
Media information

NO. 197/2019

Volkswagen with new software unit

- **Volkswagen to group more than 5,000 digital experts together in “Car.Software” unit by 2025**
- **Volkswagen to boost in-house share of car software development from the current figure of less than 10 percent to at least 60 percent by 2025**
- **Platform strategy for software development: in future one standard vehicle operating system “vw.os” and Volkswagen Automotive Cloud for all Group vehicles**
- **All new Group models to run on same software platform by 2025**

Wolfsburg, June 18, 2019. Volkswagen AG intends to group more than 5,000 digital experts together in its new “Car.Software” unit with Group responsibility for software in the vehicle by 2025. The company plans to develop significantly more software in the car and for vehicle-related services itself and to boost the in-house share of software development from the current figure of less than 10 percent to at least 60 percent by 2025. In future, there is to be one uniform software platform with all the basic functions for all vehicles throughout the Group. This will consist of the vehicle operating system “vw.os” and the Volkswagen Automotive Cloud. By 2025, all new Group models are to run on this software platform. The first vehicle based on this software platform will be the ID.3¹⁾, which is to make its world debut at the IAA International Motor Show this year. Currently, more than 20,000 potential customers have registered for the pre-booking of this model.

“We are platform professionals for hardware and are now transferring this competence to software development,” says Christian Senger, Member of the Board of Management of the Volkswagen brand responsible for Digital Car and Services. “We will develop software with uniform basic functions for all Group brands, which will allow us to drastically reduce complexity. In the medium term, we will benefit from the scale effects of our Group. This is especially meaningful in the software field and will lead to tremendous cost advantages,” Christian Senger adds.

Currently, up to 70 control units with operating software from 200 different suppliers need to be integrated in Volkswagen brand vehicles. In addition, there are different systems with similar functions within the Group, for example for infotainment and navigation. One uniform operating system with the same basic functions for all brands and the use of the Volkswagen Automotive Cloud for all Group models will considerably simplify the situation.

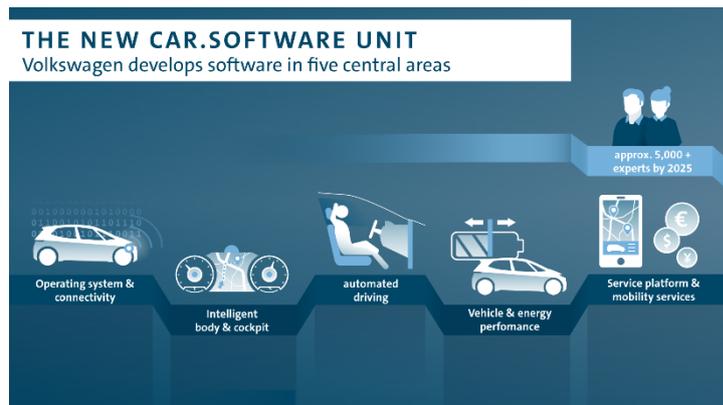
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The same applies to the brands' "digital ecosystems" which will be used for offering the services. All the brands need certain basic services, for example a simple search function for electric charging stations. At Volkswagen Passenger Cars, this service is called "We Charge". For example, the basic functions "search for nearby stations" or "pay with different modes of payment" could be standardized for all brands.

With its standard software platform, Volkswagen is aiming to achieve significant economies of scale. In future, the vehicle fleet will include more than 10 million fully connected new vehicles per year, which will significantly reduce the cost of integrating the software in each individual vehicle. At the same time, digital ecosystems with a growing number of vehicles connected will become increasingly attractive for new partners and new customers.

Strengthening software competence and alignment towards modern digital development work



By 2025, Volkswagen intends to group more than 5,000 experts in competence areas such as software development, electrical and electronics development, connectivity, automated driving, user experience (UX), cloud architecture and e-commerce together in an agile "Car.Software" unit. They will work in five key areas and develop packages extending across the brands.

In the new "Car.Software" unit, experts will work in five key areas and develop packages across the brands.

The objective is to orient the unit towards the requirements of innovative software development. For this purpose, Volkswagen will be contributing flexible working models, the latest collaboration technologies and agile types of cooperation. This year, about 500 experts are to work together in this agile software unit. The figure is already due to rise to about 2,000 by 2020.

In addition to grouping together experts from brands and companies within the Group, Volkswagen intends to boost the workforce especially by recruiting new specialists and consolidating strategic participations and acquisitions. It is intended to actively present the new software unit and to target IT and tech experts.

"We want to create a powerhouse for the digital car and cloud platform with the best digital experts in the world. We are convinced that Volkswagen will show what it can do. We will make software the core competency in our company," says Christian Senger.

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Note:

This text can be downloaded from: www.volkswagen-newsroom.com.

An interview with Christian Senger has been posted on www.volkswagen.de

¹⁾ This vehicle is not yet offered for sale.



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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. The Group comprises twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products include ranges from pick-ups, buses and heavy trucks. Every weekday, 664,496 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,831 million (2017: 10,741 million). The passenger car global market share was 12.3 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2018 totalled €235.8 billion (2017: €231 billion). Earnings after tax in 2018 amounted to €17.1 billion (2017: €11.6 billion).
