



Financial Supervisory Commission
www.fsc.go.kr



Financial Supervisory Service
www.fss.or.kr

Press Release

November 25, 2003

Government to Sell its Stakes in Hyundai Investment & Securities and Hyundai Investment Trust Management to Prudential Financial

The government announced on November 25 that it had reached an agreement with Prudential Financial, Inc. (Prudential) to sell an 80% equity in Hyundai Investment & Securities Co., Ltd. (HITC) and Hyundai Investment Trust Management Co., Ltd., a subsidiary of HITC, that the government is to hold after HITC is recapitalized.

Under the agreement reached with Prudential, the sale is to be closed by early 2004 after HITC is restructured and recapitalized by the government-run Korea Deposit Insurance Corporation (KDIC) through asset purchases and capital injections. Valuation for the 80% stake to be acquired by Prudential is to be determined at the time of closing based on the cash flows and other business results of HITC for the previous 12-month period. KDIC will continue to hold the remaining 20% stake in HITC with an option to sell those shares to Prudential during a three-year period starting three years after the closing of the sale, whereas Prudential will have the option to buy those shares from KDIC and raise its equity stake in HITC during the same period. The price at which either option may be exercised is to be determined in a manner similar to the valuation to be used for pricing the initial 80% acquisition by Prudential. The agreement also gives Prudential a three-year customary indemnification period following the closing of the sale against potential losses and liabilities.

Please forward questions, comments, or suggestions regarding this press release to the International Cooperation Office (Tel: +82-2-3786-7911; Fax: +82-2-3786-7899; e-mail: cylee@fss.or.kr), Financial Supervisory Service.