

**VOLKSWAGEN**

AKTIENGESELLSCHAFT

# Offer to the shareholders of Scania AB

**Goldman  
Sachs**

 **ROTHSCHILD**

**SEB**

## IMPORTANT INFORMATION

### General

Volkswagen Aktiengesellschaft, registered in the commercial register of the local court in Braunschweig under registration number HRB 100484 ("Volkswagen"), has made a public offer for all shares in Scania Aktiebolag (Swedish corporate registration number 556184-8564) ("Scania" or the "Company") in accordance with the conditions set out in this offer document (the "Offer").

The Offer, as well as the agreements entered into between Volkswagen and the shareholders of Scania as a result of the Offer, shall be governed and construed in accordance with Swedish law. Any dispute regarding the Offer or such agreements, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

NASDAQ OMX Stockholm's Rules Regarding Takeover Offers (the "Takeover Rules") and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*), are applicable to the Offer. Volkswagen has, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 14 February 2014 contractually undertaken towards NASDAQ OMX Stockholm to fully comply with said rules and statements and to submit to any sanctions that can be imposed by NASDAQ OMX Stockholm in event of breach of the Takeover Rules.

Volkswagen has on 21 February 2014 informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "SFSA") about the Offer and the above mentioned undertaking towards NASDAQ OMX Stockholm.

A Swedish language version of this offer document has been approved and registered by the SFSA in accordance with the regulations in Chapter 2 of the Swedish Act on Public Takeovers on the Stock Market and Chapter 2 a of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*). The registration with the SFSA does not imply that the SFSA guarantees that the factual information provided in the offer document is correct or complete.

The information in this offer document is intended to be accurate, although not complete, only as of the day of the offer document. It is not implied that the information has been or will be accurate at any other time. The information in the offer document is provided solely with respect to the Offer and is not permitted to be used for any other purpose.

The information regarding Scania on pages 8–44 in the offer document has been reviewed by the Independent Committee appointed by the board of directors of Scania. Volkswagen does not guarantee that the information included herein with respect to Scania is accurate or complete and does not take any responsibility for such information being accurate or complete. Except as stated in the section "Statement from the auditor of Scania" on page 46, or otherwise expressly stated, no information in the offer document has been reviewed or audited by Scania's auditor.

Rothschild GmbH ("Rothschild") and Goldman Sachs AG ("Goldman Sachs") are financial advisors, and SEB Corporate Finance, Skandinaviska Enskilda Banken AB ("SEB") is Swedish advisor, to Volkswagen, and not to anyone else, in connection with the Offer. None of Rothschild, Goldman Sachs or SEB is responsible to anyone other than Volkswagen for advice in connection with the Offer. The information in the offer document has been provided by Volkswagen and, as regards such parts that relate to the Company, derives from Scania's publicly available information. None of Rothschild, Goldman Sachs or SEB has undertaken any obligation to verify the information contained herein and disclaims any liability with respect to such information.

The figures reported in the offer document have been rounded as appropriate. This implies that some tables may not sum up correctly. All information in the offer document regarding shareholdings in Scania is based on 800,000,000 outstanding shares in Scania.

### Forward-looking statements

Statements in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Volkswagen.

Any forward-looking statements made herein speak only as of the date on which they are announced. Except as required by the Takeover Rules or applicable law or regulations, Volkswagen expressly disclaims any obligation or undertaking to publicly announce updates or revisions to any forward-looking statements contained in the offer document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Volkswagen or Scania has made or may make.

## OFFER RESTRICTIONS

The offer document is not an offer, whether directly or indirectly, in Canada, New Zealand or South Africa or in any other jurisdiction where such offer would be prohibited by applicable law or regulation (the "Restricted Territories"). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section "Offer restrictions" on pages 49–51. Shareholders in the United States should also refer to the section "Offer restrictions – United States" on pages 50–51.

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## The Offer in brief

Consideration:	SEK 200 in cash for each Scania share irrespective of share class <sup>1)</sup>
Acceptance period:	17 March – 25 April 2014
Estimated settlement date:	5 May 2014

1) The consideration under the Offer will be adjusted accordingly should Scania, prior to the settlement of the Offer, distribute a dividend or in any other way distribute or transfer values to its shareholders.

# The Offer to the shareholders of Scania

## Introduction

On 21 February 2014, Volkswagen Aktiengesellschaft (“Volkswagen”) announced a public offer to the shareholders in Scania Aktiebolag (“Scania” or the “Company”) to tender all shares in Scania to Volkswagen (the “Offer”). The shares in Scania are listed on NASDAQ OMX Stockholm, Large Cap.

## Consideration

Volkswagen offers SEK 200 in cash per Scania share, regardless of share class. The consideration under the Offer will be adjusted accordingly should Scania, prior to the settlement of the Offer, distribute a dividend or in any other way distribute or transfer values to its shareholders.

## Premiums

The price of the Offer represents a premium of:<sup>1)</sup>

- 57.0 percent for the Scania A shares and 53.3 percent for the Scania B shares compared to the volume-weighted average trading prices over the 90 calendar days ending on 21 February 2014 of SEK 127.39 for the A shares and SEK 130.43 for the B shares;
- 48.6 percent for the Scania A shares and 48.5 percent for the Scania B shares compared to the volume-weighted average trading prices over the 30 calendar days ending on 21 February 2014 of SEK 134.60 for the A shares and SEK 134.65 for the B shares; and
- 38.4 percent for the Scania A shares and 35.6 percent for the Scania B shares compared to the closing price on 21 February 2014, the last trading day prior to the announcement, of SEK 144.50 for the A shares and SEK 147.50 for the B shares.

## Total value of the Offer

The total value of the Offer, based on the 298,910,903 shares in Scania not directly or indirectly controlled by Volkswagen, amounts to approximately SEK 59.8 billion. The total value of the Offer, based on all 800,000,000 outstanding shares in Scania, amounts to SEK 160 billion.

## Financing of the Offer

Volkswagen is not dependent on external financing for the Offer. Volkswagen will finance the Offer with available funds. Accordingly, the completion of the Offer is not conditional upon any financing being obtained.

## Acceptance level in the Offer

The completion of the Offer is conditional upon, *inter alia*, the Offer being accepted to such extent that Volkswagen becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Scania. Volkswagen does not reserve the right to waive such condition. Accordingly, Volkswagen will not complete the Offer at a lower level of acceptance. For further information, see section “Terms and conditions – Conditions for completion of the Offer”.

## Statement from the board of directors of Scania in relation to the Offer

Volkswagen has chosen to announce the Offer without prior contacts with the board of directors of Scania. Volkswagen believes this procedure to be the most appropriate way to safeguard an independent assessment and statement by the board of directors of Scania in the best interest of all shareholders of Scania. Pursuant to NASDAQ OMX Stockholm’s rules regarding takeover bids on the stock market (the “Takeover Rules”), the board of directors of Scania must make public its statement in relation to the Offer no later than two weeks prior to the expiry of the acceptance period. As stated below under “Group relationship and certain related parties”, the Scania board members who are also members of the board of management or the supervisory board of Volkswagen will not take part in Scania’s dealing with the Offer.

According to a press release from Scania dated 23 February 2014, the board of directors of Scania intends to announce its statement regarding the Offer, as well as make public an opinion as to the fairness of the offer consideration (fairness opinion) from independent experts, no later than two weeks prior to the expiry of the acceptance period.

## Group relationship and certain related parties

Five members of Scania’s board of directors – Martin Winterkorn (chairman), Francisco Javier Garcia Sanz, Ferdinand K. Piëch, Hans Dieter Pötsch and Leif Östling – are also members of either the board of management or the supervisory board of Volkswagen. In accordance with the Takeover Rules, these board members may not take part in Scania’s dealing with the Offer. Moreover, Volkswagen is the parent company of Scania. These circumstances imply that Section III of the Takeover Rules is applicable to the Offer, entailing that the acceptance period shall be at least four weeks and that Scania is obliged to obtain and announce a valuation or a fairness opinion regarding the Offer from independent experts.

1) Source for Scania share prices: NASDAQ OMX Stockholm.

### Volkswagen's shareholding in Scania

Volkswagen currently holds or otherwise controls in aggregate 501,089,097 shares in Scania, comprising 380,315,018 A shares and 120,774,079 B shares, corresponding to approximately 62.64 percent of the shares and 89.18 percent of the voting rights in Scania. Neither Volkswagen nor any of its related parties has acquired any shares in Scania during the last six months prior to the announcement of the Offer, or during the period thereafter until the date of this offer document, or holds any financial instruments in Scania that provide a financial exposure equivalent to a holding of shares in Scania.

### Approvals from authorities

The completion of the Offer is conditional upon, *inter alia*, all necessary approvals or similar from authorities being obtained. Due to stock market rules, information exchange between Volkswagen and Scania is limited. Accordingly, Volkswagen has not obtained, and will not obtain, all information from Scania required to make a full assessment regarding necessary approvals, if any. However, Volkswagen has currently not identified any outstanding necessary approvals. For further information, see section "Terms and conditions – Conditions for completion of the Offer".

### Applicable law and disputes

The Offer, as well as the agreements entered into between Volkswagen and the shareholders of Scania as a result of the Offer, shall be governed and construed in accordance with substantive Swedish law. Any dispute regarding the Offer, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

The Takeover Rules and the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) rulings regarding interpretation and application of the Takeover Rules, including, where applicable, the Swedish Securities Council's interpretation and application of the formerly applicable Rules on Public Offers for the Acquisition of Shares issued by the Swedish Industry and Commerce Stock Exchange Committee (Sw. *Näringslivets Börskommitté*), are applicable to the Offer. Furthermore, Volkswagen has, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbudanden på aktiemarknaden*), on 14 February 2014 contractually undertaken towards NASDAQ OMX Stockholm to fully comply with said rules and statements and to submit to any sanctions that can be imposed by NASDAQ OMX Stockholm in event of breach of the Takeover Rules. On 21 February 2014, Volkswagen informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) about the Offer and the abovementioned undertakings towards NASDAQ OMX Stockholm.

# Background and reasons for the Offer

Volkswagen has a long-standing and successful relationship with Scania, which dates back to 1948, when Scania became Volkswagen's Swedish agent. In 2000, Volkswagen acquired 18.7 percent of the capital and 34.0 percent of the voting rights in Scania and since then Volkswagen's ownership in Scania has increased continuously. Today, Volkswagen directly and indirectly holds 62.6 percent of the capital and 89.2 percent of the voting rights in Scania.

Volkswagen considers Scania to be a company with an industry-leading team and know-how and has always recognized Scania's strong culture and premium brand. Today, Scania is a valued subsidiary and integral member of the Volkswagen Group.

Commercial Vehicles is a highly attractive and important strategic business area for Volkswagen. The next logical and consistent step in the strategy of the Volkswagen Group is to strengthen the operational integration between Scania, MAN SE and Volkswagen to create a world-class commercial vehicles group. This will enable the members of the Volkswagen Group to fully share know-how and entirely realize synergies to deliver strong economies of scale.

Volkswagen understands that there may be minority shareholders who seek an opportunity to exit Scania prior to further integration efforts. Volkswagen now presents a compelling offer to Scania's shareholders that will result in a sustainable, clear and supportive ownership of Scania.

Volkswagen deeply appreciates the dedication and skills of Scania's management and employees and is strongly committed to support Scania in the future. Volkswagen does not foresee any material changes with regard to Scania's operational sites and its management and employees, including their terms of employment. Scania's headquarters and its development centers will remain where they are today.

Volkswagen has a strong track record of successfully managing premium brands independently. Sweden, with its strong engineering tradition, automotive cluster and know-how, and Scania, being a leading force in truck development, will continue to play a central and strategic role in the integrated commercial vehicles group going forward.

*For further information, please refer to the information in this offer document, which has been prepared by the board of management of Volkswagen in relation to the Offer. The description of Scania on pages 8–44 in the offer document has been reviewed by the board of directors of Scania. In accordance with the statement appearing on page 46, the auditor of Scania has reviewed and commented on the historical financial information in summary which is presented on pages 12–15. The board of management of Volkswagen assures that, to the best of its knowledge, the information in the offer document with regard to Volkswagen corresponds to the actual conditions.*

Wolfsburg, 14 March 2014

**Volkswagen Aktiengesellschaft**  
*The Board of Management*

# Terms and conditions

## Consideration

Volkswagen offers SEK 200 in cash per Scania share, regardless of share class. The consideration under the Offer will be adjusted accordingly should Scania, prior to the settlement of the Offer, distribute a dividend or in any other way distribute or transfer values to its shareholders.

## No commission

No commission will be charged in connection with the Offer.

## Conditions for completion of the Offer

The completion of the Offer is conditional upon:

1. the Offer being accepted to such extent that Volkswagen becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Scania;
2. with respect to the Offer and completion of the acquisition of Scania, all necessary clearances, approvals, decisions and other actions from authorities or similar, including approvals from competition authorities, being obtained, in each case on terms which, in Volkswagen's opinion, are acceptable;
3. neither the Offer nor the acquisition of Scania being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of court or public authority, or any similar circumstance, which is actual or can reasonably be anticipated, and which Volkswagen could not reasonably have foreseen at the time of announcement of the Offer;
4. no circumstances, which Volkswagen did not have knowledge of at the time of announcement of the Offer, having occurred that have or can be expected to have a material adverse effect upon Scania's sales, profit, liquidity, solidity, equity or assets;
5. no information made public by Scania being materially inaccurate, incomplete or misleading, and Scania having made public all information which should have been made public by it; and
6. Scania not taking any measures that are likely to impair the prerequisites for making or implementing the Offer.

Volkswagen reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2 – 6 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Volkswagen's acquisition of Scania or if otherwise approved by the Swedish Securities Council.

Volkswagen reserves the right to waive, in whole or in part, one or several of conditions 2–6 above. Volkswagen does not reserve such right with respect to condition 1 above and will, accordingly, not complete the Offer at a lower level of acceptance than set out in that condition.

## Acceptance

Shareholders in Scania whose shares are directly registered with Euroclear Sweden AB ("Euroclear") who wish to accept the Offer must, during the period from 17 March 2014 up to and including 25 April 2014, at 17.00 CET, sign and submit a duly completed acceptance form to:

SEB Emissioner  
R B6  
SE-106 40 Stockholm

The acceptance form must be submitted or sent by mail, in the enclosed pre-paid envelope, in ample time before the last day of the acceptance period so that it may be received by SEB Emissioner no later than **17.00 CET on 25 April 2014**. The acceptance form may also be delivered to bank offices or to other securities institutions in Sweden to be forwarded to SEB Emissioner.

The securities account and the current number of shares held in Scania are pre-printed on the acceptance form which has been sent out together with the offer document to shareholders in Scania who are directly registered.

Shareholders should verify that the pre-printed information on the acceptance form is correct.

**Note that acceptance forms which are incomplete or incorrectly completed may be disregarded.**

## Nominee-registered holdings

Shareholders in Scania whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, will receive neither the offer document nor a pre-printed acceptance form. Such shareholders are instead requested to contact their nominee in order to obtain a copy of the offer document. Applications must be made in accordance with instructions received by the nominee.

### Pledged shares

If shares in Scania are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed. The pledge on the relevant shares in Scania must be de-registered in the Euroclear system at the time of delivery of the shares to Volkswagen.

### Offer document and acceptance form

The offer document and acceptance form can be obtained from Ontime AB, by calling +46 10 212 22 08 or sending an e-mail to info@ontime.se. The offer document and acceptance form will also be available on the following websites: Volkswagen (www.volkswagenag.com/ir), SEB (www.sebgroup.com/prospectuses) and the SFSA (www.fi.se) (offer document only).

### Right to extend the Offer

The acceptance period for the Offer runs from and including 17 March 2014 to and including 25 April 2014.

Volkswagen reserves the right to extend the acceptance period, as well as to postpone the settlement date. A notice of any such extension or postponement will be announced by Volkswagen by means of a press release in accordance with applicable rules and regulations.

### Right to withdraw acceptance

Shareholders of Scania have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by SEB Emissioner (address on page 5) before Volkswagen has announced that the conditions of the Offer have been fulfilled or, if such announcement has not been made during the acceptance period, not later than 17.00 CET on the last day of the acceptance period. If conditions to the Offer, which Volkswagen has reserved the right to waive, remain during an extension of the Offer, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer. Shareholders of Scania holding nominee-registered shares wishing to withdraw acceptance shall do so in accordance with instructions from the nominee.

### Confirmation and transfer of shares in Scania to blocked securities accounts

After SEB Emissioner has received and registered an acceptance form which has been duly completed, the shares in Scania will be transferred to a new blocked securities account (Sw. *appportkonto*) which has been opened for each shareholder. In connection hereto, Euroclear will send a notification ("VP-notice") showing the number of shares in Scania that have been removed from the original securities account and a VP-notice showing the number of shares in Scania that have been entered in the newly opened blocked securities account.

### Settlement

Settlement will be initiated as soon as Volkswagen announces that the conditions for the Offer have been fulfilled or Volkswagen otherwise decides to complete the Offer. Provided that such announcement takes place on 30 April 2014, at the latest, settlement is expected to be initiated around 5 May 2014. Settlement will be effected by distribution of a transaction note to those who have accepted the Offer. If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

The settlement amount will be paid to the yield account which is connected to the shareholder's securities account. Shareholders in Scania who do not have a yield account connected to their securities account or whose yield account is a bank giro or postal giro account will receive the settlement amount in accordance with the instructions on the transaction note. In connection with the settlement, the shares in Scania will be removed from the blocked securities account which will then be terminated. No notice evidencing the removal from the blocked securities account will be sent.

**Note that, even if the shares in Scania are pledged, payment will be made to the yield account or in accordance with the instructions in the distributed transaction note.**

### Compulsory redemption proceedings and delisting

As soon as possible after Volkswagen has acquired shares representing more than 90 percent of the total number of shares in Scania, Volkswagen intends to commence compulsory redemption proceedings under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) to acquire all remaining shares in Scania. In connection therewith, Volkswagen intends to promote delisting of Scania's shares from NASDAQ OMX Stockholm.



### Other information

SEB also acts as settlement agent in relation to the Offer, which means that it also performs certain administrative services relating to the Offer. This does not mean that a person who accepts the Offer (the "Participant") will be automatically regarded as a customer of SEB. A Participant will be regarded as a customer only if SEB has provided advice to the Participant or has otherwise contacted the Participant personally regarding the Offer, or if the Participant has accepted the Offer via SEB's branches, Internet bank or telephone bank. If the Participant is not regarded as a customer, the rules regarding the protection of investors pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) will not be applicable to the acceptance. This means, *inter alia*, that neither customer categorization nor the appropriateness test will be performed with respect to the Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Offer.

### Questions concerning the Offer

In case of questions concerning the Offer, please contact SEB Emissioner at the following telephone number: +46 8 639 27 50. Information is also available at SEB's website ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)) and at Volkswagen's website ([www.volkswagenag.com/ir](http://www.volkswagenag.com/ir)).

# Information about Scania

*The following is a summary description of Scania. The information given in this description is, unless otherwise stated, based on publicly available information primarily gathered from Scania's website and annual report 2012, and has been reviewed by the Independent Committee appointed by Scania's board of directors (the "Independent Committee") (see the section "Statement from Scania's Independent Committee" on page 45).*

## General

### Business overview

With the aim to be a leader in sustainable transport, Scania creates value for shareholders, customers, employees and society. Scania delivers customised heavy trucks and buses, engines and services, with focus on efficient, low-carbon solutions to enhance customer profitability. Scania is a global company founded in 1891. With a sales and service organisation in more than 100 countries and Financial Services operations in many of those markets, Scania supports customers worldwide. Scania's production units, located in Europe and Latin America, are globally integrated to ensure flexibility.

Scania has approximately 41,000 employees, of which approximately 17,600 work in sales and services and about 12,800 employees work at production units in seven countries and regional product centers in seven emerging markets. Scania's head office is located in Södertälje, Sweden, where approximately 5,400 people work with sales as well as administrative and other tasks. Also in Södertälje are Scania's research and development operations, with about 3,400 employees. Scania's central purchasing department in Södertälje is supplemented by local procurement offices in Latin America, India, the United States, China and Russia.

### Business areas

Within Vehicles and Services, Scania delivers customized heavy trucks and buses, engines and services. Scania also offers customer financing within the business segment Financial Services. Scania is moving from only being a supplier of vehicles and engines to also becoming a full solutions provider, involving close partnership with the customer to identify improvements throughout the entire logistics flow.

### Trucks

Scania develops, manufactures and markets trucks with a gross vehicle weight of more than 16 tons, initiated for long-distance, construction and distribution haulage. Scania's customers are large transport and logistics companies and smaller hauliers.

### Buses and coaches

Scania's bus and coach operations focus on buses with high passenger capacity to be used as tourist coaches and in intercity and urban traffic. The operations focus on close collaboration with selected specialized manufacturers of bus and coach bodies in order to offer customers complete vehicles.

### Engines

Scania's industrial and marine engines are used in a variety of applications and sectors at sea and on land. Their starting point is always Scania's basic engines, which are adapted to customer requirements and needs.

### Services

Scania has an extensive workshop network of some 1,600 workshops that is complemented with 24-hour assistance, field workshops, connectivity and other solutions. Service workshops are strategically located along transport routes and near logistics centres to enable high accessibility. Quick access to parts, speedy repairs, driver training and preventive maintenance are among the services that Scania offers to enhance vehicle performance.

### Financial Services

Scania offers its customers various forms of individually tailored financing solutions for new and used vehicles. Financial Services also include providing of insurances.

### Strategy

Ensuring profitability for the customers is the primary objective of Scania's strategy. By succeeding in this aim, Scania's own competitiveness, profitability and future success is strengthened. By taking a holistic view of Scania's role in the logistics flow, Scania creates greater value for customers, shareholders, the company and society. The strategy is highly dependent on Scania's core values and working methods, particularly the dedication to quality and commitment to continuous improvement. Together, these qualities make Scania resilient and give a strong leadership position in a world increasingly dependent on safe, sustainable and efficient transport systems.

Scania's core values permeate its entire corporate culture and influence its day-to-day work. Customer first, respect for the individual and quality are closely linked and are applied as a unified concept. These core values are the point of departure for all business development.

### Customer first

Through good knowledge of its customers' business operations and conditions, Scania delivers solutions that contribute to customer profitability by means of high earning capacity and low operating costs, while promoting a sustainable environment. The customers' operations are at the centre of the entire value chain: from research and development via procurement and production, to sales, financing and delivery of services.

### Respect for the individual

Respect for the individual means recognizing and utilizing each employee's knowledge, experience and ambition in order to continuously improve and develop working methods. Inspiration and new ideas are born out of day-to-day operations. This helps ensure higher quality, efficiency and job satisfaction.

### Quality

High profitability for the customer throughout the product life cycle depends on delivery of high-quality solutions from Scania. Through good knowledge of customers' needs, Scania can continuously improve the quality of its products and services. Elimination of all forms of waste is the way Scania can ensure that all deliveries meet the expectations of demanding customers. Deviations from targets and standards are used as a valuable source of continuous improvement in Scania's processes.

### Customised solutions

Scania's modular product system in combination with our ability to tailor service packages enables Scania to move into new markets and segments, while maintaining flexibility to adapt to changing customer requirements. Scania's unique modular product range, developed over several decades, is one of the most important success factors for the Company. It is integral to Scania's approach to flexibility and lies at the heart of the business model. The modular product system enables Scania to provide individual specifications for each customer with a limited number of components in its product range. Customers benefit through a tailor made vehicle with high uptime, reduced fuel consumption and optimised load capacity. The modular system, which results in a relatively low number of parts and components, enables Scania to achieve economies of scale in research and development, production and service operations.

## Financial history

Scania was founded jointly by Philip Wersén and Sura-hammarsbruk in 1891 and has since manufactured and delivered more than 1,400,000 trucks and buses for heavy transport work.

- 1900:** Maskinfabriksaktiebolaget Scania (Latin for Skåne, Sweden's southernmost province) was established in Malmö.
- 1911:** The two companies, Vabis and Scania merged.
- 1934:** This was the last year that the company showed a loss.
- 1948:** Scania-Vabis became the general agent in Sweden for Volkswagen.
- 1969:** Scania-Vabis and Saab AB merged to form a new company, Saab-Scania.
- 1991:** Saab-Scania became a wholly owned subsidiary of Investor AB and the company was de-listed.
- 1995:** Saab-Scania was divided into two companies, Saab AB (defense materiel and aerospace) and Scania AB. Both companies were wholly owned subsidiaries of Investor.
- 1996:** Scania gained a stock exchange listing. Initially, Investor offered 50 percent of Scania's Series A shares and 50 percent of its Series B shares to the market. Including an over-allotment option, Investor reduced its holding to 45 percent of A shares and 45 percent of B shares. Investor also issued warrants equivalent to 20 percent of the share capital to the shareholders in Investor entitling them to buy B shares in Scania.
- 1999:** Investor sold B shares equivalent to 20 percent of the share capital through the above-mentioned warrant program. In January 1999, AB Volvo began buying shares in Scania, reaching 21.5 percent of voting power in Scania by late April. In August, Investor reached an agreement with Volvo under which Investor sold its remaining shares in Scania to Volvo. At the same time, Volvo made an offer for the remaining shares outstanding. This agreement was conditional upon the European Union approving a merger between Scania and Volvo.
- 2000:** The EU rejected Volvo's plans to buy Scania. As a consequence of this, Investor sold A shares equivalent to 34 percent of voting power and 18.7 percent of share capital in Scania to Volkswagen. After this, Investor still controlled 15 percent of voting power and 9 percent of share capital in Scania. Meanwhile, Volvo controlled about 30 percent of voting power and 45 percent of share capital in Scania after its unsuccessful bid.

- 2002:** Scania sold its 50 percent holding in the Swedish company Volkswagen Group Sverige AB to Volkswagen.
- 2003:** Scania shares were de-listed from the New York Stock Exchange.
- 2004:** Volvo sold its B shares in Scania to Deutsche Bank, which in turn sold them to the market. Volvo's A shares were transferred to a new company called Ainax AB, which in turn was distributed to the shareholders of Volvo. Scania later presented an offer for all shares in Ainax, which was accepted by 96 percent of Ainax shareholders.
- 2006:** MAN SE presented a hostile bid for Scania. MAN achieved ownership of 13.23 percent of share capital and 17.01 percent of voting power after the bid was rejected by both Volkswagen and Investor.
- 2008:** On 3 March, Volkswagen and Investor reached an agreement under which Volkswagen acquired 134,711,900 A shares from Investor and the Wallenberg foundations. Volkswagen thereby increased its stake in Scania to 68.60 percent of voting power and 37.73 percent of share capital.
- 2009:** Porsche presented a mandatory offer for Scania, since the company had increased its holding in Volkswagen to more than 50 percent and thereby gained indirect control of Scania. Porsche acquired nearly 8 percent of share capital and more than 2 percent of voting power in Scania. These shares were sold to Volkswagen, which thus increased its holding to 49.29 percent of share capital and 71.81 percent of voting power in Scania.
- 2011:** On 9 November 2011, Volkswagen completed its acquisition of the majority shareholding in MAN. Volkswagen's ownership thus amounted to the equivalent of 55.9 percent of the voting rights and 53.7 percent of the share capital in MAN. As a result of the acquisition, MAN's holding in Scania shall be included in Volkswagen's ownership of Scania. Volkswagen's ownership of Scania thus amounted to the equivalent of 89.2 percent of the voting rights (formerly 71.8 percent) and 62.6 percent of the share capital (formerly 49.3 percent).

## Scania's financial information in summary

**The following information regarding Scania has been extracted from the audited annual reports for 2012, 2011 and 2010, as well as from the unaudited year-end report for the period January-December 2013.**

The consolidated accounts of the Scania group have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. In addition, Recommendation RFR 1, "Supplementary Accounting Rules for Groups" (Sw. *Kompletterande redovisningsregler för koncerner*) from the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*) and the Annual Accounts Act (Sw. *Årsredovisningslagen*) have been applied. The parent company, Scania, has prepared its Annual Report in compliance with Sweden's Annual Accounts Act and Recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Financial Reporting Board.

The consolidated interim reports of the Scania group have been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. Interim reports for the parent company, Scania, have been prepared

in accordance with the Annual Accounts Act and recommendation RFR 2, "Accounting for Legal Entities" (Sw. *Redovisning för juridisk person*) from the Swedish Financial Reporting Board.

Audited annual reports for Scania are available on the Company's website ([www.scania.com](http://www.scania.com)). The year-end report for the period January-December 2013, which is included on pages 24-44, has not been reviewed or audited by the Company's auditor.

Complete information on the Company's financial development and financial position is available in the annual reports for 2010-2012 as well as the year-end report for the period January-December 2013. Figures stated in this section "Scania's financial information in summary" are rounded to million SEK whereas the calculations are performed using an extended set of decimals. Percentages are displayed with one decimal and are also rounded. Some calculations may appear to sum incorrectly due to rounding.

**CONSOLIDATED INCOME STATEMENTS, CONDENSED**

Amounts in SEK m. unless otherwise stated	(Year-end report) (Unaudited) Jan–Dec		(Audited) Jan–Dec		
	2013	2012	2012	2011	2010
<b>Vehicles and Services</b>					
Net sales	86,847	79,603	79,603	87,686	78,168
Cost of goods sold	–65,303	–58,927	–58,927	–63,163	–54,504
<b>Gross income</b>	<b>21,544</b>	<b>20,676</b>	<b>20,676</b>	<b>24,523</b>	<b>23,664</b>
Research and development expenses	–5,024	–4,681	–4,681	–4,440	–3,505
Selling expenses	–7,740	–7,286	–7,286	–7,014	–6,400
Administrative expenses	–1,065	–1,042	–1,042	–1,204	–1,200
Share of income from associated companies and joint ventures	21	27	27	16	16
<b>Operating income, Vehicles and Services</b>	<b>7,736</b>	<b>7,694</b>	<b>7,694</b>	<b>11,881</b>	<b>12,575</b>
<b>Financial Services</b>					
Interest and lease income	4,494	4,576	4,576	4,372	4,197
Interest and depreciation expenses	–2,920	–3,095	–3,095	–3,023	–3,026
Interest surplus	1,574	1,481	1,481	1,349	1,171
Other income and expenses	111	65	65	81	66
<b>Gross income</b>	<b>1,685</b>	<b>1,546</b>	<b>1,546</b>	<b>1,430</b>	<b>1,237</b>
Selling and administrative expenses	–686	–650	–650	–615	–573
Bad debt expenses, realised and anticipated	–280	–290	–290	–298	–493
<b>Operating income, Financial Services</b>	<b>719</b>	<b>606</b>	<b>606</b>	<b>517</b>	<b>171</b>
<b>The Group</b>					
<b>Operating income</b>	<b>8,455</b>	<b>8,300</b>	<b>8,300</b>	<b>12,398</b>	<b>12,746</b>
Interest income and expenses	–63	133	133	261	–193
Other financial income and expenses	16	–152	–152	–47	–20
<b>Total financial items</b>	<b>–47</b>	<b>–19</b>	<b>–19</b>	<b>214</b>	<b>–213</b>
<b>Income before taxes</b>	<b>8,408</b>	<b>8,281</b>	<b>8,281</b>	<b>12,612</b>	<b>12,533</b>
Taxes	–2,214	–1,641	–1,641	–3,190	–3,430
<b>Net income for the period</b>	<b>6,194</b>	<b>6,640</b>	<b>6,640</b>	<b>9,422</b>	<b>9,103</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified subsequently to net income</b>					
Translation differences	–907	–1,178	–1,178	–719	–1,146
Cash flow hedges					
change in value for the year	–	2	2	62	634
reclassification to operating income	0	3	3	–12	–747
Taxes <sup>1)</sup>	–3	–17			
<b>Items that will not be reclassified to net income</b>					
Re-measurement of defined benefit plans	803	–1,243	–1,243	–356	–348
Taxes <sup>1)</sup>	–179	216			
Income tax relating to components of other comprehensive income			199	79	37
<b>Other comprehensive income for the period</b>	<b>–286</b>	<b>–2,217</b>	<b>–2,217</b>	<b>–946</b>	<b>–1,570</b>
<b>Total comprehensive income for the period</b>	<b>5,908</b>	<b>4,423</b>	<b>4,423</b>	<b>8,476</b>	<b>7,533</b>

1) Restatement of 2012 financial statements in the Year-end report, January - December 2013, due to amendments in IAS 1.

**CONSOLIDATED BALANCE SHEETS, CONDENSED**

Amounts in SEK m. unless otherwise stated	(Year-end report) (Unaudited) 31 Dec		(Audited) 31 Dec		
	2013	2012	2012	2011	2010
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	4,046	3,150	3,150	2,544	2,343
Tangible assets	21,678	20,628	20,628	20,319	20,437
Lease assets	14,610	12,661	12,661	12,155	11,173
Shares and participations	490	491	491	496	482
Interest-bearing receivables	24,082	22,996	22,996	21,040	16,514
Other receivables <sup>1) 2)</sup>	3,079	2,801	2,801	2,795	2,973
<b>Total non-current assets</b>	<b>67,985</b>	<b>62,727</b>	<b>62,727</b>	<b>59,349</b>	<b>53,922</b>
<b>Current assets</b>					
Inventories	14,552	14,235	14,235	14,522	12,961
Interest-bearing receivables	15,377	14,007	14,007	13,197	11,389
Other receivables <sup>3)</sup>	10,542	10,116	10,116	10,445	10,289
Current investments	47	129	129	148	61
Cash and cash equivalents	9,562	11,918	11,918	11,648	9,807
<b>Total current assets</b>	<b>50,080</b>	<b>50,405</b>	<b>50,405</b>	<b>49,960</b>	<b>44,507</b>
<b>Total assets</b>	<b>118,065</b>	<b>113,132</b>	<b>113,132</b>	<b>109,309</b>	<b>98,429</b>
<b>TOTAL EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Scania shareholders	37,055	34,942	34,942	34,511	30,035
Non-controlling interest	57	62	62	1	1
<b>Total equity</b>	<b>37,112</b>	<b>35,004</b>	<b>35,004</b>	<b>34,512</b>	<b>30,036</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	29,350	26,146	26,146	19,011	21,973
Provisions for pensions <sup>6)</sup>	5,788	7,136	6,582	5,539	5,158
Other provisions <sup>6)</sup>	2,750	2,590	3,126	3,227	3,032
Other liabilities <sup>1) 4)</sup>	6,048	5,240	5,240	5,497	4,639
<b>Total non-current liabilities</b>	<b>43,936</b>	<b>41,112</b>	<b>41,094</b>	<b>33,274</b>	<b>34,802</b>
<b>Current liabilities</b>					
Interest-bearing liabilities	14,483	16,305	16,305	19,782	12,433
Provisions	1,841	1,650	1,650	1,597	1,394
Other liabilities <sup>5) 6)</sup>	20,693	19,061	19,079	20,144	19,764
<b>Total current liabilities</b>	<b>37,017</b>	<b>37,016</b>	<b>37,034</b>	<b>41,523</b>	<b>33,591</b>
<b>Total equity and liabilities</b>	<b>118,065</b>	<b>113,132</b>	<b>113,132</b>	<b>109,309</b>	<b>98,429</b>

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) Restatement of 2012 financial statements in the Year-end report, January–December 2013, due to amendments in IAS 19.

**CONSOLIDATED CASH FLOW STATEMENTS, CONDENSED**

Amounts in SEK m. unless otherwise stated	(Year-end report) (Unaudited) Jan-Dec		(Audited) Jan-Dec		
	2013	2012	2012	2011	2010
<b>Operating activities</b>					
Income before tax	8,408	8,281	8,281	12,612	12,533
Items not affecting cash flow	3,236	2,935	2,935	3,270	3,615
Taxes paid	-2,394	-2,496	-2,496	-3,548	-2,555
<b>Cash flow from operating activities before change in working capital</b>	<b>9,250</b>	<b>8,720</b>	<b>8,720</b>	<b>12,334</b>	<b>13,593</b>
Change in working capital etc., Vehicles and Services	102	-558	-558	-957	1,708
<b>Cash flow from operating activities</b>	<b>9,352</b>	<b>8,162</b>	<b>8,162</b>	<b>11,377</b>	<b>15,301</b>
<b>Investing activities</b>					
Net investments, Vehicles and Services	-5,320	-4,455	-4,455	-3,732	-2,809
Net investments in credit portfolio etc., Financial Services	-4,137	-4,771	-4,771	-7,477	531
<b>Cash flow from investing activities</b>	<b>-9,457</b>	<b>-9,226</b>	<b>-9,226</b>	<b>-11,209</b>	<b>-2,278</b>
<b>Cash flow before financing activities</b>	<b>-105</b>	<b>-1,064</b>	<b>-1,064</b>	<b>168</b>	<b>13,023</b>
<b>Financing activities</b>					
Change in net debt from financing activities	2,016	5,912	5,912	6,024	-9,389
Dividend	-3,800	-4,000	-4,000	-4,000	-800
<b>Cash flow from financing activities</b>	<b>-1,784</b>	<b>1,912</b>	<b>1,912</b>	<b>2,024</b>	<b>-10,189</b>
<b>Cash flow for the year</b>	<b>-1,889</b>	<b>848</b>	<b>848</b>	<b>2,192</b>	<b>2,834</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,918</b>	<b>11,648</b>	<b>11,648</b>	<b>9,807</b>	<b>7,100</b>
<b>Exchange rate differences in cash and cash equivalents</b>	<b>-467</b>	<b>-578</b>	<b>-578</b>	<b>-351</b>	<b>-127</b>
<b>Cash and cash equivalents at end of period</b>	<b>9,562</b>	<b>11,918</b>	<b>11,918</b>	<b>11,648</b>	<b>9,807</b>



## KEY FINANCIAL RATIOS

Amounts in SEK m. unless otherwise stated	(Year-end report) (Unaudited) Jan-Dec		(Audited) Jan-Dec		
	2013	2012	2012	2011	2010
<b>Scania Group</b>					
Net sales	86,847	79,603	79,603	87,686	78,168
Operating income	8,455	8,300	8,300	12,398	12,746
Income before taxes	8,408	8,281	8,281	12,612	12,533
Net income for the period	6,194	6,640	6,640	9,422	9,103
Operating margin, %	9.7	10.4	10.4	14.1	16.3
Return on equity, %	17.5	19.2	19.2	29.5	34.7
Equity/assets (E/A) ratio, %	31.4	30.9	30.9	31.6	30.5
Earnings per share, SEK	7.8	8.3	8.3	11.8	11.4
Dividend per share, SEK	4.0 <sup>1)</sup>	4.8	4.8	5.0	5.0
Number of employees, 31 December	40,953	38,597	38,597	37,496	35,514
<b>Vehicles and Services</b>					
Return on capital employed, %	21.7	22.8	22.8	38.1	39.5
Cash flow	3,231	3,025	3,025	6,970	11,880
Net cash (-) / Net debt (+) <sup>2)</sup>	-8,843	-9,361	-9,361	-10,615	-7,700

1) Dividend proposed by board of directors.

2) Excluding provisions for pensions and including fair value of derivatives for hedging borrowings.

## Scania's share capital and ownership structure

### General

The shares in Scania are listed on NASDAQ OMX Stockholm, Large Cap.

### Share capital

The number of outstanding shares in Scania amounts to 800,000,000 with a quota (par) value of SEK 2.50 per share. Scania has two classes of shares. Each A share entitles the holder one vote at the general meeting and each B share entitles the holder to one-tenth of a vote at the general meeting. All shares carry equal rights to the Company's earnings and assets.

### Shareholders

According to Scania's webpage, the number of shareholders was 107,156 as of 31 January 2014. The ten largest shareholders as of 31 January 2014 are shown in the table below.

Owner	A shares	B shares	% of capital	% of votes
Volkswagen AG <sup>1)</sup>	306,232,239	59,037,822	45.66	70.94
MAN SE	73,047,179	33,718,857	13.35	17.37
Clearstream Banking	1,145,217	33,725,005	4.36	1.03
Scania Resultatbonusstiftelse	1,419,217	3,286,804	0.59	0.40
Alecta Pensionsförsäkring	0	16,305,000	2.04	0.37
Skandia Liv	1,007,026	6,049,671	0.88	0.37
Swedbank Robur fonder	0	15,053,328	1.88	0.34
AMF – Försäkring och Fonder	650,000	4,544,218	0.65	0.25
Handelsbanken Fonder	392,225	5,344,880	0.72	0.21
Fjärde AP-Fonden	160,000	4,570,315	0.59	0.14
Other shareholders	15,946,897	218,364,100	29.29	8.59
<b>Total</b>	<b>400,000,000</b>	<b>400,000,000</b>	<b>100.00</b>	<b>100.00</b>

1) On 9 November 2011 Volkswagen completed its acquisition of the majority shareholding in MAN SE. Volkswagen's ownership thus amounted to the equivalent of 55.9 percent of the voting rights and 53.7 percent of the share capital in MAN. As a result of the acquisition, MAN's holding in Scania shall be included in Volkswagen's ownership of Scania. Volkswagen's ownership of Scania thus amounted to the equivalent of 89.2 percent of the voting rights (formerly 71.8 percent) and 62.6 percent of the share capital (formerly 49.3 percent). Of those, voting rights amounting to equivalent 0.87 percent and equity interest of 3.63 percent are held in trust by a credit institution.

### Shareholders statistics – distribution among owner groups

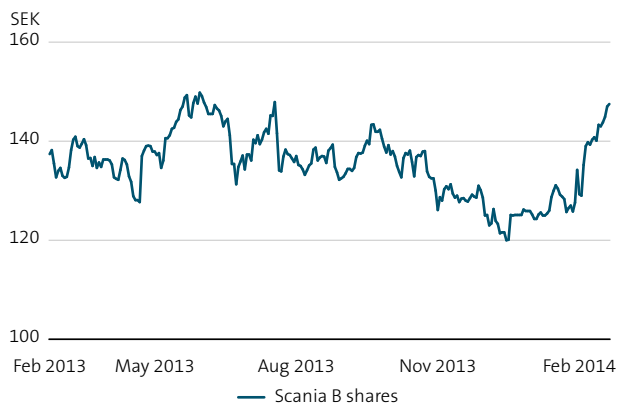
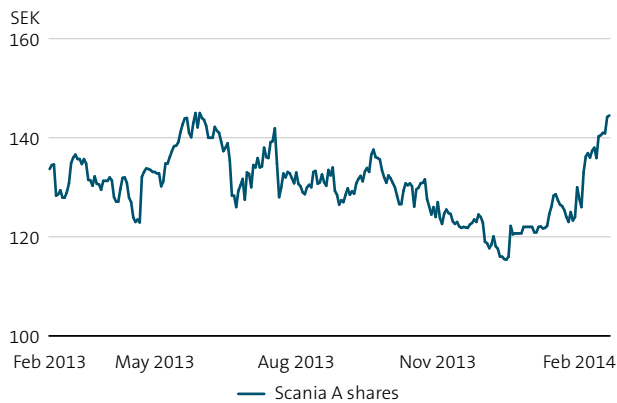
The table below shows the number of Scania shares and their distribution between different holding size intervals.<sup>1)</sup>

Number of shares	% of shares	% of votes
1–100	0.26	0.34
101–200	0.26	0.25
201–300	0.17	0.16
301–400	0.36	0.29
401–500	0.20	0.15
501–1,000	0.86	0.57
1,001–2,000	0.88	0.56
2,001–5,000	1.06	0.53
5,001–10,000	0.72	0.35
10,001–20,000	0.65	0.25
20,001–50,000	0.98	0.30
50,001–100,000	0.92	0.26
100,001–500,000	5.66	1.29
500,001–1,000,000	4.09	1.01
1,000,001–5,000,000	15.22	3.28
5,000,001–10,000,000	2.32	0.71
10,000,001–50,000,000	6.40	1.40
50,000,001–	59.00	88.31
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

1) Ownership structure as of 31 January 2014.

### Share price development

The charts below illustrate the development of the A shares and B shares of Scania over the last twelve months before the announcement of the Offer (21 February 2013 – 21 February 2014).



### Dividends

Scania’s leadership philosophy is to take advantage of knowledge and experience gained from the Company’s continuous improvement work. This means placing greater emphasis on methods than on traditional earnings targets. These principles, first applied at production units, have been disseminated and applied to various parts of the Company. Scania thus does not set financial targets for the Scania group in the traditional sense. The capital needs of the Scania group are continuously evaluated and adapted to the investments required to safeguard Scania’s growth.

For 2012, a total of SEK 3,800,000,000 was distributed to the shareholders, representing SEK 4.75 per share. The dividend was paid on 14 May 2013.

### Shareholders’ agreements etc.

The board of directors of Scania is not aware of any shareholders’ agreements or equivalent agreements between shareholders of Scania with the objective of creating joint influence over Scania.

### Holding of own shares

Scania does not hold any of its own shares.

### Authorizations

Scania’s board of directors has not been authorized to issue, acquire or sell shares, securities convertible into shares, or warrants to subscribe for new shares.

## Scania's board of directors, senior management and auditors

### Board of directors

#### **Martin Winterkorn**

Chairman of the Board of Directors since 2007. Chairman, Remuneration Committee.

*Born:* 1947.

*Education:* Prof. Dr. Dr. h. c. mult.

*Shares in Scania:* 0.

*Other directorships:* Chairman of the Board of Management, Volkswagen AG. Chairman or member of Supervisory Board of several companies within the Volkswagen Group. Chairman of the Board of Management, Porsche Automobil Holding SE. Member of Supervisory Board of FC Bayern München AG.

*Relevant work experience:* Chairman and member of the Board of Management, Volkswagen AG, responsible for Group Research and Development. Chairman of the Board of Management, Volkswagen Brand.

#### **Leif Östling**

Vice Chairman since 13 December 2012. Member of the Board of Directors since 1994.

*Born:* 1945.

*Education:* MBA and MS c.

*Shares in Scania:* 140,000 A shares, 260,100 B shares plus 160,000 B shares via related companies.

*Other directorships:* Member of the Board of Management, Volkswagen AG. Member of Supervisory Board of several companies within the Volkswagen Group. Chairman of AB SKF. Vice Chairman of ISS A/S until 6 March 2013. Member of the Supervisory Board of EQT Holdings AB.

*Relevant work experience:* Member of the Board of Management, Volkswagen AG, responsible for Group Commercial Vehicles from 1 September 2012. Various management positions at Scania AB since 1972, President and CEO of Scania AB between 1994 and 2012.

#### **Peter Abele**

Member of the Board of Directors since 2012. Chairman, Audit Committee. Member, Remuneration Committee.

*Born:* 1941.

*Education:* Degree in Engineering (Graduate Engineer and Graduate Industrial Engineer).

*Shares in Scania:* 0.

*Relevant work experience:* A number of high-level managerial positions since 1974, including in the car manufacturing industry. Member of the Board of Management at Audi AG, responsible for Finance and Information Technology until 2003.

#### **Helmut Aurenz**

Member of the Board of Directors since 2008.

*Born:* 1937.

*Education:* Apprenticeship in Horticulture, Entrepreneur.

*Shares in Scania:* 0.

*Other directorships:* Member of various boards and advisory bodies, among them the advisory assemblies for Baden-Württembergische Bank, Landeskreditbank Baden-Württemberg and Landesbank Baden-Württemberg. Member of the World Economic Forum in Geneva. Independent Board member of Audi AG and Automobili Lamborghini Holding Spa.

*Relevant work experience:* Started in 1958 a now-sizeable garden and fertiliser products business in the AS B Group in Germany.

#### **Francisco J. Garcia Sanz**

Member of the Board of Directors since 2007. Member, Remuneration Committee.

*Born:* 1957.

*Education:* Dr. rer. pol. h. c.

*Shares in Scania:* 0.

*Other directorships:* Member of the Board of Management, Volkswagen AG. Board member of several companies within the Volkswagen Group. Board member of Caxia Holding S.A. and HOCHTIEF Aktiengesellschaft.

*Relevant work experience:* Member of the Board of Management, Volkswagen AG, with global responsibility for Procurement. Various positions at Adam Opel AG, various management positions at GM and Volkswagen AG.

#### **Martin Lundstedt**

Member of the Board of Directors since 2013.

*Born:* 1967.

*Education:* MS c.

*Shares in Scania:* 31,530 B-shares

*Other directorships:* Chairman of Permobil AB and Partex Marking Systems AB. Board member of Concentric AB and of Laxå Special Vehicles AB.

*Relevant work experience:* Various managerial positions at Scania since 1992, President and CEO for Scania since 2012.

**Ferdinand K. Piëch**

Member of the Board of Directors since 2012.

*Born:* 1937.

*Education:* Degree in Engineering Dipl.-Ing.

*Shares in Scania:* 0.

*Other directorships:* Chairman of the Supervisory Board of Volkswagen AG and MAN SE. Member of the Supervisory Board of AUDI AG, Porsche Automobil Holding SE, Porsche AG, Porsche Holding GmbH and Director of Ducati Motor Holding spa. Between 2000 and 2002, he served as Chairman of the Board of Directors of Scania. He was a member of the Board of Directors of Scania between 2002 and 2003.

*Relevant work experience:* Began his career in 1963 at Dr.-Ing. h. c. Porsche KG. Since then he has held a number of high-level managerial positions in the car manufacturing industry.

**Hans Dieter Pötsch**

Member of the Board of Directors since 2007. Member, Audit Committee.

*Born:* 1951.

*Education:* MS c.

*Shares in Scania:* 0.

*Other directorships:* Member of the Board of Management, Volkswagen AG. Member of the Board of Management, Porsche Automobil Holding SE. Chairman or member of several Supervisory Boards within the Volkswagen Group. Member of the Supervisory Board of Bertelsmann SE & Co. KG aA.

*Relevant work experience:* Member of the Board of Management, Volkswagen AG, responsible for Finance and Controlling. Member of the Board of Management, Porsche Automobil Holding SE (Chief Financial Officer). Chairman of the Board of Management, Dürr AG. General Manager for Finance and Administration at Trumpf GmbH & Co. Various positions at BMW.

**Åsa Thunman**

Member of the Board of Directors since 2010. Member, Audit Committee.

*Born:* 1969.

*Education:* Law degree (LL.M.).

*Shares in Scania:* 0.

*Relevant work experience:* Senior Vice President General Counsel of Securitas AB since 2011. General Counsel of Elekta AB and secretary to the Board of Directors and Nomination Committee and the Audit Committee of Elekta AB. President of Elekta Instrument AB and Vice President at the corporate office of Elekta AB.

**Peter Wallenberg Jr**

Member of the Board of Directors since 2005.

*Born:* 1959.

*Education:* MBA.

*Shares in Scania:* 6,000 B shares.

*Other directorships:* Chairman of Foundation Asset Management Sweden AB, the Grand Group AB, the Royal Swedish Automobile Club. Vice Chairman of the Knut and Alice Wallenberg Foundation. Board member of Investor AB, Aleris Holding AB, Atlas Copco AB and Foundation Asset Management Sweden AB.

*Relevant work experience:* Various positions at Grand Hôtel.

**Håkan Thurffjell**

Representative of the Federation of Salaried Employees in Industry and Services (PTK) at Scania. Member of the Board of Directors since 2008.

*Born:* 1951.

*Shares in Scania:* 0.

*Relevant work experience:* Various managerial positions at Scania.

**Johan Järvklo**

Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2008. Previously deputy member since 2006.

*Born:* 1973.

*Shares in Scania:* 0.

*Relevant work experience:* Various positions at Scania.

**Lisa Lorentzon**

Representative of the Federation of Salaried Employees in Industry and Services at Scania (PTK). Deputy member of the Board of Directors since 2012.

*Born:* 1982.

*Shares in Scania:* 20 B shares.

*Relevant work experience:* Various positions at Scania since 2007, current position Manager Scania IT.

**Mikael Johansson**

Representative of the Swedish Metal Workers' Union at Scania. Deputy member of the Board of Directors since 2008.

*Born:* 1963.

*Shares in Scania:* 0.

*Relevant work experience:* Various positions at Scania.

## Senior management

### **Martin Lundstedt** (1967)

President and CEO.

For more information on Martin Lundstedt, see the section “Board of directors” above.

### **Jan Ytterberg** (1961)

Executive vice president and chief financial officer (CFO)  
B.Sc. Employed 1987.

*Shareholding in Scania:* 17,762 B shares

### **Kent Conradson** (1958)

Executive vice president and head of human resources  
B.Sc. Employed 1979.

*Shareholding in Scania:* 2,360 B shares

### **Andrea Fuder** (1967)

Executive vice president and head of purchasing  
MBA and M.Sc. Employed 2012.

*Shareholding in Scania:* 156 B shares

### **Per Hallberg** (1952)

Executive vice president and head of production and logistics

M.Sc. Employed 1977.

*Shareholding in Scania:* 13,867 B shares

### **Henrik Henriksson** (1970)

Executive vice president and head of sales and marketing  
B.Sc. Employed 1997.

*Shareholding in Scania:* 4,278 B shares

*Call options regarding B shares in Scania:* 30,000

### **Christian Levin** (1967)

Executive vice president and head of commercial operations  
MBA and M.Sc. Employed 1994.

*Shareholding in Scania:* 6,032 B shares

### **Harald Ludanek** (1958)

Executive vice president and head of research and development

Dr.-Ing. Employed 2012.

*Shareholding in Scania:* 204 B shares

## Auditors

At the annual general meeting held in 2011, the registered auditing firm Ernst & Young AB was re-elected as auditors of Scania for the period until the end of the annual general meeting to be held in 2015. Lars Träff (1954), authorized public accountant and member of the Swedish Professional Institute for Authorized Public Accountants (Sw. *Föreningen Auktoriserade Revisorer, FAR*), is auditor in charge.

## Scania's articles of association

Adopted at the annual general meeting on 5 May 2011.

### § 1

The registered name of the company is Scania Aktiebolag. The company is a public company (publ).

### § 2

The aim of the company's operations is to carry on, directly or through subsidiaries or associated companies, development, manufacturing and trading in motor vehicles and industrial and marine engines; to own and manage real and movable property; to carry on financing business (although not activities that require a permit according to the Banking and Financing Business Act); as well as other operations compatible with the above.

### § 3

The company's registered office shall be in the Municipality of Södertälje.

### § 4

The company's share capital shall be a minimum of one billion six hundred million kronor (SEK 1,600,000,000) kronor and a maximum of six billion four hundred million kronor (SEK 6,400,000,000).

### § 5

The total number of shares in the company shall be a minimum of six hundred and forty million (640,000,000) and a maximum of two billion five hundred and sixty million (2,560,000,000).

The shares may be issued in two series, Series A and Series B. A maximum of 2,560,000,000 Series A shares and a maximum of 2,560,000,000 Series B shares may be issued, subject to the limitation that the total number of Series A and Series B shares may not exceed 2,560,000,000 shares. In a vote at a General Meeting of shareholders, each Series A share carries one vote and each Series B share carries one tenth of a vote.

If the company decides to issue new shares of both Series A and Series B and the shares are not to be paid by consideration in kind, existing holders of Series A shares and Series B shares shall have the preferential right to subscribe for new shares of the same type in proportion to the number of existing shares of each type held by such existing shareholder ("primary preferential right"). Shares not subscribed for by shareholders with a primary preferential right shall be offered to all shareholders for subscription ("subsidiary preferential right"). If the total number of shares to be offered is not sufficient to cover the subscriptions made through the exercise of subsidiary preferential rights, such shares shall be distributed among the subscribers in relation to the number of existing shares they already hold and, where this is not possible, through the drawing of lots.

If the company decides to issue new shares of only Series A or Series B, for which consideration in kind is not paid, all shareholders, regardless of whether such shareholders currently hold shares of Series A or Series B, shall have the preferential right to subscribe for new shares in proportion to the number of shares held by them prior to such issuance.

The above shall not in any way limit the ability of the company to make decisions regarding cash issues or issues where consideration is paid by offsetting against a debt, which diverge from the shareholders' preferential rights.

In the case of an increase in equity through a bonus issue, new shares of each type shall be issued in proportion to the number of shares of the same type already existing. Existing shares of a particular type will thereby carry the right to new shares of the same type. The aforesaid shall not in any way limit the ability of the company to, through a bonus issue, following the necessary changes in the Articles of Association, issue shares of a new type.

What has been stipulated above regarding shareholders' preferential rights to new shares shall apply correspondingly to the new issue of warrants and convertible debentures.

### § 6

In addition to those Board members who are appointed according to law by a party other than the Annual General Meeting, the Board of Directors shall comprise a minimum of three and a maximum of ten members with a maximum of two deputies. These members and deputies shall be elected at each Annual General Meeting for the period up to the end of the next Annual General Meeting.

## § 7

The company signatory (or signatories) are the person(s) appointed for this purpose by the Board of Directors.

## § 8

Two Auditors and two Deputy Auditors or a registered auditing company shall be appointed at the Annual General Meeting, for the period up to the end of the Annual General Meeting held during the fourth financial year after the election of Auditors, to carry out the company's audit. If the same Auditor or auditing company is to be reappointed after the term has come to an end, the General Meeting may decide that the appointment shall be valid up to the close of the Annual General Meeting held during the third financial year after the election of the Auditor.

The Board of Directors is authorized to appoint one or several special auditors, or a registered auditing firm, to review such statements or plans which have been prepared by the Board of Directors in accordance with the Swedish Companies Act in connection with such new issue of shares, warrants or convertibles which contain provisions on payment in kind or that subscription shall be made with a right of setoff or with other conditions, a sale of own shares against non-cash consideration, a reduction of the share capital or the statutory reserve, a merger or a demerger of a limited liability company.

## § 9

The company's financial year shall be the calendar year.

## § 10

The Annual General Meeting shall be held in the Municipality of Södertälje or the Municipality of Stockholm. The meeting shall be opened by the Chairman of the Board or the person appointed to do so by the Board.

## § 11

The Annual General Meeting shall be held once a year, by June at the latest. The following matters shall be dealt with at the Annual General Meeting:

1. Election of a chairman for the meeting.
2. Approval of the voting list.
3. Approval of the agenda.
4. Election of two persons to verify the minutes.
5. Consideration of whether the meeting has been duly convened.
6. Presentation of the annual accounts and Auditors' Report, and the consolidated annual accounts and Auditors' Report.
7. Resolutions concerning
  - a. adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
  - b. distribution of the profit or loss according to the adopted balance sheet,
  - c. discharge of the members of the Board and the President from liability for the financial year.
8. Determination of the number of Board members and deputy Board members.
9. Determination of remuneration for the Board and Auditors.
10. Election of Board members and deputy Board members.
11. Election of Auditors and Deputy Auditors when applicable.
12. Other matters to be dealt with at the Annual General Meeting pursuant to the Swedish Companies Act or the Articles of Association.

## § 12

At a General Meeting, each shareholder entitled to vote may vote for the full number of votes held or represented by him.



**§ 13**

Notice convening the Annual General Meeting, or an Extraordinary General Meeting where a change in the Articles of Association is on the agenda, shall be issued no earlier than six weeks and no later than four weeks prior to the Meeting. Notice convening other Extraordinary General Meetings shall be issued no earlier than six weeks and no later than three weeks prior to the Meeting.

Notice convening a General Meeting shall be in the form of an announcement in the Swedish official gazette Post-och Inrikes Tidningar and as an announcement on the company's webpage. An advertisement that notice has been given shall be published in the Swedish national circulation newspapers Dagens Nyheter and Svenska Dagbladet. Shareholders who wish to attend a General Meeting must be included in a print-out of the shareholder list reflecting conditions five weekdays prior to the General Meeting, and must also register with the company no later than 16.00 CET on the date stated in the notice convening the Meeting. Such a day may not be a Sunday, another public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not be earlier than five weekdays prior to the meeting.

Shareholders may bring one or two assistants to a General Meeting, although only if the shareholder has given prior notice thereof to the company as stipulated in the preceding section.

**§ 14**

The company's shares shall be registered in a central securities depository register according to the Financial Instruments Accounting Act (1998:1479).

## Scania's year-end report January–December 2013



29 January 2014

### Scania Year-end Report, January–December 2013

#### Summary of the full year 2013

- Operating income rose to SEK 8,455 m. (8,300), and earnings per share fell to SEK 7.75 (8.31)
- Net sales rose by 9 percent to SEK 86,847 m. (79,603)
- Cash flow amounted to SEK 3,231 m. (3,025) in Vehicles and Services
- The Board of Directors proposes a dividend of SEK 4.00 (4.75) per share.

#### Comments by Martin Lundstedt, President and CEO:

"Scania's earnings for the full year 2013 amounted to SEK 8,455 m. Both vehicle and service volume reached record levels, which was offset by the stronger krona and a competitive pricing environment. Scania increased its market shares, both in Europe and in Latin America. Order bookings for trucks in Europe fell during the fourth quarter as a result of pre-buys of Euro 5 vehicles during the third quarter. Scania has a strong position in the European market in Euro 6. Order bookings in Latin America remained at a good level during the fourth quarter. In Russia, order bookings weakened. Order bookings for buses and coaches rose compared to the previous quarter, attributable to Europe and Latin America. In Engines, order bookings were supported by investments ahead of the transition to the new emission standard in 2014.

Scania is continuing its long-term efforts to boost market share in Services and volume reached a record level during 2013. During the first quarter of 2014, production volume of vehicles will be adjusted to the lower order bookings. Among other things, the number of personnel on hire will be reduced by about 300. Pre-buys in Europe during 2013 will impact the first half of 2014 while Scania's assessment is that economic activity in Europe has stabilised and that there is a replacement need. There are good growth opportunities in the longer term and the expansion of annual technical production capacity towards 120,000 vehicles is continuing. To strengthen competitiveness, the level of activity related to development projects remains high, at the same time as Scania is expanding its sales and service capacity in emerging markets."

#### Financial overview

	Full year 2013			Q4			
	2013	2012	Change, %	2013	2012	Change, %	
<b>Trucks and buses, units</b>							
Order bookings	80,935	71,945	12	15,775	19,625	-20	
Deliveries	80,464	67,401	19	24,240	20,522	18	
<b>Net sales and earnings</b>	<i>EUR m.*</i>						
Net sales, Scania Group, SEK m.	9,711	86,847	79,603	9	24,983	22,342	12
Operating income, Vehicles and Services, SEK m.	865	7,736	7,694	1	2,308	1,992	16
Operating income, Financial Services, SEK m.	80	719	606	19	208	173	20
Operating income, SEK m.	945	8,455	8,300	2	2,516	2,165	16
Income before taxes, SEK m.	940	8,408	8,281	2	2,483	2,125	17
Net income for the period, SEK m.	693	6,194	6,640	-7	1,961	1,890	4
Operating margin, %		9.7	10.4		10.1	9.7	
Return on equity, %		17.5	19.2				
Return on capital employed, Vehicles and Services, %		21.7	22.8				
Earnings per share, SEK	0.87	7.75	8.31	-7	2.45	2.37	4
Cash flow, Vehicles and Services, SEK m.	361	3,231	3,025	7	1,869	849	120

Number of shares: 800 million

\* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 8.943 = 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)

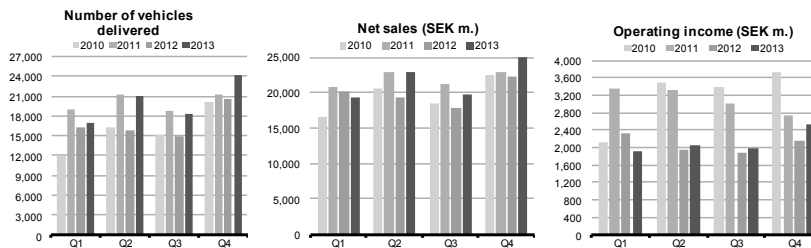
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## Business overview



### Sales performance

During the full year 2013, total vehicle deliveries reached a record level and increased by 19 percent to 80,464 (67,401) units, compared to the same period of 2012. Net sales rose by 9 percent to SEK 86,847 m (79,603). Currency rate effects had a negative impact of 5 percent on sales.

Order bookings rose by 12 percent to 80,935 (71,945) vehicles, compared to the full year 2012.

During the fourth quarter, deliveries increased by 18 percent to 24,240 (20,522) vehicles and net sales rose to SEK 24,983 m. (22,342), an upturn of 12 percent. Currency rate effects had a negative impact of 4 percent on sales. Order bookings fell by 20 percent to 15,775 (19,625) vehicles.

### Strong position in transition to Euro 6

In March 2013, Scania unveiled Scania Streamline, a new long-haulage truck concept featuring refined technology and new solutions that enable customers to reduce fuel consumption by up to 8 percent. The trucks have an aerodynamic design and feature a new version of the Scania Opticruise automated gearchanging system. Scania also expanded its engine range, adding second generation Euro 6 engines, which have lower fuel consumption than their Euro 5 predecessors. Scania can offer a complete range of Euro 6 engines and has extensive experience, due to early introduction of Euro 6 vehicles. The Euro 6 vehicles Scania uses in its own haulage operations, along with Scania Euro 6 test vehicles operated by customers have covered more than 26 million kilometres. Overall, Scania has a strong position in the transition to Euro 6.

### Adjustment of production rate

In Europe, production volume was record high during the fourth quarter, which was the last quarter for production of Euro 5 vehicles for the European market. In Latin America, temporary uncertainty regarding subsidised financing in Brazil meant that production during the fourth quarter was stopped for one week longer than planned. Production volume in Europe and Latin America will be adjusted to lower demand during the first quarter of 2014. The adjustment will be handled using the existing flexibility at Scania, among other ways by adjusting working hours downward within the framework of the time bank system. The number of personnel on hire will be reduced by about 300 during the first quarter of 2014.

### Stabilisation in Europe

Pre-buys in Europe in terms of order bookings during the second and third quarters of 2013 will impact the first half of 2014 while Scania's assessment is that economic activity has stabilised and that there is a replacement need. Demand for used vehicles in Europe is good and used vehicle inventories fell significantly during the fourth quarter. The price level of new trucks improved somewhat in late 2013 due to the introduction of Streamline. In a global perspective, there are good growth opportunities in the longer term and the expansion of annual technical production capacity towards 120,000 vehicles is continuing.



## The truck market

### Order bookings

Scania's order bookings during the full year 2013 amounted to 73,678 (65,885) trucks, an increase of 12 percent compared to the same period in 2012. In the fourth quarter, order bookings decreased by 21 percent to 14,273 (18,177) units. Order bookings were lower than in the third quarter of 2013, mainly in Europe.

The downturn in Europe during the fourth quarter was a correction from a high level in the third quarter of 2013, when order bookings in Europe were supported by customers that invested in Euro 5 vehicles before the transition to Euro 6. Compared to the fourth quarter of 2012, the decrease was 21 percent to 5,908 (7,470) trucks. The majority of order bookings in the fourth quarter was for Euro 6 trucks. The Euro 6 emission standard was introduced in the European Union on December 31, 2013. Owing to significantly more advanced technology, trucks with Euro 6 engines command a higher sales price than equivalent Euro 5 vehicles.

Order bookings in Latin America remained at a good level, in line with the third quarter of 2013. Compared to the fourth quarter of 2012, order bookings in Latin America decreased sharply by 42 percent to 4,226 (7,308) trucks. During the fourth quarter of 2012, extensive subsidies were available for investments in new vehicles, which resulted in exceptionally high order bookings in Brazil. The fourth quarter of 2013 was partly dominated by uncertainty regarding the terms of subsidised financing but in late December, the Brazilian government announced that subsidised financing would continue in 2014. Subsidised financing will also continue to be available in Argentina.

In Eurasia, order bookings decreased due to a weakening demand in Russia. Order bookings totalled 1,058 (1,323) trucks in Eurasia. In Asia, order bookings improved to 2,174 (1,335) units compared to the fourth quarter of 2012, which was mainly due to a sharp rise in the Middle East from a low level. Compared to the third quarter of 2013, order bookings increased in Hong Kong while they weakened in Israel.

In Africa, order bookings decreased somewhat in South Africa compared to the third quarter of 2013, while they were stable compared to the fourth quarter of 2012. In Oceania, order bookings increased in Australia. Total order bookings in the Africa and Oceania region were 22 percent higher at 907 (741) units, compared to the fourth quarter of 2012. Compared to the third quarter of 2013, order bookings were stable.

### Deliveries

Scania's total truck deliveries increased by 21 percent to 73,611 (61,051) units during the full year compared to 2012, the highest level in Scania's history. During the fourth quarter, deliveries increased by 18 percent to a record high 22,249 (18,819) trucks. In Europe, deliveries rose by 38 percent to 11,549 (8,396) units compared to the fourth quarter of 2012, supported by Euro 5 vehicles that were ordered during the second and third quarters. In Eurasia, deliveries fell by 28 percent to 1,704 (2,368) trucks.

In Latin America, deliveries rose by 12 percent to 6,115 (5,472) units compared to the fourth quarter of 2012, driven by Brazil. In Asia, deliveries increased by 9 percent compared to the fourth quarter of 2012 to 1,908 (1,750) trucks.

### Sales

Net sales of trucks rose by 16 percent to SEK 57,502 m. (49,580) during the full year. During the fourth quarter, sales rose by 17 percent to SEK 17,423 m. (14,872).

### 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 increased by 8 percent to about 238,200 units during the full year 2013. Scania truck registrations amounted to some 33,100 units, equivalent to a market share of about 13.9 (13.2) percent.



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Scania trucks	Order bookings			Deliveries		
	12 months	12 months	Change,	12 months	12 months	Change,
	2013	2012	%	2013	2012	%
Europe	35,179	28,695	23	32,625	27,720	18
Eurasia	6,107	6,801	-10	6,260	6,798	-8
America*	19,899	18,833	6	23,756	15,391	54
Asia	8,731	8,362	4	7,400	8,089	-9
Africa and Oceania	3,762	3,194	18	3,570	3,053	17
<b>Total</b>	<b>73,678</b>	<b>65,885</b>	<b>12</b>	<b>73,611</b>	<b>61,051</b>	<b>21</b>

\*Refers to Latin America

## The bus and coach market

### Order bookings

Order bookings for buses and coaches improved during the full year 2013 and Scania received major orders in Russia, Malaysia and Taiwan during the first half of the year.

Scania's total order bookings for buses and coaches increased by 20 percent to 7,257 (6,060) units during the full year 2013 compared to 2012. During the fourth quarter, order bookings increased by 4 percent to 1,502 (1,448) units compared to the corresponding period of 2012. In Europe, order bookings amounted to 468 units (348).

Compared to the fourth quarter of 2012, order bookings fell by 25 percent in Latin America. The downturn was primarily related to Brazil and Mexico.

In Asia, order bookings decreased to 266 (297) buses and coaches compared to the fourth quarter of 2012, mainly attributable to Taiwan and Israel but moderated somewhat by an increase in India. Order bookings in Africa and Oceania rose by 114 percent and the upturn was mainly attributable to Australia.

### Deliveries

Scania's bus and coach deliveries totalled 6,853 (6,350) units during the full year 2013. In the fourth quarter, deliveries rose by 17 percent to 1,991 (1,703) units compared to the corresponding period of 2012. In Europe, deliveries increased by 4 percent compared to the fourth quarter of 2012. In Latin America, deliveries were down by 13 percent. In Asia, deliveries increased by 73 percent, while deliveries of buses and coaches in Africa and Oceania rose by 16 percent during the fourth quarter.

### Net sales

Net sales of buses and coaches fell by 8 percent to SEK 6,610 m. (7,196) during the full year 2013. During the fourth quarter, sales increased by 16 percent to SEK 2,064 m. (1,775).

Scania buses and coaches	Order bookings			Deliveries		
	12 months	12 months	Change,	12 months	12 months	Change,
	2013	2012	%	2013	2012	%
Europe	1,252	1,032	21	1,000	1,312	-24
Eurasia	825	178	-	850	198	-
America*	2,604	3,016	-14	2,778	2,738	1
Asia	1,638	1,250	31	1,388	1,304	6
Africa and Oceania	938	584	61	837	798	5
<b>Total</b>	<b>7,257</b>	<b>6,060</b>	<b>20</b>	<b>6,853</b>	<b>6,350</b>	<b>8</b>

\*Refers to Latin America

## Engines

### Order bookings

Total engine order bookings rose by 10 percent to 7,246 (6,594) units during the full year 2013. Compared to the fourth quarter of 2012, order bookings were 27 percent higher at 1,775 (1,402) units. Order bookings were supported by customers that invested before year-end, when new emission standards (Stage IV/Tier4 Final) entered into effect.



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### Deliveries

Engine deliveries fell by 4 percent to 6,783 (7,063) units during the full year. Fourth quarter deliveries rose by 34 percent to 2,148 (1,602) engines. The upturn was mainly attributable to Great Britain and South Korea.

### Net sales

During 2013, sales decreased to SEK 1,140 m. (1,245). During the fourth quarter, sales rose by 24 percent to SEK 368 m. (296).

### Services

#### Record high volume and negative currency rate effects

Service revenue amounted to SEK 17,510 m. (17,092) during the full year 2013. Currency rate effects had a negative impact, while more workshop hours and parts together with somewhat higher prices had a positive impact. In local currencies, revenue increased by 6 percent.

In Europe, service revenue rose slightly to SEK 11,802 m. (11,601) compared to the full year 2012. In Latin America, revenue rose by 4 percent to SEK 2,584 m. (2,474) and revenue in Asia was 5 percent higher than the year-earlier period at SEK 1,317 m. (1,251). In Africa and Oceania, service revenue decreased by 3 percent to SEK 1,134 m. (1,168), while in Eurasia it increased by 13 percent to SEK 673 m. (598) compared to the full year 2012.

During the fourth quarter, service revenue increased by 4 percent to SEK 4,522 m. (4,332). In local currencies, revenue rose by 6 percent, with higher volume of workshop hours and parts.

## Earnings

### Vehicles and Services

#### Full year 2013

Operating income in Vehicles and Services totalled SEK 7,736 m. (7,694) during the full year 2013. Higher vehicle deliveries and higher service volume had a positive effect. The high capacity utilisation had a positive impact but additional costs had a negative effect, since the production level was close to capacity in the fourth quarter. There were also several adjustments of the daily production rate during 2013, which affected production costs negatively.

Negative currency rate effects, as well as a competitive pricing environment, adversely impacted margins. Furthermore, Scania has been paying a so-called utilisation fee per truck sold in Russia, which lowered earnings. Compared to the full year 2012, the total currency rate effect was negative and amounted to about SEK 1,735 m.

Scania's research and development expenditures amounted to SEK 5,854 m. (5,312). After adjusting for SEK 1,123 m. (860) in capitalised expenditures and SEK 293 m. (229) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 5,024 m. (4,681).

#### The fourth quarter of 2013

Operating income in Vehicles and Services totalled SEK 2,308 m. (1,992) during the fourth quarter of 2013. Higher vehicle deliveries and higher service volume had a positive effect. The high capacity utilisation had a positive impact but additional costs had a negative effect, since the production level was close to capacity in the fourth quarter.

Somewhat higher new truck prices related to the introduction of Streamline had some positive effect. Compared to the fourth quarter of 2012, the total currency rate effect was negative and amounted to about SEK 300 m.

Scania's research and development expenditures amounted to SEK 1,661 m. (1,454). After adjusting for SEK 351 m. (329) in capitalised expenditures and SEK 84 m. (62) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,394 m. (1,187).



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## Financial Services

### Customer finance portfolio

At the end of 2013, the size of Scania's customer finance portfolio amounted to SEK 48.9 billion, which was SEK 3.8 billion higher than the end of 2012. In local currencies, the portfolio increased by SEK 4.2 billion, equivalent to 9 percent.

### Penetration rate

The penetration rate was 33 (38) percent during the full year 2013 in those markets where Scania has its own financing operations. The decrease was mainly due to changes in market mix.

### Operating income

Operating income in Financial Services increased to a record high SEK 719 m. (606) during the full year 2013, compared to 2012. A larger portfolio and higher margins had a positive impact on earnings. During the fourth quarter, operating income amounted to SEK 208 m. (173). Overdue receivables and bad debt expenses decreased during the quarter.

## Scania Group

During the full year 2013, Scania's operating income amounted to SEK 8,455 m. (8,300). Operating margin amounted to 9.7 (10.4) percent. Scania's net financial items totalled SEK -47 m. (-19). Net interest items amounted to SEK -63 m. (133). Net interest items were adversely affected by a lower interest margin and a lower average net cash position in Vehicles and Services, compared to one year earlier. Other financial income and expenses totalled SEK 16 m. (-152). This included SEK 72 m. (-90) in valuation effects related to financial instruments where hedge accounting was not applied.

The Scania Group's tax expense amounted to SEK 2,214 m. (1,641), equivalent to 26.3 (19.8) percent of income before taxes. Net income for the period totalled SEK 6,194 m. (6,640), equivalent to a net margin of 7.1 (8.3) percent. Earnings per share amounted to SEK 7.75 (8.31).

## Cash flow

### Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 3,231 m. (3,025) during the full year 2013. Tied-up working capital decreased by SEK 102 m., despite a negative impact from redemption of some SEK 800 m. related to PRI Swedish pension system debt during the first quarter.

Net investments amounted to SEK 5,320 m. (4,455), including SEK 1,123 m. (860) in capitalisation of development expenses. At the end of 2013, the net cash position in Vehicles and Services amounted to SEK 8,843 m. compared to a net cash position of SEK 9,361 m. at the end of 2012.

### Scania Group

Scania's cash flow in Financial Services amounted to SEK -3,336 m. (-4,089) during the full year 2013 due to a growing customer finance portfolio. Together with the dividend to the shareholders and the positive cash flow in Vehicles and Services, the Group's net debt increased by about SEK 3.6 billion compared to the end of 2012.

## 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 7,000 m. (4,000) during the full year 2013.



## Miscellaneous

### Number of employees

At the end of 2013, the number of employees totalled 40,953 compared to 38,597 on the same date in 2012.

### Material risks and uncertainty factors

The section entitled "Risks and risk management" in Scania's Annual Report for 2012 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 30 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 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. At the end of 2013, obligations related to residual value or repurchases amounted to about SEK 9.9 billion compared to SEK 8.6 billion at the end of 2012.

#### 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 from 1 January 2013 include the following:

*Amendment to IAS 19, "Employee Benefits"* – Scania already applies the method for measurement of pension liabilities contained in the new proposal, except that the returns on pension assets shall be measured based on the same discount rate as pension liabilities rather than on the estimated return. Since the size of plan assets is relatively small, the standard has not had any material effect on the financial statements, other than in relation to special pay toll tax, which is now included in provisions for pensions. The amendment means that in the Year-end Report SEK 373 m. is transferred from "Other provisions" to "Provisions for pensions" on 31 December 2013 (restatement of periods for 2012: SEK 554 m. on 31 Dec 2012; SEK 378 m. on 30 Sep 2012; SEK 380 m. on 30 Jun 2012 and SEK 378 m. on 31 Mar 2012).

*IFRS 13, "Fair Value Measurement"* – The standard is being introduced to create a uniform definition of fair value and uniform valuation methods for measurement of fair value. New disclosure requirements are also being introduced. The change has meant that Scania now also includes a credit risk component upon valuation of derivatives, which has not had any significant impact on the financial statements.

*Amendment to IAS 1, "Presentation of Financial Statements"* – implies new disclosure requirements of components accounted for in other comprehensive income in respect of items that may be reclassified to net income and those which will not be reclassified to net income.





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*Amendments to IFRS 7 "Financial instruments: Disclosures"*. The amendment relates to new disclosure requirements for offsetting financial assets and liabilities.

Accounting principles and calculation methods are otherwise unchanged from those applied in the Annual Report for 2012.

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.

### **Dividend**

Scania's Annual General Meeting on 3 May 2013 approved a dividend for 2012 of SEK 4.75 (5.00) per share for the financial year 2012. A total of SEK 3,800 was transferred to the shareholders.

### **Proposed dividend and Annual General Meeting**

The Board of Directors proposes a dividend of SEK 4.00 (4.75) per share for the financial year 2013, with 12 May 2014 as the record date. This means that a total of SEK 3,200 m. will be transferred to the shareholders provided that the Annual General Meeting approves the Board's proposal. Scania's Annual General Meeting for the financial year 2013 will be held on 7 May 2014 in the Marcus Wallenberg Hall at Scania's Head Office in Södertälje, Sweden.

Södertälje, 29 January 2014

Martin Lundstedt  
President and CEO



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## Financial information from Scania This Year-end Report and calendar

This Year-end Report will be presented at a press and analyst conference held at Moderna Museet in Stockholm at 11.00 CET on 29 January 2014. A telephone conference will also be held at 14.00 CET. Information about participation is available on [www.scania.com](http://www.scania.com).

### Calendar 2014

Week commencing 17 March	Publication of Annual Report 2013 on <a href="http://www.scania.com">www.scania.com</a>
25 April	Interim Report, January-March 2014
18 July	Interim Report, January-June 2014
22 October	Interim Report, January-September 2014

### Forward-looking statements

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Such forward-looking statements involve risks and uncertainties that could significantly alter potential results. The statements are based on assumptions, including assumptions related to general economic and financial conditions in the company's markets and the level of demand for the company's products.

This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required by the rule book for issuers at the NASDAQ OMX Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were issued.

The Interim Report for the first nine months of 2013 stated the following:

"Order bookings for trucks in Europe continued to improve during the third quarter. Demand has been supported by customers that are investing in Euro 5 vehicles before year-end, when the transition to Euro 6 will occur. There is also a replacement need. Order bookings in Latin America remained at a good level but decreased compared to the high level of the previous quarters. Order bookings for buses and coaches fell related to Latin America and Asia. In Engines, order bookings increased in Europe compared to the second quarter, driven by investments ahead of the transition to the new emission standard in 2014. Scania has raised its daily production rate in Europe while increasing flexibility at its production units. There are good growth opportunities and the expansion of annual technical production capacity towards 120,000 vehicles is continuing. To strengthen competitiveness, the level of activity related to development projects remains high, at the same time as Scania is expanding its sales and service capacity in emerging markets."

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The information in this Year-end Report is that which Scania is required to disclose under Sweden's Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 09.30 CET on 29 January 2014.


**Consolidated income statements**

Amounts in SEK m. unless otherwise stated	Full year		Change in %	Q4		
	EUR m.*	2013		2012	2013	2012
<b>Vehicles and Services</b>						
Net sales	9,711	86,847	79,603	9	24,983	22,300
Cost of goods sold	-7,302	-65,303	-58,927	11	-18,865	-17,000
<b>Gross income</b>	<b>2,409</b>	<b>21,544</b>	20,676	4	<b>6,118</b>	5,300
Research and development expenses	-562	-5,024	-4,681	7	-1,394	-1,100
Selling expenses	-865	-7,740	-7,286	6	-2,137	-1,900
Administrative expenses	-119	-1,065	-1,042	2	-287	-250
Share of income from associated companies and joint ventures	2	21	27	-22	8	10
<b>Operating income, Vehicles and Services</b>	<b>865</b>	<b>7,736</b>	7,694	1	<b>2,308</b>	1,900
<b>Financial Services</b>						
Interest and lease income	503	4,494	4,576	-2	1,174	1,100
Interest and depreciation expenses	-327	-2,920	-3,095	-6	-755	-700
Interest surplus	176	1,574	1,481	6	419	300
Other income and expenses	12	111	65	71	36	10
<b>Gross income</b>	<b>188</b>	<b>1,685</b>	1,546	9	<b>455</b>	400
Selling and administrative expenses	-77	-686	-650	6	-180	-150
Bad debt expenses, realised and anticipated	-31	-280	-290	-3	-67	-50
<b>Operating income, Financial Services</b>	<b>80</b>	<b>719</b>	606	19	<b>208</b>	150
<b>Operating income</b>	<b>945</b>	<b>8,455</b>	8,300	2	<b>2,516</b>	2,050
Interest income and expenses	-7	-63	133	-	-21	-
Other financial income and expenses	2	16	-152	-	-12	-
<b>Total financial items</b>	<b>-5</b>	<b>-47</b>	-19	-	<b>-33</b>	-
<b>Income before taxes</b>	<b>940</b>	<b>8,408</b>	8,281	2	<b>2,483</b>	2,050
Taxes	-247	-2,214	-1,641	35	-522	-250
<b>Net income for the period</b>	<b>693</b>	<b>6,194</b>	6,640	-7	<b>1,961</b>	1,800
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to net income</b>						
Translation differences	-101	-907	-1,178	-	73	-
Cash flow hedges						
change in value for the year	-	-	2	-	-	-
reclassification to operating income	0	0	3	-	1	-
Taxes	0	-3	-17	-	13	-
	-101	-910	-1,190	-	87	1
<b>Items that will not be reclassified to net income</b>						
Re-measurement of defined benefit plans <sup>3</sup>	90	803	-1,243	-	-171	-90
Taxes	-20	-179	216	-	35	1
	70	624	-1,027	-	-136	-89
<b>Other comprehensive income for the period</b>	<b>-31</b>	<b>-286</b>	-2,217	-	<b>-49</b>	-7
<b>Total comprehensive income for the period</b>	<b>662</b>	<b>5,908</b>	4,423	-	<b>1,912</b>	1,100
Net income attributable to:						
Scania shareholders	694	6,201	6,646	-	1,963	1,800
Non-controlling interest	-1	-7	-6	-	-2	-
Total comprehensive income attributable to:						
Scania shareholders	662	5,913	4,431	-	1,913	1,100
Non-controlling interest	0	-5	-8	-	-1	-
<i>Operating income includes depreciation of</i>	-328	-2,929	-2,698	-	-797	-600
Earnings per share, SEK (no dilution) <sup>1</sup>		7.75	8.31		2.45	2.00
Return on equity, percent <sup>1,2</sup>		17.5	19.2			
Operating margin, percent		9.7	10.4		10.1	9.0

<sup>1</sup> Attributable to Scania shareholders' portion of net income.

<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 4.0 percent as of 31 December.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 8.9430 = EUR 1.00.



### Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	Full year		Change in %	Q4		
	EUR m.	2013		2012	2013	2012
<b>Net sales</b>						
Trucks	6,431	57,502	49,580	16	17,423	14,872
Buses *	739	6,610	7,196	-8	2,064	1,775
Engines	127	1,140	1,245	-8	368	296
Service-related products	1,958	17,510	17,092	2	4,522	4,332
Used vehicles	549	4,912	4,492	9	1,294	1,192
Miscellaneous	259	2,319	1,892	23	735	614
Delivery sales value	10,063	89,993	81,497	10	26,406	23,081
Revenue deferrals <sup>1</sup>	-352	-3,146	-1,894	66	-1,423	-739
Net sales	9,711	86,847	79,603	9	24,983	22,342

<b>Net sales <sup>2</sup></b>						
Europe	4,879	43,631	41,714	5	13,501	11,260
Eurasia	677	6,052	5,972	1	1,689	1,965
America **	2,633	23,551	18,391	28	6,037	5,841
Asia	868	7,760	7,843	-1	2,110	1,766
Africa and Oceania	654	5,853	5,683	3	1,646	1,510
Net sales	9,711	86,847	79,603	9	24,983	22,342

<b>Total delivery volume, units</b>						
Trucks		73,611	61,051	21	22,249	18,819
Buses*		6,853	6,350	8	1,991	1,703
Engines		6,783	7,063	-4	2,148	1,602

<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



**Quarterly data, earnings**

	2013				2012				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Amounts in SEK m, unless otherwise stated									
<b>Vehicles and Services</b>									
Net sales	2,793	24,983	19,725	22,798	19,341	22,342	17,923	19,211	20,127
Cost of goods sold	-2,709	-18,865	-14,720	-17,287	-14,431	-17,026	-13,213	-14,012	-14,676
<b>Gross income</b>	<b>684</b>	<b>6,118</b>	<b>5,005</b>	<b>5,511</b>	<b>4,910</b>	<b>5,316</b>	<b>4,710</b>	<b>5,199</b>	<b>5,451</b>
Research and development expenses	-156	-1,394	-1,168	-1,355	-1,107	-1,187	-958	-1,313	-1,223
Selling expenses	-239	-2,137	-1,841	-2,004	-1,758	-1,923	-1,736	-1,897	-1,730
Administrative expenses	-32	-287	-241	-269	-268	-225	-254	-250	-313
Share of income in associated companies and joint ventures	1	8	4	8	1	11	-4	13	7
<b>Operating income, Vehicles and Services</b>	<b>258</b>	<b>2,308</b>	<b>1,759</b>	<b>1,891</b>	<b>1,778</b>	<b>1,992</b>	<b>1,758</b>	<b>1,752</b>	<b>2,192</b>
<b>Financial Services</b>									
Interest and lease income	131	1,174	1,118	1,106	1,096	1,124	1,118	1,180	1,154
Interest and depreciation expenses	-84	-755	-724	-719	-722	-735	-760	-805	-795
Interest surplus	47	419	394	387	374	389	358	375	359
Other income and expenses	4	36	43	7	25	33	5	14	13
<b>Gross income</b>	<b>51</b>	<b>455</b>	<b>437</b>	<b>394</b>	<b>399</b>	<b>422</b>	<b>363</b>	<b>389</b>	<b>372</b>
Selling and administrative expenses	-20	-180	-164	-173	-169	-170	-153	-165	-162
Bad debt expenses	-8	-67	-64	-74	-75	-79	-90	-42	-79
<b>Operating income, Financial Services</b>	<b>23</b>	<b>208</b>	<b>209</b>	<b>147</b>	<b>155</b>	<b>173</b>	<b>120</b>	<b>182</b>	<b>131</b>
<b>Operating income</b>									
Operating income	281	2,516	1,968	2,038	1,933	2,165	1,878	1,934	2,323
Interest income and expenses	-2	-21	-7	-27	-8	-27	33	37	90
Other financial income and expenses	-1	-12	50	-15	-7	-13	-30	-91	-18
<b>Total financial items</b>	<b>-3</b>	<b>-33</b>	<b>43</b>	<b>-42</b>	<b>-15</b>	<b>-40</b>	<b>3</b>	<b>-54</b>	<b>72</b>
<b>Income before taxes</b>	<b>278</b>	<b>2,483</b>	<b>2,011</b>	<b>1,996</b>	<b>1,918</b>	<b>2,125</b>	<b>1,881</b>	<b>1,880</b>	<b>2,395</b>
Taxes	-59	-522	-549	-623	-520	-235	-380	-425	-601
<b>Net income for the period</b>	<b>219</b>	<b>1,961</b>	<b>1,462</b>	<b>1,373</b>	<b>1,398</b>	<b>1,890</b>	<b>1,501</b>	<b>1,455</b>	<b>1,794</b>
Earnings per share, SEK *	2.45	10.1	1.83	1.72	1.75	2.37	1.88	1.82	2.24
Operating margin, in percent	10.1	10.0	10.0	8.9	10.0	9.7	10.5	10.1	11.5

\* Attributable to Scania shareholders' portion of net income



### Consolidated balance sheets by business segment

	2013					2012			
	EUR m.	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Amounts in SEK m. unless otherwise stated									
<b>Vehicles and Services</b>									
<b>Assets</b>									
<b>Non-current assets</b>									
Intangible assets	451	4,033	3,738	3,529	3,332	3,138	2,830	2,688	2,597
Tangible assets	2,419	21,638	21,259	21,099	20,616	20,594	20,083	20,190	20,248
Lease assets	746	6,669	6,178	6,132	5,780	5,992	5,447	5,528	5,162
Shares and participations	55	490	477	492	487	491	481	514	481
Interest-bearing receivables	1	5	2	0	0	8	65	154	207
Other receivables <sup>1,2</sup>	314	2,808	2,607	2,571	2,757	2,565	2,590	2,547	2,469
<b>Current assets</b>									
Inventories	1,627	14,552	15,305	15,246	15,246	14,235	14,974	15,283	14,447
Interest-bearing receivables	11	96	86	95	102	93	178	159	173
Other receivables <sup>3</sup>	1,146	10,243	10,186	10,679	10,134	9,684	9,341	9,127	8,960
Current investments	5	47	59	46	47	129	143	454	142
Cash and cash equivalents	1,001	8,957	9,330	11,053	12,586	11,561	9,347	7,636	14,578
<b>Total assets</b>	<b>7,776</b>	<b>69,538</b>	<b>69,227</b>	<b>70,942</b>	<b>71,087</b>	<b>68,490</b>	<b>65,479</b>	<b>64,280</b>	<b>69,464</b>
<b>Equity and liabilities</b>									
<b>Equity</b>									
Scania shareholders	3,555	31,792	30,120	28,631	31,129	30,133	29,152	28,479	31,502
Non-controlling interest	6	57	58	60	61	62	63	70	1
<b>Total equity</b>	<b>3,561</b>	<b>31,849</b>	<b>30,178</b>	<b>28,691</b>	<b>31,190</b>	<b>30,195</b>	<b>29,215</b>	<b>28,549</b>	<b>31,503</b>
<b>Interest-bearing liabilities</b>	<b>57</b>	<b>513</b>	<b>2,846</b>	<b>5,076</b>	<b>3,479</b>	<b>2,477</b>	<b>1,148</b>	<b>242</b>	<b>2,688</b>
<b>Non-current liabilities</b>									
Provisions for pensions	643	5,748	5,425	6,394	6,315	7,102	6,305	5,978	5,945
Other provisions	307	2,745	2,465	2,513	2,555	2,584	2,547	2,771	2,793
Other liabilities <sup>1,4</sup>	608	5,436	4,741	4,505	4,324	4,635	4,858	4,900	4,416
<b>Current liabilities</b>									
Provisions	204	1,825	1,806	1,866	1,808	1,643	1,594	1,607	1,630
Other liabilities <sup>5</sup>	2,396	21,422	21,766	21,897	21,416	19,854	19,812	20,233	20,489
<b>Total equity and liabilities</b>	<b>7,776</b>	<b>69,538</b>	<b>69,227</b>	<b>70,942</b>	<b>71,087</b>	<b>68,490</b>	<b>65,479</b>	<b>64,280</b>	<b>69,464</b>
<sup>1</sup> Including deferred tax									
<sup>2</sup> Including derivatives with positive value for hedging of borrowings	61	542	633	563	802	670	705	773	619
<sup>3</sup> Including derivatives with positive value for hedging of borrowings	38	345	255	319	318	340	579	130	223
<sup>4</sup> Including derivatives with negative value for hedging of borrowings	25	228	249	280	344	518	590	371	471
<sup>5</sup> Including derivatives with negative value for hedging of borrowings	34	307	212	222	376	344	463	381	364
Net cash (-) / Net debt (+) excl. provisions for pensions, incl. derivatives as above	-989	-8,843	-6,970	-6,403	-9,554	-9,361	-8,573	-7,999	-12,039


**Consolidated balance sheets by business segment**

Amounts in SEK m. unless otherwise stated	2013					2012			
	EUR m.	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
<b>Financial Services</b>									
<b>Assets</b>									
<b>Non-current assets</b>									
Intangible assets	1	13	11	10	10	12	12	14	15
Tangible assets	4	40	40	35	33	34	32	31	33
Lease assets	1,063	9,505	8,404	8,195	7,749	8,135	7,849	8,209	8,161
Financial receivables	2,693	24,077	22,828	23,068	22,239	22,988	22,034	21,501	21,325
Other receivables <sup>1</sup>	30	271	262	248	215	236	228	204	211
<b>Current assets</b>									
Financial receivables	1,709	15,281	14,679	14,597	14,000	13,914	12,889	13,367	13,251
Other receivables	99	886	710	757	724	1,037	779	945	925
Cash and cash equivalents	68	605	274	336	324	357	543	319	232
<b>Total assets</b>	<b>5,667</b>	<b>50,678</b>	<b>47,208</b>	<b>47,246</b>	<b>45,294</b>	<b>46,713</b>	<b>44,366</b>	<b>44,590</b>	<b>44,153</b>
<b>Equity and liabilities</b>									
<b>Equity</b>									
Scania shareholders	589	5,263	5,022	4,988	4,727	4,809	4,604	4,671	4,600
Total equity	589	5,263	5,022	4,988	4,727	4,809	4,604	4,671	4,600
<b>Interest-bearing liabilities</b>	<b>4,844</b>	<b>43,320</b>	<b>40,260</b>	<b>40,482</b>	<b>38,748</b>	<b>39,974</b>	<b>37,689</b>	<b>37,976</b>	<b>37,681</b>
<b>Non-current liabilities</b>									
Provisions for pensions	4	40	37	36	34	34	26	26	26
Other provisions	1	5	5	5	6	6	5	5	4
Other liabilities <sup>1</sup>	68	612	589	598	566	605	616	607	608
<b>Current liabilities</b>									
Provisions	2	16	6	5	4	7	4	4	4
Other liabilities	159	1,422	1,289	1,132	1,209	1,278	1,422	1,301	1,230
<b>Total equity and liabilities</b>	<b>5,667</b>	<b>50,678</b>	<b>47,208</b>	<b>47,246</b>	<b>45,294</b>	<b>46,713</b>	<b>44,366</b>	<b>44,590</b>	<b>44,153</b>

<sup>1</sup> Including deferred tax



### Consolidated balance sheets by business segment

Amounts in SEK m. unless otherwise stated	2013					2012			
	EUR m.	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sept	30 Jun	31 Mar
<b>Eliminations</b>									
<b>Assets</b>									
Lease assets	-175	-1,564	-1,422	-1,421	-1,385	-1,466	-1,441	-1,521	-1,572
Other current receivables	-66	-587	-461	-506	-552	-605	-622	-500	-473
Current investments	0	0	0	0	0	0	0	-299	0
<b>Total assets</b>	<b>-241</b>	<b>-2,151</b>	<b>-1,883</b>	<b>-1,927</b>	<b>-1,937</b>	<b>-2,071</b>	<b>-2,063</b>	<b>-2,320</b>	<b>-2,045</b>
<b>Equity and liabilities</b>									
Interest-bearing liabilities	0	0	0	0	0	0	0	-299	0
Other current liabilities	-241	-2,151	-1,883	-1,927	-1,937	-2,071	-2,063	-2,021	-2,045
<b>Total equity and liabilities</b>	<b>-241</b>	<b>-2,151</b>	<b>-1,883</b>	<b>-1,927</b>	<b>-1,937</b>	<b>-2,071</b>	<b>-2,063</b>	<b>-2,320</b>	<b>-2,045</b>
<b>Scania Group</b>									
<b>Assets</b>									
<b>Non-current assets</b>									
Intangible assets	452	4,046	3,749	3,539	3,342	3,150	2,842	2,702	2,612
Tangible assets	2,424	21,678	21,299	21,134	20,649	20,628	20,115	20,221	20,281
Lease assets	1,634	14,610	13,160	12,906	12,144	12,661	11,855	12,216	11,751
Shares and participations	55	490	477	492	487	491	481	514	481
Interest-bearing receivables	2,693	24,082	22,830	23,068	22,239	22,996	22,099	21,655	21,532
Other receivables <sup>1,2</sup>	344	3,079	2,869	2,819	2,972	2,801	2,818	2,751	2,680
<b>Current assets</b>									
Inventories	1,627	14,552	15,305	15,246	15,246	14,235	14,974	15,283	14,447
Interest-bearing receivables	1,720	15,377	14,765	14,692	14,102	14,007	13,067	13,526	13,424
Other receivables <sup>3</sup>	1,179	10,542	10,435	10,930	10,306	10,116	9,498	9,572	9,412
Current investments	5	47	59	46	47	129	143	155	142
Cash and cash equivalents	1,069	9,562	9,604	11,389	12,910	11,918	9,890	7,955	14,810
<b>Total assets</b>	<b>13,202</b>	<b>118,065</b>	<b>114,552</b>	<b>116,261</b>	<b>114,444</b>	<b>113,132</b>	<b>107,782</b>	<b>106,550</b>	<b>111,572</b>
<b>Total equity and liabilities</b>									
<b>Equity</b>									
Scania shareholders	4,144	37,055	35,142	33,619	35,856	34,942	33,756	33,150	36,102
Non-controlling interest	6	57	58	60	61	62	63	70	1
<b>Total equity</b>	<b>4,150</b>	<b>37,112</b>	<b>35,200</b>	<b>33,679</b>	<b>35,917</b>	<b>35,004</b>	<b>33,819</b>	<b>33,220</b>	<b>36,103</b>
<b>Non-current liabilities</b>									
Interest-bearing liabilities	3,282	29,350	31,867	32,812	30,148	26,146	22,392	20,825	23,219
Provisions for pensions	647	5,788	5,462	6,430	6,349	7,136	6,331	6,004	5,971
Other provisions	308	2,750	2,470	2,518	2,561	2,590	2,552	2,776	2,797
Other liabilities <sup>1,4</sup>	676	6,048	5,330	5,103	4,890	5,240	5,474	5,507	5,024
<b>Current liabilities</b>									
Interest-bearing liabilities	1,619	14,483	11,239	12,746	12,079	16,305	16,445	17,094	17,150
Provisions	206	1,841	1,812	1,871	1,812	1,650	1,598	1,611	1,634
Other liabilities <sup>5</sup>	2,314	20,693	21,172	21,102	20,688	19,061	19,171	19,513	19,674
<b>Total equity and liabilities</b>	<b>13,202</b>	<b>118,065</b>	<b>114,552</b>	<b>116,261</b>	<b>114,444</b>	<b>113,132</b>	<b>107,782</b>	<b>106,550</b>	<b>111,572</b>
<sup>1</sup> Including deferred tax									
<sup>2</sup> Including derivatives with positive value for hedging of borrowings									
	61	542	633	563	802	670	705	773	619
<sup>3</sup> Including derivatives with positive value for hedging of borrowings									
	38	345	255	319	318	340	579	130	223
<sup>4</sup> Including derivatives with negative value for hedging of borrowings									
	25	228	249	280	344	518	590	371	471
<sup>5</sup> Including derivatives with negative value for hedging of borrowings									
	34	307	212	222	376	344	463	381	364
Equity/assets ratio, percent	31.4	31.4	30.7	29.0	31.4	30.9	31.4	31.2	32.4





### Statement of changes in equity

Amounts in SEK m. unless otherwise stated	Full year		
	EUR m.	2013	2012
Equity, 1 January	3,914	35,004	34,512
Net income for the period	693	6,194	6,640
Other comprehensive income for the period	-32	-286	-2,217
Dividend	-425	-3,800	-4,000
Change in non-controlling interest <sup>1</sup>	-	-	69
<b>Total equity at the end of the period</b>	<b>4,150</b>	<b>37,112</b>	<b>35,004</b>
Attributable to:			
Scania AB shareholders	4,144	37,055	34,942
Non-controlling interest <sup>1</sup>	6	57	62

<sup>1</sup> During the second quarter of 2012, 51% of the distributor in Iraq was acquired.

### Information about segments

Amounts in SEK m. unless otherwise stated	Full year		
	EUR m.	2013	2012
Revenue from external customers, Vehicles and Services	9,711	86,847	79,603
Revenue from external customers, Financial Services	503	4,494	4,576
Elimination related to lease income on operating leases	-203	-1,812	-1,728
<b>Revenue from external customers, Scania Group</b>	<b>10,011</b>	<b>89,529</b>	<b>82,451</b>
Operating income, Vehicles and Services	865	7,736	7,694
Operating income, Financial Services	80	719	606
<b>Operating income, Scania Group</b>	<b>945</b>	<b>8,455</b>	<b>8,300</b>



### Cash flow statement

	Full year		2013				2012			
	EUR m.	2013	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amounts in SEK m, unless otherwise stated										
<b>Operating activities</b>										
Income before tax	940	8,408	2,483	2,011	1,996	1,918	2,125	1,881	1,880	2,395
Items not affecting cash flow	363	3,236	1,018	766	772	680	844	687	748	656
Taxes paid	-267	-2,394	-500	-508	-610	-776	-436	-437	-557	-1,066
<b>Cash flow from operating activities</b>										
before change in working capital	1,036	9,250	3,001	2,269	2,158	1,822	2,533	2,131	2,071	1,985
of which: Vehicles and Services	945	8,449	2,822	2,028	1,982	1,617	2,339	1,942	1,872	1,885
Financial Services	91	801	179	241	176	205	194	189	199	100
Change in working capital etc., Vehicles and Services <sup>1</sup>	11	102	491	-63	88	-414	126	-385	-923	624
<b>Cash flow from operating activities</b>	1,047	9,352	3,492	2,206	2,246	1,408	2,659	1,746	1,148	2,609
<b>Investing activities</b>										
Net investments, Vehicles and Services <sup>1</sup>	-595	-5,320	-1,444	-1,347	-1,330	-1,199	-1,616	-1,150	-943	-746
Net investments in credit portfolio etc., Financial Services	-463	-4,137	-2,207	-657	-1,137	-136	-2,363	-836	-834	-738
<b>Cash flow from investing activities</b>	-1,058	-9,457	-3,651	-2,004	-2,467	-1,335	-3,979	-1,986	-1,777	-1,484
<b>Cash flow from Vehicles and Services</b>	361	3,231	1,869	618	740	4	849	407	6	1,763
<b>Cash flow from Financial Services</b>	-372	-3,336	-2,028	-416	-961	69	-2,169	-647	-635	-638
<b>Financing activities</b>										
Change in debt from financing activities	225	2,016	168	-1,757	2,698	917	3,412	2,349	-2,031	2,182
Dividend	-425	-3,800	-	-	-3,800	-	-	-	-4,000	-
<b>Cash flow from financing activities</b>	-200	-1,784	168	-1,757	-1,102	917	3,412	2,349	-6,031	2,182
<b>Cash flow for the year</b>	-211	-1,889	-1	-1,555	-1,323	990	2,092	2,109	-6,660	3,307
<b>Cash and cash equivalents at beginning of period</b>	1,333	11,918	9,604	11,389	12,910	11,918	9,890	7,955	14,810	11,648
<b>Exchange rate differences in cash and cash equivalents</b>	-53	-467	-41	-230	-198	2	-64	-174	-195	-145
<b>Cash and cash equivalents at end of period</b>	1,069	9,562	9,562	9,604	11,389	12,910	11,918	9,890	7,955	14,810

<sup>1</sup> Net investments and change in working capital related to rental of vehicles during the first quarter of 2012 have been adjusted without impact on total cash flow. The negative impact on net investments and the positive impact from the change in working capital were overstated by SEK 247 m. This change was made in the June reporting.



## 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 measured according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 1,002 m. (1,188). Other assets that are carried at fair value refer to derivatives. These assets are measured 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 542 m. (670), Other current receivables SEK 345 m. (361), Other non-current liabilities SEK 228 m. (518) and Other current liabilities SEK 311 m. (346).

For financial instruments that are carried at accrued cost, fair value disclosures are provided in the table below. 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 31 Financial instruments in Scania's Annual Report for 2013.

Scania Group, SEK m.	31 December 2013		31 December 2012	
	Total carrying amount	Total fair value	Total carrying amount	Total fair value
Non-current interest-bearing receivables	24,082	24,206	22,996	23,146
Current interest-bearing receivables	15,377	15,408	14,007	14,032
Non-interest-bearing trade receivables <sup>2</sup>	6,737	6,737	6,090	6,090
Current investments and Cash and cash equivalents	9,609	9,596	12,047	12,041
Other non-current receivables <sup>1</sup>	970	970	1,119	1,119
Other current receivables <sup>2</sup>	356	356	360	360
<b>Total assets</b>	<b>57,131</b>	<b>57,273</b>	<b>56,619</b>	<b>56,788</b>
Non-current interest-bearing liabilities	29,350	29,570	26,146	26,677
Current interest-bearing liabilities	14,483	14,524	16,305	16,321
Trade payables <sup>3</sup>	8,682	8,682	7,671	7,671
Other non-current liabilities <sup>3</sup>	228	228	518	518
Other current liabilities <sup>4</sup>	311	311	346	346
<b>Total liabilities</b>	<b>53,054</b>	<b>53,315</b>	<b>50,986</b>	<b>51,533</b>

<sup>1</sup>Financial instruments included in the balance sheet under "Other non-current receivables", SEK 3,079 m. (2,801)

<sup>2</sup>Financial instruments included in the balance sheet under "Other current receivables", SEK 10,542 m. (10,116)

<sup>3</sup>Financial instruments included in the balance sheet under "Other non-current liabilities", SEK 6,048 m. (5,240)

<sup>4</sup>Financial instruments included in the balance sheet under "Other current liabilities", SEK 20,693 m. (19,061)

Financial assets and liabilities that have been offset against each other consists of loan receivables and borrowings. Gross amounts total SEK 1,279 m. (2,369) and SEK 1,118 m. (1,975), respectively. The amount that has been offset from each amount totals SEK 1,118 m. (1,975).

Financial assets and liabilities that may be offset consist of derivatives covered by legally binding master netting agreements. The carrying amounts of assets and liabilities total SEK 887 m. (1,010) and SEK 499 m. (861), respectively. The amount that has not been offset from each amount totals SEK 413 m. (623).



**Number of employees**

	2013				2012			
	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	19,069	19,056	18,732	17,619	17,792	17,776	17,373	17,194
Research and development	3,586	3,580	3,550	3,529	3,509	3,480	3,465	3,427
Sales and service companies	17,549	17,380	17,121	16,840	16,605	16,649	16,294	16,079
<b>Vehicles and Services</b>	<b>40,214</b>	<b>40,016</b>	<b>39,403</b>	<b>37,988</b>	<b>37,906</b>	<b>37,905</b>	<b>37,132</b>	<b>36,700</b>
Financial Services	739	723	713	702	691	675	670	666
<b>Total number of employees</b>	<b>40,953</b>	<b>40,739</b>	<b>40,116</b>	<b>38,690</b>	<b>38,597</b>	<b>38,580</b>	<b>37,802</b>	<b>37,366</b>



**Quarterly data, units by geographic area**

	2013				2012					
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>										
Europe	35,179	5,908	11,267	9,970	8,034	28,695	7,470	6,136	7,970	7,119
Eurasia	6,107	1,058	1,611	1,882	1,556	6,801	1,323	1,743	2,319	1,416
America **	19,899	4,226	4,131	5,757	5,785	18,833	7,308	5,003	3,730	2,792
Asia	8,731	2,174	2,540	1,970	2,047	8,362	1,335	1,629	3,141	2,257
Africa and Oceania	3,762	907	926	1,115	814	3,194	741	926	876	651
<b>Total</b>	<b>73,678</b>	<b>14,273</b>	<b>20,475</b>	<b>20,694</b>	<b>18,236</b>	<b>65,885</b>	<b>18,177</b>	<b>15,437</b>	<b>18,036</b>	<b>14,235</b>
<b>Trucks delivered</b>										
Europe	32,625	11,549	6,864	7,758	6,454	27,720	8,396	5,835	6,638	6,851
Eurasia	6,260	1,704	1,610	1,746	1,200	6,798	2,368	1,607	1,687	1,136
America **	23,756	6,115	5,512	6,648	5,481	15,391	5,472	3,388	2,801	3,730
Asia	7,400	1,908	1,541	2,262	1,689	8,089	1,750	1,460	2,479	2,400
Africa and Oceania	3,570	973	920	946	731	3,053	833	746	742	732
<b>Total</b>	<b>73,611</b>	<b>22,249</b>	<b>16,447</b>	<b>19,360</b>	<b>15,555</b>	<b>61,051</b>	<b>18,819</b>	<b>13,036</b>	<b>14,347</b>	<b>14,849</b>
<b>Order bookings, buses*</b>										
Europe	1,252	468	187	336	261	1,032	348	193	180	311
Eurasia	825	45	227	192	361	178	25	13	88	52
America **	2,604	507	426	679	992	3,016	677	788	939	612
Asia	1,638	266	268	483	621	1,250	297	306	230	417
Africa and Oceania	938	216	226	180	316	584	101	188	113	182
<b>Total</b>	<b>7,257</b>	<b>1,502</b>	<b>1,334</b>	<b>1,870</b>	<b>2,551</b>	<b>6,060</b>	<b>1,448</b>	<b>1,488</b>	<b>1,550</b>	<b>1,574</b>
<b>Buses delivered*</b>										
Europe	1,000	278	274	289	159	1,312	267	380	382	283
Eurasia	850	201	322	227	100	198	56	54	49	39
America **	2,778	749	616	677	736	2,738	859	874	433	572
Asia	1,388	480	383	319	206	1,304	277	322	362	343
Africa and Oceania	837	283	202	170	182	798	244	181	221	152
<b>Total</b>	<b>6,853</b>	<b>1,991</b>	<b>1,797</b>	<b>1,682</b>	<b>1,383</b>	<b>6,350</b>	<b>1,703</b>	<b>1,811</b>	<b>1,447</b>	<b>1,389</b>

\* 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.	2013	201
<b>Income statement</b>			
Financial income and expenses*	787	7,041	4,06
Allocations*	-5	-41	-6
Income taxes	-	-	-
<b>Net income</b>	<b>782</b>	<b>7,000</b>	<b>4,00</b>
		<b>2013</b>	<b>201</b>
	EUR m.	<b>31 Dec</b>	<b>30 Sep</b>
<b>Balance sheet</b>			
<b>Assets</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries	943	8,435	8,40
<b>Current assets</b>			
Due from subsidiaries	1,249	11,167	8,00
<b>Total assets</b>	<b>2,192</b>	<b>19,602</b>	<b>16,40</b>
<b>Equity</b>			
Equity	2,192	19,602	16,40
<b>Total shareholders' equity</b>	<b>2,192</b>	<b>19,602</b>	<b>16,40</b>
		<b>2013</b>	<b>201</b>
	EUR m.	<b>31 Dec</b>	<b>31 Dec</b>
<b>Statement of changes in equity</b>			
Equity, 1 January	1,834	16,402	16,40
Net income	0		
Total comprehensive income	783	7,000	4,00
Dividend	-426	-3,800	-4,00
<b>Equity</b>	<b>2,191</b>	<b>19,602</b>	<b>16,40</b>

\*Full year 2012 has been adjusted according to RFR 2, regarding recognition of group contributions

# Statement from Scania's Independent Committee

The description of Scania on pages 8–44 of this offer document has been reviewed by the Independent Committee appointed by the board of directors of Scania. It is the opinion of the Independent Committee that this short description provides an accurate and fair, although not complete, picture of Scania.

Södertälje, 14 March 2014

**Scania AB (publ)**  
*The Independent Committee*

# Statement from the auditor of Scania

To the Board of Directors of Scania AB, Corporate Identity Number 556184-8564.

## **Auditor's report regarding summary of historical financial information**

We have audited the summary of the historical consolidated financial information for Scania AB on pages 12–15, which comprise the three year period ending on 31 December 2012.

## **Responsibility of the Board of Directors for the financial statements**

The Board of Directors is responsible for the fair presentation of the summary of the historical consolidated financial information on pages 12–15 in the offer document, as collected from the consolidated financial statements for 2012, 2011 and 2010 respectively. It is also the Board of Directors' responsibility to ensure that the historical financial information in the summary on pages 12–15 has been prepared and presented in accordance with the provisions in the Financial Instrument Trading Act (1991:980) and NASDAQOMX Stockholm's *Regler rörande Offentliga uppköpserbjudanden på aktiemarknaden (Take Over Rules)*.

## **The Auditors' responsibility**

Our responsibility is to express an opinion on the summary of the historical consolidated financial information on the basis of our audit. We have conducted our audit in accordance with FAR's recommendation RevR 5 *Granskning av prospekt (Review of Prospectuses)*.

## **Opinion**

In our opinion, the information in the summary of the historical consolidated financial information for the three year period ending on 31 December 2012 has been represented correctly.

The consolidated financial statements from 2012, 2011 and 2010 have been audited by Ernst & Young AB. We have provided unmodified audit opinions for these financial years.

Stockholm, 14 March, 2014

**Ernst & Young AB**

Lars Träff

*Authorized Public Accountant*

*The above English text is an in-house translation of the Swedish original. In case of any discrepancy between the translation and the Swedish original, the latter shall prevail.*



# Information about Volkswagen

The Volkswagen Group, incorporated in Germany and headquartered in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The shares of Volkswagen are primarily listed on Frankfurt Stock Exchange (Frankfurter Wertpapierbörse). In 2013, the group increased the number of vehicles delivered to customers to 9.73 million (2012: 9.28 million).

The group comprises twelve international brands: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. All brands compete independently and based on their specific and unique positioning in the market. The product spectrum ranges from motorcycles to low-consumption small cars and luxury vehicles. In the commercial vehicles sector, the products range from pick-ups to buses and heavy trucks.

The Volkswagen Group is also active in other fields of business, such as manufacturing large-bore diesel engines for marine and stationary applications (turnkey power plants), turbochargers, turbomachinery (steam and gas turbines), compressors and chemical reactors. It also produces vehicle transmissions, special gear units for wind turbines, slide bearings and couplings as well as testing systems for the mobility sector. In addition, the Volkswagen Group offers a wide range of financial services, including dealer and customer financing, leasing, banking and insurance activities as well as fleet management and mobility offerings.

The group operates 106 production plants in 19 European countries and a further eight countries in North and South America, Asia and Africa. Every weekday, more than 570,000 employees worldwide produce some 39,400 vehicles, and work in vehicle-related services or other fields of business. The Volkswagen Group sells its vehicles in more than 150 countries.

The goal of the Volkswagen Group is to offer attractive, safe and environmentally sound vehicles which can compete in an increasingly tough market and set world standards in their respective class. For more information on Volkswagen, please see [www.volkswagenag.com](http://www.volkswagenag.com).

# Tax issues in Sweden

## Tax issues in Sweden

*The following is a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current Swedish tax legislation and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not cover the specific rules that in certain cases apply to shares acquired by virtue of shares in a closely held company (Sw. *fåmansföretag*). Also, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax-exempt capital gains on “shares held for business purposes” (Sw. *näringsbetingade aktier*). Nor does this description deal with the rules that apply where shares are held by a partnership, held as inventory by a legal person or held in an investment savings account (Sw. *investeringsparkonto*) or endowment insurance (Sw. *kapitalförsäkring*). Special tax consequences that are not described below may also apply for certain categories of shareholders, such as investment companies and mutual funds. Each shareholder is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise from the Offer, including the applicability and effect of foreign tax legislation, provisions in tax treaties and other rules that may be applicable.*

## General information

Shareholders who accept the Offer and sell their shares in Scania will generally be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost is determined according to the “average method”. This means that the acquisition cost for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. For listed shares, such as the Scania shares, the acquisition cost may, as an alternative, be determined as 20 percent of the net sale revenue under the “standard rule” (Sw. *schablonmetoden*).

## Individuals

A capital gain on listed shares is taxed as income from capital at a rate of 30 percent. As a general rule, 70 percent of a capital loss is deductible against any other taxable income from capital. Capital losses on listed shares and other listed securities that are taxed in the same manner as shares are, however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish

limited liability companies and foreign legal entities. This exemption does not include listed shares in mutual funds containing only Swedish receivables. If capital losses pertain to both listed and non-listed shares, the losses pertaining to the listed shares are deductible prior to the losses on the non-listed shares. If a capital loss on listed shares could not be deducted as above, 70 percent of the loss may be deducted from other income from capital. Should a deficit arise in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the real-estate tax and the municipal real-estate fee, is allowed. Such tax reduction amounts to 30 percent of any deficit not exceeding SEK 100,000 and 21 percent of any remaining deficit. Deficits may not be carried forward to a later fiscal year.

## Legal entities

For limited liability companies and other legal entities, capital gains on shares are normally taxed as income from business operations at a rate of 22 percent. For the calculation of capital gains and losses, see the “General information” section above. A tax deductible capital loss on shares incurred by a corporate shareholder may only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met. Capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year, may be carried forward and be offset against such capital gains in future fiscal years without any limitation in time.

## Shareholders residing outside of Sweden

Generally, shareholders who are not fiscally resident in Sweden and do not carry out business operations from a permanent establishment in Sweden are not subject to Swedish taxation on a sale of shares. These shareholders may nonetheless be subject to tax in their residence state. However, as far as individuals are concerned, capital gains on the sale of shares may be subject to Swedish tax if the individual has been resident or habitually stayed in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The applicability of this provision is however limited due to the tax treaties Sweden has concluded with other countries. There is no Swedish withholding tax on capital gains resulting from the Offer.

# Offer restrictions

## **Important information for shareholders outside Sweden and for banks, brokers, dealers, nominees and intermediaries holding shares for persons with residence outside Sweden**

The offer document is not an offer, whether directly or indirectly, in Canada, New Zealand or South Africa or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “Restricted Territories”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of the Restricted Territories and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, the Restricted Territories. Accordingly, the offer document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Restricted Territories.

The offer document is not being, and must not be, sent to shareholders with registered addresses in the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in the Restricted Territories must not forward the offer document or any other document received in connection with the Offer to such persons. Persons receiving such documents or information (including custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use the mails or any means, instrumentality or facility of a Restricted Territory in connection with the Offer.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any of the Restricted Territories. It is the responsibility of all persons obtaining the offer document, acceptance form or other documents relating to the offer document or to the Offer or into whose possession such documents otherwise come, to inform themselves of and observe all such restrictions. Any recipient of the offer document who is in any doubt about his or her status in relation to these restrictions should consult his or her professional adviser in the relevant territory.

Neither Volkswagen nor SEB accepts or assumes any responsibility or liability for any violation by any person of any such restrictions.

The offer document does not represent an offer to acquire or obtain securities other than the shares of Scania that are subject to the Offer.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of the restrictions described in the offer document and the related documents will be invalid. Further, any person purporting to tender shares pursuant to the Offer will be deemed not to have made a valid tender if such person is unable to make the representations and warranties set out under “Certifications as to Restrictions” below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of Scania made by a person located in a Restricted Territory, by any custodian, nominee, trustee agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories, or by the use of mails or any means, instrumentality or facility of the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodian, nominee, trustee agent, fiduciary or intermediary holding shares of Scania for any persons).

Any acceptance form or other communication relating to the Offer that originates from, is postmarked from, bears a return address in, or otherwise appears to have been dispatched from, the Restricted Territories will not be accepted (and should not be accepted by any custodian, nominee, trustee agent, fiduciary or intermediary).

Acceptances of the Offer and tenders of shares of Scania will not be accepted (and should not be accepted by any custodian, nominee, trustee agent, fiduciary or intermediary) if the consideration for the shares of Scania is required to be mailed or otherwise delivered in or into a Restricted Territory or if an address within a Restricted Territory is provided for receipt of the price of the shares in the Offer or the return of the acceptance form.

Each of Volkswagen and SEB reserves the right, in its absolute discretion (and without prejudice to the relevant shareholder’s responsibility for the representations and warranties made by it), to (a) reject any tender of shares without investigation because the origin of such tender cannot be determined, or (b) investigate, in relation to any tender of shares pursuant to the Offer, whether any such representations and warranties given by a shareholder are correct and, if such investigation is undertaken and as a result Volkswagen determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

**Canada**

Neither this offer document nor any copy of it may be taken or transmitted into Canada or distributed or redistributed in Canada or to any individual outside Canada who is a resident of Canada, except in compliance with applicable rules.

**New Zealand**

The Offer is not being made, directly or indirectly, in or into and may not be accepted in or from New Zealand. Accordingly, if any copies of this offer document (and any accompanying documents) are mailed or otherwise distributed or sent in or into New Zealand, that action does not constitute an offer and any purported acceptance by or on behalf of a New Zealand resident will be invalid.

**South Africa**

Neither this offer document nor any copy of it may be taken or transmitted into South Africa or distributed or redistributed in South Africa or to any resident thereof.

**United States**

U.S. shareholders are advised that Scania's shares are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "SEC") thereunder.

The Offer is made to the Company's shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of the Company to whom an offer is made. Any information documents, including the offer document, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to the Company's other shareholders.

The Offer described in the offer document will be made for shares of Scania, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which are different from those of the United States. The Offer will be made in the United States in compliance with Section 14(e) of, and Regulation 14E under the Exchange Act, subject to the exemptions provided by Rule 14d-1(d) under the Exchange Act and otherwise in accordance with the requirements of Swedish law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal

rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. Financial statements and financial information included herein are prepared in accordance with IFRS that may not be comparable to the financial statements or financial information of U.S. companies.

To the extent permissible under applicable law or regulation, Volkswagen and its affiliates or brokers (acting as agents for Volkswagen or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, shares of Scania, that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in Sweden, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Scania of such information. In addition, the financial advisors to Volkswagen may also engage in ordinary course trading activities in securities of Scania, which may include purchases or arrangements to purchase such securities.

It may be difficult for you to enforce your rights and any claim you may have arising under U.S. federal securities laws in respect of the Offer, since Volkswagen and the Company are located outside of the United States and all or a majority of their officers and directors are residents of countries other than the United States. You may not be able to sue Volkswagen or the Company or their officers or directors in courts in their home country for violations of the U.S. securities laws, and it may be difficult to compel Volkswagen, the Company and their affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a shareholder of the Company that is a U.S. person will be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws. Each such shareholder is solely responsible for determining the tax consequences of participating in the Offer and is urged to consult such shareholder's own tax advisers regarding the tax consequences of participating in the Offer in light of such shareholder's particular circumstances, including the tax consequences under state, local and non-United States tax law and the possible effects of changes in tax law.

NEITHER THE SEC NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS OFFER DOCUMENT OR DETERMINED WHETHER THIS OFFER DOCUMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

### **Certification as to Restrictions**

By accepting the Offer through delivery of a duly executed acceptance form to SEB, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or intermediary submitting the acceptance form on behalf of such holder, certifies that such person:

- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of receiving the offer document, the acceptance form or any other document or information relating to the Offer, and has not mailed, transmitted or otherwise distributed any such document or information in or into a Restricted Territory;
- has not used, directly or indirectly, the mails, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and telephone) of interstate or foreign commerce, or the facilities of the securities exchanges, of a Restricted Territory in connection with the Offer;
- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of accepting the terms of the Offer, at the time of returning the acceptance form or at the time of giving the order or instruction to accept the Offer (whether orally or in writing); and
- if acting in a custodial, nominee, trust, fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the shares covered by the acceptance form or (ii) the person on whose behalf it is acting has authorized it to make the foregoing representations and was not present or resident in, nor is a citizen of, a Restricted Territory at the time he or she instructed such custodian, nominee, trustee, fiduciary, agent or intermediary to accept the Offer on his or her behalf, and such custodian, nominee, trustee, fiduciary, agent or other intermediary is processing that acceptance as part of its normal securities custodial function.

# Contact details

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