



Volkswagen AG and Ford Motor Company Launch Global Alliance

- Alliance leverages the two global automakers' strengths to better compete, innovate and serve customers
- Alliance does not involve cross-ownership between the two companies
- Companies to first deliver medium pickup trucks for global customers, aiming to start in 2022, and intend to follow with commercial vans in Europe
- Van and pickup agreements are targeted to deliver scale and efficiencies for each company starting in 2023
- Volkswagen and Ford also are committed to exploring potential collaboration on EVs, autonomous vehicles and mobility services

DETROIT, Jan. 15, 2019 – Volkswagen AG and Ford Motor Company today announced the first formal agreements in a broad alliance that positions the companies to boost competitiveness and better serve customers in an era of rapid change in the industry.

Volkswagen CEO Dr. Herbert Diess and Ford CEO Jim Hackett confirmed that the companies intend to develop commercial vans and medium-sized pickups for global markets beginning as early as 2022. The alliance will drive significant scale and efficiencies and enable both companies to share investments in vehicle architectures that deliver distinct capabilities and technologies.

The companies estimate the commercial van and pickup cooperation will yield improved annual pre-tax operating results, starting in 2023.

In addition, Volkswagen and Ford have signed a memorandum of understanding to investigate collaboration on autonomous vehicles, mobility services and electric vehicles and have started to explore opportunities. Both companies also said they were open to considering additional vehicle programs in the future. The teams will continue working through details in the coming months.

“Over time, this alliance will help both companies create value and meet the needs of our customers and society,” Hackett said. “It will not only drive significant efficiencies and help both companies improve their fitness, but also gives us the opportunity to collaborate on shaping the next era of mobility.”

Diess added: “Volkswagen and Ford will harness our collective resources, innovation capabilities and complementary market positions to even better serve millions of customers around the world. At the same time, the alliance will be a cornerstone for our drive to improve competitiveness.”

The alliance, which does not entail cross-ownership between the two companies, will be governed by a joint committee. This committee will be led by Hackett and Diess and will include senior executives from both companies.

Commercial van and pickup collaboration

Ford and Volkswagen both have strong commercial van and pickup businesses around the globe, with popular nameplates such as the Ford Transit family and Ranger as well as the Volkswagen Transporter, Caddy and Amarok.

The companies' collective light commercial vehicle volumes from 2018 totaled approximately 1.2 million units globally, which could represent the industry's highest-volume collaboration as production scales.

Demand for both medium pickups and commercial vans is expected to grow globally in the next five years. The alliance will enable the companies to share development costs, leverage their respective manufacturing capacity, boost the capability and competitiveness of their vehicles and deliver cost efficiencies, while maintaining distinct brand characteristics.

Through the alliance, Ford will engineer and build medium-sized pickups for both companies which are expected to go to market as early as 2022. For both parties, Ford intends to engineer and build larger commercial vans for European customers, and Volkswagen intends to develop and build a city van.

About 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 product spectrum ranges from motorcycles to small cars and luxury vehicles. In the commercial vehicle sector, the products include ranges from pick-ups, buses and heavy trucks. The Group operates 120 production plants in 20 European countries and a further 11 countries in the Americas, Asia and Africa. Every weekday, around 642,292 employees worldwide produce nearly 44,170 vehicles, and work in vehicle-related services or other fields of business. www.volkswagenag.com.

Forward Looking Statements

Statements included herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated. Forward-looking statements speak only as of the date of their initial issuance.