# Hyundai Logs Record Profit On Overseas Sales

Youkyung Lee, AP Business Writer

SEOUL, South Korea (AP) — Hyundai Motor Co. posted a record quarterly profit as new models perked sales in overseas markets despite slowing economic growth.

The financial results, announced Thursday, sent its shares 1.6 percent higher in Seoul. Hyundai vowed it would meet its target of selling 4.29 million vehicles this year even though demand for cars is expected to weaken in China and debt-laden Europe over the remainder of 2012.

South Korea's largest automaker earned 2.5 trillion won ($2.2 billion) in the three months ended June 30, slightly higher than market expectations and a 4 percent rise from the previous quarter. Its second quarter revenue grew 9 percent to 21.9 trillion won. Operating profit was 18 percent higher over a year earlier at 2.5 trillion won.

The company said its auto sales in overseas markets jumped 15 percent during the first half of the year, offsetting a 5 percent sales drop in South Korea. Hyundai sold 2.18 million vehicles in the six months, a 12 percent increase from a year earlier.

The sales increase mostly came from Europe and the United States, driven by the release of new car models and its recently acquired sales units in Germany and France.

Hyundai Motor Co. is the crown jewel of the Hyundai Motor Group, the world's fifth-largest automotive group, which also has South Korea's second-largest automaker Kia Motors Corp. under its wing.

During a conference call, analysts questioned how long Hyundai would be able to sustain its growth and its high profitability as car demand is forecast to slow in China and Europe's debt crisis is dragging on the global economy.

Chief Financial Officer Lee Won-hee said the company is on track to meet its annual sales target and may even slightly outdo its goal as new or upgraded vehicles are scheduled to be released in key markets.

Hyundai is scheduled to start sales of a new sports utility vehicle in China later this month to tap that high-demand niche and to offset falling demand for other models. It is set to complete a new factory in Brazil in November as part of its expansion in South America.

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