

**Hyundai Motor Group and Baidu Fortify Partnership to**

**Expedite Next Generation Connected Car Era**

* Hyundai and Baidu strengthen cooperation for connected car technologies
* Partnership to co-develop connected car service that provides wide range of in-car content based on big data, maps, AI, and portal services
* Hyundai Motor Group vehicles embedded with Xiaodu In-Car OS to be developed for volume production
* Partnership to advance in-vehicle voice recognition services based on Baidu’s natural language processing and Hyundai’s noise cancellation technologies
* Joint efforts to speed up launch of intelligent vehicle-to-home services continue

**SEOUL, July 10, 2018** - Hyundai Motor Group (Hyundai) and Baidu today announced the signing of a memorandum of understanding (MOU) for Internet of Vehicles (IoV), signaling their commitment to strengthening cooperation on next-generation connected car technologies. The newly-signed MOU will see the existing partnership — between the world's fifth-largest auto-making group and the leading Chinese language Internet search provider — reinforced to accelerate development of disruptive innovations in vehicle connectivity.

As a first step on the partnership’s roadmap, Hyundai and Baidu will co-develop a connected car service that provides a wide range of in-car content — real-time traffic status and live information about the user’s end-destinations for example — based on big data, maps, artificial intelligence (AI) and portal services. Through such a service, Hyundai and Baidu expect to meet the growing demand for connectivity services among consumers in China and beyond.

Hyundai and Baidu will also collaborate on creating Hyundai Motor Group vehicle models embedded with Xiaodu In-Car OS for volume production. This plan aims to advance the application of AI in IoV through next-generation technologies and product innovation. Released at the Baidu Create 2018 AI developer conference earlier this month, Xiaodu In-Car OS is an AI-based IoV solution that is open platform, end-to-end and multi-mode. Currently, it consists of four components: dashboard, smart rearview mirror, infotainment and an in-vehicle robot.

Xiaodu In-Car OS was demonstrated at Baidu Create 2018 by a Kia Sportage. Its in-vehicle robot displays a wide range of emotions to interact with the driver and serves as a hub for seamless communication with the vehicle. The robot interactively responds to passengers’ spoken commands for various functions such as navigation, ventilation, media and door locks. In addition, Xiaodu includes a safety feature which warns drivers when it detects fatigue and careless driving.

Another key area of the Hyundai-Baidu cooperation will be voice recognition services based on Baidu’s natural language processing technology. Baidu’s leading voice recognition technology will be coupled with Hyundai’s proprietary noise cancellation technology, which filters out ambient background noises to enhance precision, enabling versatility for in-vehicle voice commands.

With a shared understanding that internet of things (IoT) is a centerpiece of connected mobility, Hyundai and Baidu have also agreed to continue efforts in speeding up the launch of intelligent vehicle-to-home services. The partnership’s ultimate goal is to secure an upper hand in the competitive IoT market.

“The convergence of the ICT and automotive industry is happening at an unprecedented rate, motivating us to develop and provide new possibilities for our customers,” said Kyowoong Choo, Director and Head of Infotainment Development Group at Hyundai Motor. “Through our partnership with Baidu, we will develop industry-leading connected-vehicles that exceed customer expectations.”

Hyundai’s partnership with Baidu dates back to 2015, when the two companies jointly developed and launched ‘CarLife’, an in-vehicle infotainment platform. Hyundai further strengthened its ties with Baidu in 2017, when the automaker became the first to equip its Chinese market vehicles with Baidu’s connected navigation system and voice recognition technologies. Last month, Hyundai officially announced that it will take part in Apollo, Baidu’s open autonomous driving program.

“Apollo’s industry-leading intelligent driving technologies and solutions provide end-to-end ecosystem support for our partners. We look forward to collaborating with Hyundai to achieve volume production of AI-enabled vehicles and to provide a safe, convenient and comfortable driving experience to our customers,” said Tan Su, General Manager of Baidu Internet of Vehicles.

**China serves as strategic hub for connected-cars**

Last year, Hyundai opened its first global Big Data Center in Guizhou Province, China, to gather and analyze massive volumes of data collected from the company’s connected-cars. The new facility allows Hyundai to significantly expand its connected-car R&D capabilities, advance its market projections, and enhance business operations in China.

The Big Data Center in China lays a foundation for building a China-focused Car Cloud, as Hyundai Motor plans to leverage expertise in connected-car technologies gathered through years of experience with its Hyundai Car Cloud operation in Korea, which was established in 2013.

In addition to opening its Big Data Center, Hyundai also signed a memorandum of understanding with China Unicom, China’s second-largest telecommunications provider, to co-develop a predictive-analytics platform.

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**About Baidu**

Baidu, Inc. is the leading Chinese language Internet search provider. Baidu aims to make a complex world simpler through technology. Baidu's ADSs trade on the NASDAQ Global Select Market under the symbol "BIDU." Currently, ten ADSs represent one Class A ordinary share.

**About Hyundai Motor Group**

Hyundai Motor Group is a global corporation that has created a value chain based on automobiles, stel, and construction and includes logistics, finance, IT and service. With about 250,000 employees worldwide, the Group’s automobile brands include Hyundai Motor Co. and Kia Motors Corp. Armed with creative thinking, cooperative communication and the will to take on all challenges, we are working to create a better future for all.

For more information on Hyundai Motor Group, please see: [http://www.hyundaimotorgroup.com](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.hyundaimotorgroup.com&d=DwMGaQ&c=9wxE0DgWbPxd1HCzjwN8Eaww1--ViDajIU4RXCxgSXE&r=BWsw4vJlIweU-YZNI5Yluks3r1kgc4S3G7jjUghVg2s&m=fZ_QUfi1d9a1uP2lc0Kn-wQ_j9T2Y1Pm2u6XTisBffU&s=YNAZ0yhHrdyvck_tbBdLr7xyK-5xefgm36W8KimqG9w&e=)

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