



## Press Release page 1 of 4

# Success Story: ŠKODA and Volkswagen Celebrate 25-Year Partnership

- › Ceremony at the ŠKODA Museum: Czech Prime Minister Bohuslav Sobotka and Volkswagen CEO Matthias Müller among the 500 guests
- › Strong partnership: ŠKODA AUTO part of Volkswagen Group since 16 April 1991
- › Rebirth: ŠKODA's successful rise from regional leader to global player
- › Record sales: 2015 ŠKODA delivered more than one million vehicles; upward trend continues
- › Model campaign: ŠKODA sets sights on SUV segment in jubilee year

**Mladá Boleslav, 12 April 2016 – The foundations of an exemplary success story were laid 25 years ago. The partnership between the Volkswagen Group and the Czech carmaker began on 16 April 1991. From that point on, the traditional Czech brand evolved from being a regional market leader to an internationally successful vehicle manufacturer. In the presence of Czech Prime Minister Bohuslav Sobotka, Volkswagen CEO Matthias Müller and Jaroslav Povšík, head of trade union KOVO MB, ŠKODA CEO Bernhard Maier commemorated this outstanding milestone in the company's 121-year history today. Around 500 guests from politics, economy and society took part in the anniversary celebrations at the Laurin & Klement Forum of the ŠKODA Museum in Mladá Boleslav.**

"ŠKODA is one of the longest-established carmakers in the world that has been writing an exemplary success story over the past quarter century thanks to a strong team," said ŠKODA CEO Bernhard Maier, adding: "What began as a one-series producer with annual sales of 170,000 in the early 90s has since evolved into an internationally competitive car company with six model lines and over 40 versions. Nowadays, ŠKODA produces over one million cars per year at 14 production sites on two continents, selling products in over 100 markets. The good partnership between ŠKODA and Volkswagen and a competent and highly motivated workforce have paved the way for this exemplary development."

"Supporting a stable economy, attracting new investments and creating new jobs are among the priorities of the government coalition. ŠKODA AUTO has become one of the drivers of the Czech economy over the past 25 years. The government recently supported the expansion of the Solnice-Kvasiny industrial zone in the Hradec Králové region. ŠKODA AUTO will be investing 7.2 billion crowns into the location and creating more than 2000 new jobs by 2018. This investment also underlines the fact that ŠKODA AUTO is one of the most important investors and employers in the Czech Republic. I wish the company stable and successful development over the coming years," says Prime Minister Bohuslav Sobotka.



## Press Release page 2 of 4

By 1990 several car manufacturers from Western Europe and overseas had expressed their interest in the traditional brand, founded in 1895, to the Czech government, who ultimately decided in favour of merging ŠKODA with Volkswagen. Europe's largest automobile producer was seeking a strategic partnership with the traditional Czech brand, and welcomed the highly trained, creative and efficient workforce. Craftsmanship and engineering expertise had always been among the Czechs' strengths. On 28 March 1991, Czech Industry Minister Jan Vrba and Dr. Carl Hahn as CEO of Volkswagen signed the agreement on the inclusion of the then 'ŠKODA automobilová akciová společnost' in the Volkswagen Group. On April 16, 1991, the document came into force. As a result, the Group gradually increased its share before becoming the sole owner of the joint stock company ŠKODA AUTO on 30 May, 2000.

"ŠKODA and Volkswagen represent a European success story. 25 years ago, ŠKODA was a company with a long tradition and great potential. Today, ŠKODA is the Czech Republic's leading exporter, and one of the most dynamic automotive brands in the world," says Volkswagen Group CEO, Matthias Müller. "Digitization and electromobility are presenting our industry with considerable challenges, but above all, they offer great opportunities. As part of the Volkswagen Group, ŠKODA has all the prerequisites to cope with change, in terms of their customers, employees and manufacturing locations. This will involve not only redefining the car, but also our company to a large extent. And we will be doing that together."

Since then, a comprehensive coordinated investment programme has fuelled the ŠKODA brand's dynamic development. Between 1991 and March 2016, more than 300 billion crowns (around € 11 billion) was invested in new models, research and development, and in expanding production capacities. With approximately 28,500 employees today, ŠKODA is one of the largest and most attractive employers in the Czech Republic. The production network, including ŠKODA's three Czech sites in Mladá Boleslav, Kvasiny and Vrchlabí, has grown in capacity thanks to Volkswagen Group affiliations in China, India, Russia and Slovakia, in addition to the assembly plants in Ukraine and Kazakhstan.

"With this 25<sup>th</sup> anniversary, ŠKODA and the Volkswagen Group have reached a new milestone along their joint path," says Jaroslav Povšík, head of the union OS KOVO MB adding: "We can be very proud of our employees' performance. Without them, the impressive success story of the past 25 years would have been unthinkable. It has once again been shown that the Community Decision model that Volkswagen has successfully implemented ensures both satisfaction and records."

The heart of the globally successful brand still beats in Mladá Boleslav – one of the birthplaces of the European automotive industry. The company's main plant and headquarters have been located in the Bohemian town for the company's entire 121-year history. The carmaker's pioneers include Václav Laurin and Václav Klement, who – impressed by motorized mobility on two and four wheels – laid the foundation for today's automobile company in 1895. Incidentally, they were contemporaries of Ferdinand Porsche, whose birthplace, Vratislavice, is situated near Mladá Boleslav.





# Press Release page 3 of 4

ŠKODA is now one of the fundamental pillars of the Czech economy: In 2015 the manufacturer contributed around 4.5% of the Czech gross domestic product, accounting for around 8% of Czech exports. The brand consistently sets new sales records: In 2015 deliveries increased by 1.8% to 1,055,500 vehicles (2014: 1,037,200). Revenue increased by 6.2% to a new record of € 12.5 billion (2014: € 11.8 billion), and operating profit grew by 12.0% to € 915 million (2014: € 817 million). By the end of March 2016, ŠKODA's global sales had climbed by 4.3% to 276,600 vehicles, thereby reaching a new record for the first three months of a year.

The upcoming SUV campaign will drive growth further. The ŠKODA VisionS show car gave at the Geneva Motor Show an insight into ŠKODA's new design language in this globally prosperous segment. The corresponding series-produced model will be celebrating its world premiere at the Paris Motor Show in September.

Photos will be published at [media.skoda-auto.com](http://media.skoda-auto.com) in the afternoon.

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## Media image:



### 25 years of ŠKODA and Volkswagen

The most important model in 1991 was the ŠKODA Favorit; for its time, it was a modern and spacious compact car with hatchback. A quarter of a century later, the sophisticated mid-class segment model, the ŠKODA Superb, is the brand's flagship.

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### ŠKODA AUTO History

The ŠKODA AUTO History brochure as PDF file.

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# Press Release

page 4 of 4

## ŠKODA AUTO

- > is one of the longest-established vehicle production companies in the world. In 1895, the Czech headquarters in Mladá Boleslav began producing bicycles, followed by the production of motorbikes and cars.
- > currently offers the following models in the range: Citigo, Fabia, Rapid, Octavia, Yeti and Superb.
- > in 2015 delivered more than 1 million vehicles to customers worldwide.
- > has belonged to Volkswagen since 1991. The Volkswagen Group is one of the most successful automotive groups in the world. ŠKODA, in association with the Group, independently manufactures and develops vehicles, as well as components, engines and gear transmissions.
- > operates at three locations in the Czech Republic, produces in China, Russia, Slovakia and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan through local partners.
- > employs over 26,600 people globally and is active in more than 100 markets.

