

Volkswagen AG, Ford to Explore Strategic Alliance to Extend Capabilities, Strengthen Competitiveness, Better Serve Customers

- Volkswagen AG and Ford are exploring a strategic alliance
- The companies are investigating several joint projects – including joint development of a range of commercial vehicles to better serve the evolving needs of customers globally
- Potential projects aim to strengthen each company’s competitiveness; the companies will share updates as talks progress
- VW and Ford said any strategic alliance would not involve equity arrangements, including cross ownership stakes

WOLFSBURG, Germany, and DEARBORN, Mich., USA, June 19, 2018 – Volkswagen AG and Ford Motor Company today announce they have signed a Memorandum of Understanding and are exploring a strategic alliance designed to strengthen each company’s competitiveness and better serve customers globally.

The companies are exploring potential projects across a number of areas – including developing a range of commercial vehicles together to better serve the evolving needs of customers. The potential alliance would not involve equity arrangements, including cross ownership stakes.

“Ford is committed to improving our fitness as a business and leveraging adaptive business models – which include working with partners to improve our effectiveness and efficiency,” said Jim Farley, Ford’s president of Global Markets. “This potential alliance with the Volkswagen Group is another example of how we can become more fit as a business, while creating a winning global product portfolio and extending our capabilities.

“We look forward to exploring with the Volkswagen team in the days ahead how we might work together to better serve the evolving needs of commercial vehicle customers – and much more.”

Dr. Thomas Sedran, Head of Volkswagen Group Strategy said, “Markets and customer demand are changing at an incredible speed. Both companies have strong and complementary positions in different commercial vehicle segments already. To adapt to the challenging environment, it is of utmost importance to gain flexibility through alliances. This is a core element of our Volkswagen Group Strategy 2025. The potential industrial cooperation with Ford is seen as an opportunity to improve competitiveness of both companies globally.”

The companies will provide updates and additional details as talks progress.

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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 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. Each brand has its own character and operates as an independent entity on the market. 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. The Volkswagen Group sells its vehicles in 153 countries. With its "TOGETHER – Strategy 2025" future program, the Volkswagen Group is paving the way for the biggest change process in its history: the realignment of one of the best carmakers to become a globally leading provider of sustainable mobility. www.volkswagenag.com.

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 202,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

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