Scania Interim Report January-March 2017

Summary of the first three months of 2017

- Operating income rose by 35 percent to SEK 3,081 m. (2,275)
- Net sales increased by 23 percent to SEK 28,411 m. (23,056)
- Cash flow amounted to SEK 2,351 m. (133) in Vehicles and Services

Comments by Henrik Henriksson, President and CEO:

"Scania’s net sales rose to a record high SEK 28.4 billion and earnings for the first quarter reached SEK 3,081 m. Higher vehicle and service volumes were partly offset by the high investment level related to Scania's new truck generation. Demand for trucks in Europe remains very strong due to the positive economic situation. Scania's market share for trucks in Europe amounted to 16.8 percent compared to 17.4 percent in 2016. In Latin America demand is positively impacted by increases in Brazil, a market that now seems to have bottomed out at low levels. In Eurasia the demand trend is developing positively thanks to Russia. In Asia, demand increased due to a good performance in China, Iran and India. In Buses and Coaches, demand was strong in Asia, mainly related to Iran. The trend in demand for industrial and marine engines is still positive, while remaining weak on power generation side. Service revenue amounted to a record high SEK 5,849 m. (5,152), an increase of 14 percent. Scania's revenue generated directly or indirectly from the 250,000 connected vehicles in the Scania fleet is constantly increasing. Connectivity is an important component, which is enabling Scania to offer customers more efficient services aimed at improving their profitability. The new Scania R 450 received the "Green Truck 2017" award in the heavy tractor class. The award is based on the superior fuel performance in comparative on-road testing and the figures speak for themselves – an average consumption of 23.7 litres/100 km. Whether trough fuel-efficient diesel vehicles or through alternative fuels, sustainability and profitability go hand in hand according to Scania. Apart from offering the industry’s most energy-efficient powertrains, Scania is making dedicated efforts to reduce transport companies’ dependence on fossil fuels. Scania has the market's broadest range of hybrids and engine alternatives for all commercially available biofuels. All of Scania's standard vehicles may be operated using biodiesel and up to 100-percent hydrotreated vegetable oil (HVO)."

Financial overview

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Order bookings</td>
<td>27,935</td>
<td>21,609</td>
</tr>
<tr>
<td>Deliveries</td>
<td>20,656</td>
<td>18,440</td>
</tr>
<tr>
<td>Net sales, Scania Group, SEK m.</td>
<td>2,979</td>
<td>28,411</td>
</tr>
<tr>
<td>Operating income, Vehicles and Services, SEK m.</td>
<td>297</td>
<td>2,831</td>
</tr>
<tr>
<td>Operating income, Financial Services, SEK m.</td>
<td>27</td>
<td>250</td>
</tr>
<tr>
<td>Operating income, SEK m.</td>
<td>324</td>
<td>3,081</td>
</tr>
<tr>
<td>Income before taxes, SEK m.</td>
<td>316</td>
<td>2,999</td>
</tr>
<tr>
<td>Net income for the period, SEK m.</td>
<td>233</td>
<td>2,211</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>10.8</td>
<td>9.9</td>
</tr>
<tr>
<td>Return on capital employed, Vehicles and Services, %</td>
<td>22.8</td>
<td>19.6</td>
</tr>
<tr>
<td>Cash flow, Vehicles and Services, SEK m.</td>
<td>247</td>
<td>2,351</td>
</tr>
</tbody>
</table>

* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 9.5359 = 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
Business overview

Sales performance
During the first quarter of 2017, total vehicle deliveries increased by 12 percent to 20,656 (18,440) units, compared to the year-earlier period. Net sales rose by 23 percent to SEK 28,411 m. (23,056). Currency rate effects had a positive impact of 4 percent on sales.

Order bookings rose by 29 percent to 27,935 (21,609) vehicles, compared to the first quarter of 2016.

Europe remains strong, improved level of incoming orders in Asia, Latin America and Eurasia
Scania's total order bookings for trucks in Europe rose and reached the highest level for a first quarter since 2007 thanks to continued strong demand in the region. Demand in some of Scania's traditionally major markets such as Germany, Belgium, the Netherlands and Great Britain is high. Stable freight growth, attractive financing levels and the low oil price are supporting factors for the positive demand trend for trucks in Europe. Sales of the new truck generation is positively contributing to Scania's market situation. Demand for used vehicles in Europe is still good.

Demand in Latin America rose compared to the first quarter of 2016 due to an increase from very low levels in Brazil and strong demand in Argentina. The Brazilian market seems to be bottoming out but at low levels, positively impacted by increases related to the Brazilian agriculture and mining sectors.

In Russia, demand rose compared to the first quarter of 2016 but the outlook for the Eurasia region remains uncertain.

In Asia, order bookings rose somewhat to 3,808 (2,671) trucks during the first quarter. The upturn was primarily related to China, India and Iran. Order bookings also rose compared to the fourth quarter of 2016.

In Africa and Oceania, order bookings were higher compared to the first quarter of 2016, mainly related to South Africa. Order bookings amounted to 1,365 (1,101) units, compared to the first quarter of 2016. Order bookings were also higher than the fourth quarter of 2016.

The truck market

Order bookings
Scania's order bookings increased during the first quarter of 2017 and totalled 25,298 (19,363) trucks. Order bookings in Europe increased by 20 percent to 16,512 (13,708) units, compared to the first quarter of 2016. Demand increased in several major European markets such as Germany, Belgium, Netherlands and Great Britain. Total order bookings in Europe also rose compared to the previous quarter.

Order bookings in Latin America rose during the first quarter of 2017. Compared to the first quarter of 2016, order bookings rose by 71 percent to 2,152 (1,260) trucks, mainly related to increased demand from low levels in Brazil and Argentina. Compared to the previous quarter, demand in Latin America fell slightly.

In Eurasia, total order bookings rose during the first quarter and amounted to 1,461 (623) trucks, an upturn that was primarily related to Russia. Total order bookings decreased slightly compared to the previous quarter. The political turbulence in the region persists, and for this reason the market situation remains uncertain in Eurasia.

In Asia, order bookings rose somewhat to 3,808 (2,671) trucks during the first quarter. The upturn was primarily related to China, India and Iran. Order bookings also rose compared to the fourth quarter of 2016.

In Africa and Oceania, order bookings were higher compared to the first quarter of 2016, mainly related to South Africa. Order bookings amounted to 1,365 (1,101) units, compared to the first quarter of 2016. Order bookings were also higher than the fourth quarter of 2016.
Deliveries
Scania’s total truck deliveries increased by 12 percent to 19,062 (17,079) units during the first quarter compared to the year-earlier period. In Europe, deliveries fell by 5 percent to 12,151 (12,799) units compared to the first quarter of 2016. In Eurasia, deliveries rose to 868 (383) trucks. In Latin America, deliveries rose by 46 percent to 1,854 (1,272) units compared to the first quarter of 2016. In Asia, deliveries rose compared to the first quarter of 2016 to 3,142 (1,769) trucks. Deliveries in Africa and Oceania rose by 22 percent to 1,047 (856) trucks.

Sales
Net sales of trucks rose by 18 percent to SEK 17,974 m. (15,186) during the first quarter of 2017.

The total European market for heavy trucks
The total market for heavy trucks in 28 of the European Union member countries (all EU countries except Bulgaria and Malta) plus Norway and Switzerland increased by ca 3 percent to about 76,700 (74,400) units during the first quarter of 2017. Scania truck registrations amounted to some 12,900 units, equivalent to a market share of about 16.8 (17.4) percent.

<table>
<thead>
<tr>
<th>Scania trucks</th>
<th>Order bookings</th>
<th>Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 months 2017</td>
<td>3 months 2016</td>
</tr>
<tr>
<td>Europe</td>
<td>16,512</td>
<td>13,708</td>
</tr>
<tr>
<td>Eurasia</td>
<td>1,461</td>
<td>623</td>
</tr>
<tr>
<td>America*</td>
<td>2,152</td>
<td>1,260</td>
</tr>
<tr>
<td>Asia</td>
<td>3,808</td>
<td>2,671</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>1,365</td>
<td>1,101</td>
</tr>
<tr>
<td>Total</td>
<td>25,298</td>
<td>19,363</td>
</tr>
</tbody>
</table>

*Refers to Latin America

The bus and coach market

Order bookings
Order bookings for buses and coaches during the first quarter of 2017 rose compared to the previous year to 2,637 (2,246) units.

Scania’s market share in buses and coaches in Europe amounted to 7.5 percent for the period compared to 6.5 percent during the year-earlier period.

In Europe, order bookings fell and totalled 573 (639) units in the first quarter. Order bookings fell mainly in Denmark, Italy and Sweden.

In Latin America, order bookings fell by 12 percent to 864 (984) units compared to the first quarter of 2016. In Asia, order bookings rose to 967 (392) buses and coaches compared to the first quarter of 2016, mainly related to Iran. Order bookings in Eurasia fell compared to the year-earlier period. Order bookings in Africa and Oceania rose to 209 (201) buses and coaches.

Deliveries
Scania’s bus and coach deliveries totalled 1,594 (1,361) units during the first quarter. In Europe, deliveries increased by 15 percent to 460 (400) units compared to the first quarter of 2016. In Latin America, deliveries were up by 16 percent to 415 (357). In Asia, deliveries rose by 42 percent to 550 (388), while deliveries of buses and coaches in Africa and Oceania fell during the first quarter to 155 (203) units. Deliveries to Eurasia increased marginally.

Net sales
Net sales of buses and coaches rose by 20 percent to SEK 2,016 m. (1,679) during the first quarter.

<table>
<thead>
<tr>
<th>Scania buses and coaches</th>
<th>Order bookings</th>
<th>Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 months 2017</td>
<td>3 months 2016</td>
</tr>
<tr>
<td>Europe</td>
<td>673</td>
<td>639</td>
</tr>
<tr>
<td>Eurasia</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>America*</td>
<td>864</td>
<td>984</td>
</tr>
<tr>
<td>Asia</td>
<td>967</td>
<td>392</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>209</td>
<td>201</td>
</tr>
<tr>
<td>Total</td>
<td>2,637</td>
<td>2,246</td>
</tr>
</tbody>
</table>

*Refers to Latin America
Engines

Order bookings
Total engine order bookings rose by 12 percent to 2,175 (1,945) units during the first quarter of 2017 compared to 2016. The upturn was primarily related to South Korea. Compared to the previous quarter, total order bookings rose slightly.

Deliveries
Engine deliveries rose by 5 percent to 1,877 (1,790) units during the first quarter of 2017.

Net sales
During the first quarter, sales rose by 17 percent to SEK 418 m. (356).

Services
Service revenue amounted to SEK 5,849 m. (5,152) during the first quarter of 2017, an increase of 14 percent. Higher volume and currency rate effects had a positive impact. In local currencies, revenue increased by 9 percent.

In Europe, service revenue rose by 9 percent to SEK 4,015 m. (3,683) compared to the first quarter of 2016. In Latin America, revenue increased by 23 percent to SEK 739 m. (603) and revenue in Eurasia rose to SEK 159 m. (114) compared to the first quarter of 2016. Revenue in Asia was 28 percent higher than the previous year at SEK 556 m. (439). In Africa and Oceania, service revenue rose by 22 percent to SEK 380 m. (313).

Earnings

Vehicles and Services
First quarter
Operating income in Vehicles and Services totalled SEK 2,831 m. (2,022) during the first quarter of 2017. Compared to the first quarter of 2016, the total currency rate effect was positive and amounted to about SEK 696 m. Higher vehicle and service volumes had a positive impact on earnings but were partly offset by the high investment level related to Scania’s new truck generation.

Scania’s research and development expenditures amounted to SEK 1,905 m. (1,753). After adjusting for SEK 408 m. (438) in capitalised expenditures and SEK 90 m. (99) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,587 m. (1,414).

Financial Services
Customer finance portfolio
At the end of the first quarter of 2017, the size of Scania’s customer finance portfolio amounted to SEK 69.4 billion, which was SEK 1.4 billion higher than the end of 2016. In local currencies, the portfolio increased by SEK 1.1 billion, equivalent to 2 percent.

Penetration rate
The penetration rate was 42 (39) percent during the first quarter in those markets where Scania has its own financing operations.

Operating income
Operating income in Financial Services decreased to SEK 250 m. (253) during the first quarter of 2017, compared to the same period in 2016. A larger portfolio and currency effects had a positive impact on earnings while lower margins and increased operating cost including bad debt had a negative impact.

Scania Group
During the first quarter of 2017, Scania’s operating income amounted to SEK 3,081 m. (2,275). Operating margin amounted to 10.8 (9.9) percent. Scania’s net financial items amounted to SEK -82 m. (-109).

The Scania Group’s tax expense amounted to SEK 788 m. (620), equivalent to 26.3 (28.6) percent of income before taxes. Net income for the period totalled SEK 2,211 m. (1,546), equivalent to a net margin of 7.8 (6.7) percent.
Cash flow

Vehicles and Services
Scania’s cash flow in Vehicles and Services amounted to SEK 2,351 m. (133) during the first quarter of 2017. Working capital decreased by SEK 545 m., mainly due to increased trade payables, which was offset somewhat by higher inventory levels.

Net investments amounted to SEK 1,374 m. (1,748), including SEK 408 m. (438) in capitalisation of development expenses. Net investment is expected to increase during the rest of the year. At the end of the first quarter of 2017, the net cash position in Vehicles and Services amounted to SEK 13,289 m. compared to a net cash position of SEK 10,954 m. at the end of 2016.

Scania Group
Scania’s cash flow in Financial Services amounted to SEK -420 m. (-1,592) during the first quarter of 2017 due to increased customer finance portfolio. Due to the positive cash flow in Vehicles and Services, the Group’s net debt decreased by about SEK 1.6 billion compared to the end of 2016.

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 0 m. (0) during the first quarter of 2017.

Miscellaneous

Number of employees
At the end of first quarter of 2017, the number of employees totalled 46,651 compared to 45,031 on the same date in 2016.

Material risks and uncertainties
The section entitled “Risks and risk management” in Scania’s Annual and Sustainability Report for 2016 describes Scania’s strategic, operational, legal and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. Note 27 of the same report describes 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 15 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 Interim 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 1 January 2017 have not had any significant impact on Scania’s financial statements. As from January 2017 some reclassifications have been made regarding presentation in the income statement. In Vehicles and service the presentation of Share of income in associated companies and joint ventures has been reclassified from presentation in operating income to presentation in financial items. In Financial services the result from sale of vehicles returned from customer and insurance commission previously presented as other income and expenses have been reclassified and presented in interest and lease income and separate as insurance commission respectively. The reclassifications has been done retrospectively and the comparative figures have been restated. The reclassifications only have minor effects on key financial ratios. Other than this accounting principles and calculation methods are unchanged from those applied in the Annual Report and Sustainability Report for 2016.
The Interim 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.

Contact persons
Susanna Berlin
Investor Relations
Tel. +46 8 553 861 12
Mobile tel. +46 70 086 05 02

Erik Ljungberg
Corporate Relations
Tel. +46 8 553 835 57
Mobile tel. +46 73 988 35 57
## Consolidated income statements, condensed

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>2017</th>
<th>2016</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vehicles and Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>2,979</td>
<td>28,411</td>
<td>23,056</td>
<td>23</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-2,215</td>
<td>-21,126</td>
<td>-17,064</td>
<td>24</td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>764</td>
<td>7,285</td>
<td>5,992</td>
<td>22</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-166</td>
<td>-1,587</td>
<td>-1,414</td>
<td>12</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>-253</td>
<td>-2,409</td>
<td>-2,230</td>
<td>8</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-48</td>
<td>-458</td>
<td>-326</td>
<td>40</td>
</tr>
<tr>
<td><strong>Operating income, Vehicles and Services</strong></td>
<td>297</td>
<td>2,831</td>
<td>2,022</td>
<td>40</td>
</tr>
<tr>
<td><strong>Financial Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and lease income</td>
<td>175</td>
<td>1,673</td>
<td>1,393</td>
<td>20</td>
</tr>
<tr>
<td>Insurance commission</td>
<td>5</td>
<td>46</td>
<td>37</td>
<td>24</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>180</td>
<td>1,719</td>
<td>1,430</td>
<td>20</td>
</tr>
<tr>
<td>Interest and depreciation expenses</td>
<td>-117</td>
<td>-1,120</td>
<td>-914</td>
<td>23</td>
</tr>
<tr>
<td>Interest surplus and insurance income</td>
<td>63</td>
<td>599</td>
<td>516</td>
<td>16</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>-3</td>
<td>-32</td>
<td>-20</td>
<td>60</td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td>60</td>
<td>567</td>
<td>496</td>
<td>14</td>
</tr>
<tr>
<td>Selling and administrative expenses</td>
<td>-25</td>
<td>-242</td>
<td>-214</td>
<td>13</td>
</tr>
<tr>
<td>Bad debt expenses, realised and anticipated</td>
<td>-8</td>
<td>75</td>
<td>-29</td>
<td>159</td>
</tr>
<tr>
<td><strong>Operating income, Financial Services</strong></td>
<td>27</td>
<td>250</td>
<td>253</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>324</td>
<td>3,081</td>
<td>2,275</td>
<td>35</td>
</tr>
<tr>
<td>Interest income and expenses</td>
<td>-10</td>
<td>-96</td>
<td>-121</td>
<td>-21</td>
</tr>
<tr>
<td>Other financial income and expenses</td>
<td>1</td>
<td>5</td>
<td>-8</td>
<td>-163</td>
</tr>
<tr>
<td>Share of income from associated companies and joint ventures</td>
<td>1</td>
<td>9</td>
<td>20</td>
<td>-55</td>
</tr>
<tr>
<td><strong>Total financial items</strong></td>
<td>-8</td>
<td>-82</td>
<td>-109</td>
<td>-25</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>316</td>
<td>2,999</td>
<td>2,166</td>
<td>38</td>
</tr>
<tr>
<td>Taxes</td>
<td>-83</td>
<td>-788</td>
<td>-620</td>
<td>27</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>233</td>
<td>2,211</td>
<td>1,546</td>
<td>43</td>
</tr>
</tbody>
</table>

### Other comprehensive income

**Items that may be reclassified subsequently to profit or loss**

| Translation differences | 30 | 285 | 144 |
| Income tax relating to items that may be reclassified | 1 | 10 | 14 |
| **Total**               | 31 | 295 | 158 |

**Items that will not be reclassified to profit or loss**

| Re-measurement defined benefit plans | 0 | 1 | -348 |
| Income tax relating to items that will not be reclassified | 0 | 0 | 77 |
| **Total**               | 0 | 1 | -271 |

**Other comprehensive income for the period**

| 31 | 296 | -113 |

**Total comprehensive income for the period**

| 264 | 2,507 | 1,433 |

**Net income attributable to:**

| Scania shareholders | 233 | 2,212 | 1,552 |
| Non-controlling interest | 0 | -1 | -6 |

**Total comprehensive income attributable to:**

| Scania shareholders | 264 | 2,508 | 1,440 |
| Non-controlling interest | 0 | -1 | -7 |

**Operating income includes depreciation of**

| 102 | -973 | -807 |

**Operating margin, percent**

| 10.8 | 9.9 |

---

1) The discount rate in calculating the Swedish pension liability has changed to 3.0 percent per 31 March.

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.5359 = EUR 1.00.
### Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated

<table>
<thead>
<tr>
<th></th>
<th>EUR m.</th>
<th>2017</th>
<th>2016</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trucks</td>
<td></td>
<td>1,885</td>
<td>17,974</td>
<td>15,186</td>
</tr>
<tr>
<td>Buses*</td>
<td></td>
<td>211</td>
<td>2,016</td>
<td>1,679</td>
</tr>
<tr>
<td>Engines</td>
<td></td>
<td>44</td>
<td>418</td>
<td>356</td>
</tr>
<tr>
<td>Service-related products</td>
<td></td>
<td>613</td>
<td>5,849</td>
<td>5,152</td>
</tr>
<tr>
<td>Used vehicles</td>
<td></td>
<td>176</td>
<td>1,675</td>
<td>1,521</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>102</td>
<td>977</td>
<td>510</td>
</tr>
<tr>
<td>Delivery sales value</td>
<td></td>
<td>3,031</td>
<td>28,909</td>
<td>24,404</td>
</tr>
<tr>
<td>Revenue deferrals(^1)</td>
<td>-52</td>
<td>-498</td>
<td>-1,348</td>
<td>-63</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td>2,979</td>
<td>28,411</td>
<td>23,056</td>
</tr>
</tbody>
</table>

\(^1\) Refers to the difference between sales value based on deliveries and revenue recognised as income

<table>
<thead>
<tr>
<th></th>
<th>EUR m.</th>
<th>2017</th>
<th>2016</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td>1,945</td>
<td>18,543</td>
<td>16,540</td>
</tr>
<tr>
<td>Eurasia</td>
<td></td>
<td>106</td>
<td>1,010</td>
<td>942</td>
</tr>
<tr>
<td>America**</td>
<td></td>
<td>289</td>
<td>2,760</td>
<td>2,549</td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td>430</td>
<td>4,105</td>
<td>2,598</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td></td>
<td>209</td>
<td>1,993</td>
<td>1,541</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td>2,979</td>
<td>28,411</td>
<td>23,056</td>
</tr>
</tbody>
</table>

\(^2\) Revenues from external customers by location of customers

\(^*\) Including body-built buses and coaches

**Refers mainly to Latin America

### Total delivery volume, units

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td></td>
<td>19,062</td>
<td>17,079</td>
<td>12</td>
</tr>
<tr>
<td>Buses*</td>
<td></td>
<td>1,594</td>
<td>1,361</td>
<td>17</td>
</tr>
<tr>
<td>Engines</td>
<td></td>
<td>1,877</td>
<td>1,790</td>
<td>5</td>
</tr>
</tbody>
</table>

\(^1\) Refers to the difference between sales value based on deliveries and revenue recognised as income

\(^2\) Revenues from external customers by location of customers

\(^*\) Including body-built buses and coaches

**Refers mainly to Latin America
## Consolidated balance sheets, condensed

<table>
<thead>
<tr>
<th></th>
<th>2017 EUR m.</th>
<th>31 Mar</th>
<th>2016 EUR m.</th>
<th>31 Dec</th>
<th>31 Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>922</td>
<td>8,796</td>
<td>8,438</td>
<td>7,240</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>3,048</td>
<td>29,067</td>
<td>29,078</td>
<td>25,944</td>
<td></td>
</tr>
<tr>
<td>Lease assets</td>
<td>2,687</td>
<td>25,619</td>
<td>25,532</td>
<td>21,250</td>
<td></td>
</tr>
<tr>
<td>Shares and participations</td>
<td>59</td>
<td>565</td>
<td>605</td>
<td>525</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing receivables</td>
<td>3,346</td>
<td>31,911</td>
<td>30,985</td>
<td>27,209</td>
<td></td>
</tr>
<tr>
<td>Other receivables 1), 2)</td>
<td>627</td>
<td>5,975</td>
<td>5,643</td>
<td>4,913</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>2,210</td>
<td>21,075</td>
<td>19,119</td>
<td>18,863</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing receivables</td>
<td>2,203</td>
<td>21,005</td>
<td>20,481</td>
<td>17,588</td>
<td></td>
</tr>
<tr>
<td>Other receivables 3)</td>
<td>1,489</td>
<td>14,196</td>
<td>14,356</td>
<td>11,546</td>
<td></td>
</tr>
<tr>
<td>Current investments</td>
<td>123</td>
<td>1,171</td>
<td>1,122</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,151</td>
<td>10,979</td>
<td>7,634</td>
<td>8,829</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>17,865</td>
<td>170,359</td>
<td>162,993</td>
<td>144,122</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scania shareholders</td>
<td>4,698</td>
<td>44,800</td>
<td>42,292</td>
<td>39,230</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>3</td>
<td>24</td>
<td>20</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>4,701</td>
<td>44,824</td>
<td>42,312</td>
<td>39,270</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>3,642</td>
<td>34,734</td>
<td>27,298</td>
<td>28,541</td>
<td></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>913</td>
<td>8,705</td>
<td>8,627</td>
<td>7,780</td>
<td></td>
</tr>
<tr>
<td>Other provisions 6)</td>
<td>682</td>
<td>6,500</td>
<td>6,439</td>
<td>3,002</td>
<td></td>
</tr>
<tr>
<td>Other liabilities 1), 4)</td>
<td>1,556</td>
<td>14,842</td>
<td>14,694</td>
<td>12,051</td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>2,617</td>
<td>24,959</td>
<td>30,713</td>
<td>24,689</td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>367</td>
<td>3,501</td>
<td>3,221</td>
<td>2,483</td>
<td></td>
</tr>
<tr>
<td>Other liabilities 3)</td>
<td>3,387</td>
<td>32,294</td>
<td>29,689</td>
<td>26,306</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>17,865</td>
<td>170,359</td>
<td>162,993</td>
<td>144,122</td>
<td></td>
</tr>
</tbody>
</table>

1) Including deferred tax
2) Including derivatives with positive value for hedging of borrowings
3) Including derivatives with positive value for hedging of borrowings
4) Including derivatives with negative value for hedging of borrowings
5) Including derivatives with negative value for hedging of borrowings
6) Including provision related to the European Commission’s competition investigation

| Equity/assets ratio, percent | 26.3 | 26.0 | 27.2 |
Statement of changes in equity, condensed

<table>
<thead>
<tr>
<th>Amounts in SEK m. unless otherwise stated</th>
<th>EUR m.</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity, 1 January</td>
<td>4,436</td>
<td>42,312</td>
<td>37,837</td>
</tr>
<tr>
<td>Net income for the period</td>
<td>233</td>
<td>2,211</td>
<td>1,546</td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>31</td>
<td>296</td>
<td>-113</td>
</tr>
<tr>
<td>Change in non-controlling interest</td>
<td>1</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total equity at the end of the period</strong></td>
<td>4,701</td>
<td>44,824</td>
<td>39,270</td>
</tr>
</tbody>
</table>

Attributable to:
- Scania AB shareholders
  - 4,698
  - 44,800
  - 39,230
- Non-controlling interest
  - 3
  - 24
  - 40

Information about Revenue from external customers

<table>
<thead>
<tr>
<th>Amounts in SEK m. unless otherwise stated</th>
<th>EUR m.</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from external customers, Vehicles and Services</td>
<td>2,979</td>
<td>28,411</td>
<td>23,056</td>
</tr>
<tr>
<td>Revenue from external customers, Financial Services</td>
<td>180</td>
<td>1,719</td>
<td>1,430</td>
</tr>
<tr>
<td>Elimination refers to lease income on operating leases</td>
<td>-87</td>
<td>-832</td>
<td>-700</td>
</tr>
<tr>
<td><strong>Revenue from external customers, Scania Group</strong></td>
<td>3,072</td>
<td>29,298</td>
<td>23,786</td>
</tr>
<tr>
<td>Operating income, Vehicles and Services</td>
<td>297</td>
<td>2,831</td>
<td>2,022</td>
</tr>
<tr>
<td>Operating income, Financial Services</td>
<td>27</td>
<td>250</td>
<td>253</td>
</tr>
<tr>
<td><strong>Operating income, Scania Group</strong></td>
<td>324</td>
<td>3,081</td>
<td>2,275</td>
</tr>
</tbody>
</table>
# Cash flow statement, condensed

<table>
<thead>
<tr>
<th></th>
<th>EUR m.</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before tax</td>
<td>316</td>
<td>2,999</td>
<td>2,166</td>
</tr>
<tr>
<td>Items not affecting cash flow</td>
<td>120</td>
<td>1,149</td>
<td>1,114</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-77</td>
<td>-730</td>
<td>-514</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>359</td>
<td>3,418</td>
<td>2,766</td>
</tr>
<tr>
<td>of which: Vehicles and Services</td>
<td>334</td>
<td>3,180</td>
<td>2,542</td>
</tr>
<tr>
<td>Financial Services</td>
<td>25</td>
<td>238</td>
<td>224</td>
</tr>
<tr>
<td>Change in working capital etc., Vehicles and Services</td>
<td>57</td>
<td>545</td>
<td>-661</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>416</td>
<td>3,963</td>
<td>2,105</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investments, Vehicles and Services</td>
<td>-144</td>
<td>-1,374</td>
<td>-1,748</td>
</tr>
<tr>
<td>Net investments in credit portfolio etc., Financial Services</td>
<td>-69</td>
<td>-658</td>
<td>-1,816</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>-213</td>
<td>-2,032</td>
<td>-3,564</td>
</tr>
<tr>
<td>Cash flow from Vehicles and Services</td>
<td>247</td>
<td>2,351</td>
<td>133</td>
</tr>
<tr>
<td>Cash flow from Financial Services</td>
<td>-44</td>
<td>-420</td>
<td>-1,592</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in debt from financing activities</td>
<td>141</td>
<td>1,348</td>
<td>-2,012</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>141</td>
<td>1,348</td>
<td>-2,012</td>
</tr>
<tr>
<td>Cash flow for the year</td>
<td>344</td>
<td>3,279</td>
<td>-3,471</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>801</td>
<td>7,634</td>
<td>12,295</td>
</tr>
<tr>
<td>Exchange rate differences in cash and cash equivalents</td>
<td>7</td>
<td>66</td>
<td>5</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>1,152</td>
<td>10,979</td>
<td>8,829</td>
</tr>
</tbody>
</table>

Amounts in SEK m. unless otherwise stated.
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 899 m. (1,678). 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 320 m. (618), Other current receivables SEK 300 m. (414), Other non-current liabilities SEK 770 m. (423) and Other current liabilities SEK 465 m. (382).

For financial assets that are carried at amortised cost, book value amounts to SEK 72,765 (59,190) and fair value to SEK 72,540 (59,328). For financial liabilities that are carried at amortised cost, book value amounts to SEK 73,210 (65,192) and air value to SEK 73,187 (64,891). Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at amortised 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 2016.
### Quarterly data, units by geographic area

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q3</td>
</tr>
<tr>
<td><strong>Order bookings, trucks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>16,512</td>
<td>51,569</td>
</tr>
<tr>
<td>Eurasia</td>
<td>1,461</td>
<td>4,016</td>
</tr>
<tr>
<td>America **</td>
<td>2,152</td>
<td>7,232</td>
</tr>
<tr>
<td>Asia</td>
<td>3,808</td>
<td>9,834</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>1,365</td>
<td>4,992</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,298</td>
<td>77,643</td>
</tr>
<tr>
<td><strong>Trucks delivered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>12,151</td>
<td>49,102</td>
</tr>
<tr>
<td>Eurasia</td>
<td>868</td>
<td>3,233</td>
</tr>
<tr>
<td>America **</td>
<td>1,854</td>
<td>7,022</td>
</tr>
<tr>
<td>Asia</td>
<td>3,142</td>
<td>9,287</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>1,047</td>
<td>4,449</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,062</td>
<td>73,093</td>
</tr>
<tr>
<td><strong>Order bookings, buses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>573</td>
<td>2,185</td>
</tr>
<tr>
<td>Eurasia</td>
<td>24</td>
<td>57</td>
</tr>
<tr>
<td>America **</td>
<td>864</td>
<td>2,559</td>
</tr>
<tr>
<td>Asia</td>
<td>967</td>
<td>2,226</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>209</td>
<td>857</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,637</td>
<td>7,884</td>
</tr>
<tr>
<td><strong>Buses delivered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>460</td>
<td>2,094</td>
</tr>
<tr>
<td>Eurasia</td>
<td>14</td>
<td>62</td>
</tr>
<tr>
<td>America **</td>
<td>415</td>
<td>2,350</td>
</tr>
<tr>
<td>Asia</td>
<td>550</td>
<td>2,568</td>
</tr>
<tr>
<td>Africa and Oceania</td>
<td>155</td>
<td>1,179</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,594</td>
<td>8,253</td>
</tr>
</tbody>
</table>

* Including body-built buses and coaches.
** Refers to Latin America
Parent Company Scania AB, financial statements

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net income for the period</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Balance sheet**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares in subsidiaries</td>
<td>885</td>
<td>8,435</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from subsidiaries</td>
<td>164</td>
<td>1,567</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,049</td>
<td>10,002</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>1,049</td>
<td>10,002</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>1,049</td>
<td>10,002</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1,049</td>
<td>10,002</td>
</tr>
</tbody>
</table>

**Statement of changes in equity**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity, 1 January</td>
<td>1,049</td>
<td>10,002</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>1,049</td>
<td>10,002</td>
</tr>
</tbody>
</table>
Key financial ratios and figures

In the Interim report, Scania presents certain performance measures that are used to explain relevant trends and performance of the group, of which not all are defined under IFRS. As these performance measures are not uniformly defined by all companies, these are not always comparable with the measures used by other companies. These performance measures should therefore not be viewed as substitutes for IFRS-defined measures. The following are the performance measures used by Scania that are not defined under IFRS, unless otherwise stated.

DEFINITIONS

Operating margin
Operating income as a percentage of net sales.

Net margin
Net income as a percentage of net sales.

Net debt, net cash excluding provision for pensions
Current and non-current borrowings (excluding pension liabilities) less cash and cash equivalents and net fair value of derivatives for hedging borrowings.

Capital employed 1)
Total assets less operating liabilities.

Return on capital employed 1) 2)
Operating income plus financial income as a percentage of capital employed.

1) Calculations are based on average capital employed and operating capital for the thirteen most recent months.
2) Operating income is calculated on rolling 12 months.
## RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

### Scania Group

<table>
<thead>
<tr>
<th>Net debt, excluding provision for pensions</th>
<th>Q1</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>EUR m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current investments</td>
<td>123</td>
<td>1,171</td>
<td>215</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,151</td>
<td>10,979</td>
<td>8,829</td>
</tr>
<tr>
<td>Derivatives, non-current</td>
<td>34</td>
<td>320</td>
<td>618</td>
</tr>
<tr>
<td>Derivatives, current</td>
<td>31</td>
<td>297</td>
<td>345</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,339</td>
<td>12,767</td>
<td>10,007</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities, non current</td>
<td>3,642</td>
<td>34,734</td>
<td>28,541</td>
</tr>
<tr>
<td>Interest-bearing liabilities, current</td>
<td>2,617</td>
<td>24,959</td>
<td>24,689</td>
</tr>
<tr>
<td>Derivatives, non current</td>
<td>81</td>
<td>770</td>
<td>423</td>
</tr>
<tr>
<td>Derivatives, current</td>
<td>49</td>
<td>465</td>
<td>382</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>6,389</td>
<td>60,928</td>
<td>54,035</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>5,050</td>
<td>48,161</td>
<td>44,028</td>
</tr>
</tbody>
</table>

### Vehicles and Services

<table>
<thead>
<tr>
<th>Net debt, excluding provision for pensions</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>EUR m.</td>
<td>31 Mar</td>
</tr>
<tr>
<td>Current investments</td>
<td>449</td>
<td>4,280</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,010</td>
<td>9,627</td>
</tr>
<tr>
<td>Derivatives, non-current</td>
<td>34</td>
<td>320</td>
</tr>
<tr>
<td>Derivatives, current</td>
<td>31</td>
<td>297</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,524</td>
<td>14,524</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities, non-current and current</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Derivatives, non-current</td>
<td>81</td>
<td>770</td>
</tr>
<tr>
<td>Derivatives, current</td>
<td>49</td>
<td>465</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>130</td>
<td>1,235</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>-1,394</td>
<td>-13,289</td>
</tr>
</tbody>
</table>

### Capital Employed

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>EUR m.</td>
</tr>
<tr>
<td><strong>Operating liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Other provisions, non-current and current 1)</td>
<td>581</td>
</tr>
<tr>
<td>Other liabilities, non-current and current</td>
<td>4,479</td>
</tr>
<tr>
<td>Net derivatives</td>
<td>-44</td>
</tr>
<tr>
<td><strong>Capital Employed</strong></td>
<td>5,035</td>
</tr>
</tbody>
</table>

### Return on Capital Employed

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating income 1)</strong>*</td>
<td>EUR m.</td>
</tr>
<tr>
<td>Financial income</td>
<td>111</td>
</tr>
<tr>
<td>Capital employed 1)***</td>
<td>5,034</td>
</tr>
<tr>
<td><strong>Return on Capital Employed</strong></td>
<td>22.9%</td>
</tr>
</tbody>
</table>

1) Excluding provision of SEK 3,800 m. booked in June 2016, related to the European commission’s competition investigation.