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HYUNDAI MOTOR AMERICA EXECUTIVES SAY COMPANY'S FUTURE IS BRIGHT



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Hyundai Introduces New Santa Fe Sport Utility Vehicle and XG Luxury Sedan at North American International Auto Show

DETROIT, Jan. 12, 2000 – Hyundai Motor America executives, presenting today before worldwide journalists at the 2000 North American International Auto Show, provided detailed information on the company's future and introduced two significant new vehicles for Hyundai in the U.S. market. The company also announced a record increase in new car sales for 1999, as well as the fact that the company had the biggest percentage sales increase of any automaker operating in the United States.

"We are excited," said Finbarr O'Neill, president and CEO of Hyundai Motor America. "Hyundai had an excellent 1999 and we are looking forward to even more growth in 2000."

O'Neill began his presentation by reviewing Hyundai Motor America's improving financial and market position. O'Neill announced that 1999 sales were the company's best in a decade. HMA sold 164,190 automobiles for an increase of 82 percent over 1998 – the highest percentage in the auto industry. The U.S. car market last year was up only 9 percent and the segments in which Hyundai competes were up only marginally. Yet, Hyundai sales of all four models were up, O'Neill said. He continued by speaking about the key points regarding HMA's 1999 success.

"One, we achieved those outstanding sales results without having a truck or luxury car in the model lineup," O'Neill said. "Two, we did it in flat market segments. Three, we did it without relying heavily on customer incentives. Incentive costs for 1999 were down substantially from 1998. And four, we did it without relying on excessive fleet sales. We held fleet sales to about 10 percent in 1999."

O'Neill cited several reasons for HMA's success. Consumers put Hyundai on their shopping lists in 1999 because of improved vehicle quality, enhanced and distinctive styling, and high-content vehicles. HMA's marketing efforts also are helping by staying consistent, focused and creative. Through these efforts, HMA is able to communicate meaningful messages to potential customers, O'Neill said.

The Future

Looking to the future, O'Neill announced that HMA is expanding the U.S. product line with two vehicles this year – the Santa Fe sport utility vehicle, due this summer, and the XG sedan due in the fourth quarter of 2000.

The Santa Fe will expand HMA's market into the booming category of sport utility vehicles. The XG will offer U.S. consumers more luxury and power than they have ever seen in a Hyundai. Both vehicles will continue to boost Hyundai's image in the U.S., O'Neill said, reinforcing HMA's strategy of selling high-styled, high-content and high-value vehicles.

Reviewing some of the factors that allowed HMA to achieve its 1999 success, O'Neill discussed the changing U.S. consumer

perception of Hyundai. He cited a recent Allison-Fisher study revealing that consumer awareness of Hyundai is up 18 percent. Favorable opinion of Hyundai is up 31 percent. The number of people who say Hyundai is on their shopping list is up an outstanding 160 percent. The study showed that Hyundai brand loyalty is up, at the highest level since 1991, and buyers are now cross-shopping with Japanese models.

Dealers

O'Neill stated that HMA could not have achieved its 1999 success without U.S. Hyundai dealerships, which received much focused attention last year. As a result, sales per outlet increased from an average of 193 units, up to 334 units. Plus, the number of Hyundai dealerships in the U.S. increased by 24 in 1999.

1999 Sales

HMA's Vice President of Sales, Bob Cosmai, reviewed details of last year's sales figures. Hyundai significantly increased its U.S. market share in 1999, largely with the help of the Elantra model, with sales up by 118 percent compared to 1998. Cosmai reported that Sonata sales had risen 106 percent.

"Overall, sales were up 82 percent, the best in the auto industry," Cosmai said. "For 2000, we want to keep that momentum going. Our target for 2000 is to sell 200,000 automobiles in the U.S. We plan to increase our sales by doing more of the same."

Cosmai said HMA plans to accomplish its goals by continuing to enhance Hyundai's brand image, spread the message about The Hyundai Advantage warranty, and focus on dealer efforts.

Detroit Show Cars

Cosmai spoke in detail about the XG model on display in Detroit and being shown in the U.S. for the first time.

"The Hyundai XG is the largest, most sophisticated sedan we have ever offered in the U.S. and it features the highest equipment level of any product we have ever sold here," he said.

He predicted that the XG will provide strong competition for popular Japanese cars such as the V-6 Toyota Camry, V-6 Honda Accord, Nissan Maxima and Mazda Millenia. It also will compete with American cars such as the Buick Regal, Pontiac Grand Prix and Oldsmobile Intrigue.

Regarding the Santa Fe on display in Detroit, Cosmai said that this particular vehicle is the worldwide debut of the production vehicle.

Cosmai announced that there will be a major press launch for the Santa Fe before it goes on sale in summer, and full details on the new Hyundai would be available at that time.

Cosmai provided more information on the XG, which will provide a logical step up from the Sonata at a still very reasonable price point. Plans are for the XG to be offered in the U.S. with only one powertrain combination: a transverse-mounted, 192-horsepower, 3.0-liter, double-overhead-cam V-6. This engine, with a variable-intake system and balance shaft, will be mated to a five-speed automatic transmission with "H-Matic" manual override shift control.

The XG wheelbase is 108-inches, two inches longer than on the Sonata. Overall length on the XG is 192 inches, seven inches longer than that of the Sonata. HMA will offer just two trim levels of XG: loaded with a power moon roof, and loaded without the moon roof. Standard equipment on the XG will include four-wheel, ABS-equipped disc brakes, double-wishbone front suspension and multi-link, independent rear suspension. Also, the package includes air-conditioning, cruise control and a keyless entry system with an alarm.

The XG will feature modern projector-beam headlamps and 15-inch alloy wheels shod with Michelin V-rated tires. Inside will be leather seats, power front seats and driver's and passenger's front and side air bags.

Cosmai stated that the XG may be renamed for the U.S. market and pricing has not been finalized. However, he said, in the Hyundai tradition, the car would promise to be an outstanding value.

Hyundai Motor America, based in Fountain Valley, Calif., is a subsidiary of Hyundai Motor Company of Korea. Hyundai cars are distributed in the United States by Hyundai Motor America and are sold and serviced through nearly 500 dealerships nationwide.

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