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FOR IMMEDIATE RELEASE

Škoda Auto finishes first quarter in the black

Despite the ongoing worldwide economic crisis, Škoda Auto was able to finish the first quarter in the black with an operating profit of approximately €28 million.

In the period from January till March 2009, Škoda delivered a total of 143,079 cars to customers. Compared with the same period in the previous year, this represents a drop of 17.5%. The worldwide auto market experienced a greater decline, however, falling 20.7% in the same period.

New car orders at Škoda Auto are developing very positively; in Europe, 27% more orders were received in January through March than during the same period last year. In this regards, the markets in Germany, Austria, the Czech Republic, Slovakia and Poland are particularly notable. Incoming orders on the Chinese market also experienced year-on-year growth of around 14%.

Customers are expressing particularly high interest in the Škoda Fabia and Škoda Roomster, as well as in cars equipped with a fuel-efficient 1.2 litre engine. The environmental and scrapping premiums adopted in a number of European countries to aid the automotive industry have had a positive impact on Škoda.

The presentation of the new Škoda Yeti at this year's Geneva Motor Show was another highlight. The launch of the fifth series and the first deliveries to clients are planned for late 3Q / early 4Q 2009. The Škoda Yeti has a low environmental impact and is a compact, fuel efficient alternative to classic SUVs.

"The first quarter of 2009 was very hard – the impacts of the worldwide economic crisis are also leaving their mark on Škoda. But with our modern and environmentally-friendly products, we have succeeded in expanding our market share in important markets such as Germany and China. New car orders are also moving in a very positive direction at Škoda. Moreover, we have introduced numerous specific measures in order to secure Škoda's economic situation over the long term and to come out of the current crises stronger than before," Škoda Auto's Chairman of the Board Reinhard Jung commented on the situation.

Overall, the Škoda Auto group was able to contribute an operating profit of €28.2 million to the Volkswagen Group's first-quarter aggregate earnings. On the local balance sheet, the group's operating profits reached CZK 787.4 million – significantly lower than in the previous year. Cash flow from current transactions was able to rise to CZK 6.5 billion (+30.1%).



"We know that 2009 will be particularly hard for us as well as for the entire automotive industry. The results we achieved for the quarter did go somewhat beyond our forecasts, particularly due to the scrapping premium offered in certain countries. The prospects are still unclear, however, and filled with substantial risks. Yet I am convinced that through our Scout profit improvement programme, we will succeed in sustaining our financial strength and stability and, even in this period of crisis, achieve a reasonable profit," Holger Kintscher, the Board of Directors Member responsible for finance, summarised in a statement regarding the current situation.

2009 first quarter economic results of Škoda Auto in numbers:

		January - March		
		2009	2008	2009/2008 (%)
Deliveries to Škoda customers	vehicles tsd.	143,1	173,5	-17,5
Sales total*	vehicles tsd.	108,1	176,2	-38,7
Production total**	vehicles tsd.	99,1	178,7	-44,6
Number of employees***	persons	25 221	29 139	-13,4
Sales	CZK millions	39 742	56 418	-29,6
Gross profit	CZK millions	4 218	8 364	-49,6
Operating profit	CZK millions	787	4 680	-83,2
Profit before income tax	CZK millions	298	4 632	-93,6
Profit after income tax	CZK millions	312	3 626	-91,4
Investment (incl. activated development costs)	CZK millions	1 642	989	66,0
Cash flow from operating activities	CZK millions	6 487	4 987	30,1
Net liquidity	CZK millions	18 678	23 516	-20,7

*) the sales figure includes sales of vehicles of SEAT sold by SAS, VW and AUDI vehicles sold by SAIPL

***) the total production figure also includes production of vehicles of Volkswagen and AUDI manufactured by SAIPL

***) headcount as of 31 March 2009 of the relevant year, including agency staff

For further enquiries, please contact

Marie Tang

Marketing Manager

Email: marie.tang@skoda.com.sg