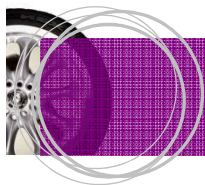




# *Nexen Tire 2011 1Q Result*

*Driving Tomorrow NEXEN*

2011.04.27  
Business Management



This presentation is consolidated financial result in compliance with K-IFRS with unaudited 1<sup>st</sup> quarter of 2011 for investors' convenience. Therefore, some parts may change upon the review of independent auditors.

China Plant result is based on China-GAAP.



## *I. Financial Result*

## *II. China Plant Result*





## *I. Financial Result*

## *II. China Plant Result*

## Consolidated key figures

(in KRW billion)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
Net Sales	337.2	304.0	265.8	26.9%	10.9%
Operating profit	37.7	19.9	41.7	△9.6%	89.9%
<i>Margin(%)</i>	<i>11.2</i>	<i>6.5</i>	<i>15.7</i>	<i>△4.5%P</i>	<i>4.7%P</i>
Financial income and expenses	3.3	△2.1	△2.7	222.2%	257.1%
Income before taxes	41.0	17.7	39.0	5.1%	131.6%

➤ K-IFRS adoption

## Balance Sheet

(in KRW billion)

	2011 1Q(A)	2010(B)	(A)-(B)
<b>Assets</b>	<b>1,199.6</b>	<b>1,067.8</b>	<b>131.8</b>
<b>Current Assets</b>	<b>498.7</b>	<b>443.2</b>	<b>55.5</b>
<b>Quick Assets</b>	<b>361.7</b>	<b>320.1</b>	<b>41.6</b>
<b>Inventories</b>	<b>137.0</b>	<b>123.1</b>	<b>13.9</b>
<i>(Cash and Cash Equivalents)</i>	<i>110.5</i>	<i>151.0</i>	<i>△40.5</i>
<b>Non-current Assets</b>	<b>700.9</b>	<b>624.5</b>	<b>76.4</b>
<b>Liabilities</b>	<b>684.3</b>	<b>583.8</b>	<b>100.6</b>
<b>Current Liabilities</b>	<b>467.1</b>	<b>367.1</b>	<b>100.0</b>
<b>Non-current Liabilities</b>	<b>217.2</b>	<b>216.6</b>	<b>0.5</b>
<i>(Debt)</i>	<i>279.6</i>	<i>246.7</i>	<i>32.9</i>
<b>Shareholders' Equity</b>	<b>515.3</b>	<b>484.0</b>	<b>31.3</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2011 1Q	169.1	32.8%	132.8%	106.8%	43.0%
2010	95.6	19.8%	120.6%	120.7%	45.3%

## Income Statement

(in KRW billion)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
Net Sales	280.2	289.0	249.9	12.1%	△3.1%
Gross Profit	72.0	76.8	73.3	△1.8%	△6.2%
<i>Margin(%)</i>	<i>25.7</i>	<i>26.6</i>	<i>30.3</i>	<i>△3.6%P</i>	<i>△0.9%P</i>
Operating Profit	34.4	23.3	39.8	△13.5%	47.3%
<i>Margin(%)</i>	<i>12.3</i>	<i>8.1</i>	<i>15.9</i>	<i>△3.6%P</i>	<i>4.2%P</i>
Financial Income & Expenses	2.6	△3.3	△2.5	202.1%	178.7%
Ordinary Profit	36.9	20.1	37.2	△0.8%	84.1%
Depreciation	7.7	8.3	7.7	0.2%	△7.2%
EBITDA	42.0	31.6	47.4	△11.3%	33.0%
<i>Margin(%)</i>	<i>15.0</i>	<i>10.9</i>	<i>19.0</i>	<i>△4.0%P</i>	<i>4.1%P</i>

➤ 2010 4Q end-of-the-year bonus was 12.8 billion won (before the bonus OP 31.2 billion won, OPM 12.5%)



# Financial Result (Parent)

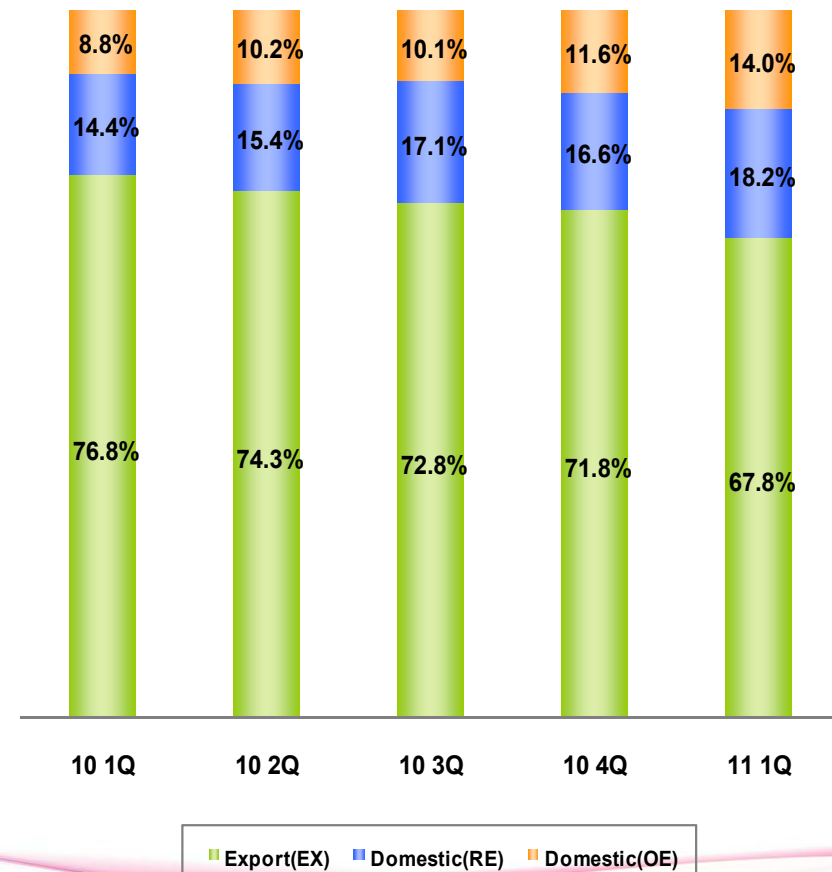
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## Sales by Segment

(in KRW billion)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
<b>Net Sales</b>	<b>280.2</b>	<b>289.0</b>	<b>249.9</b>	<b>12.1%</b>	<b>△3.1%</b>
<b>Export</b>	<b>189.9</b>	<b>207.6</b>	<b>191.9</b>	<b>△1.1%</b>	<b>△8.5%</b>
<b>Domestic</b>	<b>90.3</b>	<b>81.4</b>	<b>58.0</b>	<b>55.6%</b>	<b>10.8%</b>
- RE	51.1	47.9	35.9	42.3%	6.6%
- OE	39.2	33.5	22.1	77..%	16.9%

<Sales by Segment>



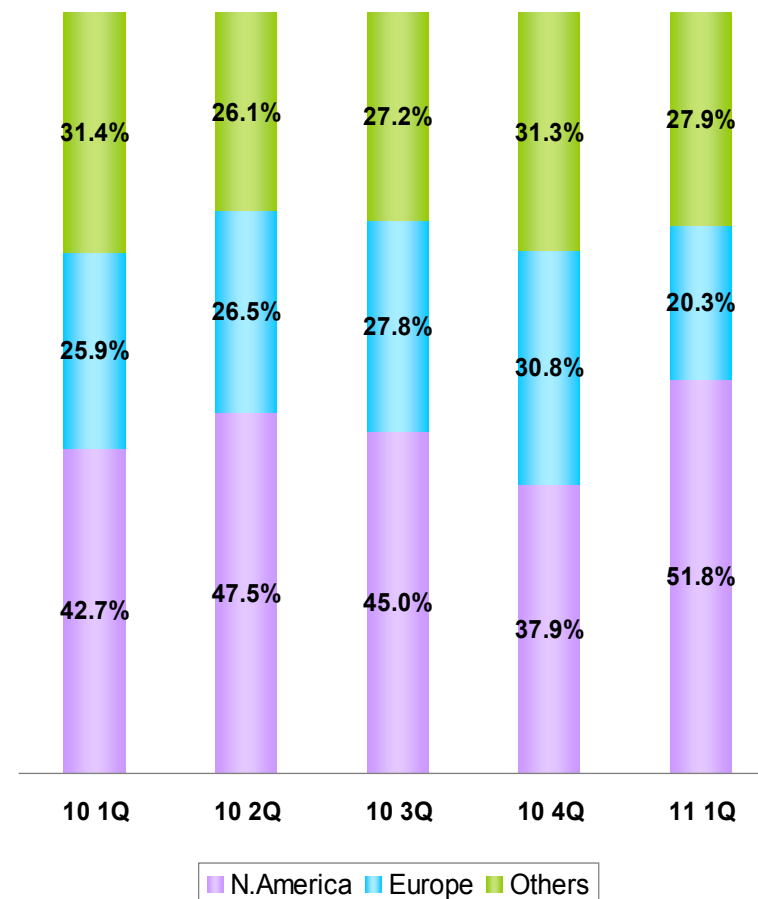


## Export by Region

(in KRW billion)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
Net Sales	280.2	289.0	249.9	12.1%	△3.1%
Export	189.9	207.6	191.9	△1.1%	△8.5%
N. America	98.3	78.6	81.9	20.0%	25.1%
Europe	38.5	64.0	49.7	△22.4%	△39.8%
Others	53.1	65.0	60.3	△12.1%	△18.4%
<b>KRW/USD</b>	<b>1,120</b>	<b>1,135</b>	<b>1,144</b>	<b>△2.1%</b>	<b>△1.3%</b>
<b>KRW/EUR</b>	<b>1,530</b>	<b>1,534</b>	<b>1,584</b>	<b>△3.4%</b>	<b>△0.2%</b>

<Export by Region>



# Financial Result (Parent)

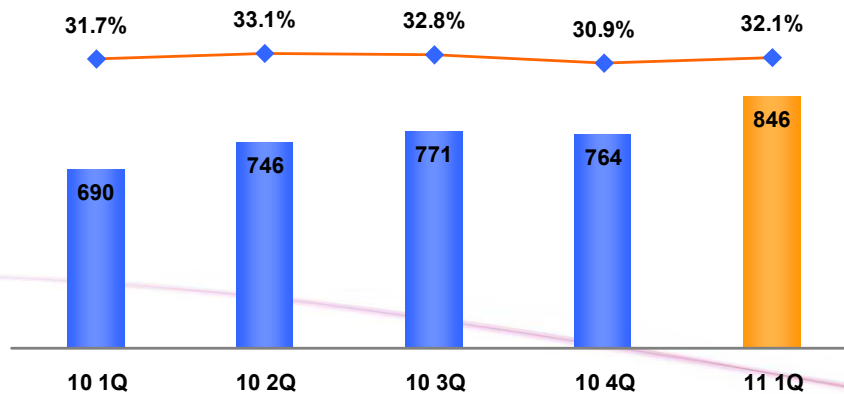
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## UHPT Sales

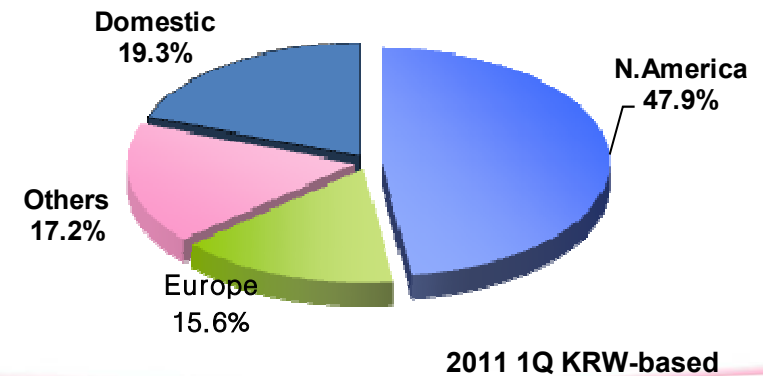
(in KRW billion, thousand units)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
UHPT Sales	84.6	76.4	69.0	22.7%	10.8%
UHPT Volume	1,162	1,174	1,122	12.5%	7.5%
% / Net Sales	32.1%	30.9%	31.7%	0.4%P	1.2%P
% / Total Volume	27.8%	26.9%	26.0%	1.8%P	0.9%P

Parent only



<UHP by Region>





# Financial Result (Parent)

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## Raw Material Prices

	(\$/TON)				
	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
Natural Rubber	4,328	3,255	2,746	57.6%	32.9%
Synthetic Rubber	3,084	2,548	2,201	40.1%	21.8%
Carbon Black	1,220	1,144	1,063	14.7%	6.6%
T/CORD	4,329	4,211	3,967	9.1%	2.8%
S/CORD	1,804	1,796	1,590	13.5%	0.5%
Chemicals	1,677	1,589	1,533	9.4%	5.5%
<b>Total</b>	<b>2,584</b>	<b>2,194</b>	<b>1,942</b>	<b>33.1%</b>	<b>17.8%</b>

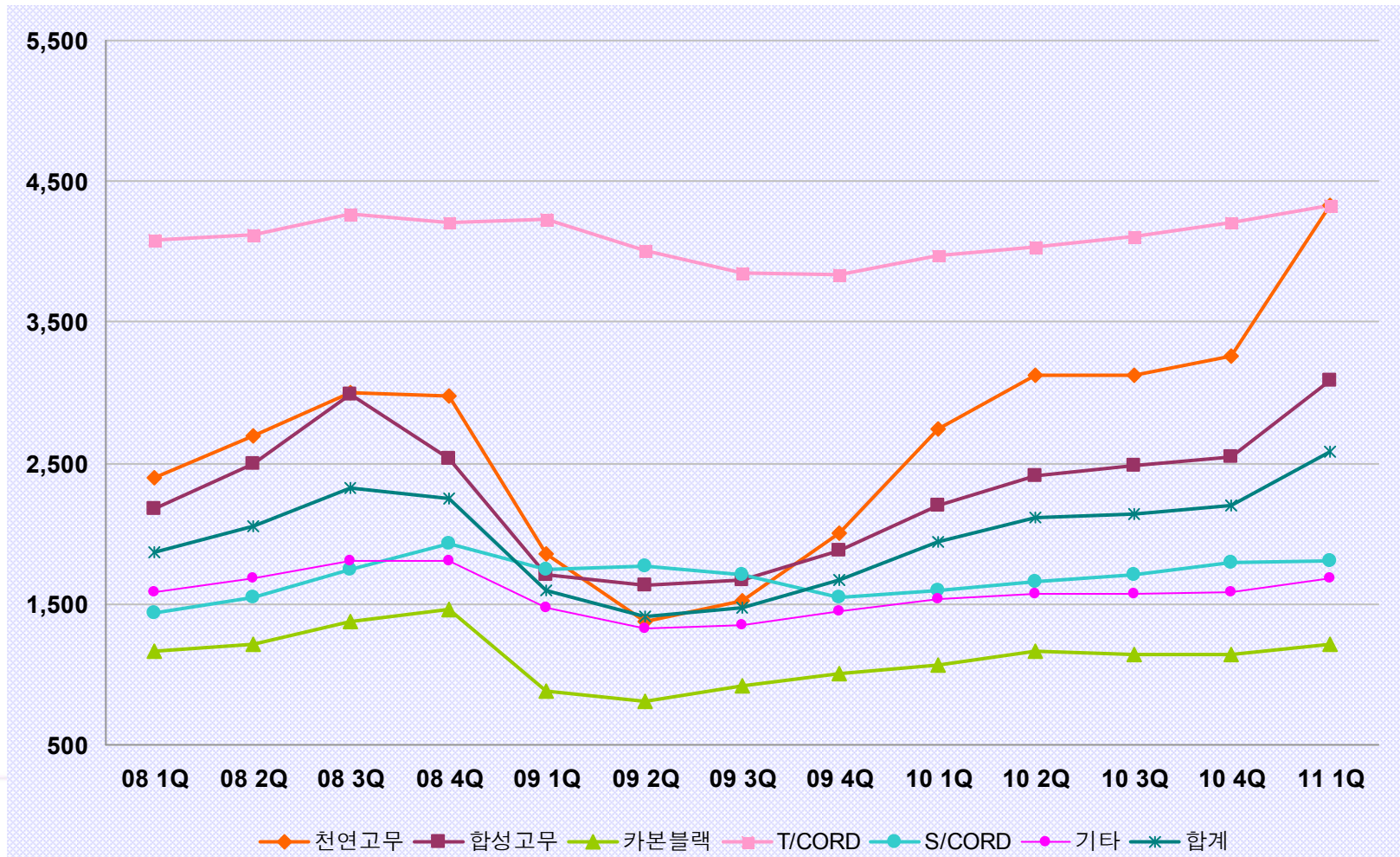


# Financial Result (Parent)

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## Raw Material Prices

(\$/TON)



## Operating Expenses

(in KRW billion)

구 분	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
Transportation cost	14.3	16.7	13.1	9.6%	△14.2%
SG&A expenses	28.3	39.1	25.4	11.4%	△27.6%
- Salaries	9.3	14.7	8.4	11.5%	△36.4%
- R&D	5.9	6.7	4.1	43.5%	△12.0%
- Advertising	1.9	3.1	2.8	△31.6%	△38.1%
- Others	11.2	14.6	10.1	10.1%	△23.7%
Other income & expenses	5.0	2.3	4.9	5.9%	42.6%

## Financial Income & Expenses

(in KRW billion)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
<b>Financial income &amp; expenses</b>	<b>2.6</b>	<b>△3.3</b>	<b>△2.5</b>	<b>202.1%</b>	<b>178.7%</b>
- Interest	1.7	△1.5	△0.7	339.4%	219.5%
- Foreign Currency Transaction	1.8	-	1.4	31.0%	2577.6%
- Foreign Currency Translation	0.8	△1.0	△1.0	184.3%	182.5%
- Currency Swap	△0.9	-	△1.2	25.0%	△65116.4%
- Others	△0.9	△0.8	△1.0	13.1%	△16.9%



*I. Financial Result*

***II. China Plant Result***

## Income Statement

(in RMB million)

	2011 1Q	2010 4Q	2010 1Q	YoY	QoQ
<b>Net Sales</b>	<b>338</b>	<b>283</b>	<b>242</b>	<b>39.5%</b>	<b>19.3%</b>
<b>Gross Profit</b>	<b>56</b>	<b>28</b>	<b>42</b>	<b>32.7%</b>	<b>102.4%</b>
<i>Margin(%)</i>	<i>16.7</i>	<i>9.8</i>	<i>17.5</i>	<i>△0.9%P</i>	<i>6.8%P</i>
<b>Operating Profit</b>	<b>12</b>	<b>△13</b>	<b>4</b>	<b>213.4%</b>	<b>196.8%</b>
<i>Margin(%)</i>	<i>3.7</i>	<i>△4.5</i>	<i>1.6</i>	<i>2.0%P</i>	<i>8.2%P</i>
<b>Ordinary Profit</b>	<b>12</b>	<b>△12</b>	<b>4</b>	<b>215.5%</b>	<b>198.5%</b>
<b>Depreciation</b>	<b>16</b>	<b>15</b>	<b>18</b>	<b>△14.8%</b>	<b>2.3%</b>
<b>EBITDA</b>	<b>28</b>	<b>3</b>	<b>22</b>	<b>25.7%</b>	<b>1043.6%</b>
<i>Margin(%)</i>	<i>8.3</i>	<i>1.0</i>	<i>9.2</i>	<i>△0.9%P</i>	<i>7.4%P</i>

➤ China-GAAP



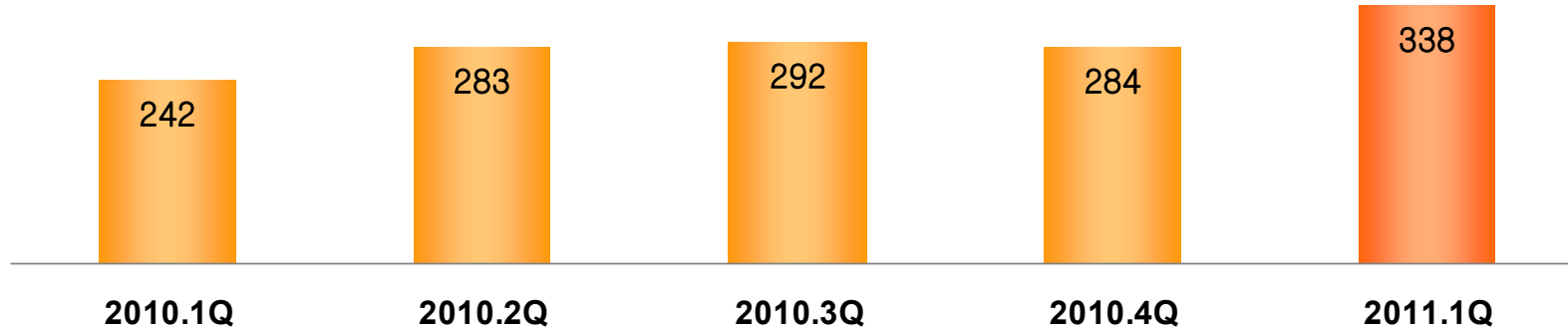


# 2011 1Q China

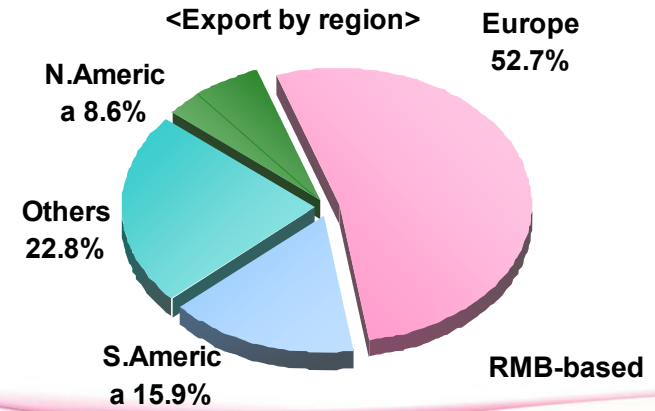
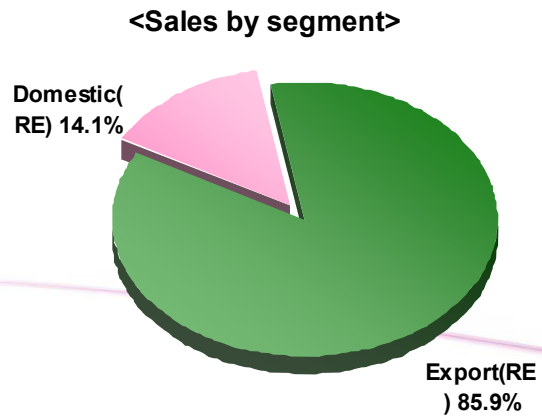
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## Sales Growth

(in RMB million)



## Sales by Segment

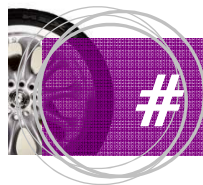


# # Balance Sheet [Korea]

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(in KRW Billion)

	2004	2005	2006	2007	2008	2009	2010
<b>Asset</b>	<b>434.0</b>	<b>505.4</b>	<b>536.7</b>	<b>597.4</b>	<b>766.1</b>	<b>791.4</b>	<b>925.9</b>
<b>Current Assets</b>	<b>77.6</b>	<b>96.7</b>	<b>105.9</b>	<b>124.0</b>	<b>229.4</b>	<b>303.4</b>	<b>331.2</b>
Quick Assets	38.2	53.2	58.8	71.5	141.0	219.8	208.1
Inventories	39.4	43.6	47.1	52.4	88.5	83.6	123.1
<b>Non-Current Assets</b>	<b>356.4</b>	<b>408.6</b>	<b>430.8</b>	<b>473.5</b>	<b>536.6</b>	<b>488.0</b>	<b>594.6</b>
Investment Assets	58.9	56.9	44.9	61.1	87.7	75.3	126.3
Property & Equipment	296.9	351.2	360.9	389.3	423.5	397.8	450.0
Intangible Assets	0.6	0.6	0.6	1.0	1.0	0.7	1.0
<b>Liabilities</b>	<b>200.3</b>	<b>254.4</b>	<b>275.9</b>	<b>306.1</b>	<b>478.2</b>	<b>393.4</b>	<b>925.9</b>
<b>Current Liabilities</b>	<b>143.6</b>	<b>113.8</b>	<b>100.0</b>	<b>201.0</b>	<b>283.1</b>	<b>213.8</b>	<b>251.8</b>
<b>Non-current Liabilities</b>	<b>56.8</b>	<b>140.6</b>	<b>175.8</b>	<b>105.1</b>	<b>195.1</b>	<b>179.5</b>	<b>211.0</b>
<b>Capital</b>	<b>233.7</b>	<b>251.0</b>	<b>260.9</b>	<b>291.4</b>	<b>287.8</b>	<b>398.0</b>	<b>463.1</b>



# # Income Statement [Korea]

Driving Tomorrow NEXEN

(in KRW Billion)

	2004	(%)	2005	(%)	2006	(%)	2007	(%)	2008	(%)	2009	(%)	2010	(%)
Net Sales	304.9	100.0	400.6	100.0	476.8	100.0	567.9	100.0	754.6	100.0	966.2	100.0	1,080.3	100.0
Cost of Goods Sold	220.0	72.1	290.9	72.6	362.2	76.0	398.8	70.2	568.1	75.3	655.8	67.9	797.8	73.9
Gross Profit	84.9	27.8	109.7	27.4	114.4	24.0	169.0	29.8	186.5	24.7	310.4	32.1	282.4	26.1
SG&A	60.2	19.7	80.0	20.0	89.9	19.9	106.9	18.8	132.8	17.6	148.2	15.3	180.6	16.7
Operation Profit	24.6	8.1	29.7	7.4	24.5	5.1	62.1	10.9	53.7	7.1	162.2	16.8	101.8	9.4
Non-Operating Income	6.9	2.3	9.8	2.4	9.6	2.0	12.5	2.2	75.9	10.1	46.4	4.8	45.3	4.2
Non-Operating Expenses	6.8	2.3	11.4	2.8	15.8	3.3	26.1	4.6	142.3	18.9	66.8	6.9	49.8	4.6
Ordinary Profit	24.6	8.1	28.2	7.0	18.2	3.8	48.5	8.5	-12.7	-1.7	141.8	14.7	97.3	9.0
Income Taxes	-7.0	-2.2	6.3	1.6	5.0	1.1	12.3	2.2	3.3	0.4	27.5	2.8	20.5	1.9
Net Income	31.6	10.3	21.9	5.5	13.2	2.8	36.1	6.4	-16.0	-2.1	114.3	11.8	76.7	7.1



**Thank you !**