



Nexen Tire 2013 2Q Result

Driving Tomorrow NEXEN

2013.08.07
Business Management

This presentation is consolidated financial result in compliance with K-IFRS with unaudited 2nd quarter of 2013 for investors' convenience. Therefore, some parts may change upon the review of independent auditors.



I. Consolidated Result

II. Result by Plant



Income Statement

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Net Sales	451.1	432.9	435.0	4.2%	3.7%
Gross Profit	125.1	120.4	119.6	3.9%	4.6%
<i>Margin(%)</i>	<i>27.7%</i>	<i>27.8%</i>	<i>27.5%</i>	<i>-0.1%P</i>	<i>0.2%P</i>
Operating Profit	45.8	47.7	53.7	-3.9%	-14.7%
<i>Margin(%)</i>	<i>10.2%</i>	<i>11.0%</i>	<i>12.4%</i>	<i>-0.9%P</i>	<i>-2.2%P</i>
Ordinary Profit	36.3	42.4	43.3	-14.5%	-16.3%
<i>Margin(%)</i>	<i>8.0%</i>	<i>9.8%</i>	<i>10.0%</i>	<i>-1.8%P</i>	<i>-1.9%P</i>
Depreciation	25.5	24.0	20.5	6.6%	24.7%
EBITDA	71.4	71.7	74.2	-0.4%	-3.8%
<i>Margin(%)</i>	<i>15.8%</i>	<i>16.6%</i>	<i>17.1%</i>	<i>-0.7%P</i>	<i>-1.2%P</i>

※ Affiliated company result was added to apply new K-IFRS standard.

Balance Sheet

(in KRW billion)

	2013 2Q (A)	2012 (B)	(A)-(B)
Assets	2,247.9	2,052.1	195.8
Current Assets	804.8	686.0	118.9
Quick Assets	529.5	420.7	108.7
Inventories	275.4	265.2	10.1
<i>(Cash and Cash Equivalents)</i>	<i>182.7</i>	<i>133.6</i>	<i>49.1</i>
Non-current Assets	1,443.0	1,366.1	76.9
Liabilities	1,508.8	1,371.5	137.3
Current Liabilities	679.7	641.8	37.9
Non-current Liabilities	829.1	729.8	99.3
<i>(Debt)</i>	<i>924.9</i>	<i>833.2</i>	<i>91.7</i>
Shareholders' Equity	739.1	680.6	58.5

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 2Q	742.2	100.4%	204.1%	118.4%	32.9%
2012	699.6	102.8%	201.5%	106.9%	33.2%

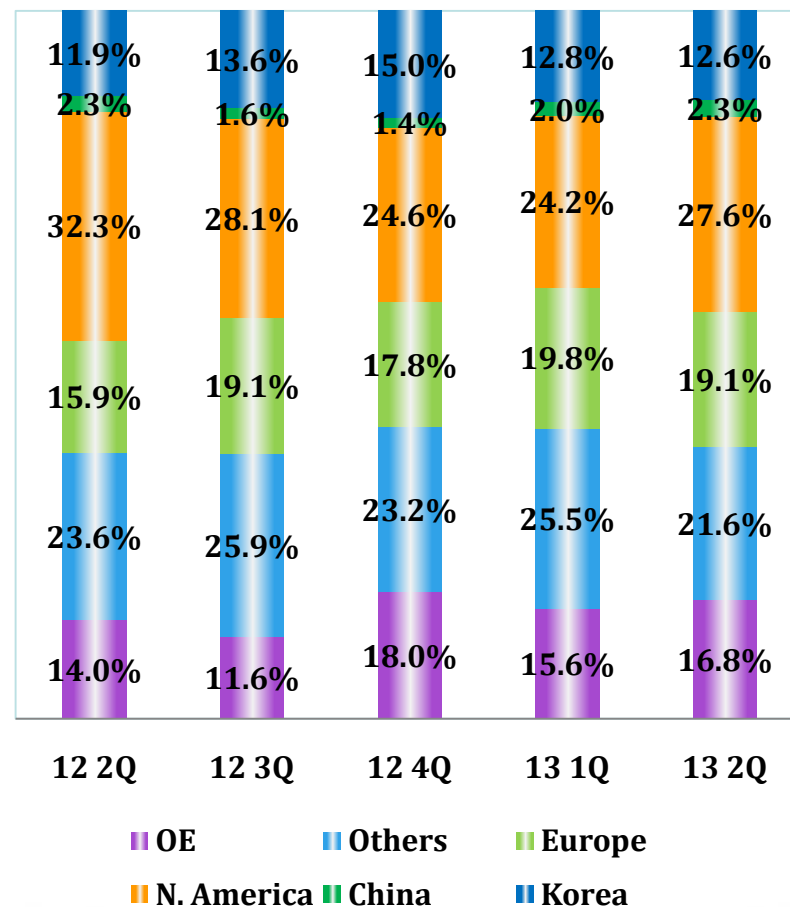
Sales Breakdown

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Sales	453.0	439.7	435.6	3.0%	4.0%
1. RE	376.8	371.1	374.7	1.5%	0.6%
-Korea	56.9	56.4	51.8	0.9%	9.9%
-China	10.4	8.8	10.2	17.8%	1.8%
-N. America	125.2	106.6	140.7	17.4%	-11.0%
-Europe	86.4	87.2	69.3	-0.9%	24.8%
-Others	97.9	112.1	102.7	-12.6%	-4.7%
2. OE	76.2	68.6	60.8	11.1%	25.2%

※ Sum of each plant shipment, exclusive of the internal transaction.

<Sales breakdown>

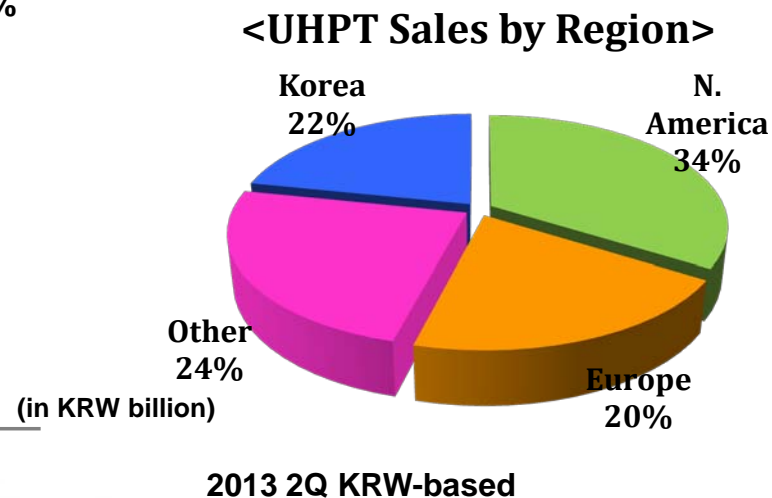
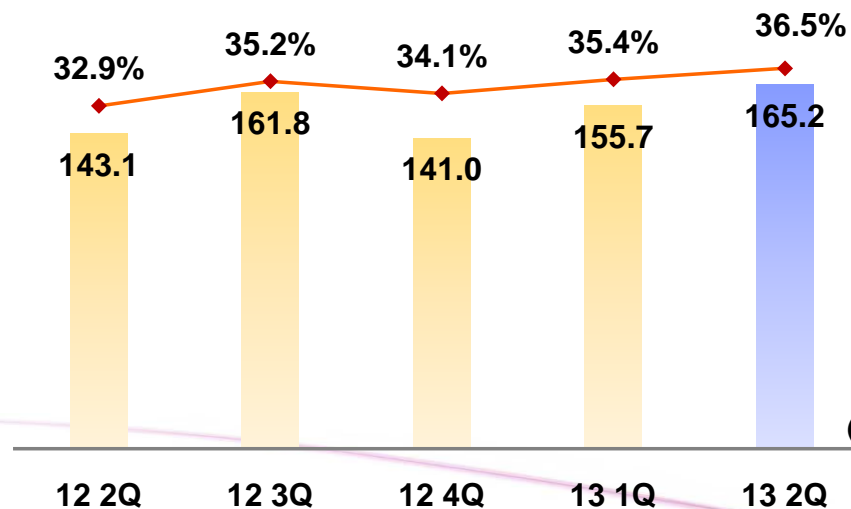


UHPT Sales

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
UHPT Sales	165.2	155.7	143.1	6.1%	15.4%
% / Net Sales	36.5%	35.4%	32.9%	1.1%P	3.6%P
% / Total Volume	31.7%	30.5%	27.4%	1.2%P	4.3%P

※ Sum of each plant shipment, exclusive of the internal transaction



Operating Expenses

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Freight & Logistic Expense	23.4	19.7	21.1	18.6%	10.9%
SG&A expenses	55.9	53.0	44.8	5.4%	24.8%
- Salaries	15.8	16.0	13.0	-1.0%	22.2%
- R&D	13.8	12.4	9.8	11.5%	40.1%
- Advertising	6.3	3.3	3.5	93.1%	82.9%
- Others	19.9	21.4	18.5	-6.8%	7.6%
Other income & expenses	0.1	0.5	-0.6	-79.7%	118.0%

Financial Income & Expenses

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Financial income & expenses	-9.7	-5.8	-9.8	-66.6%	1.0%
- Interest	-8.2	-7.1	-7.5	-15.9%	-9.2%
- Foreign Currency Transaction	3.9	1.4	-0.2	177.0%	2,520.4%
- Foreign Currency Translation	-5.4	-0.1	-1.7	-3,926.4%	-218.6%
- Others	-0.01	-0.02	-0.4	20.3%	96.8%



II. Consolidated Result

II. Result by Plant



Income Statement

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Net Sales	363.4	345.9	357.3	5.1%	1.7%
Gross Profit	104.7	95.0	96.3	10.3%	8.7%
<i>Margin(%)</i>	<i>28.8%</i>	<i>27.5%</i>	<i>27.0%</i>	<i>1.4%P</i>	<i>1.9%P</i>
Operating Profit	41.2	36.9	45.3	11.8%	-9.1%
<i>Margin(%)</i>	<i>11.3%</i>	<i>10.7%</i>	<i>12.7%</i>	<i>0.7%P</i>	<i>-1.3%P</i>
Ordinary Profit	34.9	38.6	44.3	-9.6%	-21.3%
<i>Margin(%)</i>	<i>9.6%</i>	<i>11.2%</i>	<i>12.4%</i>	<i>-1.6%P</i>	<i>-2.8%P</i>
Depreciation	17.8	17.2	13.9	3.7%	27.9%
EBITDA	59.0	54.0	59.2	9.2%	-0.4%
<i>Margin(%)</i>	<i>16.2%</i>	<i>15.6%</i>	<i>16.6%</i>	<i>0.6%P</i>	<i>-0.3%P</i>

Balance Sheet

(in KRW billion)

	2013 2Q (A)	2012 (B)	(A)-(B)
Assets	1,837.3	1,691.2	146.0
Current Assets	655.1	552.3	102.8
Quick Assets	478.1	372.7	105.4
Inventories	177.0	179.6	-2.6
<i>(Cash and Cash Equivalents)</i>	<i>160.1</i>	<i>113.4</i>	<i>46.7</i>
Non-current Assets	1,182.2	1,138.9	43.3
Liabilities	1,118.3	1,016.3	102.0
Current Liabilities	460.7	434.9	25.8
Non-current Liabilities	657.7	581.5	76.2
<i>(Debt)</i>	<i>633.5</i>	<i>562.9</i>	<i>70.6</i>
Shareholders' Equity	718.9	674.9	44.0

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 2Q	473.4	65.8%	155.6%	142.2%	39.1%
2012	449.5	66.6%	150.6%	127.0%	39.9%

Operating Expenses

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Freight & Logistic Expense	18.9	15.6	16.0	21.2%	18.2%
SG&A expenses	44.6	42.5	35.0	5.0%	27.5%
- Salaries	12.4	12.8	10.1	-3.7%	22.1%
- R&D	12.8	11.4	9.5	12.2%	34.8%
- Advertising	5.1	2.9	2.8	72.0%	79.0%
- Others	14.4	15.3	12.5	-6.0%	14.6%
Other income & expenses	4.0	4.0	3.1	0.2%	28.4%

Financial Income & Expenses

(in KRW billion)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Financial income & expenses	-10.3	-2.2	4.1	-366.9%	-352.9%
- Interest	-5.1	-4.8	-4.7	-7.7%	-8.5%
- Foreign Currency Transaction	1.5	1.0	-1.6	51.1%	198.8%
- Foreign Currency Translation	-6.6	1.6	2.4	-514.9%	-374.0%
- Others	-0.14	-0.05	7.9	-173.4%	-101.7%

Income Statement

(in RMB million)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Net Sales	481	485	480	-0.9%	0.1%
Gross Profit	108	117	104	-8.2%	3.3%
<i>Margin(%)</i>	<i>22.4%</i>	<i>24.2%</i>	<i>21.7%</i>	<i>-1.8%P</i>	<i>0.7%P</i>
Operating Profit	45	33	9	34.6%	406.2%
<i>Margin(%)</i>	<i>9.4%</i>	<i>6.9%</i>	<i>1.9%</i>	<i>2.5%P</i>	<i>7.5%P</i>
Ordinary Profit	45	33	9	34.9%	409.5%
<i>Margin(%)</i>	<i>9.4%</i>	<i>6.9%</i>	<i>1.8%</i>	<i>2.5%P</i>	<i>7.5%P</i>
Depreciation	26	25	21	6.2%	25.2%
EBITDA	71	58	30	22.5%	138.6%
<i>Margin(%)</i>	<i>14.9%</i>	<i>12.0%</i>	<i>6.2%</i>	<i>2.8%P</i>	<i>8.6%P</i>

➤ China-GAAP

Income Statement

(in RMB million)

	2013 2Q	2013 1Q	2012 2Q	QoQ	YoY
Net Sales	481	485	480	-0.9%	0.1%
Gross Profit	108	117	104	-8.2%	3.3%
<i>Margin(%)</i>	<i>22.4%</i>	<i>24.2%</i>	<i>21.7%</i>	<i>-1.8%P</i>	<i>0.7%P</i>
Operating Profit	40	51	37	-22.4%	7.9%
<i>Margin(%)</i>	<i>8.3%</i>	<i>10.6%</i>	<i>7.7%</i>	<i>-2.3%P</i>	<i>0.6%P</i>
Ordinary Profit	45	33	9	34.9%	409.5%
<i>Margin(%)</i>	<i>9.4%</i>	<i>6.9%</i>	<i>1.8%</i>	<i>2.5%P</i>	<i>7.5%P</i>
Depreciation	26	25	21	6.2%	25.2%
EBITDA	66	76	58	-13.1%	14.2%
<i>Margin(%)</i>	<i>13.8%</i>	<i>15.7%</i>	<i>12.1%</i>	<i>-1.9%P</i>	<i>1.7%P</i>

➤ K-IFRS standard format

Balance Sheet

(in RMB million)

	2013 2Q (A)	2012 (B)	(A)-(B)
Assets	2,798	2,744	54.3
Current Assets	831	847	-16.1
Quick Assets	642	639	2.7
Inventories	189	208	-18.7
<i>(Cash and Cash Equivalents)</i>	<i>121</i>	<i>118</i>	<i>3.0</i>
Non-current Assets	1,967	1,897	70.4
Liabilities	1,925	1,927	-2.3
Current Liabilities	1,098	1,167	-68.9
Non-current Liabilities	827	760	66.6
<i>(Debt)</i>	<i>1,559</i>	<i>1,573</i>	<i>-14.1</i>
Shareholders' Equity	874	817	56.6

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 2Q	1,438	164.6%	220.3%	75.7%	31.2%
2012	1,455	178.1%	235.8%	72.6%	29.8%

Income Statement (Consolidated)

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(in KRW Billion)

	2007	(%)	2008	(%)	2009	(%)	2010	(%)	2011	(%)	2012	(%)
Net Sales	565.7	100.0	784.1	100.0	1,009.9	100.0	1,148.6	100.0	1,430.0	100.0	1,706.2	100.0
Cost of Goods Sold	397.9	70.3	590.8	75.3	669.0	66.2	801.2	69.8	1,085.7	75.9	1,249.4	73.2
Gross Profit	167.8	29.7	193.4	24.7	340.9	33.8	347.4	30.2	344.3	24.1	456.8	26.8
SG&A	116.5	20.6	153.9	19.6	175.8	17.4	210.8	18.3	232.3	16.2	276.6	16.2
Operation Profit	51.3	9.1	39.5	5.0	165.1	16.4	136.6	11.9	120.0	7.8	180.2	10.6
Non-Operating Income	12.1	2.1	78.7	10.0	45.2	4.5	36.4	3.2	67.8	4.7	62.6	3.7
Non-Operating Expenses	23.2	4.1	127.3	16.2	70.0	6.9	46.4	4.0	69.0	4.8	84.0	4.9
Ordinary Profit	40.3	7.1	-9.1	-1.2	140.3	13.9	130.9	11.4	113.1	7.9	158.1	9.3
Income Taxes	12.0	2.1	3.0	0.4	26.9	2.7	23.7	2.1	25.4	1.8	23.8	1.4
Net Income	28.2	5.0	-12.1	-1.5	113.3	11.2	107.2	9.3	87.8	6.1	134.3	7.9

➤ K-IFRS applied from 2010

Balance Sheet (Consolidated)

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(in KRW Billion)

	2007	2008	2009	2010	2011	2012
Asset	712.5	998.7	1,020.2	1,258.9	1,902.2	2,031.8
Current Assets	179.2	338.7	380.3	491.3	731.4	680.9
Quick Assets	105.7	212.2	244.9	306.5	455.4	415.7
Inventories	73.5	126.5	135.4	184.8	276.0	265.2
Non-Current Assets	533.2	660.1	639.9	767.6	1,170.8	1,350.9
Investment Assets	53.8	54.6	39.0	82.4	81.0	85.6
Property & Equipment	476.9	600.6	595.8	678.8	1,083.7	1,259.9
Intangible Assets	2.5	4.8	5.0	6.4	6.1	5.5
Liabilities	433.8	720.7	633.2	775.5	1,337.2	1,354.0
Current Liabilities	276.9	370.2	323.8	472.8	754.3	637.5
Non-current Liabilities	156.9	350.5	309.4	302.7	582.9	716.6
Capital	278.7	278.0	386.9	483.3	565.0	677.8

➤ K-IFRS applied from 2010



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Thank you !