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HYUNDAI STRENGTHENS R&D OPERATIONS



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SEOUL, Korea, Jan. 22, 2003 -Hyundai Motor Co. is reinforcing its research and development operations with the announcement of a dramatic increase in its 2003 R&D budget and the promotion of Kim Sang-Kwon, 56, to the post of president of R&D.

By allocating a greater percentage of its resources to R&D, Hyundai hopes to further narrow the gap with industry leaders. "Despite the uncertain economic climate here at home and overseas, we'll boost our R&D spending to a combined 2.25 trillion won (US\$1.92 billion) this year enabling us to introduce at least four or five new models every year and to catch up to Toyota quality levels by 2005. With this, we'll be paving our way to membership in the ranks of the industry's top five by 2010," said President Kim Sang-Kwon.

This year's 2.25 trillion won budget represents a near 50 percent increase over last year's expenditures of 1.51 trillion won by Hyundai and Kia combined. Hyundai will remain committed to aggressive investment in R&D for the rest of the decade, he vowed.

The renewed emphasis on R&D will not only help keep the product pipeline filled with new models but will also enable Hyundai and Kia to enter new segments and to achieve the top tier technology and quality standards that today's customers have come to expect.

President Kim, 56, a graduate of the engineering college of Seoul National University previously served as vice president of R&D and will oversee the combined R&D divisions of both Hyundai and Kia Motors Corp. which maintain R&D operations in Europe, the United States and Japan as well as in Korea. At the same time, Hong Dong-Hee, 52, was appointed vice president in charge of the Ulsan R&D Center.

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