



Nexen Tire 2013 3Q Result

Driving Tomorrow NEXEN

2013.10.31
Business Management

This presentation is consolidated financial result in compliance with K-IFRS with unaudited 3rd 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 3Q	2013 2Q	2012 3Q	QoQ	YoY
Net Sales	438.5	451.1	451.6	-2.8%	-2.9%
Gross Profit	124.7	125.1	120.4	-0.3%	3.6%
<i>Margin(%)</i>	<i>28.4%</i>	<i>27.7%</i>	<i>26.7%</i>	<i>0.7%P</i>	<i>1.8%P</i>
Operating Profit	46.3	45.8	52.7	1.0%	-12.1%
<i>Margin(%)</i>	<i>10.6%</i>	<i>10.2%</i>	<i>11.7%</i>	<i>0.4%P</i>	<i>-1.1%P</i>
Ordinary Profit	52.6	36.3	52.0	45.0%	1.1%
<i>Margin(%)</i>	<i>12.0%</i>	<i>8.0%</i>	<i>11.5%</i>	<i>4.0%P</i>	<i>0.5%P</i>
Depreciation	25.6	25.5	21.5	0.1%	18.9%
EBITDA	71.9	71.4	74.2	0.7%	-3.1%
<i>Margin(%)</i>	<i>16.4%</i>	<i>15.8%</i>	<i>16.4%</i>	<i>0.6%P</i>	<i>0.0%P</i>

Balance Sheet

(in KRW billion)

	2013 3Q (A)	2012 (B)	(A)-(B)
Assets	2,266.3	2,052.1	214.2
Current Assets	788.7	686.0	102.8
Quick Assets	528.2	420.7	107.5
Inventories	260.5	265.2	-4.7
<i>(Cash and Cash Equivalents)</i>	<i>178.0</i>	<i>133.6</i>	<i>44.4</i>
Non-current Assets	1,477.6	1,366.1	111.5
Liabilities	1,500.0	1,371.5	128.5
Current Liabilities	794.4	641.8	152.7
Non-current Liabilities	705.6	729.8	-24.2
<i>(Debt)</i>	<i>936.3</i>	<i>833.2</i>	<i>103.1</i>
Shareholders' Equity	766.3	680.6	85.7

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 3Q	758.3	99.0%	195.8%	99.3%	33.8%
2012	699.6	102.8%	201.5%	106.9%	33.2%

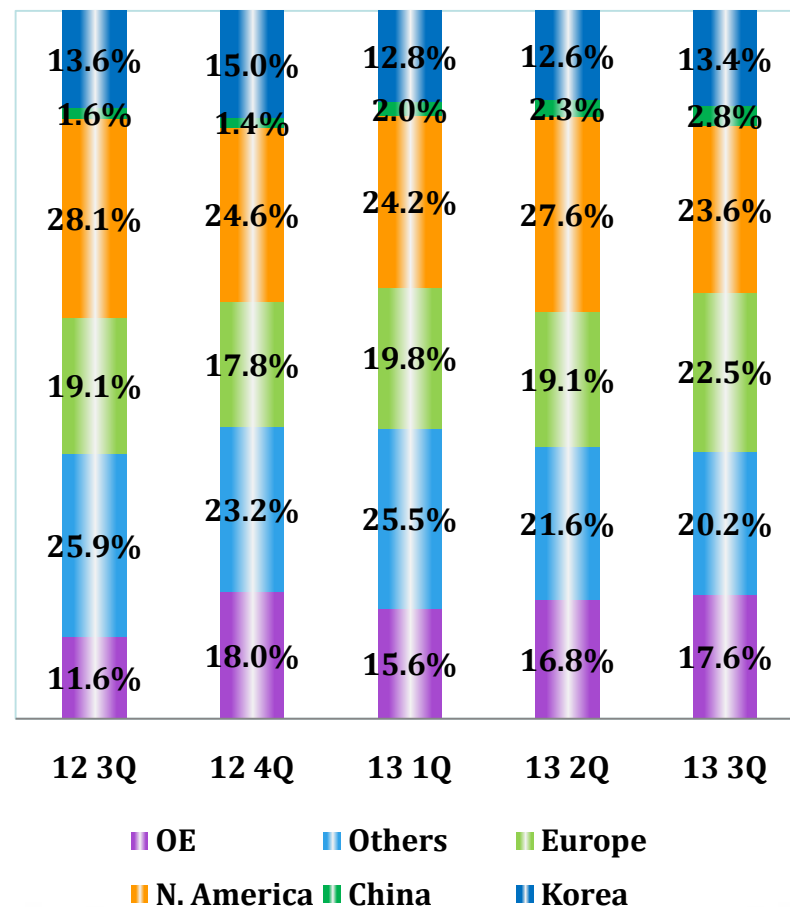
Sales Breakdown

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Sales	444.2	453.0	459.1	-2.0%	-3.3%
1. RE	366.2	376.8	406.0	-2.8%	-9.8%
-Korea	59.5	56.9	62.6	4.4%	-5.0%
-China	12.4	10.4	7.5	19.6%	66.4%
-N. America	104.6	125.2	129.1	-16.4%	-19.0%
-Europe	99.9	86.4	87.8	15.5%	13.8%
-Others	89.8	97.9	119.0	-8.3%	-24.5%
2. OE	78.0	76.2	53.2	2.4%	46.7%

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

<Sales breakdown>

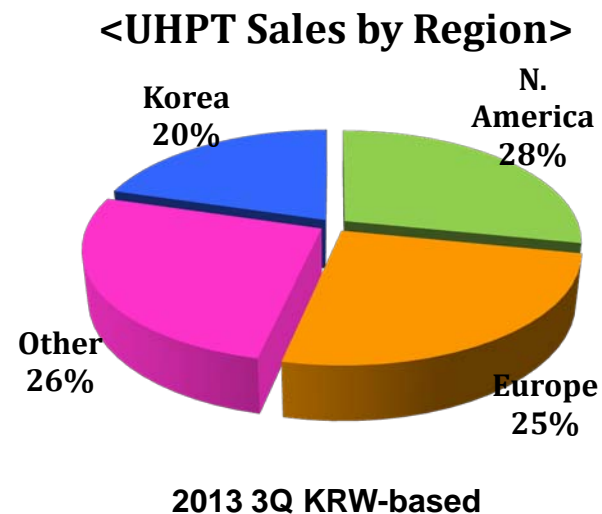
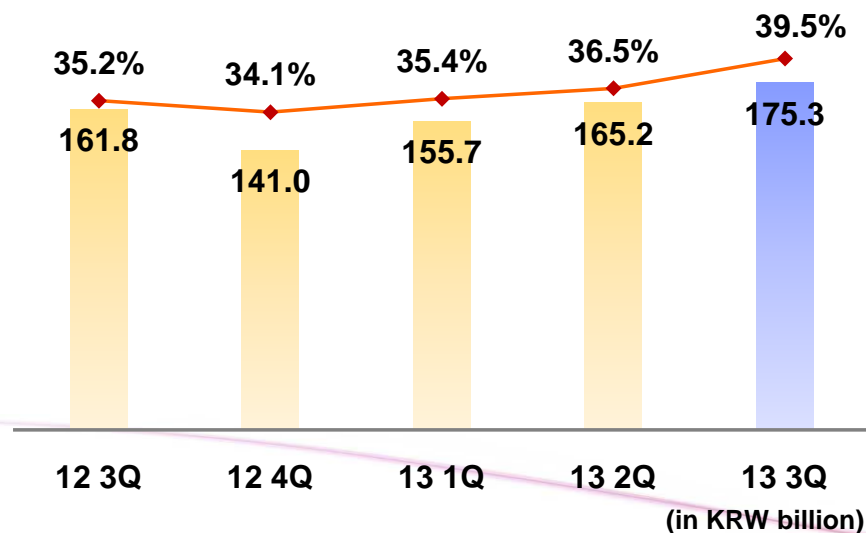


UHPT Sales

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
UHPT Sales	175.3	165.2	161.8	6.1%	8.3%
% / Net Sales	39.5%	36.5%	35.2%	3.0%P	4.3%P
% / Total Volume	34.3%	31.7%	30.1%	2.6%P	4.2%P

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



Operating Expenses

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Freight & Logistic Expense	22.5	23.4	21.5	-3.6%	4.8%
SG&A expenses	55.9	55.9	46.2	0.0%	21.0%
- Salaries	16.0	15.8	13.1	0.8%	22.2%
- R&D	14.4	13.8	10.0	4.2%	43.9%
- Advertising	4.5	6.3	3.7	-29.4%	20.5%
- Others	21.1	19.9	19.4	5.8%	8.5%
Other income & expenses	7.7	0.1	0.7	6,834.0%	935.8%

Financial Income & Expenses

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Financial income & expenses	-1.5	-9.7	-1.4	85.0%	-3.6%
- Interest	-7.6	-8.2	-7.2	7.3%	-5.9%
- Foreign Currency Transaction	3.0	3.9	3.5	-24.8%	-15.3%
- Foreign Currency Translation	3.2	-5.4	2.5	159.6%	27.0%
- Others	-0.02	-0.01	-0.3	-94.4%	90.0%



II. Consolidated Result

II. Result by Plant



Income Statement

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Net Sales	334.8	363.4	345.2	-7.9%	-3.0%
Gross Profit	90.9	104.7	91.2	-13.2%	-0.4%
<i>Margin(%)</i>	<i>27.1%</i>	<i>28.8%</i>	<i>26.4%</i>	<i>-1.7%P</i>	<i>0.7%P</i>
Operating Profit	29.6	41.2	38.0	-28.2%	-22.2%
<i>Margin(%)</i>	<i>8.8%</i>	<i>11.3%</i>	<i>11.0%</i>	<i>-2.5%P</i>	<i>-2.2%P</i>
Ordinary Profit	37.9	34.9	42.1	8.5%	-10.2%
<i>Margin(%)</i>	<i>11.3%</i>	<i>9.6%</i>	<i>12.2%</i>	<i>1.7%P</i>	<i>-0.9%P</i>
Depreciation	17.8	17.8	15.3	0.1%	16.7%
EBITDA	47.4	59.0	53.3	-19.6%	-11.1%
<i>Margin(%)</i>	<i>14.2%</i>	<i>16.2%</i>	<i>15.5%</i>	<i>-2.1%P</i>	<i>-1.3%P</i>

Balance Sheet

(in KRW billion)

	2013 3Q (A)	2012 (B)	(A)-(B)
Assets	1,882.6	1,691.2	191.4
Current Assets	647.4	552.3	95.1
Quick Assets	470.4	372.7	97.7
Inventories	177.0	179.6	-2.6
<i>(Cash and Cash Equivalents)</i>	<i>162.4</i>	<i>113.4</i>	<i>49.0</i>
Non-current Assets	1,235.3	1,138.9	96.3
Liabilities	1,138.8	1,016.3	122.5
Current Liabilities	575.9	434.9	141.1
Non-current Liabilities	562.9	581.5	-18.6
<i>(Debt)</i>	<i>655.1</i>	<i>562.9</i>	<i>92.3</i>
Shareholders' Equity	743.8	674.9	68.9

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 3Q	492.8	66.2%	153.1%	112.4%	39.5%
2012	449.5	66.6%	150.6%	127.0%	39.9%

Operating Expenses

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Freight & Logistic Expense	17.5	18.9	16.7	-7.5%	4.5%
SG&A expenses	43.8	44.6	36.4	-1.9%	20.2%
- Salaries	12.4	12.4	10.0	0.6%	23.9%
- R&D	13.5	12.8	9.7	5.0%	38.2%
- Advertising	3.3	5.1	3.4	-34.3%	-1.0%
- Others	14.5	14.4	13.3	1.2%	9.4%
Other income & expenses	10.6	4.0	4.4	167.4%	142.1%

Financial Income & Expenses

(in KRW billion)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Financial income & expenses	-2.4	-10.3	0.3	76.9%	-877.3%
- Interest	-5.1	-5.1	-4.4	0.7%	-15.8%
- Foreign Currency Transaction	1.2	1.5	3.9	-25.4%	-70.0%
- Foreign Currency Translation	2.0	-6.6	0.7	131.2%	182.8%
- Others	-0.5	-0.1	0.1	-262.0%	-520.7%

Income Statement

(in RMB million)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Net Sales	512	481	483	6.5%	6.0%
Gross Profit	132	108	103	23.1%	28.9%
<i>Margin(%)</i>	<i>25.9%</i>	<i>22.4%</i>	<i>21.3%</i>	<i>3.5%P</i>	<i>4.6%P</i>
Operating Profit	65	45	27	44.3%	142.2%
<i>Margin(%)</i>	<i>12.7%</i>	<i>9.4%</i>	<i>5.6%</i>	<i>3.3%P</i>	<i>7.1%P</i>
Ordinary Profit	64	45	27	42.9%	139.9%
<i>Margin(%)</i>	<i>12.6%</i>	<i>9.4%</i>	<i>5.6%</i>	<i>3.2%P</i>	<i>7.0%P</i>
Depreciation	28	26	21	4.7%	29.4%
EBITDA	93	71	48	29.7%	92.3%
<i>Margin(%)</i>	<i>18.1%</i>	<i>14.9%</i>	<i>10.0%</i>	<i>3.2%P</i>	<i>8.1%P</i>

➤ China-GAAP

Income Statement

(in RMB million)

	2013 3Q	2013 2Q	2012 3Q	QoQ	YoY
Net Sales	512	481	483	6.5%	6.0%
Gross Profit	132	108	103	23.1%	28.9%
<i>Margin(%)</i>	<i>25.9%</i>	<i>22.4%</i>	<i>21.3%</i>	<i>3.5%P</i>	<i>4.6%P</i>
Operating Profit	61	40	34	53.3%	82.0%
<i>Margin(%)</i>	<i>12.0%</i>	<i>8.3%</i>	<i>7.0%</i>	<i>3.7%P</i>	<i>5.0%P</i>
Ordinary Profit	64	45	27	42.9%	139.9%
<i>Margin(%)</i>	<i>12.6%</i>	<i>9.4%</i>	<i>5.6%</i>	<i>3.2%P</i>	<i>7.0%P</i>
Depreciation	28	26	21	4.7%	29.4%
EBITDA	89	66	55	34.0%	61.6%
<i>Margin(%)</i>	<i>17.3%</i>	<i>13.8%</i>	<i>11.4%</i>	<i>3.6%P</i>	<i>6.0%P</i>

➤ K-IFRS standard format

Balance Sheet

(in RMB million)

	2013 3Q (A)	2012 (B)	(A)-(B)
Assets	2,834	2,744	90.5
Current Assets	835	847	-12.4
Quick Assets	693	639	53.4
Inventories	142	208	-65.8
<i>(Cash and Cash Equivalents)</i>	<i>101</i>	<i>118</i>	<i>-16.4</i>
Non-current Assets	1,999	1,897	103.0
Liabilities	1,912	1,927	-14.4
Current Liabilities	1,190	1,167	22.8
Non-current Liabilities	723	760	-37.2
<i>(Debt)</i>	<i>1,552</i>	<i>1,573</i>	<i>-20.8</i>
Shareholders' Equity	922	817	104.9

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2013 3Q	1,451	157.3%	207.4%	70.2%	32.5%
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	2,052.1
Current Assets	179.2	338.7	380.3	491.3	731.4	686.0
Quick Assets	105.7	212.2	244.9	306.5	455.4	420.7
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	1,366.1
Investment Assets	53.8	54.6	39.0	82.4	81.0	68.6
Property & Equipment	476.9	600.6	595.8	678.8	1,083.7	1,278.9
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	1,371.5
Current Liabilities	276.9	370.2	323.8	472.8	754.3	641.8
Non-current Liabilities	156.9	350.5	309.4	302.7	582.9	729.8
Capital	278.7	278.0	386.9	483.3	565.0	680.6

➤ K-IFRS applied from 2010



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Thank you !