



# Shaping the future 20 years of Volkswagen and Škoda Auto together



## Contents

Foreword Prof. Dr. Martin Winterkorn
Foreword Prof. Dr. Winfried Vahland
Partnership with prospects: Together for 20 years – the Volkswagen and Škoda Auto success story continues
1895 to 1990 Successful beginnings, difficult times
1991 With Volkswagen at its side, Škoda's future begins14
1991 to 1995 The early years19
1996 to 2000 On track for success
2001 to 2005 The first model initiative29
2006 to the present Going international
New Power of Škoda: The next phase in the history of Škoda Auto has begun39
Automotive history: Škoda models of the past 20 years44



Over the past 20 years, Škoda and Volkswagen have written economic history together. When the Czech auto maker became part of the Volkswagen Group in the spring of 1991, a new era began in Mladá Boleslav. Within the shortest

space of time, Škoda was transformed from a state-owned business with few prospects to the undisputed number one in Eastern Europe.

Volkswagen always believed in the potential of this brand and the skill of its team - a trust that has been amply rewarded. Czech-German engineering, a keen awareness of customer needs, and a passion for cars of the best quality - that is what Škoda's strength is

built on. It can be seen quite clearly in models such as the Fabia, the Octavia, the Yeti or the Superb. Škoda is, in a nutshell, "simply clever". That is precisely what more and more customers appreciate about Škoda - in Europe, just as they do in India and China

With this impressive record, it makes perfect sense that Škoda should now embark on the future with an assertive new plan for growth. Doubling sales, expanding the model range, developing new segments and markets - these are ambitious goals. But the Škoda team definitely has what it takes to achieve them - not least the backing of the Volkswagen Group. With our global production network and the combined innovative strength of nine high-performance brands, Volkswagen will continue to assure Škoda's success. At the same

> time, the inexpensive, practical entry-level mobility the Škoda brand offers will contribute to making our Group the best in the automobile industry by 2018.

> Škoda today is a model company and ambassador for the Czech Republic around the world. Many people have played a part in the success of our Czech-German part-

nership: I would like to express my sincere thanks and acknowledge the people responsible from both the political and social fields, but above all, I would like to thank the Škoda team. Your skill and dedication have brought this proud brand with the winged arrow back to the forefront. And I am certain that - together with the Volkswagen Group that is where it will stay in the future.

Win to hom

Yours

Czech-German

engineering, a keen

awareness of custo-

mer needs, and a passion for cars of

the best quality -

that is what Škoda's

strength is built on.



Success depends on courage – the courage to make important decisions about the future; the courage to do the right thing at the right time. The Volkswagen Group showed this courage 20 years ago when it took a stake in Škoda on 16 April 1991 and also over the coming years, as it gradually acquired a majority holding in this fascinating company. This approach quickly bore fruit. Initial successes were bolstered by targeted investment in development, production and in the development of the brand. Škoda's development proved to be remarkably robust. The Company has been able to rely on the backing of the Group throughout – an immeasurable advantage.

The Group's commitment to Škoda was just as clearly defined as the guidance it provided. Quality quickly became Škoda's hallmark. The exceptional value for money our vehicles offer has been acknowledged worldwide. For many years now, our "simply clever" slogan has summed up what the whole world expects Škoda to deliver: clever solutions – developed intelligently – with a focus on people. That is what we call "clever engineering with a human touch" – something our customers across the globe have come to appreciate.

All of this was possible because the employees of this Company have supported these developments the best way they can: with their know-how, motivation and, above all their passion and determination to show that Czech automobiles can hold their own alongside the best in the world. Every day

their dedication rewards the courage the Volkswagen Group showed in its decision to be a part of Škoda. This is a commendable attitude that I have the utmost respect for. On behalf of the entire Board of Management, I would like to thank all of our employees and employee representatives for the achievements of the past 20 years. You have

brought our Company forwards, made it strong and laid the foundation for further successes in the future.

Today, Škoda is firmly established on the international automobile markets and plays an important role within the Group. We delivered more than three quarters of

a million automobiles to customers last year, more than ever before in the history of our Company. And we will continue to push forwards. Škoda is poised to enter a period of growth that will continue – and elaborate on – the success story of the past twenty years. Our goal is clear: We aim to sell at least 1.5 million automobiles in the year 2018. That is double our current record sales. I am certain that we will achieve that goal. Our strong presence in growth markets around the world puts us in the best possible position to do so. China, India and Russia will be the driving force behind our growth in the coming years. However, that does not mean that we will neglect our original markets in Western Europe or our domestic market in the Czech

Republic. Our home remains in the heart of Europe – now, just as it was more than 115 years ago.

The 20 years of partnership between Volkswagen and Škoda is also the story of a uniquely successful German-Czech collaboration. Just like Volkswagen, the Czech Government showed courage back in 1991, when it allowed an international partner

to take over management of one of the best-known state-owned enterprises. For this foresight, the decision-makers of the day deserve our special thanks. They were quick to recognise the potential in this partnership and took decisive action. Much has changed over the past few years – Europe

has redefined itself during these years, grown closer together and become stronger. Škoda and Volkswagen have played their part in this historic development. That is one more reason why we are happy – and justly proud – to be celebrating this anniversary.

Yours

Škoda is poised to en-

ter a period of growth

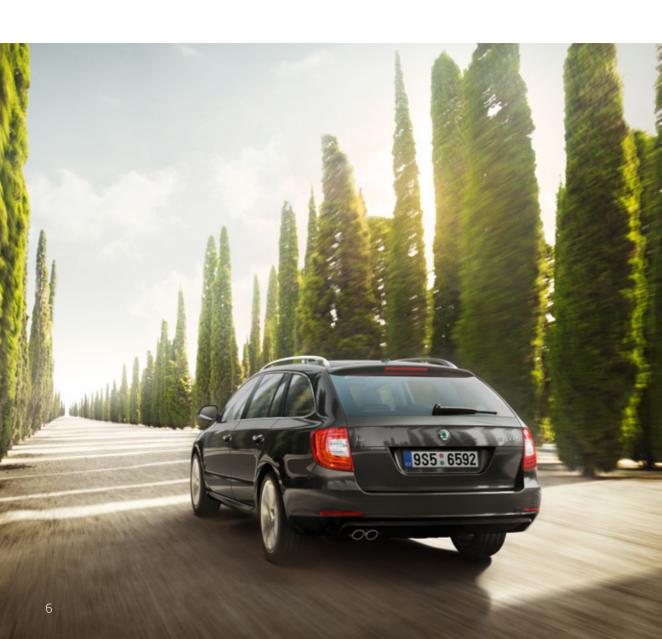
- and elaborate on -

the success story of

the past twenty years.

that will continue

Prof. Dr. Winfried Vahland



## Partnership with Prospects Together for 20 years - the Volkswagen and Škoda Auto

success story continues.

Few automobile manufacturers can look back on more than 115 years of history - but Škoda Auto is one of them. Over the past twenty years in particular, the Company has written its own unique success story. Since the Volkswagen Group acquired a stake in Škoda in 1991, the one-product brand has transformed itself into an automobile company with a broad model line-up, global presence and healthy growth prospects.

Back in 1991, no one would have believed Škoda could accomplish this. But the sceptics were soon proved wrong. The Company quickly gathered momentum and was gradually able to establish itself - first in its domestic market of the Czech Republic, and then by expanding its presence in the auto markets of Western Europe. The next stage in the Company's development led it to the markets of Eastern Europe and Asia - focusing on India and China in particular. By establishing its own local production facilities and working closely with the Volkswagen Group, the Company strengthened its position in these key markets and laid the foundation for future growth.

Today, Škoda operates in more than 100 markets worldwide. Škoda automobiles are in demand all over the world: In 2010, the Company delivered 762,600 vehicles to its customers across the globe - more than ever before in the history of the Company. And the trend continues.

Škoda Auto now accounts for almost seven percent of Czech exports. The Company has been the country's most attractive employer for many years and is recognised as its most admired industrial company.

### Partnership with prospects

#### 20 years of Company development in numbers

Škoda automobiles sold 1991: 172,000 2010: 762.600

SIMPLY CLEVER

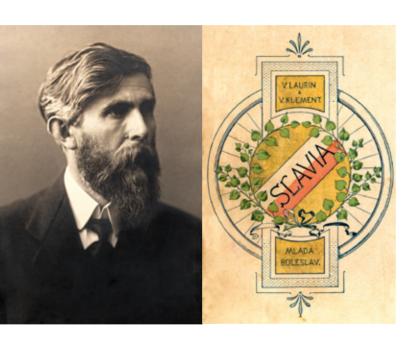
Employees worldwide 1991: 17,000 2010: 24,700 Number of markets Škoda Auto operates in 1991: 30 2010: 103

is today: a successful global player firmly rooted in its home country, the Czech Republic, and valued as a reliable partner throughout the Group. Škoda is many customers' introduction to the wider world of Volkswagen Group brands. The brand is firmly established within the Group, offering outstanding value for money combined with functionality and exceptional spaciousness. Clever ideas, precise workmanship and maximum customer benefit, offered with the brand's signature "human touch" - that is what Škoda means to customers all over the world. Its "simply clever" brand claim long ago evolved from a vision to a promise fulfilled by every Škoda automobile in its own special way. Five model series have been created over the past 20 years. Each model has its own unique positioning and interprets the brand's pledge differently for each of its target groups and market segments: from the Škoda Fabia compact car to the mid-range Škoda Octavia, the spacious Škoda Roomster and the Škoda Yeti off-roader through to the Škoda Superb at the upper end of the model range. Škoda and Volkswagen – the success story continues after more than 20 years. Both companies still have ambitious plans. Škoda aims to continue growing over the coming years. The outlook is promising for this strong team with clear goals - which is also a member of the most successful multi-brand automobile group in the world today.

Around 25,000 employees worldwide are proud to work for the Company today – and they have every reason to be proud. They have made Škoda what it



## Successful beginnings, difficult times 1895 to 1990





Mladá Boleslav in the late 1800s: When bookseller Václav Klement sent his damaged bicycle back to its German manufacturer for repair, it was returned to him in the same sorry state, accompanied by a hand-written note: "If you ex-

pect to receive a reply from us, you should try writing in a language we can understand." Václav Klement wasted no time at all in devising a suitable response: He decided to build his own bicycle factory.



Back in 1895, Mladá Boleslav was a picturesque little town in Bohemia with no more than 10,000 inhabitants. There was no indication at that time that this would soon be home to a globally successful automobile company and that the town would be transformed into a renowned industrial centre with almost 50,000 people.





Václav Klement put all his energy into realising his plans. He recruited mechanic Václav Laurin to work alongside him. Together, they launched their bicycle production business under the name "Slavia". Starting out from a motorised bicycle, they

developed one of the first motorcycles and founded the motorcycle brand "L&K" in 1899. From then on, Laurin and Klement continued to innovate: In 1905, they attracted considerable public interest with the presentation of their first automobile, the Voiturette A.

### Successful beginnings, difficult times



In 1925, "L&K" merged with the Plzen-based Škoda Group, securing the necessary capital for further expansion. The Škoda 420 Standard released in 1933 was followed in 1934 by the launch of the successful Škoda 418 Popular. 20,000 of these models were built up until 1946.

Václav Laurin did not live to see this success. He died in 1930 at the age of 64. Just a few years later, in 1938, the Company's other founder, Václav Klement, died aged 69.



After the 2nd World War and the ČSSR's transition to a planned economy, Škoda developed an inexpensive "people's car" (or "Volkswagen"), known as the Škoda 1000 MB, for a wider public. The car was released on the market in 1964. This model's distinctive rear-wheel drive characterised all Škoda models of the next 25 years.





But Škoda ran into problems, particularly in the Western European markets: A lack of investment and innovation meant that Škoda automobiles were falling farther and farther behind the competition. The green light for the development of an entirely new model with front-wheel drive in the spring of 1983 came too late. By the time the first Škoda Favorit rolled off the assembly line on 1 July 1987, the proud Czech automobile brand urgently needed a strong partner to survive.



## With Volkswagen at its side, Škoda's future begins



Volkswagen's involvement with Škoda was preceded by long and intensive negotiations with the Škoda management and the Government of the Czech and Slovak Federal Republic (ČSFR). By 16 April 1991, everything was finally in place: Volkswagen would acquire a 31 percent stake in Škoda and immediately assume full management responsibility. Škoda was to become the Group's fourth and longest-standing brand, alongside VW, Audi and SEAT.



Škoda showroom, 1991 (left).
The start of a successful partnership:
Czech Minister of Industry and Trade
Jan Vrba and Dr. Carl Hahn, Chairman of the
Board of Management of Volkswagen,
at the signing ceremony in 1991 (below).
Strong political interest:
Visit of German Federal President
Dr. Roman Herzog in 1992 (right).





For Volkswagen, in the words of former Chairman of the Board of Management, Dr. Carl H. Hahn, Škoda was "the pearl of the East". This kind of appreciation and the willingness to meet Škoda as equals helped Volkswagen win over the workforce. Volkswagen respected the Škoda employees' pride in their almost 100-year history of building cars in Mladá Boleslav and was happy to continue that tradition. Volkswagen constantly affirmed its intention to preserve the Škoda brand, both to the Government and Škoda managers. Massive investment in products, modernising production and increasing capacity, as well as environmental protection, was planned. Research and development would remain in Mladá Boleslav, so that the plant would not be reduced to merely an assembly plant.

#### With Volkswagen at its side, Škoda's future begins



Link between past and future: The Škoda Favorit (right) plays an important role in the transitional phase from 1991 on.



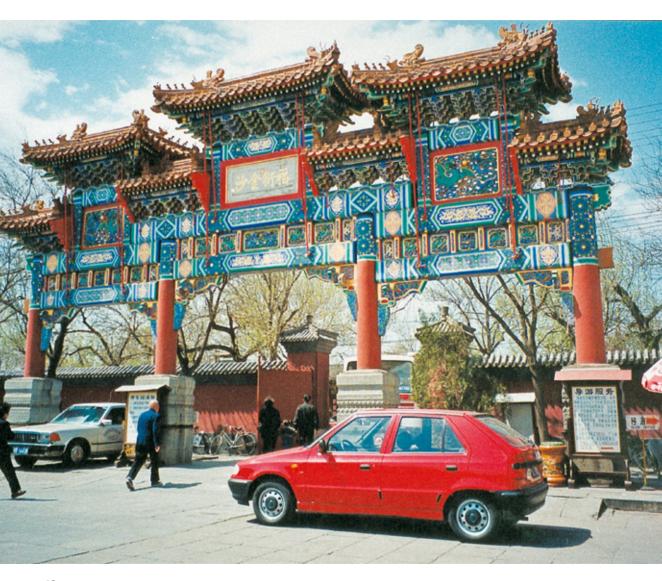






The Škoda Favorit played a particularly important part during this phase: Until the Škoda Felicia – the first brand produced under Volkswagen – was released onto the market in 1994, the reworked and, in many areas, improved Škoda Favorit secured the brand's presence in its original markets. In the Škoda Favorit, Škoda now had a product that could compete in the West. This also had symbolic value: Tradition was securing the future of the new – Škoda was embarking on a better future, without denying its roots.

The Company faced daunting challenges, but its goals were ambitious nevertheless: Productivity had to be increased and costs minimised. At the same time, substantial investments were being made in improving quality. But management and workforce remained in good spirits. They knew that together they could make Škoda competitive again. Politicians were also satisfied: Volkswagen's stake in Škoda accounted for 40 percent of the total foreign investment in the Czech and Slovak Federal Republic in 1991 and was therefore seen as a vote of confidence in the economic viability of the new republic.



#### 1991 to 1995

## The early years



Change was definitely in the air in Mladá Boleslav. Improvements were urgently needed in the pressing plant, assembly and tool shop, as well as a new paint shop. In 1995 alone, Volkswagen invested no less than 7.2 billion Czech koruna in the plant's infrastructure.

Productivity gradually improved and daily production increased from 660 vehicles per day at the start of 1991 to 950 per day by the end of the year.

Much hard work went into meeting the Company's ambitious quality goals. Škoda automobiles needed to comply with the Volkswagen Group's quality standards within the shortest possible time. Comprehensive quality audits revealed that there was still much to be done. But the first successes were seen within just a few months.



The development of new markets and new sales channels increasingly became a focus: In 1992, Škoda showed its products for the first time at the Beijing Motor Show. And its newlyfounded leasing company, SkoFIN, began offering Škoda customers new financing models that would also generate additional sales potential.

#### The early years



New marketing approaches were explored. The first sponsorship agreement was signed in 1993, and Škoda became the official partner of the ice hockey world championships – a partnership that is still going strong today.

Ice hockey sponsorship has meanwhile become an integral part of Škoda's marketing concept and plays an important role in defining the essence of the Škoda brand.

The same applies to motorsports. In 1993, Škoda embarked on a commitment that still brings the Company new successes to this day. The very first time it competed in the rally world championships in 1993, the brand finished an impressive second. The next year, that success was topped by victory in the championship's two-litre class. Many more successes followed over the coming years, culminating in a win in the IRC championship in 2010.





Foundation-laying ceremony for the new assembly hall: Minister of Industry and Trade Vladimír Dlouhý, President Václav Havel, Škoda's Chairman of the Board of Management Ludvík Kalma and Dr. Ferdinand Piëch, Chairman of the Board of Management of Volkswagen.

At the Group headquarters in Wolfsburg in Germany, Dr. Ferdinand Piëch took over from Dr. Carl Hahn as CEO. Volkswagen increased its holding in Škoda first to 60.3 percent, and then, in late 1995, to 70 percent.

Preparations for production of the new Škoda Felicia got underway in the summer of 1994. Volkswagen supplied key parts and engines from 1995 on, but the vehicle's basic design dated from before 1991. Plans called for a complete redesign under Volkswagen.

Mladá Boleslav continued to reach new milestones. The highlight of 1995 was the ceremony held on 23 September, where Škoda and the whole of Mladá Boleslav celebrated the Company's 100th anniversary. The festivities drew some 30,000 visitors from near and far. No fewer than 25,000 people visited the newly-opened Škoda Museum on that day alone.



The Škoda Museum in Mladá Boleslav opens to coincide with the Company's 100th anniversary.







1996 to 2000

## On track for success

April 1996 marked an important milestone: The one-millionth car built since Volkswagen joined forces with Škoda rolled off the assembly line in Mladá Boleslav.

This successful model paved the way: The Škoda Octavia (left) symbolises the renaissance of the Škoda brand.

The highlight of 1996 was the world premiere of the Škoda Octavia at the Paris Motor Show. How would the public react to the new model? For the entire company, a great deal depended upon a positive response to the new model, developed and built completely under Volkswagen. The Octavia model name was a throwback to its



Premiere of the Škoda Otavia in 1996 (above)

The Octavia boasts an impressive interior (below).

illustrious "predecessor" – 365,000 of which were built between 1959 and 1971 – and which proved to be a good omen: The new Škoda Octavia went on to become the most successful model in Škoda's history by far. The one-millionth Škoda Octavia was built in 2004.



#### On track for success

Czech President Václav Havel (below) opens the new production hall (right) at the Mladá Boleslav plant.



In 1996, construction began on a new thermal power station which would generate drastically lower carbon monoxide and nitrogen oxide emissions. The plant, built by the company SkoEnergo, which had been created the previous year, went on line on 6 May 1999, and began supplying Škoda with all its electricity, heating, industrial and potable water, compressed air and natural gas needs. SkoEnergo also handled purification and disposal of rainwater and wastewater for the entire Škoda campus, as well as supplying the city of Mladá Boleslav with heat.



The environmental measures implemented in production were bearing fruit: Water consumption per vehicle produced had already been halved between 1990 and 1995. The goal was to halve these figures again by 2000. Electricity and heating consumption were a further priority, with the goal of on-going reductions.

It was the success of the Škoda Octavia that ultimately put Škoda back on course for growth. The Škoda Octavia became synonymous with Škoda's successful realignment, and its design had a strong influence on all of the products that followed. It embodied the brand's characteristics like no other model: excellent value for money, ample space, and excellent everyday drivability. Its high level of technology and quality of workmanship

#### On track for success





#### Left page:

Proud to be making parts for the new Octavia at the Mladá Boleslav pressing plant (above).

The Octavia soon becomes a best seller in Germany and many other markets (left).

Long-wheelbase version of the Škoda Octavia for the Czech Government (below).

#### Right page:

One success after another: here the Škoda Fabia (left).

Prime Minister of the day, Václav Klaus, at the foundation-laying ceremony for the new construction centre in 1997 (right).

were widely praised by the press and public alike. It soon became clear that the Škoda Octavia had the potential to blaze a trail for the rest of the Škoda product range and leverage access to new markets and customer groups.



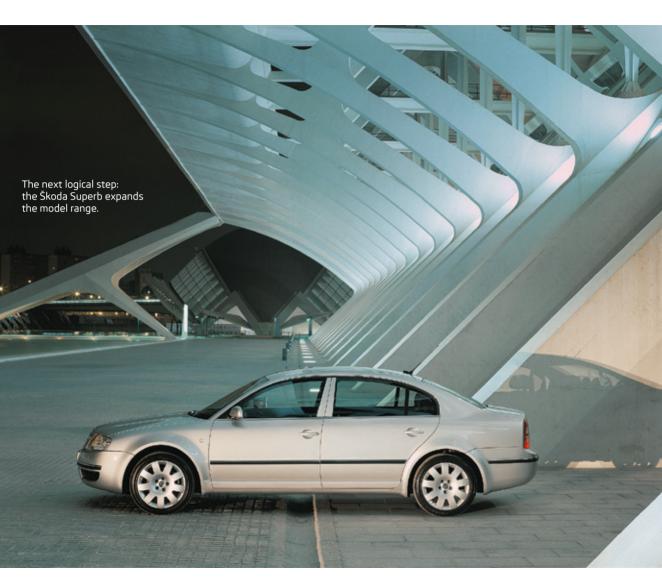


However, success is also an obligation. To maintain its high standard of technology, the Company laid



The Škoda Fabia, presented for the first time at the International Motor Show in Frankfurt in September 1999, was also enthusiastically received by the public and went on to win Germany's "Goldene Lenkrad" before the year was out. This award paved the way for the Škoda Fabia to become one of Germany's most popular import cars in the compact car segment. The Škoda Fabia was soon established as a highly successful model alongside the Škoda Octavia in many other markets – for example, in the U.K., where "What Car?" magazine named the Fabia its "Car of the Year" in 2000.

the cornerstone of a new construction centre in 1997, which officially opened in April 1999. With forward-looking investments of this kind, the Volkswagen Group underscored its commitment to Škoda at the start of the new millennium. It single-mindedly pursued what it had begun in 1991. It was therefore only fitting that Volkswagen should announce in May 2000 that it had acquired the remaining shares in Škoda Auto to become the Company's sole owner.





## The first 2001 to 2005 model initiative

As Škoda picked up the pace, the Company gathered more and more momentum. On 20 June 2001, a very special Octavia 1.8 I Turbo rolled off the assembly line – an "anniversary car" to mark the production of three million Škoda automobiles since 1991. Škoda was certainly on the right track – but still had a long way to go. The former "one-model company" must become an automobile manufacturer with a clear profile and a broad product line-up. The Škoda Fabia and the Škoda Octavia had paved the way. Now, further steps must follow. The way forward clearly lay in new models for new markets.

With the world premiere of its new model, the Škoda Superb, at the International Motor Show in Frankfurt in 2001, Škoda gave the world a glimpse of its new comprehensive model initiative. As with the Octavia, the name "Superb" recalled Škoda Auto's former glory: The brand's sedans of the 30s and 40s bore this name back in the last century. Uncompromising, high-qual-



ity workmanship, outstanding comfort and ample space at a thoroughly attractive price – the Škoda Superb translated the brand's acknowledged strengths into the new era.



The original Škoda Superb from the 1930s.



### The first model initiative

Ground-breaking design concepts for the Škoda Roomster (below) and the Škoda Yeti (right).

In 2001, the Company's plans led it to India. The first, and at that time only, Škoda plant outside of Europe was built in Aurangabad. Back in Mladá Boleslav, the strategy of adding new models required expansion of the logistics centre for original parts and accessories. The official opening was celebrated in 2005.



Škoda Auto continued to forge ahead with the development of new models, unveiling Škoda Roomster and Škoda Yeti concept cars in 2003 and 2005 respectively. Both models were poised to extend the Škoda line-up beyond its classic sedan format.

The Škoda Roomster's name is its promise: Even the design concept showed that this vehicle would set new standards for spaciousness and versatility.





Škoda Superb presented to President Václav Klaus (above). Anniversary in 2005: more than 5 million Škoda cars built since 1991 (below).



The name "Škoda Yeti" also hints at this vehicle's unique characteristics: As a compact Sports Utility Vehicle with high clearance and maximum variability of the interior space, it was built for everyday driveability – not just on the roads, but also on rough terrain – particularly with the four-wheel-drive option. The Škoda Yeti was also designed to make tracks outside of the market segments previously served by Škoda Auto and gain a firm footing in the SUV market.

Production figures for Škoda automobiles were notching up the millions on an increasingly regular basis. On 1 November 2005, a beige-coloured Škoda Octavia Ambiente became the five-millionth Škoda vehicle built since April 1991.



## Going 2006 to the present international

15 years of Volkswagen and Škoda Auto: By this time, the strong partnership had proved itself in tough times – and now the focus was on new goals. The quality and value for money of Škoda automobiles had increasingly opened up access to international markets and unearthed new sales potential for the Company. This was an opportunity that could not be ignored. The Company must use its strategic and design capabilities to exploit it.

Škoda had always made strategic investments in employees' professional expertise. Now, in the light of its ambitious growth targets, investment in the Company's own workforce became even more crucial. Škoda sent a clear signal: In November 2006, the cornerstone was laid for a new technology centre in Cesana/Mladá Boleslav. In 2007, the Škoda university "Na Karmeli" opened its doors, and was soon offering up to 3400 employee training courses a year.



Future know-how: A new technology centre and corporate university ensure Škoda Auto has the knowledge it needs for future growth.



#### Going international

From 2006 on, the internationalisation of Škoda Auto continued apace, and the Company became universally recognised as a global player.

In September 2006, Škoda Auto celebrated its official entry into the growth market of China, where the Škoda Octavia, produced locally under the name "Ming Rui" quickly exceeded all sales expectations for 2007. Around the same time, in October 2006, the cornerstone for a joint plant producing Volkswagen and Škoda automobiles was laid in Kaluga in Russia. Assembly of the first "Russian" Škoda Octavia began exactly thirteen months later.



Indian production of the Škoda Fabia begins in Pune in 2009, after eight years of building Škoda automobiles in Aurangabad. Full throttle: the Škoda Fabia Super 2000 at the Rally of Scotland (below).

In October 2007, cars sporting the winged arrow became available in Australia – Škoda's 100th market. In November 2007, the contractual requirements for production of the Škoda Fabia in the Indian state of Maharashtra were fulfilled, and manufacture got underway in 2009.



Top marks, new models: Series production of the Škoda Roomster began on 27 March 2006 at the Kvasiny plant, shortly after the model's debut at the Geneva Motor Show. In August 2006, production of the Škoda Superb crossed the magic threshold of 100,000 units. In motorsports, initial tests of the Škoda Fabia Super 2000 got underway in 2008. This car

Super 2000 got underway in 2008. This car went on to win Škoda Motorsport many trophies, including the prestigious IRC championship in 2010.

## Going international



Model initiative: The Škoda Yeti quickly earned the Company a permanent place in a new market segment (above). New flaqship: the Škoda Superb Combi (below).

The pace stepped up again in 2009: The Škoda Yeti was presented to the world for the first time at the Geneva Motor Show in March 2009. The Yeti immediately earned Škoda a place in a new market segment for the Company: compact SUVs. Yet another million-vehicle mark was soon passed: seven million vehicles built by Škoda Auto since the start of its collaboration with Volkswagen. In October 2009, the Škoda Superb Combi, the Škoda brand's new flagship, was finally revealed to the automobile world.

Škoda marked another milestone at the Paris Motor Show in 2010: The Škoda Octavia Green E Line, the first concept car with electric drive built by Škoda, is the way forward for the automobile company. It will lead Škoda into the age of emission-free mobility and form the basis for further technological developments in the field of electro-mobility.





# New power of Škoda

The next phase in the history of Škoda Auto has begun.

Škoda in 2011: The Company has never been in better shape – with competitive products, dedicated employees, strong dealerships and the world's most successful multi-brand automobile group as its partner. The Company has ambitious plans, and is thoroughly optimistic about the future.



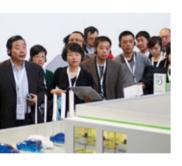
# ŠKODA

New corporate design: with a new logo and new look for global growth.



This is also reflected in the new Corporate Design presented to the public for the first time at the 2011 Geneva Motor Show. The first impression is of a Škoda brand that is fresh, new and more youthful, with an undeniably dynamic style. It projects likeability and openness, confidence and self-assurance. And the Company certainly has every reason to be confident: Today, Škoda Auto stands at the very beginning of a growth phase that will take the Company to new dimensions. Sales of Škoda automobiles are set to at least double from today's levels to 1.5 million in 2018.

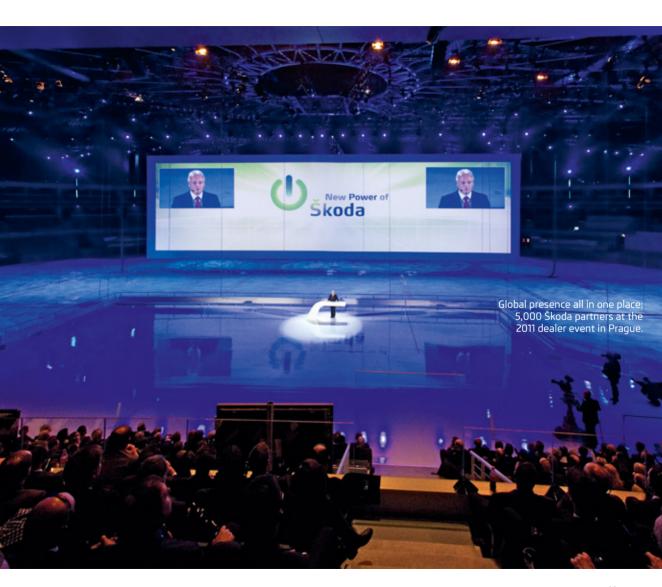
#### New power of Škoda



A new chapter in the Company's history has begun. Growth and internationalisation will determine its future. That is why Škoda is focusing its investment on new models that will extend and add depth to the existing product range. The Company will also continue expanding its global market presence.

In recent years, Škoda has consistently made the internationalisation of its business a priority. The first step was to develop markets in Western Europe. Now, markets such as China, India and Russia are taking sales to even higher levels. Škoda reported growth of around 40 percent in these countries in 2010 alone. It is hardly surprising, therefore, that Škoda – besides its activities in its established markets in Western Europe – will be focusing on the dynamic growth in Asia and Eastern Europe and continuing to invest in these markets over the coming years. Local production is already up and running: Besides the Czech Republic and Slovakia, Škoda automobiles are also built in India, China, Russia, the Ukraine and Kazakhstan.

What internationalisation and global presence really mean to Škoda was evident in Prague this February: Around 5,000 Škoda partners from more than 100 countries came together for the biggest dealer event of the past 20 years under the motto: New Power of Škoda. "Together we are embarking on a new era in Škoda's history," commented Chairman of the Board of Management Dr. Winfried Vahland. "Over the next few years, the Company will be going full speed ahead and we will be switching it up a gear in all areas. We will do so in a concerted effort with our sales partners all over the world – and in cooperation with the Volkswagen Group, our strong and reliable partner for the past 20 years."



#### New power of Škoda

## Shaping the future – acting responsibly

With its five current model series, Škoda is ready to embark on the next phase in the Company's history. One thing is clear: Any automobile company that aims to shape the future must act responsibly.

Environmentally-friendly products and production processes have been the cornerstone of Škoda Auto's corporate philosophy for many years. Impressive fuel economy and low emissions are characteristic of the entire model range. This is particularly evident in the Škoda GreenLine: Since 2010, at least one vehicle in each model series has offered even higher standards of cost-effectiveness and environmental-compatibility – without compromising on comfort or performance.





# Automotive history The Škoda models of the past 20 years

1987	Favorit
1990	Forman
1991	Favorit Pick-up
1994	Felicia (Hatchback)
1995	Felicia Combi
1995	Felicia Pick-up
1996	Felicia Fun
1996	Octavia
1998	Felicia FL, Felicia Combi FL, Octavia Combi
1999	Fabia, Octavia Combi 4x4
2000	Fabia Combi, Octavia RS
2001	Fabia (Sedan), Superb, Octavia RS, Fabia Praktik
2002	Octavia Combi RS
2003	Fabia RS
2004	Fabia Facelift, Octavia 2nd generation, Octavia Combi (also Combi 4x4)
2006	Roomster
2007	Fabia, Fabia Combi, Octavia Scout, Roomster Scout, (Roomster) Praktik
2008	Superb, Octavia FL
2009	Octavia RS FL, Octavia Scout FL, Yeti, Superb Combi
2010	Fabia FL, Fabia Combi FL, Roomster FL, Fabia RS, Fabia Combi RS, GreenLine in all model series