



Audi strengthens business in China: First majority interest held by Audi in new cooperation company for local electric car production with FAW

- **Audi and FAW confirm a new cooperation company for the future production of PPE-based electric vehicles in Changchun in the northeast of China.**
- **Markus Duesmann, Chairman of the Board of Management of AUDI AG:**
“With the new Audi-FAW company in Changchun, we are further expanding our presence on the Chinese market and actively helping to shape the transformation of the Chinese automotive industry.”
- **Werner Eichhorn, President of Audi China:** “This deepened partnership between Audi and FAW heralds a new era of electrification as the next ‘golden decade’ for Audi on the important Chinese market.”

Beijing/Changchun/Ingolstadt, January 18, 2021 – The brand with the Four Rings is deepening its partnership with FAW and laying the foundation for continued success in China. The Board of Management of Audi, Supervisory Board of the Volkswagen Group and Board of Management of the FAW Group confirmed that Changchun in the northeast of China will be the headquarters of the newly founded Audi-FAW company. This was announced today at the ceremonial signing in Changchun and Beijing. AUDI AG and Volkswagen Group China will receive a 60-percent share, making this company – founded for the local production of fully electric Audi models on the “Premium Platform Electric” (PPE) codeveloped with Porsche – the first cooperation company with a majority interest held by Audi in China.

“With the new Audi-FAW company in Changchun, we are further expanding our presence on the Chinese market and strengthening our position as a manufacturer of fully electric premium vehicles through local production,” says Markus Duesmann, Chairman of the Board of Management of AUDI AG and the person responsible for business in China. “In doing so, we are continuing the Audi success story in China and actively helping to shape the transformation of the Chinese automotive industry as it moves toward sustainable mobility.” Local manufacture of the first PPE model produced jointly with FAW is scheduled to start by 2024. Changchun is also the headquarters of the joint venture FAW-Volkswagen, which Audi has been involved in for more than 30 years and, in addition to other locations in China, already produces models with the Four Rings locally.

Founding of cooperation company with FAW for future success in China

The founding of the new PPE company is officially scheduled for the first quarter of 2021, just as soon as the consent of all stakeholders and the Chinese regulatory authorities has been obtained. “This deepened partnership between Audi and FAW heralds a new era of electrification



as the next ‘golden decade’ for Audi on the highly important Chinese market,” says Werner Eichhorn, President of Audi China. FAW Audi Sales Co., Ltd. will assume responsibility for selling the Audi models produced locally by FAW-Volkswagen as well as Audi import vehicles and future cars produced at the joint PPE plant.

Introduction of SAIC as second partner to further boost business on the Chinese market

Through these strategic decisions, Audi is further strengthening its presence on its biggest foreign market. This partnership with FAW will allow Audi to increase the number of locally produced models to 12 by the end of 2021. The models produced by its second partner, SAIC Volkswagen, are set to be introduced in 2022. Audi has so far delivered almost 7 million vehicles on the Chinese market. In 2020 alone, Audi sold 727,358 vehicles in China, the brand’s best ever result in over 30 years of business on the Chinese market.

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The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 17 locations in 11 countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm, Germany), Automobili Lamborghini S.p.A. (Sant’Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2020, the Audi Group delivered to customers about 1.693 million automobiles of the Audi brand, 7,430 sports cars of the Lamborghini brand and 48,042 motorcycles of the Ducati brand. In the 2019 fiscal year, AUDI AG achieved total revenue of € 55.7 billion and an operating profit of € 4.5 billion. At present, about 87,000 people work for the company all over the world, 60,000 of them in Germany. With new models, innovative mobility offerings and other attractive services, Audi is becoming a provider of sustainable, individual premium mobility.
