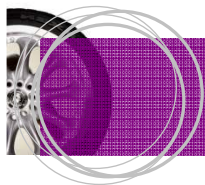




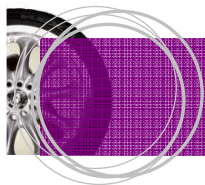
# *Nexen Tire* *2009 2Q RESULT*

*Driving Tomorrow NEXEN*

2009.07.21  
Business Management



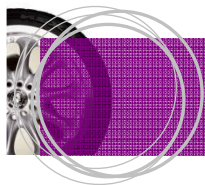
This presentation has been prepared with unaudited 2<sup>nd</sup> quarter Of 2009 for investors' convenience. Therefore, some parts may change upon the review of independent auditors.



## **I. Financial Result**

## **II. China**





# I. Financial Result

## II. China



# 2009 2Q Financial Result

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## Balance Sheet

(KRW Billion)

	2009 2Q	2009 1Q	증감
<b>Assets</b>	<b>799.6</b>	<b>816.7</b>	<b>△17.1</b>
<b>Current Assets</b>	<b>280.6</b>	<b>281.5</b>	<b>△0.9</b>
<b>Quick Assets</b>	<b>204.5</b>	<b>205.1</b>	<b>△0.6</b>
<b>Inventories</b>	<b>76.0</b>	<b>76.4</b>	<b>△0.4</b>
<i>(Cash and Cash Equivalents)</i>	<i>98.2</i>	<i>76.7</i>	<i>21.5</i>
<b>Non-current Assets</b>	<b>519.1</b>	<b>535.1</b>	<b>△16.1</b>
<b>Liabilities</b>	<b>456.5</b>	<b>506.4</b>	<b>△49.8</b>
<b>Current Liabilities</b>	<b>257.5</b>	<b>305.7</b>	<b>△48.2</b>
<b>Non-current Liabilities</b>	<b>199.0</b>	<b>200.7</b>	<b>△1.7</b>
<i>(Debt)</i>	<i>263.6</i>	<i>320.5</i>	<i>△56.9</i>
<b>Shareholders' Equity</b>	<b>343.1</b>	<b>310.3</b>	<b>32.8</b>

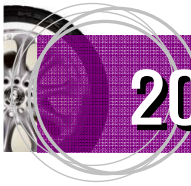
# 2009 2Q Financial Result

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## Income Statement

(KRW Billion)

	2009 2Q	2009 1Q	2008 2Q	YoY	QoQ
Net Sales	251.0	230.2	183.2	37.0%	9.0%
Gross Profit	85.1	66.0	46.8	81.7%	29.0%
<i>Margin(%)</i>	<i>33.9</i>	<i>28.7</i>	<i>25.6</i>	<i>8.3%P</i>	<i>5.2%P</i>
Operating Profit	50.0	34.2	10.1	393.2%	46.2%
<i>Margin(%)</i>	<i>19.9</i>	<i>14.8</i>	<i>5.5</i>	<i>14.4%P</i>	<i>5.1%P</i>
Non-Op. Income (Loss)	△3.8	△11.4	△5.4	29.6%	66.6%
Ordinary Profit	46.2	22.8	4.7	876.1%	102.5%
Depreciation	12.8	12.6	11.4	12.9%	1.8%
EBITDA	62.8	46.8	22.6	177.9%	34.2%
<i>Margin(%)</i>	<i>25.0</i>	<i>20.3</i>	<i>12.3</i>	<i>12.7%P</i>	<i>4.7%P</i>



# 2009 2Q Financial Result

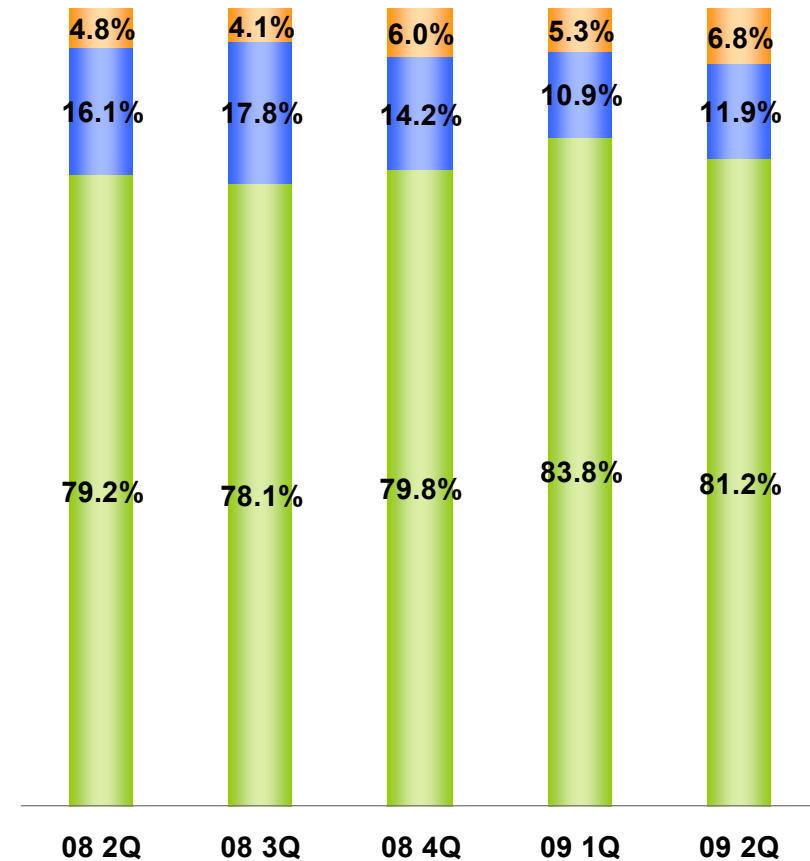
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## Sales by Segment

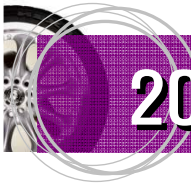
(KRW Billion)

	2009 2Q	2009 1Q	2008 2Q	YoY %	QoQ %
Net Sales	251.0	230.2	183.2	37.0	9.0
Export	203.9	193.0	145.0	40.6	5.7
Domestic	47.1	37.3	38.1	23.4	26.4
- RE	30.0	25.1	29.4	1.8	19.5
- OE	17.1	12.2	8.7	96.5	40.5
FX Rate	1,294	1,412	1,020		

<Sales by Segment>



■ EX(RE) ■ Domestic(RE) ■ Domestic(OE)



# 2009 2Q Financial Result

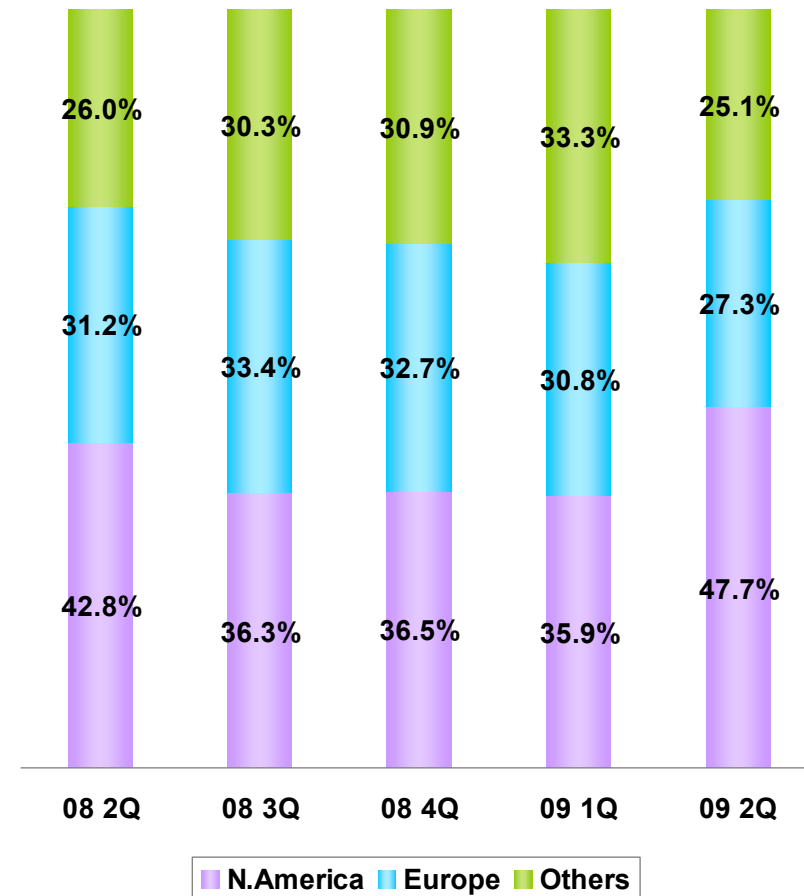
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## Export by Region

(KRW Billion)

	2009 2Q	2009 1Q	2008 2Q	YoY (%)	QoQ (%)
Net Sales	251.0	230.2	183.2	37.0	9.0
Export	203.9	193.0	145.0	40.6	5.7
N. America	97.2	69.3	62.1	56.5	40.4
Europe	55.6	59.4	45.2	22.9	△6.4
Others	51.1	64.3	37.7	35.6	△20.6

<Export by Region>





# 2009 2Q Financial Result

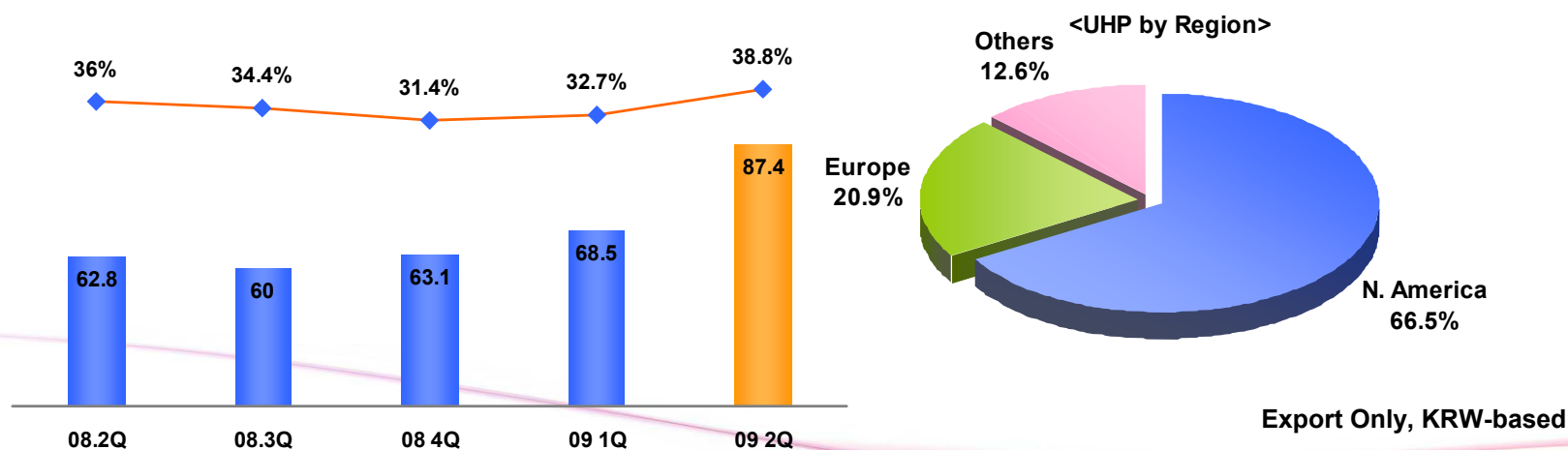
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## UHPT Sales

(KRW Billion, 000units)

	2009 2Q	2009 1Q	2008 2Q	YoY (%)	QoQ (%)
UHPT Sales	87.4	68.5	62.8	39.1%	27.4%
UHPT Volume	1,319	1,000	1,138	15.9%	31.9%
% / Net Sales	38.8%	32.7%	36.0%	2.8%P	6.0%P
% / Total Volume	30.0%	24.7%	27.9%	2.0%P	5.2%P

### ◆ Parents Product Only



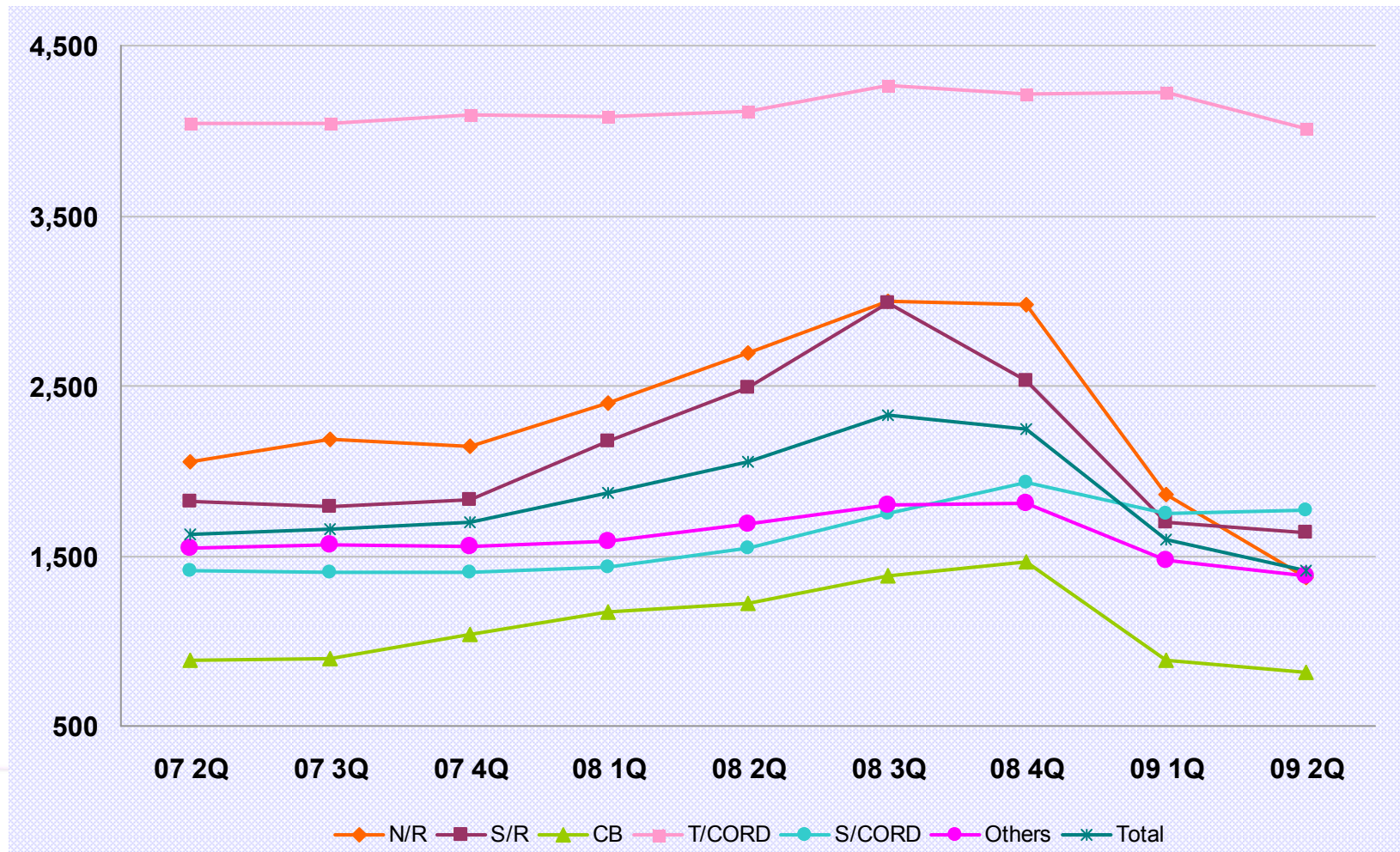


# 2009 2Q Financial Result

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## Raw Material Prices

(\$/TON)



# 2009 2Q Financial Result

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## Raw Material Prices

	(\$/TON)				
	2009 2Q	2009 1Q	2008 2Q	YoY	QoQ
Natural Rubber	1,373	1,860	2,692	△49.0%	△26.2%
Synthetic Rubber	1,632	1,703	2,490	△34.4%	△4.1%
Carbon Black	810	833	1,219	△33.5%	△8.2%
T/CORD	4,008	4,229	4,116	△2.6%	△5.2%
S/CORD	1,769	1,745	1,547	14.3%	1.3%
Etc.	1,383	1,474	1,687	△18.0%	△6.2%
<b>Total</b>	<b>1,417</b>	<b>1,594</b>	<b>2,052</b>	<b>△30.9%</b>	<b>△11.1%</b>

# 2009 2Q Financial Result

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## SG&A Expenses

(KRW Billion)

	2009 2Q	2009 1Q	2008 2Q	YoY	QoQ
SG&A Expenses	35.1	31.8	36.7	△4.3%	10.4%
- Export Transportation	11.1	10.0	10.3	7.3%	12.9%
- R&D	4.0	3.9	3.7	10.2%	3.3%
- Salaries	6.2	6.1	6.6	△5.6%	1.5%
- Advertising	2.4	0.6	4.7	△49.2%	288.3%
- Others	13.1	9.8	11.1	19.0%	0.8%

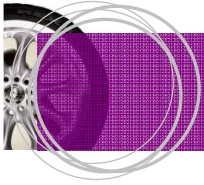
# 2009 2Q Financial Result

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## Non-Operating Income (Loss)

(KRW Billion)

	2009 2Q	2009 1Q	2008 2Q	YoY	QoQ
Non-Operating Income (Loss)	△3.8	△11.4	△5.4	29.6%	66.6%
- Foreign Currency Transaction Gain (Loss)	3.3	△3.1	△3.6	193.0%	206.7%
- Foreign Currency Translation Gain (Loss)	7.3	△10.0	△5.1	243.6%	172.6%
- Interest Expenses	△3.6	△4.3	△3.0	△19.3%	17.1%
- Equity Method Losses	1.1	△3.5	△4.3	125.4%	131.0%
- Currency Swap Gain (Loss)	△7.2	11.0	7.7	△193.0%	△165.7%
- Others	△4.7	△1.3	2.8	△266.8%	△254.3%



## I. Financial Result

## II. China



# China Investment

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## Investment Plan



✓ 3<sup>rd</sup> STEP Investment will be implemented as a result of the previous step.

	2008	2009(E)
Net Sales	36.3 billion won	94.6 billion won
% of Sales	Export 90% Domestic 10%	Export 74% Domestic 26%
Operating Profit	-18.4 billion won	0.1 billion won



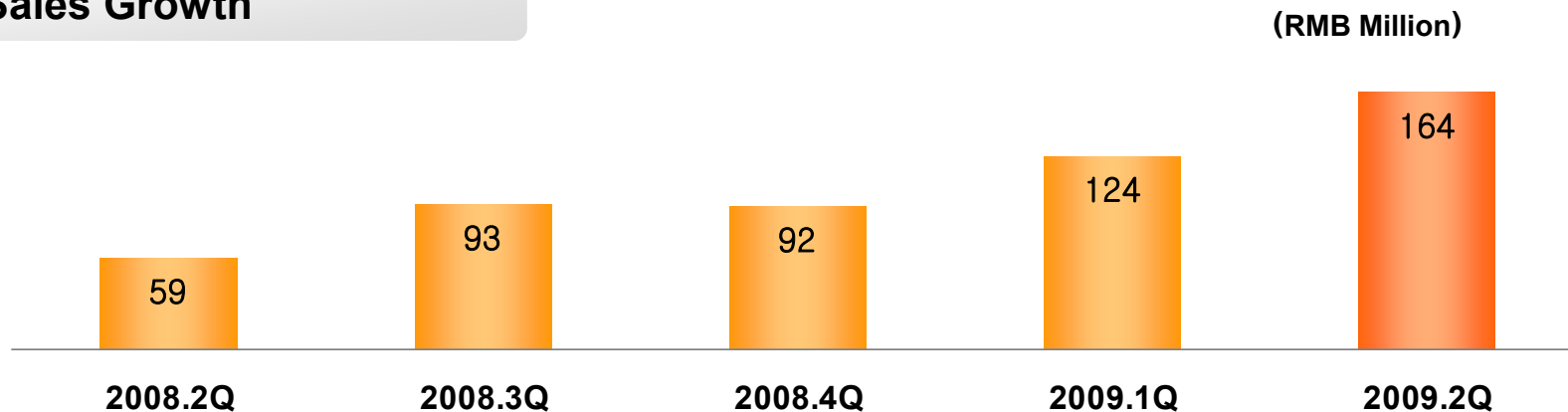
## Income Statement

(RMB Million)

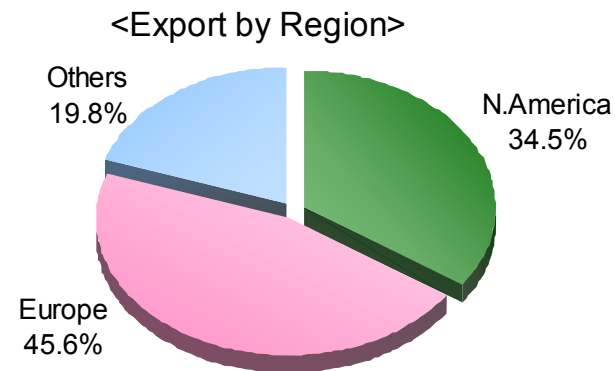
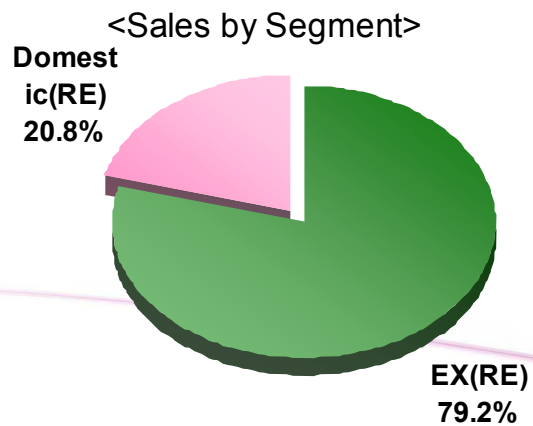
	2009 2Q	2009 1Q	2008 2Q	YoY (%)	QoQ (%)
Net Sales	162	124	59	175.8%	30.9%
Gross Profit	36	11	△20	281.8%	217.1%
<i>Margin(%)</i>	<i>22.4</i>	<i>9.2</i>	<i>△34</i>	<i>56.3%P</i>	<i>13.1%P</i>
Operating Profit	4	△15	△36	112.4%	129.2%
<i>Margin(%)</i>	<i>2.8</i>	<i>△12.3</i>	<i>△61.4</i>	<i>64.1%P</i>	<i>15.1%P</i>
Ordinary Profit	5	△15	△44	110.3%	129.6%
Depreciation	20	21	16	25.8%	△6.2%
EBITDA	24	5	△20	219.2%	316.6%
<i>Margin(%)</i>	<i>15.0</i>	<i>4.7</i>	<i>△34.6</i>	<i>49.6%P</i>	<i>10.3%P</i>

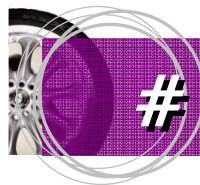


## Sales Growth



## Sales by Segment – 2009 2Q



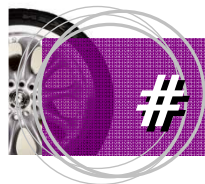


# # Income Statement [Korea]

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(KRW Billion)

	2003	(%)	2004	(%)	2005	(%)	2006	(%)	2007	(%)	2008	(%)
Net Sales	287.6	100.0	304.9	100.0	400.6	100.0	476.8	100.0	567.9	100.0	754.6	100.0
Cost of Goods Sold	207.1	72.0	220.0	72.1	290.9	72.6	362.2	76.0	398.8	70.2	568.1	75.3
Gross Profit	80.5	28.0	84.9	27.8	109.7	27.4	114.4	24.0	169.0	29.8	186.5	24.7
SG&A	48.5	16.9	60.2	19.7	80.0	20.0	89.9	19.9	106.9	18.8	132.8	17.6
Operation Profit	32.0	11.1	24.6	8.1	29.7	7.4	24.5	5.1	62.1	10.9	53.7	7.1
Non-Operating Income	4.6	1.6	6.9	2.3	9.8	2.4	9.6	2.0	12.5	2.2	75.9	10.1
Non-Operating Expenses	7.5	2.6	6.8	2.3	11.4	2.8	15.8	3.3	26.1	4.6	142.3	18.9
Ordinary Profit	29.1	10.1	24.6	8.1	28.2	7.0	18.2	3.8	48.5	8.5	-12.7	-1.7
Income Taxes	8.0	2.8	-7.0	-2.2	6.3	1.6	5.0	1.1	12.3	2.2	3.3	0.4
Net Income	21.1	7.3	31.6	10.3	21.9	5.5	13.2	2.8	36.1	6.4	-16.0	-2.1

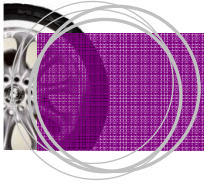


# # Balance Sheet [Korea]

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(KRW Billion)

	2003	2004	2005	2006	2007	2008
<b>Asset</b>	<b>336.7</b>	<b>434.0</b>	<b>505.4</b>	<b>536.7</b>	<b>597.4</b>	<b>766.1</b>
<b>Current Assets</b>	<b>80.8</b>	<b>77.6</b>	<b>96.7</b>	<b>105.9</b>	<b>124.0</b>	<b>229.4</b>
<b>Quick Assets</b>	<b>49.5</b>	<b>38.2</b>	<b>53.2</b>	<b>58.8</b>	<b>71.5</b>	<b>141.0</b>
<b>Inventories</b>	<b>31.3</b>	<b>39.4</b>	<b>43.6</b>	<b>47.1</b>	<b>52.4</b>	<b>88.5</b>
<b>Non-Current Assets</b>	<b>255.9</b>	<b>356.4</b>	<b>408.6</b>	<b>430.8</b>	<b>473.5</b>	<b>536.6</b>
<b>Investment Assets</b>	<b>48.7</b>	<b>58.9</b>	<b>56.9</b>	<b>44.9</b>	<b>61.1</b>	<b>87.7</b>
<b>Property &amp; Equipment</b>	<b>206.7</b>	<b>296.9</b>	<b>351.2</b>	<b>360.9</b>	<b>389.3</b>	<b>423.5</b>
<b>Intangible Assets</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>1.0</b>	<b>1.0</b>
<b>Liabilities</b>	<b>130.1</b>	<b>200.3</b>	<b>254.4</b>	<b>275.9</b>	<b>306.1</b>	<b>478.2</b>
<b>Current Liabilities</b>	<b>76.9</b>	<b>143.6</b>	<b>113.8</b>	<b>100.0</b>	<b>201.0</b>	<b>283.1</b>
<b>Non-current Liabilities</b>	<b>53.2</b>	<b>56.8</b>	<b>140.6</b>	<b>175.8</b>	<b>105.1</b>	<b>195.1</b>
<b>Capital</b>	<b>206.6</b>	<b>233.7</b>	<b>251.0</b>	<b>260.9</b>	<b>291.4</b>	<b>287.8</b>



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**Thank you !**