



ŠkodaAuto - Press release

30 July 2009

ŠKODA AUTO ENDS THE FIRST SIX MONTHS OF 2009 WITH POSITIVE RESULTS

Despite the ongoing global economic crisis, the Czech Republic's biggest car manufacturer, Škoda Auto, has achieved positive results in the first half of 2009. The Company's operating result is CZK 4.2 billion which, however, is less than a half of the amount achieved over the same period of last year. Converted to EUR, the Škoda Auto Group has contributed € 135 million to the Volkswagen Group's operating result for the first six months of 2009.

The Škoda Auto Group has delivered altogether 329,641 vehicles to its customers over January – June 2009, 10.1 % less in terms of the year-on-year comparison. However, the global automotive market has slumped by 17.7 % over the same period. The Company has gradually slowed down the dynamics of the decrease in its sales that amounted to 17.5 % in the first quarter (while the year-on-year slump of the global market in the first quarter totalled 20.7 %). One of the key positive effects was that of car scrap schemes established in a number of European countries with the objective of supporting the automotive industry. In this connection, the Škoda Fabia line is now in great demand. In reaction to the current market needs and also to make the life of its warehouses easier, Škoda has significantly reduced its production volume. The group has produced 247,064 vehicles in all of its plants over the first six months, 30.2 % less as compared with the same period of last year. As a consequence of the said measure, the Group's sales (to importers and dealers) have decreased to 262,356 (-25.8 %).

“The first six months of 2009 have been extremely difficult, because the global economic crisis has affected the Škoda Auto really significantly. We have taken a number of measures to cope with the current situation as efficiently as possible and maintain our financial strength and stability. Thanks to our advanced and environmentally-friendly products, we continue increasing our shares in our strategic markets, such as Germany and China. The sales of the Superb line are very good, too – launched last year, the sales of this model have more than doubled, despite the difficult situation. Considering all those positive signals we are now getting from the market, we believe that the Škoda Yeti, our brand new model line, will also support our sales figures“, said Škoda Auto BOD Chairman Reinhard Jung.

The current situation is also reflected in the Group's financial indicators - the revenues have plunged by 19.7 % to CZK 89.7 billion (year-on-year), the pre-tax profit has slumped to CZK 3.2 billion (-66.6 %).

“We knew very well that 2009 would be a very difficult year for the entire automotive industry. The results achieved over the first six months have surpassed our expectations, although the exchange rates against some currencies continued getting dramatically worse. Yet we have managed to achieve fairly positive results, the main factors being consistent reduction of all cost items, successful launches of new models and, obviously, car scrap schemes established in some of Škoda's major markets. The German market has been a great boost for us. Nonetheless, this positive impulse will not last forever, and so the prospects are still uncertain and we still face a number of threats“, says BOD Member for Finance Holger Kintscher, warning against unrestrained optimism. Commenting upon the current situation, he continues: “Yet I believe that our financial result improvement programme called “Scout” will help us achieve an adequate profit in this period of crisis.”



ŠkodaAuto - Press release

	MJ	January - June		2009/2008 (%)
		2009	2008	
Deliveries to Skoda customers	vehicles tsd.	329,6	366,7	-10,1
Sales total*	vehicles tsd.	262,4	353,4	-25,7
Production total**	vehicles tsd.	247,1	353,8	-30,2
Number of employees***	persons	27 257	29 315	-7,0
Sales	CZK millions	89 696	111 685	-19,7
Gross profit	CZK millions	10 493	16 344	-35,8
Operating profit	CZK millions	4 163	9 644	-56,8
Profit before income tax	CZK millions	3 172	9 500	-66,6
Profit after income tax	CZK millions	2 736	7 151	-61,7
Investment (including activated development costs)	CZK millions	4 858	4 326	12,3
Cash flow from operating activities	CZK millions	14 348	12 374	16,0
Net liquidity	CZK millions	24 197	28 158	-14,1

**) the sales figure also 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 30 June of the relevant year, including agency staff*