# Media Information

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# Volkswagen Brand China and FAW-Volkswagen establish new joint venture for connected services

- → New joint venture for connectivity and digitalization of Volkswagen models from FAW-Volkswagen
- $\rightarrow$  Total investment of RMB 1 billion in new company
- → Volkswagen China CEO Dr. Stephan Wöllenstein: "As we are starting to fully connect our models, so comes the opportunity to enrich our customers' lives with high-quality digital services"

Beijing / Chengdu / Wolfsburg – Volkswagen Brand China and its Chinese joint venture FAW-Volkswagen are scaling up their cooperation in the area of digitalization and connectivity. MOS Intelligent Connectivity Technology Co. Ltd., a joint venture between Volkswagen Group China and FAW-Volkswagen, will be established in the Chinese city of Chengdu. The partners are investing a total of RMB 1 billion in the company that will operate under the MOSI brand (*Mobile Online Services Intelligent*). The objective is to develop and offer digital services for all future Volkswagen models of FAW-Volkswagen from 2019 onwards, including vehicles based on the modular electric toolkit (MEB) from 2020. With the new joint venture, the Volkswagen brand is forging ahead with the development of its automotive ecosystem in China.

"Developing digital offers for our Chinese customers is one of Volkswagen's key focus points. As we are starting to fully connect our models, so comes the opportunity to enrich our customers' lives with highquality digital services," says Dr. Stephan Wöllenstein, member of the Board of Management of Volkswagen Passenger Cars Brand and CEO of Volkswagen Brand China. "Deepening the cooperation with our colleagues at FAW-Volkswagen, means Volkswagen can further integrate technical and customer knowledge, to create the best services for Chinese customers. We intend to offer a profound positive answer to their ever changing mobility needs."

Mr. Dong Xiuhui, Commercial Vice President of FAW-Volkswagen Automotive Co., Ltd., President of FAW-Volkswagen Sales Co., Ltd., and Chairman of the BoD of MOS Intelligent Connectivity Technology Co. Ltd. says, "The establishment of MOSI<sup>1</sup> marks the official arrival of the digital era for FAW-Volkswagen Volkswagen brand. In Chinese, the two characters



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<sup>&</sup>lt;sup>1</sup> In Mandarin Chinese the pinyin (romanization) of MOSI is Mó Sī Zhì Lián (摩斯智 联).



"Mó Sī" stand for Morse code, which endows the traditional OEM with digitization, as well as a sense of science and technology; while the two characters "Zhì Lián" stand for intelligent connectivity. With the English name 'MOS' plus 'I', for intelligent, put together being the Chinese pinyin for Morse code, this also indicates the friendly partnership between China and the West. FAW-Volkswagen will further develop this company in a healthy, efficient and compliant way, and enhance capabilities in discovering and developing what customers want. With the strong support and effective cooperation existing between our two companies both in China and Germany, we will jointly keep pace with digitization, in order to meet requirements for our company's strategic presence."

### Diverse ecosystem partnerships

MOSI is to be located in the city of Chengdu, a Chinese metropolis with a strong IT foothold. Vehicle-related services will be developed in close cooperation with Volkswagen's digital experts in China and Germany. Focus areas are the development of customer-centric connectivity services, the development of value-added services and the development of data-analytics competence, and to find areas for further service scope extension in order to enhance the in-vehicle customer experience. MOSI's ecosystem approach means third party service providers are an important part of the plans. Enabling and strengthening advanced connectivity technologies for holistic user experience is another area of development.

#### In vehicles starting this year

Digital online services from MOSI will be available for future FAW-Volkswagen Volkswagen brand models starting towards the end of 2019. From 2020 onwards, the joint venture will concentrate more intensively on vehicles based on the MEB.

## Data based approach

Volkswagen sees a clear role for MOSI to develop into a competence center for new data-based business models in China. With the new joint venture, the Volkswagen brand will be forging ahead with the development of its automotive ecosystem linking the connected vehicle, the cloud-based platform and value-added digital services in China, too. The objective is to develop more and more digital services that customers will be able to access via the Volkswagen Automotive Connectivity Solutions.

#### About the Volkswagen brand:

The Volkswagen Passenger Cars brand is present in more than 150 markets throughout the world and produces vehicles at over 50 locations in 14 countries. In 2017, Volkswagen delivered 6.24 million vehicles including bestselling models such as the Golf, Tiguan, Jetta or Passat. Currently, 195,878 people work for Volkswagen across the globe. The brand also has over 10,000 dealerships with 86,000 employees. Volkswagen is forging ahead consistently with the further development of automobile production. E-mobility, smart mobility and the digital transformation of the brand are the key strategic topics for the future.