



## **Elliott Unveils “Accelerate Hyundai Proposals”**

*Sends Letter to Board of Directors of Hyundai Motor Group*

**HONG KONG – April 23, 2018** - Elliott Advisors (HK) Limited, which advises various funds (together “Elliott”) collectively holding a significant shareholding – more than US \$1 billion of common stock – in Hyundai Mobis Co., Ltd. (“Mobis”), Hyundai Motor Company (“HMC”), and Kia Motors Corporation (“Kia”) (together “Hyundai Motor Group” or “Group”), today unveiled its *Accelerate Hyundai Proposals* and released a letter to the Board of Directors of the Hyundai Motor Group. Both documents can be viewed at: [www.AccelerateHyundai.com](http://www.AccelerateHyundai.com)

On March 28, 2018, the Hyundai Motor Group announced a Restructuring Plan (the “HMG Restructuring Plan”) to reorganize its corporate structure by spinning off Mobis’s module manufacturing and after-sales parts businesses and merging them with Hyundai Glovis Co., Ltd.

Elliott is encouraged that the Group has acknowledged the need for an improved ownership structure. However, the unwinding of the current circular shareholding by itself is not enough for the Group to declare the restructuring a corporate governance improvement, especially if the transaction is not supported by sound business rationale and lacks clear benefits to minority shareholders.

- **Elliott’s *Accelerate Hyundai Proposals* include much needed improvements to the current HMG Restructuring Plan**
- **Key elements of the *Accelerate Hyundai Proposals* have been shared with many other Hyundai Motor Group shareholders, the majority of whom have shown a unified support for these improvements**
- **Elliott believes the adoption of the *Accelerate Hyundai Proposals* can benefit all stakeholders across the Hyundai Motor Group**

The following slide highlights the differences between the HMG Restructuring Plan and Elliott’s *Accelerate Hyundai Proposals*:

	HMG Restructuring Plan	Accelerate Hyundai Proposals
Structure	An ownership structure that attempts to address circular shareholdings by demerging profitable business divisions (at unsupported valuation) holding significant cash and merging them with a logistics company, potentially at significant tax costs to shareholders	Streamlined holding company structure that resolves the current complex shareholding structure efficiently by combining Mobis with HMC to create a truly comparable and global auto OEM (original equipment manufacturer)
Balance sheet	No clear plans to fix bloated balance sheets at Mobis and HMC, or to properly capitalize Kia	<ol style="list-style-type: none"> <li>1. Reduction of excess cash on balance sheet at Mobis and HMC to minimize drag on returns</li> <li>2. Cancellation of all existing and future treasury shares</li> <li>3. Review and realize Kia's stake in Mobis and / or Glovis at fair value</li> </ol>
Shareholder returns	No firm commitment on improving shareholder returns. Current shareholder return policies are poorly communicated and based on free cash flow (FCF)	A clearly communicated dividend policy that improves payout ratio to 40 – 50% as a percentage of net income, which is comparable to global auto and auto parts peers
Board and governance	No improvements suggested for the current boards at each Mobis, HMC and Kia, which lack diversity and independent directors have limited experience outside of Korea with overwhelming majority in academia, legal and government backgrounds	<ol style="list-style-type: none"> <li>1. Addition of three independent board members with well-suited and exemplary international corporate backgrounds to the current board</li> <li>2. A series of measures to bring HMG's governance to be in line with global standards in keeping with its status as a leading automotive brand</li> </ol>

## About Elliott

Elliott Management Corporation manages two multi-strategy hedge funds, which combined have approximately \$35 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest hedge funds under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

## Media Contact:

### New York

Michael O'Looney  
Elliott Management Corporation  
(212) 478-2687  
[molooney@elliottmgmt.com](mailto:molooney@elliottmgmt.com)

### Seoul

KorCom  
Kyle Kim, +82-2-6925-1507  
[kihoon@korcom.com](mailto:kihoon@korcom.com)