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Microsoft and Hyundai-Kia Automotive Group to Develop Next Generation of In-Car Infotainment

New partnership will globalize innovative in-car infotainment.

SEOUL, South Korea — May 6, 2008 — Today, Microsoft Corp. and Hyundai-Kia Automotive Group (HKAG) entered into a long-term agreement to co-develop the next generation of in-car infotainment systems. Bill Gates, chairman of Microsoft, and Mongku Chung, chairman of HKAG, were present as Martin Thall, general manager of Microsoft's Automotive Business Unit, and Hyun Soon Lee, president and chief technology officer of HKAG, signed the agreement in Seoul.

Together, Microsoft and HKAG will deliver new and innovative solutions based on the Microsoft Auto software platform, bringing the future of in-car technology to Hyundai-Kia drivers worldwide.

"These new systems will redefine consumer experiences in the car," Thall said. "Since the spring of 2006, HKAG and Microsoft have been sharing their vision for the future of in-car technology. We're now aligned to develop the next generation of in-car infotainment systems."

"We are pleased to partner with Microsoft to deliver high-performance infotainment solutions to our customers," Lee said. "The advanced capabilities, flexibility and low price point make the Microsoft Auto software platform an attractive solution for us."

The first product, a next-generation infotainment system that provides voice-controlled connectivity between mobile devices, will be introduced in the North American market in 2010.

It will further apply to Asian and European markets, and expand into multimedia and navigation devices. These easy-to-use infotainment systems will allow consumers to enjoy music in various digital formats.

The next-generation infotainment systems are comparable to mini-PCs. Even after product launch, new functions can be added or upgraded in the form of software program updates, an innovation to existing in-car multimedia technology.

The Hyundai-Kia Automotive Group's adoption of the Microsoft Auto software platform increases Microsoft's presence in the Asian car market and enhances the global automotive business. The engineering and marketing teams of Microsoft's Automotive Business Unit in Redmond, Wash., will be working directly with counterparts at HKAG in Seoul to support this goal. Microsoft Auto-powered systems are currently available in Fiat Auto Group vehicles in Europe and South America and Ford Motor Co. vehicles in North America.

In a related announcement, Microsoft and Hyundai-Kia, along with the Institute for Information Technology Advancement (IITA), signed a memorandum of understanding (MOU) to co-establish an automotive IT innovation center with the goal of promoting innovation and opportunities for Korean software and device vendors in the global market.

Microsoft Automotive Business Unit

The Microsoft Automotive Business Unit is a dedicated partner to the auto industry, providing innovative technologies and flexible software platforms to help deliver simple, more reliable and cost-effective in-car infotainment systems. Developed closely with automakers and automotive suppliers, the award-winning Microsoft Auto and Windows Automotive software platforms connect drivers with a wide range of devices, services and technology while on the go, including hands-free communication, mobile device integration, customized navigation and

high-fidelity digital entertainment. More information can be found at

<http://www.microsoft.com/windowsautomotive/default.mspx>.

About Microsoft

Founded in 1975, Microsoft (Nasdaq “MSFT”) is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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