

Scania Interim Report January–June 2015

Summary of the first six months of 2015

- Operating income rose by 11 percent to SEK 4,737 m. (4,276)
- Net sales rose by 7 percent to SEK 46,798 (43,917)
- Cash flow amounted to SEK 1,106 m. (1,313) in Vehicles and Services

Comments by Per Hallberg, President and CEO:

“Scania’s market share in Europe increased to a record high 17.2 percent during the first half of 2015. This can be compared to 15.3 percent during 2014. The increase was partly related to the early and successful introduction of the Euro 6 range but also to increased sales activities in new segments. Scania’s sales rose to SEK 46.8 billion and earnings in the first half of 2015 amounted to SEK 4,737 m. Higher vehicle volume in Europe, growing service revenue and currency rate effects had a positive impact on earnings. Lower deliveries to Latin America and Eurasia impacted negatively. Total order bookings for trucks during the second quarter increased compared to the previous quarter due to strong demand in Europe and an increase in Latin America and Eurasia. However, compared to

previous years, demand was still weak in Brazil and Russia. In Asia, order bookings were somewhat lower than previous quarter. In Buses and Coaches and also in Engines, order bookings were slightly lower than the previous quarter. Scania has entered into new partnerships with major OEMs and will supply engines for airport product vehicles to Oshkosh Corporation and for excavators and wheel loaders to Hyundai Heavy Industries. Scania is continuing its long-term efforts to boost market share in Services and revenue surpassed SEK 10 billion in the first half of 2015. The level of activity related to development projects remains high and Scania is investing in expanded production and service capacity.”

Financial overview

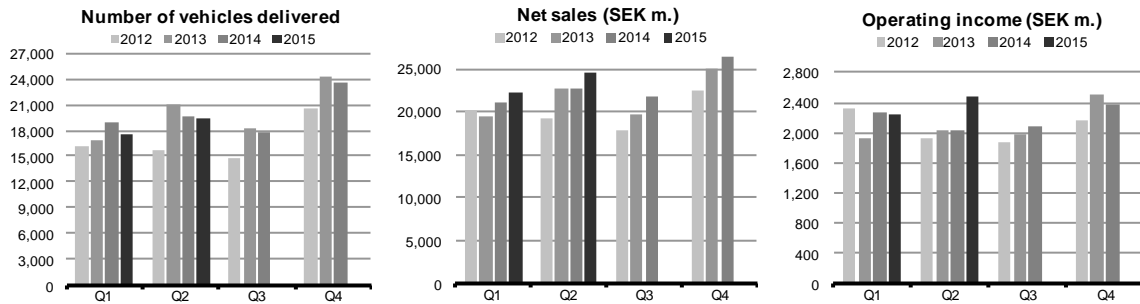
	H1			Q2			
	2015	2014	Change, %	2015	2014	Change, %	
Trucks and buses, units							
Order bookings	41,846	43,680	-4	21,622	22,653	-5	
Deliveries	36,989	38,391	-4	19,489	19,547	0	
Net sales and earnings	<i>EUR m.*</i>						
Net sales, Scania Group, SEK m.	<i>5,077</i>	46,798	43,917	7	24,477	22,791	7
Operating income, Vehicles and Services, SEK m.	<i>458</i>	4,224	3,763	12	2,235	1,772	26
Operating income, Financial Services, SEK m.	<i>56</i>	513	513	0	257	247	4
Operating income, SEK m.	<i>514</i>	4,737	4,276	11	2,492	2,019	23
Income before taxes, SEK m.	<i>487</i>	4,492	4,066	10	2,334	1,957	19
Net income for the period, SEK m.	<i>367</i>	3,379	2,973	14	1,679	1,416	19
Operating margin, %		10.1	9.7		10.2	8.9	
Return on capital employed, Vehicles and Services, %		19.5	21.2				
Cash flow, Vehicles and Services, SEK m.	<i>119</i>	1,106	1,313	-16	323	583	-45

* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 9.217 = EUR 1.00.

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

This interim report has not been subject to review by the company’s auditors. This report is also available on www.scania.com

Business overview



Sales performance

During the first six months of 2015, total vehicle deliveries decreased by 4 percent to 36,989 (38,391) units, compared to 2014. Net sales rose by 7 percent to SEK 46,798 m. (43,917). Currency rate effects had a positive impact of 7 percent on sales.

Order bookings fell by 4 percent to 41,846 (43,680) vehicles, compared to the first half of 2014.

Europe remains strong, uncertain in Latin America and Russia

During the second quarter, total order bookings for trucks rose compared to the previous quarter due to an increase in Europe and Latin America. Demand in Europe remained strong, supported by a replacement need and an improved economic situation. Even though order bookings improved in Brazil compared to the previous quarter, they are still on a low level. Demand in Russia also rose sequentially but it remains at a low level and the outlook is uncertain.

Total order bookings for trucks fell slightly during the second quarter of 2015, compared to the record high second quarter of 2014. The main reason for this was significantly lower demand in Latin America and lower order bookings in Asia compared to the year-earlier period.

Demand for used vehicles in Europe is still good.

Record high market share in Europe

Scania increased its market share in Europe to 17.2 percent during the period January to June 2015. This can be compared to 15.3 percent during the same period of 2014. The increase was connected to the early and very successful introduction of the Euro 6 range. Scania's second and third generation Euro 6 engines have proved to perform very well at customers and in trade press tests. Increased sales activities in new segments have also contributed to the record high market share in Europe.

The truck market

Order bookings

Scania's total order bookings fell slightly during the second quarter of 2015 and totalled 19,823 (20,987) trucks. Order bookings in Europe increased somewhat sequentially and compared to the second quarter of 2014 total order bookings rose by 41 percent to 13,270 (9,410) units. Demand rose in most of the major European markets such as Great Britain, Germany, France and Poland. In southern Europe, demand also rose significantly compared to the second quarter of 2014, including in Spain.

During the second quarter, order bookings decreased in Latin America by 34 percent to 2,611 (3,960) trucks, compared to the second quarter of 2014, related to lower order bookings in Brazil. During the first half of 2014, subsidies were much more attractive in Brazil for investments in new vehicles than the first half of 2015. However, order bookings in Latin America were slightly higher than the first quarter of 2015 due to a small increase in Brazil.

Order bookings in Eurasia fell by 4 percent to 731 (760) trucks. Compared to the first quarter of 2015, order bookings improved but demand remains at a relatively low level – mainly related to Russia and the outlook is uncertain due to the turbulence in the region.

In Asia, order bookings fell by 62 percent to 2,159 (5,611) trucks compared to the second quarter of 2014. The downturn was related to the Middle East. Order bookings in Asia were somewhat lower compared to the previous quarter.

Total order bookings in the Africa and Oceania region were 16 percent lower at 1,052 (1,246) trucks, compared to the second quarter of 2014. Order bookings were also lower compared to the first quarter of 2015. In Africa, order bookings fell somewhat both compared to the second quarter of 2014 and the previous quarter. In Oceania, order bookings fell in Australia compared to the second quarter of 2014 but rose somewhat sequentially.

Deliveries

Scania's total truck deliveries were stable during the second quarter compared to the year-earlier period and amounted to 17,679 (17,746) units. In Europe, deliveries rose by 43 percent to 11,458 (8,029) units compared to the second quarter of 2014. In Eurasia, deliveries fell by 72 percent to 515 (1,860) trucks.

In Latin America, deliveries fell by 44 percent to 2,156 (3,821) units compared to the second quarter of 2014. In Asia, deliveries fell by 14 percent compared to the second quarter of 2014 to 2,496 (2,891) trucks.

Sales

Net sales of trucks rose by 6 percent to SEK 29,922 m. (28,284) during the first half of 2015. During the second quarter, sales rose by 8 percent to SEK 15,816 m. (14,668).

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 19 percent to about 129,000 units during the first half of 2015. Scania truck registrations amounted to some 22,200 units, equivalent to a market share of about 17.2 (15.3) percent.

Scania trucks	Order bookings			Deliveries		
	6 months	6 months	Change,	6 months	6 months	Change,
	2015	2014	%	2015	2014	%
Europe	25,716	17,910	44	21,129	15,845	33
Eurasia	1,002	3,639	-72	1,097	3,325	-67
America*	4,379	7,960	-45	3,863	8,121	-52
Asia	4,532	8,195	-45	5,732	5,834	-2
Africa and Oceania	2,505	2,315	8	2,018	2,086	-3
Total	38,134	40,019	-5	33,839	35,211	-4

*Refers to Latin America

The bus and coach market

Order bookings

Order bookings in buses and coaches during the period were stable compared to last year. Scania's total order bookings for buses and coaches increased by 1 percent to 3,712 (3,661) units during the first half of 2015 compared to the same period of 2014.

In Europe, order bookings rose to 486 units (293) during the second quarter.

Compared to the second quarter of 2014, order bookings rose by 6 percent in Latin America to 625 (591) units. Scania has signed an agreement with ADO Group, one of Mexico's largest bus and coach operators, to supply 138 intercity coaches of the Scania Irizar i5 combination before year-end. ADO Group operates a comprehensive network of bus services across the entire country, including Mexico City.

In Asia, order bookings rose to 506 (348) buses and coaches compared to the second quarter of 2014. Scania will deliver an additional 100 bus chassis to the Taiwanese bus bodybuilder Gen-Chen. The company has worked with Scania since the early 1990s and in recent years has built its entire production on Scania's bus chassis. Scania's Euro 5 coaches have become the best-selling buses in the high-end coach and intercity market in Taiwan. More than 550 Scania coaches of the latest model are now on the road in Taiwan since the launch in 2013.

Order bookings in Africa and Oceania fell to 135 (369) buses and coaches.

Deliveries

Scania's bus and coach deliveries totalled 1,810 (1,801) units during the second quarter. In Europe, deliveries increased by 48 percent compared to the second quarter of 2014. In Latin America, deliveries fell by 10 percent. In Asia, deliveries rose by 28 percent, while deliveries of buses and coaches in Africa and Oceania fell by 45 percent during the second quarter to 241 (438) units.

Net sales

Net sales of buses and coaches rose by 28 percent to SEK 4,344 m. (3,391) during the first half of 2015. During the second quarter, sales rose by 30 percent to SEK 2,593 m. (1,991).

Scania buses and coaches	Order bookings			Deliveries		
	6 months	6 months	Change,	6 months	6 months	Change,
	2015	2014	%	2015	2014	%
Europe	958	685	40	927	618	50
Eurasia	51	91	-44	52	29	79
America*	1,456	1,235	18	984	1,211	-19
Asia	945	973	-3	810	670	21
Africa and Oceania	302	677	-55	377	652	-42
Total	3,712	3,661	1	3,150	3,180	-1

*Refers to Latin America

Engines

Order bookings

Total engine order bookings rose by 27 percent to 4,935 (3,871) units during the first six months of 2015. Order bookings increased sharply in Brazil and South Korea. During the second quarter, order bookings rose by 13 percent to 2,398 (2,120) units.

During the second quarter, Scania was chosen as a supplier of low-emission engines for airport product vehicles produced by Oshkosh Corporation, a leading manufacturer of specialty vehicles and vehicle bodies. The partnership will cover a range of products to be launched worldwide. The 550-770 hp engines will be incorporated into airport product vehicles.

An agreement was also reached during the second quarter in which Scania will supply engines for next-generation large excavators and wheel loaders, made by Hyundai Heavy Industries' Construction Equipment division.

The partnership involves Scania supplying engines from its complete range of 9-, 13- and 16-litre models. A particular focus will be on meeting what is currently the most stringent emission standard, Tier 4f. Equipment that meets Tier 2 and Tier 3 emission standards will also be introduced.

Deliveries

Engine deliveries rose by 30 percent to 4,750 (3,646) units during the first half of 2015. The upturn was mainly attributable to Brazil, South Korea and South Africa. During the second quarter, deliveries rose by 22 percent to 2,414 (1,971) units. Deliveries rose in Brazil, South Korea and South Africa.

Net sales

During the first half of 2015, sales rose by 43 percent to SEK 914 m. (638). Net sales in the second quarter amounted to SEK 455 m. (339), an upturn of 34 percent.

Services

Higher revenue in Europe

Service revenue amounted to SEK 10,149 m. (9,078) during the first half of 2015, an increase of 12 percent. In local currencies, revenue increased by 6 percent. Higher volume had a positive impact.

In Europe, service revenue rose by 12 percent to SEK 6,950 m. (6,191) compared to the first half of 2014. In Latin America, revenue rose by 6 percent to SEK 1,364 m. (1,292) and revenue in Asia was 29 percent

higher than the previous year at SEK 875 m. (679). In Africa and Oceania, service revenue rose by 18 percent to SEK 670 m. (568), while in Eurasia it decreased by 17 percent to SEK 290 m. (348) compared to the first half of 2014.

Earnings

Vehicles and Services

The first half of 2015

Operating income in Vehicles and Services totalled SEK 4,224 m. (3,763) during the first half of 2015. Higher vehicle volume in Europe, higher service volume and currency rate effects impacted positively on earnings. Lower vehicle deliveries in Latin America and Eurasia and the low capacity utilisation rate in the Latin American production system had a negative impact.

Compared to the first half of 2014, the total currency rate effect was positive and amounted to about SEK 1,865 m.

Scania's research and development expenditures amounted to SEK 3,470 m. (3,135). After adjusting for SEK 892 m. (685) in capitalised expenditures, and SEK 195 m. (172) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 2,773 m. (2,622).

The second quarter

Operating income in Vehicles and Services totalled SEK 2,235 m. (1,772) during the second quarter. Higher vehicle volume in Europe, higher service volume and currency rate effects impacted positively on earnings. Lower vehicle deliveries in Latin America and Eurasia and the low capacity utilisation rate in the Latin American production system had a negative impact.

Compared to the second quarter of 2014, the total currency rate effect was positive and amounted to about SEK 710 m.

Scania's research and development expenditures amounted to SEK 1,842 m. (1,606). After adjusting for SEK 478 m. (331) in capitalised expenditures and SEK 98 m. (87) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,462 m. (1,362).

Financial Services

Customer finance portfolio

At the end of the second quarter of 2015, the size of Scania's customer finance portfolio amounted to SEK 56.5 billion, which was SEK 937 million higher than the end of 2014. In local currencies, the portfolio increased by SEK 1.7 billion, equivalent to 3 percent.

Penetration rate

The penetration rate was 41 (35) percent during the first half of 2015 in those markets where Scania has its own financing operations. The increase was mainly attributable to the market mix.

Operating income

Operating income in Financial Services was unchanged at SEK 513 m. (513) during the first six months of 2015, compared to 2014. A larger portfolio, positive currency rate effects and higher margins had a positive impact on earnings. Bad debt expenses increased, but remained at a low level.

Scania Group

During the first six months of 2015, Scania's operating income amounted to SEK 4,737 m. (4,276). Operating margin amounted to 10.1 (9.7) percent. Scania's net financial items amounted to SEK -245 m. (-210). Net financial items during the first half of 2014 included costs of SEK 135 m. related to the public offer from Volkswagen, reported as items affecting comparability.

The Scania Group's tax expense amounted to SEK 1,113 m. (1,093), equivalent to 24.8 (26.9) percent of income before taxes. Net income for the period totalled SEK 3,379 m. (2,973), equivalent to a net margin of 7.2 (6.8) percent.

Cash flow

Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 1,106 m. (1,313) during the first half of 2015. Tied-up working capital increased by SEK 271 m.

Net investments amounted to SEK 3,644 m. (2,535), including SEK 892 m. (685) in capitalisation of development expenses. At the end of the second quarter of 2015, the net cash position in Vehicles and Services amounted to SEK 13,985 m. compared to a net cash position of SEK 12,139 m. at the end of 2014.

Scania Group

Scania's cash flow in Financial Services amounted to SEK -1,288 m. (-1,339) during the first half of 2015 due to a growing customer finance portfolio. Together with the positive cash flow in Vehicles and Services and currency rate effects, the Group's net debt decreased by about SEK 0.4 billion compared to the end of 2014.

Parent Company

The assets of the Parent Company, Scania AB, consist of shares in Scania CV AB. Scania CV AB is the Parent Company of the Group that comprises all production and sales and service companies as well as other companies. Income before taxes of Scania AB totalled SEK 0 m. (18) during the first six months of 2015.

Miscellaneous

Number of employees

At the end of the second quarter of 2015, the number of employees totalled 42,971, compared to 41,319 on the same date in 2014.

Material risks and uncertainty factors

The section entitled "Risks and risk management" in Scania's Annual Report for 2014 describes Scania's strategic, operational, legal and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. Note 27 of the same report describes the financial risks, such as currency risk and interest rate risk. The risks that have the greatest impact on financial performance and on reporting for the Group and the Parent Company are summarised as follows:

a) Sales with obligations

About 15 percent of the vehicles Scania sells are delivered with residual value obligations or repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract). If there are major changes in the market value of used vehicles, this increases the risk of future losses when selling returned vehicles. When a residual value obligation is deemed likely to cause a future loss, a provision is made in cases where the expected loss exceeds the as-yet-unrecognised profit on the vehicle.

b) Credit risks

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

Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. This Interim Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. New and revised standards and interpretations that are being applied from 1 January 2015 have not had any significant impact on Scania's financial statements. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2014.

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.

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Consolidated income statements

Amounts in SEK m. unless otherwise stated	First half		Change in %	Q2		
	EUR m.*	2015		2014	2015	2014
Vehicles and Services						
Net sales	5,077	46,798	43,917	7	24,477	22,791
Cost of goods sold	-3,774	-34,788	-33,172	5	-18,204	-17,359
Gross income	1,303	12,010	10,745	12	6,273	5,432
Research and development expenses	-301	-2,773	-2,622	6	-1,462	-1,362
Selling expenses	-480	-4,425	-3,818	16	-2,288	-2,025
Administrative expenses	-69	-630	-561	12	-312	-281
Share of income from associated companies and joint ventures	5	42	19	121	24	8
Operating income, Vehicles and Services	458	4,224	3,763	12	2,235	1,772
Financial Services						
Interest and lease income	293	2,703	2,404	12	1,366	1,224
Interest and depreciation expenses	-187	-1,723	-1,537	12	-869	-784
Interest surplus	106	980	867	13	497	440
Other income and expenses	7	66	63	5	28	30
Gross income	113	1,046	930	12	525	470
Selling and administrative expenses	-44	-408	-360	13	-209	-190
Bad debt expenses, realised and anticipated	-13	-125	-57	119	-59	-33
Operating income, Financial Services	56	513	513	0	257	247
Operating income	514	4,737	4,276	11	2,492	2,019
Interest income and expenses	-15	-141	-94	50	-68	-56
Other financial income and expenses	-12	-104	19		-90	-1
Items affecting comparability ¹	-	-	-135	-	-	-5
Total financial items	-27	-245	-210	17	-158	-62
Income before taxes	487	4,492	4,066	10	2,334	1,957
Taxes	-120	-1,113	-1,093	2	-655	-541
Net income for the period	367	3,379	2,973	14	1,679	1,416
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Translation differences	-54	-501	886		-423	935
Cash flow hedges						
change in value for the year	-	-	-20		-	-21
reclassification to operating income	2	23	0		0	0
Income tax relating to items that may be reclassified	-3	-24	5		-9	0
	-55	-502	871		-432	914
Items that will not be reclassified to profit or loss						
Re-measurement defined benefit plans ²	142	1,306	-782		1,679	-535
Income tax relating to items that will not be reclassified	-31	-287	191		-369	136
	111	1,019	-591		1,310	-399
Other comprehensive income for the period	56	517	280		878	515
Total comprehensive income for the period	423	3,896	3,253		2,557	1,931
Net income attributable to:						
Scania shareholders	366	3,374	2,973		1,676	1,417
Non-controlling interest	1	5	0		3	-1
Total comprehensive income attributable to:						
Scania shareholders	423	3,899	3,251		2,563	1,929
Non-controlling interest	0	-3	2		-6	2
Operating income includes depreciation of	-176	-1,619	-1,497		-823	-756
Operating margin, percent		10.1	9.7		10.2	8.9

¹ Costs related to the public offer from VW.

² The discount rate in calculating the Swedish pension liability has changed to 3.0 percent per 30 June

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.2173 = EUR 1.00.

Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	First half		2014	Change in %	Q2	
	EUR m.	2015			2015	2014
Net sales						
Trucks	3,246	29,922	28,284	6	15,816	14,668
Buses*	471	4,344	3,391	28	2,593	1,991
Engines	99	914	638	43	455	339
Service-related products	1,101	10,149	9,078	12	5,058	4,542
Used vehicles	337	3,105	2,548	22	1,580	1,256
Miscellaneous	106	973	1,354	-28	313	797
Delivery sales value	5,360	49,407	45,293	9	25,815	23,593
Revenue deferrals ¹	-283	-2,609	-1,376	90	-1,338	-802
Net sales	5,077	46,798	43,917	7	24,477	22,791
Net sales²						
Europe	3,189	29,395	23,775	24	15,480	12,207
Eurasia	128	1,179	2,876	-59	653	1,594
America**	644	5,932	8,480	-30	3,299	4,241
Asia	706	6,510	5,335	22	3,003	2,753
Africa and Oceania	410	3,782	3,451	10	2,042	1,996
Net sales	5,077	46,798	43,917	7	24,477	22,791
Total delivery volume, units						
Trucks		33,839	35,211	-4	17,679	17,746
Buses*		3,150	3,180	-1	1,810	1,801
Engines		4,750	3,646	30	2,414	1,971

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

² Revenues from external customers by location of customers

* Including body-built buses and coaches

** Refers mainly to Latin America

Consolidated balance sheets Scania Group

Amounts in SEK m. unless otherwise stated	2015		2014	
	EUR m.	30 Jun	31 Dec	30 Jun
Assets				
Non-current assets				
Intangible assets	640	5,902	5,259	4,650
Tangible assets	2,675	24,657	23,322	22,321
Lease assets	2,007	18,503	17,489	15,792
Shares and participations	64	591	535	503
Interest-bearing receivables	2,963	27,311	27,156	26,081
Other receivables ^{1, 2}	352	3,244	3,404	3,103
Current assets				
Inventories	2,058	18,970	16,780	17,303
Interest-bearing receivables	1,844	16,997	16,929	16,320
Other receivables ³	1,359	12,521	11,197	11,387
Current investments	103	948	51	980
Cash and cash equivalents	1,179	10,867	10,915	9,413
Total assets	15,244	140,511	133,037	127,853
Total equity and liabilities				
Equity				
Scania shareholders	4,952	45,644	41,745	40,306
Non-controlling interest	6	53	56	59
Total equity	4,958	45,697	41,801	40,365
Non-current liabilities				
Interest-bearing liabilities	2,508	23,124	26,503	29,977
Provisions for pensions	849	7,827	9,039	6,725
Other provisions	339	3,123	3,079	2,978
Other liabilities ^{1, 4}	992	9,146	7,365	6,416
Current liabilities				
Interest-bearing liabilities	2,546	23,464	20,238	16,485
Provisions	228	2,103	1,896	1,744
Other liabilities ⁵	2,824	26,027	23,116	23,163
Total equity and liabilities	15,244	140,511	133,037	127,853
¹ Including deferred tax				
² Including derivatives with positive value for hedging of borrowings	32	294	504	230
³ Including derivatives with positive value for hedging of borrowings	43	400	640	423
⁴ Including derivatives with negative value for hedging of borrowings	88	807	706	415
⁵ Including derivatives with negative value for hedging of borrowings	56	513	443	511
Equity/assets ratio, percent		32.5	31.4	31.6

Statement of changes in equity

Amounts in SEK m. unless otherwise stated	First half		
	EUR m.	2015	2014
Equity, 1 January	4,535	41,801	37,112
Net income for the period	367	3,379	2,973
Other comprehensive income for the period	56	517	280
Dividend	-	-	-
Total equity at the end of the period	4,958	45,697	40,365
Attributable to:			
Scania AB shareholders	4,952	45,644	40,306
Non-controlling interest	6	53	59

Information about Revenue from external customers

Amounts in SEK m. unless otherwise stated	First half		
	EUR m.	2015	2014
Revenue from external customers, Vehicles and Services	5,077	46,798	43,917
Revenue from external customers, Financial Services	293	2,703	2,404
Elimination refers to lease income on operating leases	-135	-1,246	-1,031
Revenue from external customers, Scania Group	5,235	48,255	45,290
Operating income, Vehicles and Services	458	4,224	3,763
Operating income, Financial Services	56	513	513
Operating income, Scania Group	514	4,737	4,276

Cash flow statement

Amounts in SEK m. unless otherwise stated	First half			Q2	
	EUR m.	2015	2014	2015	2014
Operating activities					
Income before tax	487	4,492	4,066	2,334	1,957
Items not affecting cash flow	236	2,175	1,637	1,079	841
Taxes paid	-123	-1,133	-1,021	-717	-577
Cash flow from operating activities before change in working capital					
	600	5,534	4,682	2,696	2,221
of which: Vehicles and Services	545	5,021	4,217	2,474	1,978
Financial Services	56	513	465	222	243
Change in working capital etc., Vehicles and Services	-30	-271	-369	-92	-238
Cash flow from operating activities					
	571	5,263	4,313	2,604	1,983
Investing activities					
Net investments, Vehicles and Services	-396	-3,644	-2,535	-2,059	-1,157
Net investments in credit portfolio etc., Financial Services	-195	-1,801	-1,804	-1,331	-1,551
Cash flow from investing activities					
	-591	-5,445	-4,339	-3,390	-2,708
Cash flow from Vehicles and Services					
	119	1,106	1,313	323	583
Cash flow from Financial Services					
	-139	-1,288	-1,339	-1,109	-1,308
Financing activities					
Change in debt from financing activities	37	343	-371	1,161	-2,299
Dividend	-	-	-	-	-
Cash flow from financing activities					
	37	343	-371	1,161	-2,299
Cash flow for the year					
	17	161	-397	375	-3,024
Cash and cash equivalents at beginning of period					
	1,184	10,915	9,562	10,636	12,239
Exchange rate differences in cash and cash equivalents					
	-22	-209	248	-144	198
Cash and cash equivalents at end of period					
	1,179	10,867	9,413	10,867	9,413

Fair value of financial instruments

Amounts in SEK m. unless otherwise stated

In Scania's balance sheet, items carried at fair value are mainly derivatives and current investments. Fair value is established according to various levels, defined in IFRS 13, that reflect the extent to which market values have been utilised. Current investments and cash and cash equivalents are carried according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 1,001 m. (1,010). Other assets that are carried at fair value refer to derivatives. These assets are carried according to Level 2, which is based on data other than the quoted prices that are part of Level 1 and refer to directly or indirectly observable market data, such as discount rate and credit risk. These items are carried under Other non-current receivables SEK 294 m. (230), Other current receivables SEK 408 m. (423), Other non-current liabilities SEK 807 m. (415) and Other current liabilities SEK 513 m. (511).

For financial assets that are carried at amortised cost, book value amounts to SEK 63,282 m. (59,547) and fair value to SEK 63,559 m. (60,093). For financial liabilities that are carried at amortised cost, book value amounts to SEK 58,366 m. (56,498) and fair value to SEK 58,553 m. (56,543). Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at amortised cost minus any impairment losses, is regarded as coinciding with the carrying amount.

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

Quarterly data, units by geographic area

			2014				
	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks							
Europe	13,270	12,446	36,737	10,851	7,976	9,410	8,500
Eurasia	731	271	6,253	1,488	1,126	760	2,879
America **	2,611	1,768	15,078	3,070	4,048	3,960	4,000
Asia	2,159	2,373	13,658	2,383	3,080	5,611	2,584
Africa and Oceania	1,052	1,453	4,066	992	759	1,246	1,069
Total	19,823	18,311	75,792	18,784	16,989	20,987	19,032
Trucks delivered							
Europe	11,458	9,671	34,008	10,915	7,248	8,029	7,816
Eurasia	515	582	5,964	1,492	1,147	1,860	1,465
America**	2,156	1,707	16,150	4,037	3,992	3,821	4,300
Asia	2,496	3,236	12,889	4,224	2,831	2,891	2,943
Africa and Oceania	1,054	964	4,004	979	939	1,145	941
Total	17,679	16,160	73,015	21,647	16,157	17,746	17,465
Order bookings, buses*							
Europe	486	472	1,621	518	418	293	392
Eurasia	47	4	133	14	28	65	26
America **	625	831	2,362	574	553	591	644
Asia	506	439	1,903	624	306	348	625
Africa and Oceania	135	167	1,173	169	327	369	308
Total	1,799	1,913	7,192	1,899	1,632	1,666	1,995
Buses delivered*							
Europe	537	390	1,361	424	319	364	254
Eurasia	44	8	105	42	34	19	10
America **	622	362	2,542	680	651	693	518
Asia	366	444	1,620	551	399	287	383
Africa and Oceania	241	136	1,139	245	242	438	214
Total	1,810	1,340	6,767	1,942	1,645	1,801	1,379

* Including body-built buses and coaches.

** Refers to Latin America

Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	First half		
	EUR m.	2015	2014
Income statement			
Financial income and expenses	0	0	18
Net income for the period	0	0	18
		2015	2014
	EUR m.	30 Jun	30 Jun
Balance sheet			
Assets			
Financial non-current assets			
Shares in subsidiaries	915	8,435	8,435
Current assets			
Due from subsidiaries	1,212	11,167	11,185
Total assets	2,127	19,602	19,620
Equity			
Equity	2,127	19,602	19,620
Total shareholders' equity	2,127	19,602	19,620
		2015	2014
	EUR m.	30 Jun	30 Jun
Statement of changes in equity			
Equity, 1 January	2,127	19,602	19,602
Total comprehensive income	0	0	18
Dividend	-	-	-
Equity	2,127	19,602	19,620