



Strategic partnership

SEAT and Telefónica reach an agreement to promote digitalisation in the automotive industry

- / Both companies will collaborate on the shared use of insights to make progress in mobility solutions in cities and urban areas
- / The agreement also involves testing new technologies for the 5G networks in Spain, and above all their use in the connected and autonomous car ecosystem
- / The partnership also includes promoting Industry 4.0 with digital transformation initiatives and co-innovation within the manufacturing process

Madrid, 06/11/2017. - SEAT President Luca de Meo and Telefónica España President Luis Miguel Gilpérez today have signed an agreement that aims to promote a joint effort to develop innovative initiatives in the automotive industry. The agreement reached, which makes Telefónica a strategic IT supplier to SEAT, is set within the framework of SEAT's strategy to position itself as a benchmark company in connected, digitised mobility solutions.

In this sense, the agreement between the companies reflects the collaboration in three major areas of work: the shared use of insights (information extracted from anonymised aggregate data) to design optimised approaches to solutions for mobility; the application of 5G connectivity in the connected car and developing digital transformation projects as an integral part of the car manufacturing process.

"With this agreement, SEAT consolidates itself as a benchmark in the sector's digitalisation. Joining forces with Telefónica as a strategic partner enables us to take a major step forward in our commitment to offering mobility solutions that make lives easier for the drivers of our vehicles" assured SEAT President Luca de Meo, who added that **"this collaboration will also enable us to use technology to develop projects that enhance our production processes and relationships with suppliers"**.

According to Telefónica España President Luis Miguel Gilpérez, **"new technologies are truly going to trigger a revolution in the automotive sector, and at Telefónica we want to be the leading partner in helping SEAT spearhead this new phase. How Big Data and Blockchains will influence the sector, or how decisive 5G will be for the future of the autonomous and connected car are a few of the innovations that Telefónica and SEAT are going to work on together"**.

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One of the highlights of the agreement is that it places value on the implementation of new technologies for 5G networks in the connected and autonomous car ecosystem. The rollout of Telefónica's fifth generation networks is going to offer a qualitative leap in the capacity, quality, latency periods and speed of telecommunications, which will enable the creation of new experiences and use cases of the connected vehicle. Under this framework, both companies will work in different innovation sessions and idea workshops with the aim of proposing and assessing applications for this technology in vehicles. The proposals that are identified as offering added value will be put through pilot tests in real-life settings, specific areas where Telefónica has deployed these new capabilities.

Furthermore, the cooperation will also introduce the development and implementation of Industry 4.0 initiatives in the vehicle manufacturing process. In this sense, Telefónica and SEAT are collaborating on a proof of concept based on Blockchain technology to improve the tracking of parts within the supply chain at the Martorell factory. In addition, solutions and systems based on IoT (the Internet of Things) with the purpose of enhancing and streamlining procurement management and supplier relations.

The agreement also provides for the implementation of tools and joint mechanisms that facilitate data collection, management and analysis, all while respecting the principles of privacy, confidentiality and transparency of user-owners. In addition, both companies will work together to explore the benefits of Big Data and the shared use of data in designing new mobility proposals. In this sense optimised mobility solutions will be developed for cities and urban areas that implement smarter traffic and parking management or other related services.

SEAT is the only company that designs, develops, manufactures and markets cars in Spain. A member of the Volkswagen Group, the multinational has its headquarters in Martorell (Barcelona), exporting 81% of its vehicles, and is present in over 80 countries through a network of 1,700 dealerships. In 2016, SEAT obtained an operating profit of 143 million euros, the highest in the history of the brand, and achieved worldwide sales of nearly 410,000 vehicles.

SEAT Group employs more than 14,500 professionals at its three production centres – Barcelona, El Prat de Llobregat and Martorell, where it manufactures the highly successful Ibiza, Leon and Arona. Additionally, the company produces the Ateca and the Toledo in the Czech Republic, the Alhambra in Portugal and the Mii in Slovakia.

The multinational has a Technical Centre, which operates as a knowledge hub that brings together 1,000 engineers who are focussed on developing innovation for Spain's largest industrial investor in R&D. SEAT already features the latest connectivity technology in its vehicle range and is currently engaged in the company's global digitalisation process to promote the mobility of the future.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world by market capitalisation and number of customers, based on a comprehensive offer and quality connectivity provided by the best fixed, mobile and broadband networks. It is a growing company which offers a unique experience based on the company's own values as well as its public stance of defending customer interests.



Present in 21 countries and with a customer base of 346 million accesses, Telefónica has a strong presence in Spain, Europe and Latin America, which concentrates most of its growth strategy.

Telefónica is a completely private company with more than 1.5 million direct shareholders. Its share capital currently comprises 5,192,131,686 ordinary shares traded on stock exchanges in Spain, London, New York, Lima and Buenos Aires.

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