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Scania (publ.) AB 'A-/A-2' Ratings Off CreditWatch; Outlook Stable

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FRANKFURT (Standard & Poor's) July 25, 2007--Standard & Poor's Ratings Services said today that it had affirmed its 'A-' long-term and 'A-2' short-term corporate credit ratings on Sweden-based truck and bus manufacturer Scania (publ.) AB and removed them from CreditWatch, where they had been placed with negative implications on Sept. 14, 2006 after MAN AG (not rated) expressed interest in a merger with Scania. The outlook is stable.

"The removal from CreditWatch reflects our view that the possibility of a merger between Scania and MAN over the short term is now less likely," said Standard & Poor's credit analyst Werner Staeblein.

"While we view a truck alliance involving Scania and MAN as still possible, there is no publicly available information or other indications suggesting that there is a heightened risk that any such transaction will take place over the short term," Mr. Staeblein said.

The ratings on Scania could be moved back to CreditWatch with negative implications if discussions were to commence between MAN, Scania, and Volkswagen AG (A-/Stable/A-2), which holds stakes in both companies, or if any other information or public statement from major shareholders in either MAN or Scania were to provide sufficient evidence that the possibility of a truck alliance materializing has increased.

The ratings on Scania continue to reflect the group's strong business profile and modest financial risk. They are supported by Scania's outstanding profitability in the global truck industry.

The stable outlook reflects Scania's industry-leading profitability and ability to generate free cash flows through the cycle, which limits downside risk.

Ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. It can also be found on Standard & Poor's public Web site at www.standardandpoors.com; select Ratings in the left navigation bar, then Credit Ratings Search. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office Hotline (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7)

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