Hyundai Accelerates To Record Profits

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SEOUL, South Korea (AP) — Hyundai Motor Co., South Korea's largest automaker and a growing force in the global industry, said third-quarter net profit more than tripled to a record high amid sharply higher sales.

Hyundai Motor said in a regulatory filing Thursday that it earned 979.2 billion won ($827.3 million) in the three months ended Sept. 30. It posted net profit of 264.8 billion won a year earlier.

Hyundai spokesman Ki Jin-ho said the latest net profit figure was an all-time quarterly high. It exceeded the previous record of 811.85 billion won set during the second quarter of this year.

The Ulsan, South Korea-based maker of the Elantra and Sonata sedans and the luxury Genesis said sales during the quarter rose 33.8 percent to 8.1 trillion won from 6.1 trillion won a year earlier.

Hyundai's global auto sales in the third quarter surged 41 percent to 824,181 vehicles from the year before, helped by increased demand for fuel efficient cars that was aided by government incentives, it said in a release. For the first nine months of 2009, sales rose 7.5 percent to 2.23 million.

The company said it took 5.5 percent of global market share in the third quarter, up from 4.4 percent in the same period last year and 5.2 percent in the second quarter of 2009.

Hyundai, which along with affiliate Kia Motors Corp. forms the world's fifth-largest automotive group, has seen its market share grow worldwide in recent years through an emphasis on quality and design.

Both companies have expanded aggressively overseas. Hyundai has factories in China, India, Turkey, the U.S. and the Czech Republic. Kia has plants in China and Slovakia and has completed one in the U.S. with production scheduled to begin soon.

Creative marketing has also helped Hyundai gain attention. Responding to the global economic crisis, it implemented a program that allows customers in the United States and some other countries who lose their job to return vehicles for a refund.

Hyundai has also benefited amid the global slump from weakness in the South Korean won, which has made its products more competitive in overseas markets. A weaker won can also increase the value of profits earned overseas when they are sent back to South Korea and converted into the local currency.

The won's weakness against the dollar has come as the Japanese yen has surged against the greenback, hitting the bottom line of automakers including Toyota Motor Corp. -- a key Hyundai rival.

The South Korean won declined 14 percent on average in the third quarter this year against the dollar compared with the same period last year.

The won has been rising recently, however, causing worries in South Korea about the possible impact that may have on major exporters such as Hyundai, Kia and Samsung Electronics Co.

Won weakness during much of this year has been cited as a factor behind South Korea's rapid recovery from the worst of the global economic slowdown.

Shares in Hyundai, which released earnings about one hour before the stock market closed, fell 0.5 percent to finish at 103,000 won. Hyundai shares have surged 161 percent so far this year.

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