b>Income before taxes, SEK m.</b>	875	<b>8,322</b>	8,408	-1	<b>2,306</b>	2,483	-7
<b>Net income for the period, SEK m.</b>	631	<b>6,009</b>	6,194	-3	<b>1,642</b>	1,961	-16
Operating margin, %		<b>9.5</b>	9.7		<b>9.0</b>	10.1	
Return on capital employed, Vehicles and Services, %		<b>19.9</b>	21.0				
Cash flow, Vehicles and Services, SEK m.	494	<b>4,690</b>	3,742	25	<b>2,477</b>	2,001	24

\* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 9.516 = EUR 1.00.

Unless otherwise stated, all comparisons refer to the corresponding period of the preceding year.

This interim report has not been subject to review by the company’s auditors. This report is also available on [www.scania.com](http://www.scania.com)

## Business overview



### Sales performance

During the full year 2014, total vehicle deliveries decreased by 1 percent to 79,782 (80,464) units, compared to 2013. Net sales rose by 6 percent to SEK 92,051 m. (86,847). Currency rate effects had a positive impact of 2 percent on sales.

Order bookings rose by 3 percent to 82,984 (80,935) vehicles, compared to the full year 2013.

### Trucks orders improved in Europe

The increase in Scania's total order bookings for trucks compared to the fourth quarter of 2013 was mainly due to Europe. The fourth quarter of 2013 was characterised by an unusually low level of activity in Europe, due to a correction after pre-buys of Euro 5 trucks before the transition to Euro 6 emission legislation. Order bookings also increased in Europe compared to the previous quarter, which is normal due to the seasonal pattern in the European market. There is a replacement need and demand for used vehicles in Europe is good and prices improved compared to 2013.

### Euro 6 success

Scania increased its market share in Europe during 2014. Due to early introduction of Euro 6 vehicles, Scania has extensive experience and has also launched second and third generation Euro 6 engines. With the other improvements included in the launch of Scania Streamline, customers can take advantage of significant fuel savings. In 2014, the respected German transport trade magazines *VerkehrsRundschau* and *Trucker* gave the Scania G 410 their Green Truck 2014 award in the heavy tractor class. The G 410 Euro 6 engine only uses SCR aftertreatment technology. Fuel consumption averaged a record-low 23.3 litres of diesel per 100 km. During the second quarter of 2014, Scania introduced a third generation Euro 6 engine, which only uses SCR technology with 450 horsepower. Meanwhile, the company launched an oil that reduces friction, a freewheeling retarder and a more intelligent Scania Eco-roll system. Taken together, these advancements will reduce fuel consumption for long haulage by 3 percent.

### Potential through cooperation

During the third quarter of 2014, Scania initiated extensive cooperation with MAN regarding gearboxes. Scania's gearboxes will be gradually introduced in MAN's products starting in 2016. By using common components, which are not critical for the brand's identity, the customer offering will be strengthened, while significant synergies will be achieved in the longer term.

## The truck market

### Order bookings

Scania's order bookings rose during the fourth quarter of 2014 and amounted to 18,784 (14,273) trucks. Order bookings in Europe increased by 84 percent to 10,851 (5,908) units, compared to the fourth quarter of 2013. The fourth quarter of 2013 was characterised by an unusually low level of activity due to a correction after pre-buys of Euro 5 trucks. The fourth quarter was the strongest quarter during 2014 in several large European markets, including Germany, Great Britain, Poland and the Nordic countries.

Order bookings in Latin America weakened. There was lower economic activity in Brazil and Argentina, among other countries, compared to 2013. There was also uncertainty about the extension of the subsidy

programmes in Brazil during the fourth quarter, which made hauliers hesitant about new investments. Compared to the fourth quarter of 2013, order bookings in Latin America decreased by 27 percent to 3,070 (4,226) trucks, primarily related to Brazil. The Brazilian authorities have now announced a new subsidy programme, but it is less favourable compared to 2014. In Argentina, subsidised financing has been extended for the first half of 2015.

In Eurasia, total order bookings held up during the fourth quarter of 2014 and amounted to 1,488 (1,058) trucks. The upturn was mainly attributable to Russia. The Russian currency weakened significantly during the quarter, which resulted in a temporary boost in demand for imported goods. The outlook for the region is uncertain due to the geopolitical turbulence. In Asia, order bookings totalled 2,383 (2,174) units during the fourth quarter. The upturn was related to India, Turkey and China, among other countries. Compared to the third quarter of 2014, order bookings decreased, related to the Middle East.

In Africa, order bookings were higher compared to the fourth quarter of 2013, related to an upturn in South Africa, among other countries. In Oceania, order bookings were lower in Australia compared to the fourth quarter of 2013. Total order bookings in the Africa and Oceania region were 9 percent higher at 992 (907) units, compared to the fourth quarter of 2013. Order bookings were also higher compared to the third quarter of 2014.

### Deliveries

Scania's total truck deliveries decreased by 3 percent to 21,647 (22,249) units during the fourth quarter compared to the year-earlier period. In Europe, deliveries fell by 5 percent to 10,915 (11,549) units compared to the fourth quarter of 2013, when demand was supported by pre-buys of Euro 5 trucks. In Eurasia, deliveries fell by 12 percent to 1,492 (1,704) trucks. In Latin America, deliveries fell by 34 percent to 4,037 (6,115) units compared to the fourth quarter of 2013. In Asia, deliveries increased sharply compared to the fourth quarter of 2013 to 4,224 (1,908) trucks.

### Sales

Net sales of trucks rose by 4 percent to SEK 59,587 m. (57,502) during the full year 2014. During the fourth quarter, sales increased by 2 percent to SEK 17,828 m. (17,423).

### The total European market for heavy trucks

The total market for heavy trucks in 26 of the European Union member countries (all EU countries except Bulgaria and Malta) plus Norway and Switzerland decreased by 6 percent to about 224,100 (239,400) units during the full year 2014. Scania truck registrations amounted to some 33,800 (33,200) units, equivalent to a market share of about 15.1 (13.9) percent.

Scania trucks	Order bookings			Deliveries		
	12 months	12 months	Change,	12 months	12 months	Change,
	2014	2013	%	2014	2013	%
Europe	36,737	35,179	4	34,008	32,625	4
Eurasia	6,253	6,107	2	5,964	6,260	-5
America*	15,078	19,899	-24	16,150	23,756	-32
Asia	13,658	8,731	56	12,889	7,400	74
Africa and Oceania	4,066	3,762	8	4,004	3,570	12
Total	75,792	73,678	3	73,015	73,611	-1

\*Refers to Latin America

## The bus and coach market

### Order bookings and launches

Total order bookings for buses and coaches were in line with the previous year at 7,192 (7,257) units.

During the third quarter of 2014, a new bus was presented, Scania Citywide LE, featuring Scania's own hybrid technology. Scania has also announced field tests for an electric-hybrid bus, which is wirelessly charged. The field test will involve inductive charging, which means that the vehicle receives power wirelessly from the road. The technology opens up the possibility of entirely electrified roads.

In Europe, order bookings improved and totalled 518 (468) units in the fourth quarter with increased order bookings in Sweden, Great Britain and Spain.

In Latin America, order bookings rose by 13 percent to 574 (507) units compared to the fourth quarter of 2013, driven by Mexico. In Asia, order bookings rose to 624 (266) buses and coaches compared to the fourth quarter of 2013. Among other things, Scania received an order for 200 luxury coaches in Taiwan for the local bodybuilder Boshen, which strengthened Scania's market-leading position. Order bookings in Africa and Oceania fell to 169 (216) buses and coaches.

### Deliveries

Scania's bus and coach deliveries totalled 1,942 (1,991) units during the fourth quarter. In Europe, deliveries increased by 53 percent to 424 (278) units compared to the fourth quarter of 2013. In Latin America, deliveries were down by 9 percent to 680 (749) units. In Asia, deliveries rose by 15 percent to 551 (480), while deliveries of buses and coaches in Africa and Oceania fell during the fourth quarter to 245 (283) units. Deliveries in Eurasia decreased substantially to 42 (201) units, due to a large order last year.

### Net sales

Net sales of buses and coaches rose by 12 percent to SEK 7,412 m. (6,610) during the full year 2014. During the fourth quarter, sales increased by 14 percent to SEK 2,363 m. (2,064).

Scania buses and coaches	Order bookings			Deliveries		
	12 months	12 months	Change,	12 months	12 months	Change,
	2014	2013	%	2014	2013	%
Europe	1,621	1,252	29	1,361	1,000	36
Eurasia	133	825	-84	105	850	-88
America*	2,362	2,604	-9	2,542	2,778	-8
Asia	1,903	1,638	16	1,620	1,388	17
Africa and Oceania	1,173	938	25	1,139	837	36
Total	7,192	7,257	-1	6,767	6,853	-1

\*Refers to Latin America

## Engines

### Order bookings

During the fourth quarter 2014, Scania and the South Korean equipment manufacturer Doosan Infracore agreed to further deepen their cooperation. The expanded cooperation means that Scania will supply engines for Doosan Large Excavators intended for Europe and North America. During the first quarter, Scania was named as a supplier of engines for Atlas Copco's portable air compressors. The partnership covers deliveries of Scania's 9-, 13- and 16-litre engines, which meet the Stage 4/Tier 4 final international emission standards.

These agreements have contributed to record levels in order bookings and deliveries of engines during 2014. Total engine order bookings rose by 20 percent to 8,702 (7,246) units. During the fourth quarter, order bookings rose by 46 percent to 2,598 (1,775) units. Order bookings increased in South Korea, Brazil and South Africa.

### Deliveries

Engine deliveries rose by 22 percent to 8,287 (6,783) units during the full year 2014. The upturn was mainly attributable to South Korea, Brazil and Turkey. During the fourth quarter, deliveries rose by 21 percent to 2,603 (2,148) units. Deliveries rose in South Korea, among other countries.

### Net sales

During the full year 2014, sales rose by 31 percent to SEK 1,495 m. (1,140). Net sales in the fourth quarter amounted to SEK 487 m. (368), an upturn of 32 percent.

## Services

### Record revenue

Service revenue amounted to a record SEK 18,828 m. (17,510) during the full year 2014, an increase of 8 percent. Higher volume and currency rate effects had a positive impact. In local currencies, revenue increased by 6 percent. During the fourth quarter, revenue rose by 9 percent to SEK 4,918 m. (4,522). In local currency, the upturn was 5 percent.

In Europe, service revenue rose by 8 percent to SEK 12,747 m. (11,802) compared to the full year 2013. In Latin America, revenue rose by 5 percent to SEK 2,716 m. (2,584) and revenue in Asia was 12 percent higher than the previous year at SEK 1,480 m. (1,317). In Africa and Oceania, service revenue rose by 5 percent to SEK 1,195 m. (1,134), while in Eurasia it increased by 3 percent to SEK 690 m. (673) compared to the full year 2013.

## Earnings

### Vehicles and Services

#### Full year 2014

Operating income in Vehicles and Services totalled SEK 7,705 m. (7,736) during the full year 2014. Aside from favourable currency rate effects, higher service volume, somewhat improved prices and purchasing savings had a positive impact. The market mix and slightly lower vehicle volume, mainly related to a decrease in Latin America, had a negative effect.

Compared to the full year 2013, the total currency rate effect was positive and amounted to about SEK 970 m.

Scania's research and development expenditures amounted to SEK 6,401 m. (5,854). After adjusting for SEK 1,454 m. (1,123) in capitalised expenditures and SEK 357 m. (293) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 5,304 m. (5,024).

#### The fourth quarter of 2014

Operating income in Vehicles and Services totalled SEK 2,134 m. (2,308) during the fourth quarter. Compared to the fourth quarter of 2013, the total currency rate effect was positive and amounted to about SEK 520 m. Higher service volume, purchasing savings and slightly improved prices also contributed. The market mix and lower vehicle volume, mainly related to a decrease in Latin America, had a negative effect.

Scania's research and development expenditures amounted to SEK 1,792 m. (1,661). After adjusting for SEK 439 m. (351) in capitalised expenditures and SEK 97 m. (84) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,450 m. (1,394).

## Financial Services

### Customer finance portfolio

At the end of 2014, the size of Scania's customer finance portfolio amounted to SEK 55.6 billion, which was SEK 6.7 billion higher than the end of 2013. In local currencies, the portfolio increased by SEK 4.0 billion, equivalent to 8 percent.

### Penetration rate

The penetration rate was 37 (33) percent during the full year 2014 in those markets where Scania has its own financing operations. The increase was mainly attributable to Brazil.

### Record-high operating income

Operating income in Financial Services increased to SEK 1,016 m. (719) during the full year 2014, compared to 2013. A larger portfolio and higher margins had a positive impact on earnings. Bad debt expenses decreased. In the fourth quarter, operating income rose by 11 percent to SEK 231 m. (208).

## Scania Group

During the full year 2014, Scania's operating income amounted to SEK 8,721 m. (8,455). Operating margin amounted to 9.5 (9.7) percent. Scania's net financial items amounted to SEK -399 m. (-47). Net financial

items included costs of SEK 160 m. for the full year related to the public offer from Volkswagen, reported as items affecting comparability.

The Scania Group's tax expense amounted to SEK 2,313 m. (2,214), equivalent to 27.8 (26.3) percent of income before taxes. Net income for the period totalled SEK 6,009 m. (6,194), equivalent to a net margin of 6.5 (7.1) percent.

## Cash flow

### Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 4,690 m. (3,742) during the full year 2014. Tied-up working capital decreased by SEK 1,388 m, due to an increase in accounts payable and other liabilities.

Net investments amounted to SEK 5,706 m. (5,320), including SEK 1,454 m. (1,123) in capitalisation of development expenses. At the end of the fourth quarter of 2014, the net cash position in Vehicles and Services amounted to SEK 12,139 m. compared to a net cash position of SEK 8,019 m. at the end of 2013.

### Scania Group

Scania's cash flow in Financial Services amounted to SEK -3,554 m. (-3,336) during the full year 2014 due to a growing customer finance portfolio. Together with the positive cash flow in Vehicles and Services and currency rate effects, the Group's net debt increased by about SEK 1.1 billion compared to the end of 2013.

## Parent Company

The assets of the Parent Company, Scania AB, consist of shares in Scania CV AB. Scania CV AB is the parent company of the Group that comprises all production and sales and service companies as well as other companies. Income before taxes of Scania AB totalled SEK 29 m. (7,041) during 2014.

## Miscellaneous

### Number of employees

At the end of 2014, the number of employees totalled 42,129 compared to 40,953 on the same date in 2013.

### Material risks and uncertainty factors

The section entitled "Risks and risk management" in Scania's Annual Report for 2013 describes Scania's strategic, operational, legal and financial risks. Note 2 of the same report provide a detailed account of key judgements and estimates. Note 30 of the same report describe the financial risks, such as currency risk and interest rate risk. The risks that have the greatest impact on financial performance and on reporting for the Group and the Parent Company are summarised as follows:

#### a) Sales with obligations

About 10 percent of the vehicles Scania sells are delivered with residual value obligations or repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract). If there are major changes in the market value of used vehicles, this increases the risk of future losses when selling returned vehicles. When a residual value obligation is deemed likely to cause a future loss, a provision is made in cases where the expected loss exceeds the as-yet-unrecognised profit on the vehicle.

**b) Credit risks**

In its Financial Service operations, Scania has an exposure in the form of contractual future payments. This exposure is reduced by the collateral Scania has in the form of the right to repossess the underlying vehicle. In case the market value of the collateral does not cover the exposure to the customer, Scania runs a credit risk. Reserves for probable losses in Financial Service operations are set aside in the estimated amounts required.

**Accounting principles**

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. This Year-end Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. New and revised standards and interpretations that are being applied from from 1 January 2014 include the following:

*Amendment to IAS 32, "Financial Instruments: Presentation"*. The amendment relates to new rules for offsetting financial assets and financial liabilities. The amendment means that in the Year-end Report on 31 December 2014, "Current Investments" has been adjusted by SEK 1,048 m. (change in "Other non-current receivables" relating to prior periods: on 31 Dec 2013; SEK 824 m.) and "Interest-bearing liabilities" has been adjusted by SEK 1,048 m. (change in prior periods: 31 Dec 2013; SEK 824 m.).

Accounting principles and calculation methods are otherwise unchanged from those applied in the Annual Report for 2013.

The Year-end Report for the Parent Company, Scania AB, has been prepared in accordance with the Annual Accounts Act and recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Financial Reporting Board.

**Dividend and Annual General Meeting**

Scania's Annual General Meeting for the financial year 2013 was held in Södertälje, Sweden on 11 June 2014. The Annual General Meeting determined that no dividend would be disbursed to shareholders for the financial year 2013.

Södertälje, 28 January 2015

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## Consolidated income statements

Amounts in SEK m. unless otherwise stated	Full year			Change in %	Q4	
	EUR m.*	2014	2013		2014	2013
<b>Vehicles and Services</b>						
Net sales	9,674	<b>92,051</b>	86,847	6	<b>26,413</b>	24,983
Cost of goods sold	-7,346	<b>-69,902</b>	-65,303	7	<b>-20,219</b>	-18,865
<b>Gross income</b>	<b>2,328</b>	<b>22,149</b>	21,544	3	<b>6,194</b>	6,118
Research and development expenses	-557	<b>-5,304</b>	-5,024	6	<b>-1,450</b>	-1,394
Selling expenses	-844	<b>-8,034</b>	-7,740	4	<b>-2,282</b>	-2,137
Administrative expenses	-120	<b>-1,138</b>	-1,065	7	<b>-329</b>	-287
Share of income from associated companies and joint ventures	3	<b>32</b>	21	52	<b>1</b>	8
<b>Operating income, Vehicles and Services</b>	<b>810</b>	<b>7,705</b>	7,736	0	<b>2,134</b>	2,308
<b>Financial Services</b>						
Interest and lease income	529	<b>5,029</b>	4,494	12	<b>1,321</b>	1,174
Interest and depreciation expenses	-338	<b>-3,214</b>	-2,920	10	<b>-848</b>	-755
Interest surplus	191	<b>1,815</b>	1,574	15	<b>473</b>	419
Other income and expenses	13	<b>123</b>	111	11	<b>27</b>	36
<b>Gross income</b>	<b>204</b>	<b>1,938</b>	1,685	15	<b>500</b>	455
Selling and administrative expenses	-79	<b>-755</b>	-686	10	<b>-206</b>	-180
Bad debt expenses, realised and anticipated	-18	<b>-167</b>	-280	-40	<b>-63</b>	-67
<b>Operating income, Financial Services</b>	<b>107</b>	<b>1,016</b>	719	41	<b>231</b>	208
<b>Operating income</b>	<b>917</b>	<b>8,721</b>	8,455	3	<b>2,365</b>	2,516
Interest income and expenses	-23	<b>-223</b>	-63	254	<b>-58</b>	-21
Other financial income and expenses	-2	<b>-16</b>	16	-200	<b>-1</b>	-12
Items affecting comparability <sup>1</sup>	-17	<b>-160</b>	-	-	<b>0</b>	-
<b>Total financial items</b>	<b>-42</b>	<b>-399</b>	-47	749	<b>-59</b>	-33
<b>Income before taxes</b>	<b>875</b>	<b>8,322</b>	8,408	-1	<b>2,306</b>	2,483
Taxes	-244	<b>-2,313</b>	-2,214	4	<b>-664</b>	-522
<b>Net income for the period</b>	<b>631</b>	<b>6,009</b>	6,194	-3	<b>1,642</b>	1,961
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Translation differences	100	<b>951</b>	-907		<b>179</b>	73
Cash flow hedges						
change in value for the year	-2	<b>-23</b>	0		<b>-3</b>	-
reclassification to operating income	-	<b>-</b>	0		<b>0</b>	1
Income tax relating to items that may be reclassified	3	<b>36</b>	-3		<b>3</b>	13
	101	<b>964</b>	-910		<b>179</b>	87
<b>Items that will not be reclassified to profit or loss</b>						
Re-measurement defined benefit plans <sup>3</sup>	-312	<b>-2,966</b>	803		<b>-1,811</b>	-171
Income tax relating to items that will not be reclassified	72	<b>682</b>	-179		<b>419</b>	35
	-240	<b>-2,284</b>	624		<b>-1,392</b>	-136
<b>Other comprehensive income for the period</b>	<b>-139</b>	<b>-1,320</b>	-286		<b>-1,213</b>	-49
<b>Total comprehensive income for the period</b>	<b>492</b>	<b>4,689</b>	5,908		<b>429</b>	1,912
Net income attributable to:						
Scania shareholders	633	<b>6,019</b>	6,201		<b>1,644</b>	1,963
Non-controlling interest	-1	<b>-10</b>	-7		<b>-2</b>	-2
Total comprehensive income attributable to:						
Scania shareholders	492	<b>4,690</b>	5,913		<b>427</b>	1,913
Non-controlling interest	0	<b>-1</b>	-5		<b>2</b>	-1
Operating income includes depreciation of	-328	<b>-3,125</b>	-2,929		<b>-831</b>	-797
Operating margin, percent		<b>9.5</b>	9.7		<b>9.0</b>	10.1

<sup>1</sup> Costs related to the public offer from VW.

<sup>2</sup> Calculations are based on rolling 12-month income.

<sup>3</sup> The discount rate in calculating the Swedish pension liability has changed to 2.5 percent per 31 December.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.5155 = EUR 1.00.



## Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated

	Full year			Change in %	Q4	
	EUR m.	2014	2013		2014	2013
<b>Net sales</b>						
Trucks	6,262	<b>59,587</b>	57,502	4	<b>17,828</b>	17,423
Buses*	779	<b>7,412</b>	6,610	12	<b>2,363</b>	2,064
Engines	157	<b>1,495</b>	1,140	31	<b>487</b>	368
Service-related products	1,979	<b>18,828</b>	17,510	8	<b>4,918</b>	4,522
Used vehicles	544	<b>5,173</b>	4,912	5	<b>1,314</b>	1,294
Miscellaneous	293	<b>2,790</b>	2,319	20	<b>841</b>	735
Delivery sales value	10,014	<b>95,285</b>	89,993	6	<b>27,751</b>	26,406
Revenue deferrals <sup>1</sup>	-340	<b>-3,234</b>	-3,146	3	<b>-1,338</b>	-1,423
Net sales	9,674	<b>92,051</b>	86,847	6	<b>26,413</b>	24,983

**Net sales<sup>2</sup>**

Europe	5,254	<b>49,993</b>	43,631	15	<b>14,578</b>	13,501
Eurasia	559	<b>5,321</b>	6,052	-12	<b>1,251</b>	1,689
America**	1,855	<b>17,648</b>	23,551	-25	<b>4,744</b>	6,037
Asia	1,274	<b>12,121</b>	7,760	56	<b>4,003</b>	2,110
Africa and Oceania	732	<b>6,968</b>	5,853	19	<b>1,837</b>	1,646
Net sales	9,674	<b>92,051</b>	86,847	6	<b>26,413</b>	24,983

### Total delivery volume, units

Trucks	<b>73,015</b>	73,611	-1	<b>21,647</b>	22,249
Buses*	<b>6,767</b>	6,853	-1	<b>1,942</b>	1,991
Engines	<b>8,287</b>	6,783	22	<b>2,603</b>	2,148

<sup>1</sup> Refers to the difference between sales value based on deliveries and revenue recognised as income.

<sup>2</sup> Revenues from external customers by location of customers.

\* Including body-built buses and coaches.

\*\* Refers mainly to Latin America

## Consolidated balance sheets Vehicles and Services

Amounts in SEK m.  
unless otherwise stated

	2014		2013
	EUR m.	31 Dec	31 Dec

### Assets

#### Non-current assets

Intangible assets	550	5,237	4,033
Tangible assets	2,447	23,280	21,638
Lease assets	804	7,647	6,669
Shares and participations	56	535	490
Interest-bearing receivables	4	34	5
Other receivables <sup>1, 2, 6</sup>	328	3,124	3,632

#### Current assets

Inventories	1,763	16,780	14,552
Interest-bearing receivables	11	108	96
Other receivables <sup>3</sup>	1,147	10,911	10,243
Current investments	261	2,487	47
Cash and cash equivalents	1,033	9,823	8,957
<b>Total assets</b>	<b>8,404</b>	<b>79,966</b>	<b>70,362</b>

### Equity and liabilities

#### Equity

Scania shareholders	3,690	35,115	31,792
Non-controlling interest	6	56	57
<b>Total equity</b>	<b>3,696</b>	<b>35,171</b>	<b>31,849</b>

<b>Interest-bearing liabilities<sup>6</sup></b>	<b>17</b>	<b>166</b>	<b>1,337</b>
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#### Non-current liabilities

Provisions for pensions	944	8,979	5,748
Other provisions	324	3,077	2,745
Other liabilities <sup>1, 4</sup>	706	6,720	5,436

#### Current liabilities

Provisions	196	1,866	1,825
Other liabilities <sup>5</sup>	2,521	23,987	21,422
<b>Total equity and liabilities</b>	<b>8,404</b>	<b>79,966</b>	<b>70,362</b>

<sup>1</sup> Including deferred tax

<sup>2</sup> Including derivatives with positive value for hedging of borrowings

	53	504	542
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<sup>3</sup> Including derivatives with positive value for hedging of borrowings

	67	640	345
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<sup>4</sup> Including derivatives with negative value for hedging of borrowings

	74	706	228
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<sup>5</sup> Including derivatives with negative value for hedging of borrowings

	47	443	307
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<sup>6</sup> Due to amendment to IAS 32 Financial Instruments: Presentation (see Accounting principles), the comparative figures have been adjusted.

Net cash (-) / Net debt (+) excl. provisions for pensions, incl. derivatives as above <sup>6</sup>	-1,276	-12,139	-8,019
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## Consolidated balance sheets Financial Services

Amounts in SEK m.  
unless otherwise stated

	<u>2014</u>		<u>2013</u>
	<i>EUR m.</i>	<b>31 Dec</b>	31 Dec
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	2	<b>22</b>	13
Tangible assets	4	<b>42</b>	40
Lease assets	1,220	<b>11,613</b>	9,505
Financial receivables	2,850	<b>27,122</b>	24,077
Other receivables <sup>1</sup>	29	<b>280</b>	271
<b>Current assets</b>			
Financial receivables	1,768	<b>16,821</b>	15,281
Other receivables	88	<b>830</b>	886
Cash and cash equivalents	116	<b>1,092</b>	605
<b>Total assets</b>	<b>6,077</b>	<b>57,822</b>	50,678
<b>Equity and liabilities</b>			
<b>Equity</b>			
Scania shareholders	697	<b>6,630</b>	5,263
Total equity	697	<b>6,630</b>	5,263
<b>Interest-bearing liabilities</b>			
	5,151	<b>49,011</b>	43,320
<b>Non-current liabilities</b>			
Provisions for pensions	6	<b>60</b>	40
Other provisions	0	<b>2</b>	5
Other liabilities <sup>1</sup>	68	<b>645</b>	612
<b>Current liabilities</b>			
Provisions	3	<b>30</b>	16
Other liabilities	152	<b>1,444</b>	1,422
<b>Total equity and liabilities</b>	<b>6,077</b>	<b>57,822</b>	50,678

<sup>1</sup> Including deferred tax

## Consolidated balance sheets Scania Group

Amounts in SEK m.  
unless otherwise stated

	2014		2013
	EUR m.	31 Dec	31 Dec

### Eliminations

#### Assets

Lease assets	-186	-1,771	-1,564
Other current receivables	-57	-544	-587
Current investments	-256	-2,436	-
<b>Total assets</b>	<b>-499</b>	<b>-4,751</b>	<b>-2,151</b>

#### Equity and liabilities

Interest-bearing liabilities	-256	-2,436	-
Other current liabilities	-243	-2,315	-2,151
<b>Total equity and liabilities</b>	<b>-499</b>	<b>-4,751</b>	<b>-2,151</b>

### Scania Group

#### Assets

##### Non-current assets

Intangible assets	552	5,259	4,046
Tangible assets	2,451	23,322	21,678
Lease assets	1,838	17,489	14,610
Shares and participations	56	535	490
Interest-bearing receivables	2,854	27,156	24,082
Other receivables <sup>1, 2, 6</sup>	357	3,404	3,903

##### Current assets

Inventories	1,763	16,780	14,552
Interest-bearing receivables	1,779	16,929	15,377
Other receivables <sup>3</sup>	1,178	11,197	10,542
Current investments	5	51	47
Cash and cash equivalents	1,148	10,915	9,562
<b>Total assets</b>	<b>13,981</b>	<b>133,037</b>	<b>118,889</b>

#### Total equity and liabilities

##### Equity

Scania shareholders	4,387	41,745	37,055
Non-controlling interest	6	56	57
<b>Total equity</b>	<b>4,393</b>	<b>41,801</b>	<b>37,112</b>

##### Non-current liabilities

Interest-bearing liabilities <sup>6</sup>	2,785	26,503	30,174
Provisions for pensions	950	9,039	5,788
Other provisions	323	3,079	2,750
Other liabilities <sup>1, 4</sup>	774	7,365	6,048

##### Current liabilities

Interest-bearing liabilities <sup>6</sup>	2,127	20,238	14,483
Provisions	199	1,896	1,841
Other liabilities <sup>5</sup>	2,430	23,116	20,693
<b>Total equity and liabilities</b>	<b>13,981</b>	<b>133,037</b>	<b>118,889</b>

<sup>1</sup> Including deferred tax

<sup>2</sup> Including derivatives with positive value for hedging of borrowings

<sup>3</sup> Including derivatives with positive value for hedging of borrowings

<sup>4</sup> Including derivatives with negative value for hedging of borrowings

<sup>5</sup> Including derivatives with negative value for hedging of borrowings

<sup>6</sup> Due to amendment to IAS 32 Financial Instruments: Presentation (see Accounting principles), the comparative figures have been adjusted.

Equity/assets ratio, percent <sup>6</sup>	<b>31.4</b>	31.2
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## Statement of changes in equity

Amounts in SEK m. unless otherwise stated	Full year		
	EUR m.	2014	2013
Equity, 1 January	3,901	37,112	35,004
Net income for the period	631	6,009	6,194
Other comprehensive income for the period	-139	-1,320	-286
Dividend	-	-	-3,800
<b>Total equity at the end of the period</b>	<b>4,393</b>	<b>41,801</b>	<b>37,112</b>
Attributable to:			
Scania AB shareholders	4,387	41,745	37,055
Non-controlling interest	6	56	57

## Information about Revenue from external customers

Amounts in SEK m. unless otherwise stated	Full year		
	EUR m.	2014	2013
Revenue from external customers, Vehicles and Services	9,674	92,051	86,847
Revenue from external customers, Financial Services	528	5,029	4,494
Elimination refers to lease income on operating leases	-231	-2,200	-1,812
<b>Revenue from external customers, Scania Group</b>	<b>9,971</b>	<b>94,880</b>	<b>89,529</b>
Operating income, Vehicles and Services	810	7,705	7,736
Operating income, Financial Services	107	1,016	719
<b>Operating income, Scania Group</b>	<b>917</b>	<b>8,721</b>	<b>8,455</b>

## Cash flow statement

	Full year			Q4	
	EUR m.	2014	2013	2014	2,013
Amounts in SEK m. unless otherwise stated					
<b>Operating activities</b>					
Income before tax	875	<b>8,322</b>	8,408	<b>2,306</b>	2,483
Items not affecting cash flow	387	<b>3,684</b>	3,236	<b>1,107</b>	1,018
Taxes paid	-213	<b>-2,027</b>	-2,394	<b>-611</b>	-500
<b>Cash flow from operating activities</b>					
<b>before change in working capital</b>	1,049	<b>9,979</b>	9,250	<b>2,802</b>	3,001
of which: Vehicles and Services	947	<b>9,008</b>	8,449	<b>2,565</b>	2,822
Financial Services	102	<b>971</b>	801	<b>237</b>	179
Change in working capital etc., Vehicles and Services <sup>1</sup>	146	<b>1,388</b>	613	<b>1,751</b>	623
<b>Cash flow from operating activities</b>	<b>1,195</b>	<b>11,367</b>	9,863	<b>4,553</b>	3,624
<b>Investing activities</b>					
Net investments, Vehicles and Services	-599	<b>-5,706</b>	-5,320	<b>-1,839</b>	-1,444
Net investments in credit portfolio etc., Financial Services	-476	<b>-4,525</b>	-4,137	<b>-2,152</b>	-2,207
<b>Cash flow from investing activities</b>	<b>-1,075</b>	<b>-10,231</b>	-9,457	<b>-3,991</b>	-3,651
<b>Cash flow from Vehicles and Services</b>	494	<b>4,690</b>	3,742	<b>2,477</b>	2,001
<b>Cash flow from Financial Services</b>	-374	<b>-3,554</b>	-3,336	<b>-1,915</b>	-2,028
<b>Financing activities</b>					
Change in debt from financing activities <sup>1</sup>	6	<b>53</b>	1,505	<b>1,312</b>	26
Dividend	-	-	-3,800	-	-
<b>Cash flow from financing activities</b>	<b>6</b>	<b>53</b>	-2,295	<b>1,312</b>	26
<b>Cash flow for the year</b>	126	<b>1,189</b>	-1,889	<b>1,874</b>	-1
<b>Cash and cash equivalents at beginning of period</b>	1,005	<b>9,562</b>	11,918	<b>9,088</b>	9,604
<b>Exchange rate differences in cash and cash equivalents</b>	16	<b>164</b>	-467	<b>-47</b>	-41
<b>Cash and cash equivalents at end of period</b>	<b>1,147</b>	<b>10,915</b>	9,562	<b>10,915</b>	9,562

<sup>1</sup> Due to amendment to IAS 32 Financial Instruments: Presentation (see Accounting principles), the comparative figures have been adjusted.

## Fair value of financial instruments

In Scania's balance sheet, items carried at fair value are mainly derivatives and current investments. Fair value is established according to various levels, defined in IFRS 13, that reflect the extent to which market values have been utilised. Current investments and cash and cash equivalents are carried according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 1,023 m. (1,002). Other assets that are carried at fair value refer to derivatives. These assets are carried according to Level 2, which is based on data other than the quoted prices that are part of Level 1 and refer to directly or indirectly observable market data, such as discount rate and credit risk. These items are carried under Other non-current receivables SEK 504 m. (542), Other current receivables SEK 640 m. (345), Other non-current liabilities SEK 706 m. (228) and Other current liabilities SEK 443 m. (307).

For financial assets that are carried at accrued cost, carrying amount amounts to SEK 63,878 m. (57,955) and fair value to SEK 63,973 m. (58,097). For financial liabilities that are carried at accrued cost, carrying amount amounts to SEK 57,621 m. (53,878) and fair value to SEK 57,891 m. (54,139). Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at accrued cost minus any impairment losses, is regarded as coinciding with the carrying amount.

For further information about financial instruments, see Note 28 Financial instruments in Scania's Annual Report for 2014.

## Quarterly data, units by geographic area

	2014					2013				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>										
Europe	36,737	10,851	7,976	9,410	8,500	35,179	5,908	11,267	9,970	8,034
Eurasia	6,253	1,488	1,126	760	2,879	6,107	1,058	1,611	1,882	1,556
America **	15,078	3,070	4,048	3,960	4,000	19,899	4,226	4,131	5,757	5,785
Asia	13,658	2,383	3,080	5,611	2,584	8,731	2,174	2,540	1,970	2,047
Africa and Oceania	4,066	992	759	1,246	1,069	3,762	907	926	1,115	814
<b>Total</b>	<b>75,792</b>	<b>18,784</b>	16,989	20,987	19,032	73,678	14,273	20,475	20,694	18,236
<b>Trucks delivered</b>										
Europe	34,008	10,915	7,248	8,029	7,816	32,625	11,549	6,864	7,758	6,454
Eurasia	5,964	1,492	1,147	1,860	1,465	6,260	1,704	1,610	1,746	1,200
America**	16,150	4,037	3,992	3,821	4,300	23,756	6,115	5,512	6,648	5,481
Asia	12,889	4,224	2,831	2,891	2,943	7,400	1,908	1,541	2,262	1,689
Africa and Oceania	4,004	979	939	1,145	941	3,570	973	920	946	731
<b>Total</b>	<b>73,015</b>	<b>21,647</b>	16,157	17,746	17,465	73,611	22,249	16,447	19,360	15,555
<b>Order bookings, buses*</b>										
Europe	1,621	518	418	293	392	1,252	468	187	336	261
Eurasia	133	14	28	65	26	825	45	227	192	361
America **	2,362	574	553	591	644	2,604	507	426	679	992
Asia	1,903	624	306	348	625	1,638	266	268	483	621
Africa and Oceania	1,173	169	327	369	308	938	216	226	180	316
<b>Total</b>	<b>7,192</b>	<b>1,899</b>	1,632	1,666	1,995	7,257	1,502	1,334	1,870	2,551
<b>Buses delivered*</b>										
Europe	1,361	424	319	364	254	1,000	278	274	289	159
Eurasia	105	42	34	19	10	850	201	322	227	100
America **	2,542	680	651	693	518	2,778	749	616	677	736
Asia	1,620	551	399	287	383	1,388	480	383	319	206
Africa and Oceania	1,139	245	242	438	214	837	283	202	170	182
<b>Total</b>	<b>6,767</b>	<b>1,942</b>	1,645	1,801	1,379	6,853	1,991	1,797	1,682	1,383

\* Including body-built buses and coaches.

\*\* Refers to Latin America



## Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	Full year		
	EUR m.	2014	2013
<b>Income statement</b>			
Financial income and expenses	3	29	7,041
Allocations	-3	-29	-41
<b>Net income for the period</b>	<b>0</b>	<b>0</b>	7,000
		<b>2014</b>	<b>2013</b>
	EUR m.	31 Dec	31 Dec
<b>Balance sheet</b>			
<b>Assets</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries	886	8,435	8,435
<b>Current assets</b>			
Due from subsidiaries	1,174	11,167	11,167
<b>Total assets</b>	<b>2,060</b>	<b>19,602</b>	19,602
<b>Equity</b>			
Equity	2,060	19,602	19,602
<b>Total shareholders' equity</b>	<b>2,060</b>	<b>19,602</b>	19,602
		<b>2014</b>	<b>2013</b>
	EUR m.	31 Dec	31 Dec
<b>Statement of changes in equity</b>			
Equity, 1 January	2,060	19,602	16,402
Total comprehensive income	0	0	7,000
Dividend	-	-	-3,800
<b>Equity</b>	<b>2,060</b>	<b>19,602</b>	19,602