

## Kia Says 2Q Profit Soars

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SEOUL, South Korea (AP) — Kia Motors Corp said Wednesday that second-quarter net profit quadrupled to a record, boosted by weakness in the local currency and robust vehicle demand in South Korea.

Kia Motors, South Korea's second-largest automaker, earned 347.1 billion won (\$279 million) in the three months through June, the company said in a regulatory filing. Kia posted net profit of 86 billion won a year earlier.

The net profit was the highest for Kia since it began releasing quarterly earnings in 2001, according to spokesman Michael Choo.

Sales during the quarter at the maker of the Sportage compact SUV and the Forte small sedan rose 11.5 percent to 4.68 trillion won from 4.19 trillion won a year earlier.

Weakness in the South Korean won against the dollar helped boost sales revenue during the first two quarters of this year, Kia said in a statement. A weaker won can boost profits earned abroad when repatriated and can make South Korean products cheaper in overseas markets.

Kia sold 74 percent of its vehicles overseas during the first six months of 2009 based on figures provided by the company.

The won declined about 21 percent against the dollar on average during the second quarter compared with the same period last year.

Kia's total vehicle sales also rose during the second quarter, gaining 11 percent to 428,615, according to Choo, the company spokesman. Sales in South Korea alone jumped 42 percent to 113,118 vehicles.

Since late last year, the carmaker has been introducing new models and redesigning some existing ones to lure South Korean consumers into showrooms. The government, meanwhile, has encouraged car purchases by offering incentives to trade in models.

"Korean consumers have really welcomed our new designs with open arms," Choo said.

Kia is an affiliate of Hyundai Motor Co., South Korea's biggest automaker. Together, they form the world's fifth-largest automotive group in 2008.

Hyundai Motor said last month that second-quarter net profit rose 48 percent to a record high as robust sales in China and India helped it ride out the global auto

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slump.

The two automakers have been expanding aggressively in recent years by building factories overseas. Hyundai has plants in China, India, Turkey, the Czech Republic and the United States.

Kia has plants in China and Slovakia and has built one in the U.S. That plant, in West Point, Georgia, is scheduled to begin mass production in November, Choo said.

The company also said Wednesday that global sales in July rose 17.5 percent to 143,588 vehicles from the same month last year. For the first seven months of this year, they gained 6.4 percent to 892,916 vehicles.

Shares in Kia, which released earnings results about one hour after the stock market opened, fell 2.4 percent to close at 16,150 won.

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