



Elliott Sends Letter to Directors of Hyundai Motor Group

Calls on Board to Return Excess Capital and Conduct Strategic Review

Identifies Need for Improved Corporate Governance

Shares Independent Analysis from Conway MacKenzie

Letter and Independent Analysis available at <http://www.acceleratehyundai.com>

HONG KONG (November 13, 2018) – Elliott Advisors (HK) Limited, which advises various Elliott-affiliated funds (together “Elliott”), today sent a letter to the Directors of Hyundai Mobis Co., Hyundai Motor Company, and Kia Motors Corporation (together “Hyundai Motor Group” or “HMG”).

In the letter, Elliott provided the Directors, as well as all other HMG stakeholders, with a full and independent analysis of HMG’s capital structure by Conway MacKenzie (the “**Independent Analysis**”), a global automotive consulting firm. The Independent Analysis found:

- The Group is **grossly overcapitalized** with excess capital ranging from **KRW 8 to 10 trillion** for HMC and from **KRW 4 to 6 trillion** for Mobis
- A history of questionable use of cash flow has resulted in non-operating assets tying up valuable capital
- Shareholder returns continue to lag behind industry standards
- Non-conforming reporting of cash flows distorts and hides HMC’s true cash flow from operations

Elliott noted in the letter that nearly half a year has passed since the withdrawal of the original plan and communication on the much-needed reform has been muted. Given HMG’s ongoing valuation discounts and lack of governance improvements, Elliott has requested the boards of HMG to publicly commit to:

- **Engage with Elliott and other shareholders** on governance improvements, including the addition to HMG’s respective boards of new independent directors
- **Return excess capital** to HMC and Mobis shareholders, preferably in the form of share buybacks given the deep valuation discounts
- **Conduct a strategic review of any and all non-core assets**

Given the cost of delay and the lack of progress made thus far, Elliott also reserved the right to put forward the various recommendations as shareholder resolutions in the next general meetings. Copies of this Letter and the accompanying report can be found at: <http://www.acceleratehyundai.com>

About Elliott

Elliott Management Corporation manages two multi-strategy 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 funds of its kind under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, and employees of the firm. Elliott Advisors (HK) Limited is an affiliate of Elliott Management Corporation. With a strong understanding of the Korean market and corporate structures, Elliott has a history of successfully enhancing shareholder value in Korea.

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