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FOR IMMEDIATE RELEASE

Škoda Auto reached record deliveries in 2008

The Škoda Auto Group's 2008 financial results calculated under the International Financial Reporting Standards were released on March 23, 2009 at a press conference held in Prague.

Despite the generally difficult situation, the sales were still growing last year. "We broke our sales record in 2008 and reinforced our market position," said **Škoda Auto BOD Chairman Reinhard Jung**. Compared to 2007, the **deliveries grew by 7.1%** (+44,498 vehicles), reaching **674,530 vehicles in total**. The fastest growing regions and markets were Central and Eastern Europe and Asia, in particular China (+117%), Russia (+84.2%), India (+31.9%) and the Ukraine (+25.2%).

The Octavia (incl. the Octavia Tour) with 344,857 (+11.3%) and the Fabia 246,561 (+5.9%) contributed most to the total deliveries to customers. The fastest-growing model as compared with the previous year was the Superb (25,645 vehicles, +24.9%). Furthermore, 2008 saw the launch of the second-generation Superb, the company's biggest hit last year. The sales of the Roomster slumped by 13.8% (57,467 cars sold) as compared with the previous year.

The **global financial crisis**, the market slump and turbulences affecting the Czech crown as well as some major currencies (including the US dollar, the Russian rouble and the British pound) also had a substantial impact on Škoda Auto's overall result. Despite satisfactory sales statistics, the main financial indicators lag behind those achieved over the previous year.

The 15.1% Return on Capital Employed covered the company's capital costs, exceeding the minimum required level of revaluation (9%). Compared to the 22.5% Return on Capital Employed in 2007, the result achieved last year is 7.4 pp lower. Totalling CZK 13.6 billion, the operating profit is CZK 6.2 billion (-31.2%) below the level achieved over the previous year. Similarly, the profit before income tax dropped by CZK 6.5 billion to 13.4 billion (-32.6%).

With CZK 200.2 billion, the total revenues are 9.8% down as compared with 2007 (CZK 222,0 billion). The revenue-generating components included finished vehicles (87.7%), original parts and accessories (7.4%), original parts delivered to the Volkswagen Group (3.2%) and revenues from other products and services (1.7%). **With 6.7% of the country's total exports, Škoda Auto was the Czech Republic's biggest exporter also in 2008.**

In 2008, Škoda Auto invested altogether CZK 14.6 billion (+2.1%). The biggest portions of this amount were invested in the development of the Company's existing products (the new Superb and Octavia models), product portfolio extensions (the Yeti and the GreenLine range) and the construction of the new **Technology Centre** in Mladá Boleslav.

Commenting on the current situation and the factors affecting the latest financial results, **Holger Kintscher, Škoda Auto BOD Member responsible for finance**, said: "2008 was an extremely difficult year for Škoda Auto. The fall of the Czech crown alone (in terms of its exchange rate against other currencies, particularly EUR and USD) was the reason why Škoda Auto's operating profit



dropped by CZK 6.3 billion as compared to 2007. In other words, if the Czech crown had remained at its average level of 2007, we would have achieved even better results in 2008 than we did in 2007, despite the impact of the financial crisis and other negative macroeconomics factors. However, we have remained financially stable thanks to an immediate response to the sinking demand and strong pressures from our competitors in the most important markets, as well as timely export-promoting and cost-saving measures. The outlook for 2009 remains uncertain, though, and the Company is still facing substantial risks. Moreover, the current economic situation makes it virtually impossible to make any reliable forecasts. We have an extremely difficult year ahead of us," stressed Holger Kintscher.

"Despite the challenges we are going to face this year, we see numerous opportunities for the Škoda brand. With the recent launch of the Yeti, we have expanded our portfolio to include **five model lines**. Furthermore, we are prepared to continue building the portfolio and extending it with new products, such as the new **Superb Combi** (estate). Our ambition is to make Skoda even more international by pursuing targeted business goals. The success we are now having with the Fabia and the current quantity of orders, higher than that we had last year, are very positive signals," said **Reinhard Jung** about the current developments.

The **Škoda Auto Group** is made up of the parent company ŠKODA AUTO a.s. and its fully consolidated subsidiaries, i.e., ŠkodaAuto Deutschland GmbH, ŠKODA AUTO Slovensko s.r.o., Škoda Auto Polska S.A., Škoda Auto India Private Ltd. and OOO VOLKSWAGEN Rus, a company consolidated by the "at equity" method.

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