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## Volkswagen and Microsoft share progress on strategic partnership

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- Volkswagen Automotive Cloud to be extended to China and USA in addition to Europe – core markets for future ID.
  - Volkswagen and Microsoft develop first lighthouse projects for connected vehicle services
  - Rapid progress with building up Volkswagen's Development Center in North America
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Wolfsburg, Berlin (Germany) / Redmond, Washington (USA) – Volkswagen and Microsoft are sharing progress on the development of the Volkswagen Automotive Cloud, discussed today by Dr. Herbert Diess, CEO of Volkswagen AG, and Satya Nadella, Microsoft CEO, during a joint visit to the Volkswagen Digital Lab in Berlin. The Volkswagen Automotive Cloud is to be extended step-by-step to further regions of the world and to be available in Europe, China and the USA – the core markets for the future full-electric, fully connected ID. model family. Volkswagen and Microsoft are also working together on first lighthouse projects for connected vehicle services, and progress has been made in the set-up of Volkswagen's new Development Center in North America.

"Our strategic partnership with Microsoft is a key element in our efforts to develop Volkswagen into a software-driven mobility provider. With the Volkswagen Automotive Cloud, we are working on a unique solution for our customers. Our upscaling capabilities give us a huge competitive advantage in this area," said Dr. Herbert Diess, CEO of Volkswagen AG.

"Digital technology is rapidly changing every aspect of the auto industry – from the manufacturing process to the car itself," said Satya Nadella, CEO of Microsoft. "Our partnership will enable Volkswagen to deliver new Azure-based connected vehicle services that accelerate the company's transformation into a software-driven mobility provider and define the future of mobility for people everywhere."

### Volkswagen Automotive Cloud to expand to China and USA

Volkswagen intends to expand the global footprint of its Automotive Cloud, which has previously been developed mainly for the European market, to China and the United States. Microsoft Azure with its comprehensive cloud, edge, AI and IoT capabilities will continue to form the basis of the growing digital ecosystem. Volkswagen will use its

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Automotive Cloud as the core of its vehicle and service data operations. The digital ecosystem is being developed by the Volkswagen brand together with partners as the lead brand within the Group.

Christian Senger, who will be responsible for the Volkswagen Automotive Cloud as Member of the Board of Management of the Volkswagen brand for Digital Car & Services and Head of Digital Car & Services within the Volkswagen Group, says: "The Volkswagen Automotive Cloud will be the global technological backbone of our digital ecosystem. At the same time, we will be launching a new, high-performance software architecture in our vehicles. This will lay all the foundations required for the full networking of our vehicle fleet and for the development of digital added-value services for our customers. Our goal is the customer experience for customers in their own vehicles and beyond."



Volkswagen and Microsoft are developing the Volkswagen Automotive Cloud together. (The illustration shows a study car)



The Volkswagen Automotive Cloud will optimize the links between connected vehicle, cloud-based platform and digital ecosystem. (The illustration shows a study car)

### **ID. is the first vehicle generation to be connected to the Automotive Cloud**

Volkswagen is preparing its digital ecosystem for the core markets of the future ID. model family. The ID. will be the first vehicle to use the Automotive Cloud and is to be launched in Europe in 2020. Production is to start in China the same year and a member of the ID. family will roll off the production line in the USA from 2022 onwards.

### **First lighthouse projects for connected vehicle services**

Volkswagen and Microsoft are also working on first lighthouse projects for connected vehicles. They are concentrating on communication and navigation solutions as well as personalized services: These will leverage self-learning algorithms facilitating the use of services in the vehicle and offering occupants extended functions. Automated linking into telephone conferences and the transfer of prepared navigation destinations will only be the first steps, which will also include the integration of Microsoft Skype and Microsoft Office.



### Volkswagen Development Center in Seattle makes progress

Progress is also being made with the establishment of the new Development Center in Seattle. Volkswagen had established this location for the development of the Automotive Cloud at the end of 2018. The idea of the Development Center is to learn from Microsoft's highly developed culture of agile collaboration and digital leadership and transferring this culture to the center's own organization. At the center, first developer teams are now starting on project work. Microsoft is providing support for the development of the new center in areas including the recruitment of specialists and project management.

### CEOs speak about importance of partnership in Berlin

The two CEOs of Volkswagen, Herbert Diess, and Microsoft, Satya Nadella, visited the Volkswagen Digital Lab in Berlin on Wednesday. They spoke to media representatives about the importance of their strategic partnership and the challenges faced in the digital transformation of the automotive and IT industries.

For Volkswagen, Berlin is an important software development location. Apart from the Digital Lab, other competence centers have their headquarters here. These also include Carmeq, a subsidiary of Volkswagen which is moving ahead with the development of software for the new vehicle operating system "vw.os". About 650 specialists at three locations are concentrating on "vw.os" as well as the development of software for driver assistance, driving convenience and infotainment functions.

#### **Note for editors:**

A film of the joint visit of Herbert Diess and Satya Nadella to the Digital Lab as well as other images will become available in the [Volkswagen Newsroom](#) in the course of Wednesday.

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#### **About the Volkswagen brand:**

Volkswagen Passenger Cars operates in more than 150 markets worldwide and produces vehicles at more than 50 locations in 14 countries. In 2018, Volkswagen produced around 6.24 million vehicles, including bestsellers such as the Golf, Tiguan, Jetta and Passat. Volkswagen has a current workforce of 198,000 employees around the globe. Added to this are more than 7,700 dealerships with 74,000 employees. Volkswagen is forging ahead consistently with the further development of automobile production. Electric mobility, smart mobility and digital transformation of the brand are the key strategic issues for the future.

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#### **About Microsoft:**

Microsoft (Nasdaq "MSFT" @microsoft) enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

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