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100 years of Czechoslovakia: ŠKODA as a pillar of the national economy

- > ŠKODA AUTO celebrates the 100th anniversary of the founding of Czechoslovakia
- Market leader in its home country and cornerstone of national economy since 1936
- > Export driver ŠKODA now supplies 103 markets

Mladá Boleslav, 26 October 2018 – The democratic Czechoslovak Republic was founded on 28 October 1918. At that time, the vehicles built by Laurin & Klement were enjoying great popularity in their own country. Since 1936, the company has been leading the domestic automotive market as the ŠKODA brand. Throughout even the most difficult times in the country's history, ŠKODA maintained its reputation as an innovative, well-managed company. After being integrated into the Volkswagen Group in 1991, ŠKODA paved the way for the dynamic development of a global brand.

Immediately after the democratic Czechoslovak Republic was founded, the car manufacturer Laurin & Klement (L&K) had to deal with the collapse of the former Austrian-Hungarian market. Also, due to the ongoing stagnation, some foreign markets completely disappeared in post-war Europe. The solution was to merge with the successful Pilsen company ŠKODA in 1925. A generous investment programme made it possible to develop a new generation of automobiles. In addition, ŠKODA was one of the pioneers of assembly line production in Czechoslovakia.

Thanks to the advanced product range including the ŠKODA POPULAR, RAPID, FAVORIT and SUPERB, which was well received at home and abroad, the company emerged stronger from the global economic crisis. ŠKODA also celebrated considerable success in motorsport. After a short break, ŠKODA again took the lead in Czech automotive market in 1936. In 1938, the last year before the war, the brand's market share was 39.2%. Also across borders – in Europe, and even in Asia and overseas – L&K/ŠKODA achieved very good sales figures. During the period of the so-called First Republic, i.e. between October 28, 1918 and September 30, 1938, Czechoslovakia was one of the most advanced countries in the world thanks to the development of the automobile industry.

This positive development suddenly slowed down at the beginning of the Second World War. During the war, vehicle production was limited almost exclusively to trucks and special vehicles as well as cars modified for military purposes. After the end of the war, the automobile plant was nationalized – the former coachworks in Kvasiny and Vrchlabí were added to the then main plant in Mladá Boleslav. From then on, the planned economy determined the supply structure and production volumes. Despite countless restrictions and limited contact with the highly developed western markets, ŠKODA continued to build high quality cars thanks to the enthusiasm and expertise of the workforce. Among the automakers of the former Eastern Bloc, ŠKODA was the standard bearer.

The presentation of the ŠKODA 1000 MB opened a new chapter in the company's success story in 1964. This was the first ŠKODA to feature a self-supporting body, rear engine and rear-wheel drive. At the back was the world's first mass-produced aluminium die-cast engine. The 1000 MB was one of the best automobiles in the one-litre class of its time – in Europe and around the world. Soon,







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annual production exceeded the threshold of 100,000 vehicles. ŠKODA, therefore, made a major contribution to the mass motorization of Czechoslovakia.

The 1000 MB was followed by the ŠKODA 100 and ŠKODA 110 series, including the iconic ŠKODA 110 R sports coupé produced from 1970 to 1980 that formed the basis for the brand's sporty derivatives – first and foremost, the legendary ŠKODA 130 RS that caused a sensation in 1977 with the class win at the Monte Carlo Rally. In the 1970s and 1980s, ŠKODA recorded numerous other motorsport successes. The tail-engine concept, which was a hit in rally sport, also dominated series production: In 1976, the ŠKODA 105/120 series replaced the ŠKODA 100/110 predecessors, followed by the 130 version with a 1,300 cc four-cylinder engine. The notchback models were flanked by the attractive coupés GARDE and RAPID.

In 1987, the brand presented a modern, front-wheel drive compact car with the ŠKODA FAVORIT, created by the design studio Bertone in Italy – an automotive revolution for a country then in the Eastern bloc. The model series was developed even during the planned economy. The FAVORIT would trigger ŠKODA's dynamic development after the fall of the Iron Curtain.

After the so-called 'Velvet Revolution' in 1989, ŠKODA needed a strong strategic partner. The merger with the Volkswagen Group in 1991 finally marked the decisive step towards becoming one of the greatest success stories in recent automotive history. ŠKODA flourished as the Volkswagen Group's fourth brand: the model range and production facilities were modernised, and the vehicles were of good quality, featuring modern technology. The ŠKODA OCTAVIA, which the company presented to the public in 1996, became a symbol of the new era. Today's bestseller was followed by other series in different segments. Nowadays, it is primarily SUV models that generate the global growth momentum. In 2016, ŠKODA began producing the KODIAQ, which can comfortably transport five or seven people depending on the model. In 2017 ŠKODA presented the compact SUV KAROQ.

The guidelines for continuing and expanding this success are anchored in the ŠKODA Strategy 2025, whose core topics include electromobility, the digitization of the company, products and manufacturing, as well as new mobility services and connectivity. Further internationalization is also planned in addition to broadening the successful SUV campaign.

Since Czechoslovakia was founded 100 years ago, the Mladá Boleslav brand has become one of the largest automobile companies in the world. Along the way, ŠKODA has overcome many challenges and continuously expanded its production volume and model range. Currently, the brand offers eight series: CITIGO, FABIA, RAPID, OCTAVIA, KAROQ, KODIAQ, KAMIQ (in China) and SUPERB. In addition to three production sites in the Czech Republic, ŠKODA now manufacturers in seven other countries, with the most important sales market being China. A comparison of the annual production volume from 1918 to 2018 shows the enormously successful development of the ŠKODA brand: Today's annual production figures of more than 1.2 million cars are 4000 times higher than those a century ago.







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Selected milestones in ŠKODA AUTO's production*:

- > 1895: Laurin & Klement was founded
- > 1905: Automobile production began
- > 1991: 5 million ŠKODA vehicles since 1905
- > 13 July 2006: 10 million ŠKODA vehicles since 1905
- > 5 February 2013: 15 million ŠKODA vehicles since 1905
- > 10 December 2014: ŠKODA produces 1 million vehicles in one year for the first time
- > 26 September 2017: 20 million ŠKODA vehicles since 1905
- * including vehicles of the L&K brand

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Media images:



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The first president of Czechoslovakia, Tomáš Garrigue Masaryk, in the luxury saloon ŠKODA Hispano-Suiza.





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Even during the interwar years, ŠKODA produced highquality vehicles such as the L&K / ŠKODA 110 and the ŠKODA POPULAR.

Source: ŠKODA AUTO

Source: ŠKODA AUTO

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The brand made the mass motorization of Czechoslovakia possible in the mid-1960s with the ŠKODA 1000 MB.

Source: ŠKODA AUTO Download



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In 1987, the ŠKODA FAVORIT opened a fresh chapter in the traditional brand's success story. The modern, front-wheel drive compact car aroused the interest of the Volkswagen Group, which is why it is regarded as the springboard for their shared success story.

<u>Download</u> Source: ŠKODA AUTO

ŠKODA AUTO

- was founded during the pioneering days of the automobile in 1895, making it one of the longest-established automobile companies in the world.
- currently offers its customers eight passenger-car series: the CITIGO, FABIA, RAPID, OCTAVIA, KAROQ, KODIAQ, as well as the KAMIQ (in China) and the SUPERB.
- > delivered more than 1.2 million vehicles to customers around the world in 2017.
- has belonged to Volkswagen Group since 1991. The Volkswagen Group is one of the most successful vehicle manufacturers in the world. In association with the Group, ŠKODA AUTO independently develops and manufactures vehicles, as well as components such as engines and transmissions.
- > operates at three locations in the Czech Republic; manufactures in China, Russia, Slovakia, Algeria and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan with local partners.
- > employs over 35,000 people globally and is active in more than 100 markets.
- > is pressing ahead with the transformation from a traditional car manufacturer to the 'Simply Clever company for the best mobility solutions' as part of the ŠKODA 2025 Strategy.



