



Nexen Tire 2011 3Q Result

Driving Tomorrow NEXEN

2011.10.28
Business Management

This presentation is consolidated financial result in compliance with K-IFRS with unaudited 3rd 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 3Q	2011 2Q	2010 3Q	YoY	QoQ
Net Sales	366.4	333.8	298.8	22.6%	9.8%
Gross Profit	84.8	79.5	92.7	- 8.5%	6.7%
<i>Margin(%)</i>	23.2%	23.8%	31.0%	- 7.9%P	- 0.7%P
Operating profit	33.4	27.2	36.6	- 8.5%	23.0%
<i>Margin(%)</i>	9.1%	8.2%	12.3%	- 3.1%P	1.0%P
Financial income and expenses	-12.4	0.7	4.4	- 382.6%	- 1,950.7%
Income before taxes	21.0	28.1	41.0	- 48.5%	- 24.9%

➤ K-IFRS adoption

Balance Sheet

(in KRW billion)

	2011 3Q(A)	2010(B)	(A)-(B)
Assets	1,415.6	1,067.8	347.8
Current Assets	576.0	443.2	132.7
Quick Assets	399.3	320.1	79.2
Inventories	176.6	123.1	53.5
<i>(Cash and Cash Equivalents)</i>	<i>110.9</i>	<i>151.0</i>	<i>△40.1</i>
Non-current Assets	839.6	624.5	215.1
Liabilities	878.4	583.8	294.6
Current Liabilities	540.9	367.1	173.8
Non-current Liabilities	337.5	216.6	120.9
<i>(Debt)</i>	<i>399.0</i>	<i>246.7</i>	<i>152.3</i>
Shareholders' Equity	537.2	484.0	53.2

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2011 3Q	288.1	53.6%	163.5%	106.5%	37.9%
2010	95.6	19.8%	120.6%	120.7%	45.3%

Income Statement

(in KRW billion)

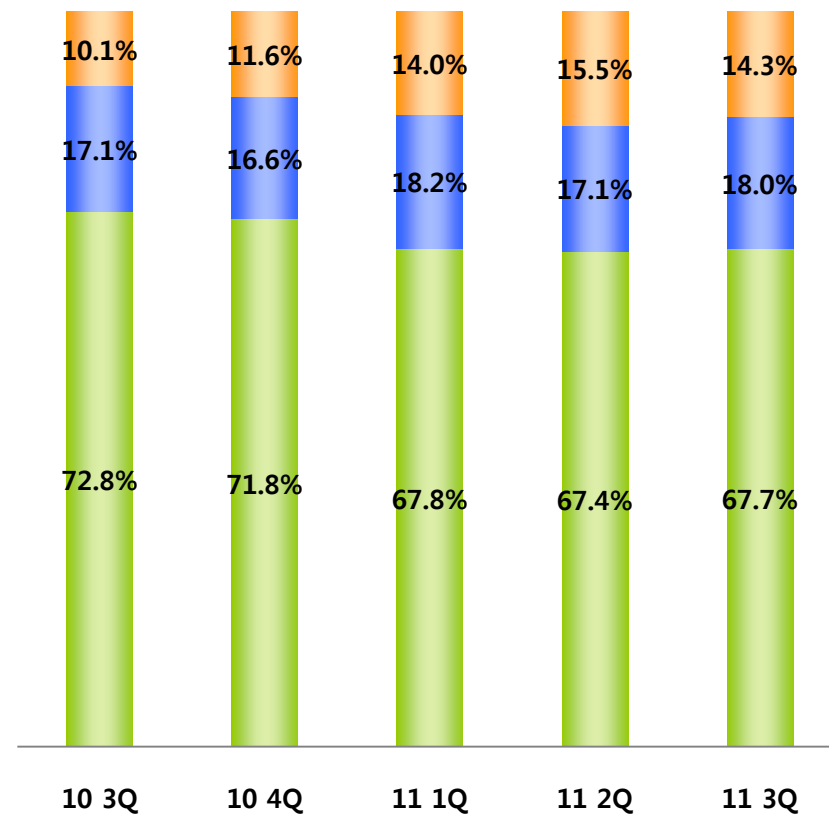
	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Net Sales	289.3	285.3	278.9	3.7%	1.4%
Gross Profit	65.8	64.8	79.7	-17.5%	1.6%
<i>Margin(%)</i>	<i>22.8%</i>	<i>22.7%</i>	<i>28.6%</i>	<i>-5.8%P</i>	<i>0.1%P</i>
Operating Profit	30.7	25.5	33.8	-9.2%	20.3%
<i>Margin(%)</i>	<i>10.6%</i>	<i>8.9%</i>	<i>12.1%</i>	<i>-1.5%P</i>	<i>1.7%P</i>
Financial Income & Expenses	-12.6	0.7	3.7	-439.7%	-1,815.7%
Ordinary Profit	18.0	26.3	37.5	-51.9%	-31.3%
Depreciation	8.3	7.8	7.7	7.7%	6.2%
EBITDA	39.0	33.3	41.5	-6.1%	17.0%
<i>Margin(%)</i>	<i>13.5%</i>	<i>11.7%</i>	<i>14.9%</i>	<i>-1.4%P</i>	<i>1.8%P</i>

Sales by Segment

(in KRW billion)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Net Sales	289.3	285.3	278.9	3.7%	1.4%
Export	195.9	192.4	203.0	- 3.5%	1.8%
Domestic	93.4	93.0	75.9	23.1%	0.5%
- RE	52.1	48.8	47.6	9.4%	6.9%
- OE	41.3	44.2	28.2	46.2%	- 6.6%

<Sales by Segment>



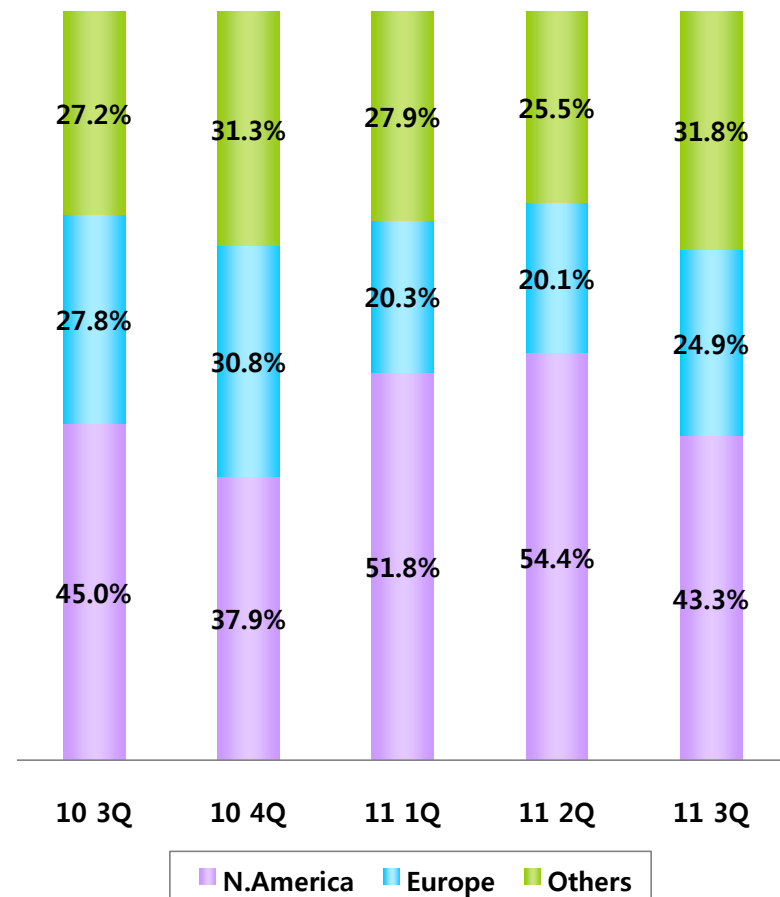
■ Export(EX) ■ Domestic(RE) ■ Domestic(OE)

Export by Region

(in KRW billion)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Net Sales	289.3	285.3	278.9	3.7%	1.4%
Export	195.9	192.4	203.0	- 3.5%	1.8%
N. America	84.8	104.7	91.4	- 7.2%	- 19.0%
Europe	48.9	38.7	56.4	- 13.4%	26.3%
Others	62.2	49.0	55.2	12.8%	27.0%
KRW/USD	1,087	1,083	1,182	- 8.1%	0.4%
KRW/EUR	1,540	1,557	1,528	0.8%	- 1.1%

<Export by Region>



Financial Result (Parent)

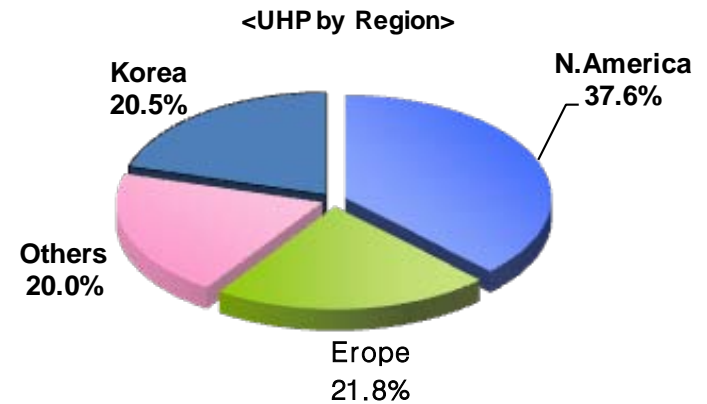
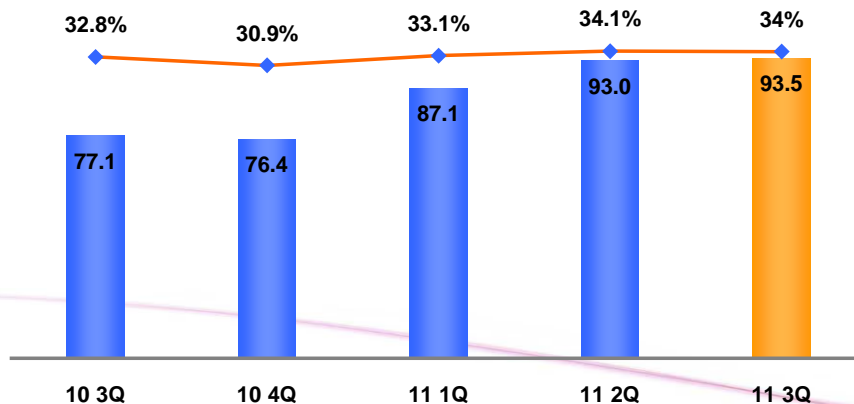
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UHPT Sales

(in KRW billion, thousand units)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
UHPT Sales	93.5	93.0	77.1	21.3%	0.5%
UHPT Volume	1,297	1,346	1,173	10.5%	- 3.7%
% / Net Sales	34.0%	34.1%	32.8%	1.2%P	- 0.1%P
% / Total Volume	29.6%	29.9%	28.4%	1.2%P	- 0.3%P

Parent only



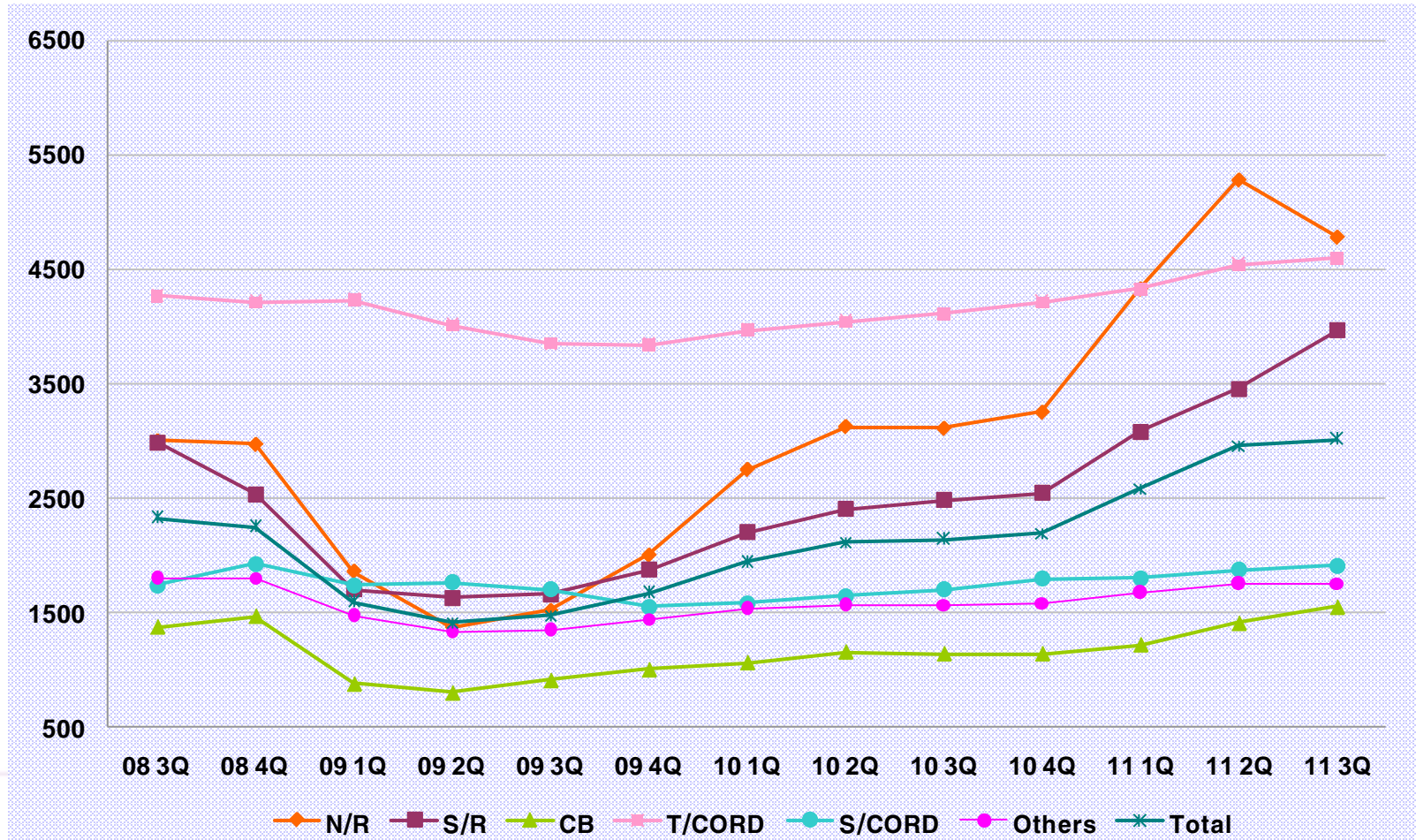
2011 2Q KRW-based

Raw Material Prices

	(\$/TON)				
	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Natural Rubber	4,785	5,281	3,117	53.5%	-9.4%
Synthetic Rubber	3,963	3,459	2,479	59.9%	14.6%
Carbon Black	1,551	1,415	1,145	35.5%	9.6%
T/CORD	4,594	4,537	4,111	11.7%	1.3%
S/CORD	1,912	1,873	1,706	12.1%	2.1%
Chemicals	1,759	1,755	1,574	11.7%	0.2%
Total	3,013	2,959	2,141	40.7%	1.8%

Raw Material Prices

(\$/TON)



Operating Expenses

(in KRW billion)

구분	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Freight & Logistic Expense	16.4	17.7	19.8	- 17.0%	- 7.3%
SG&A expenses	39.4	35.3	34.9	12.9%	11.6%
- Salaries	12.2	11.4	12.2	- .5%	7.1%
- R&D	6.8	6.6	4.9	36.6%	2.4%
- Advertising	3.2	2.7	3.1	2.8%	20.7%
- Others	17.3	14.7	14.6	18.2%	17.7%
Other income & expenses	4.5	0.8	-1.4	433.1%	490.2%

Financial Income & Expenses

(in KRW billion)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Financial income & expenses	- 12.4	0.7	4.4	- 382.6%	- 1,950.7%
- Interest	- 1.7	- 1.8	- 1.5	- 17.4%	4.1%
- Foreign Currency Transaction	3.3	1.3	1.0	226.8%	153.3%
- Foreign Currency Translation	- 14.0	0.2	7.4	- 288.0%	- 7,504.3%
- Others	-	1.0	- 2.6	100.2%	- 99.5%

Operating Expenses

(in KRW billion)

구 분	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Freight & Logistic Expense	12.4	13.8	18.7	-33.3%	-10.1%
SG&A expenses	31.3	29.2	28.0	11.7%	7.2%
- Salaries	10.0	9.3	10.3	-3.5%	7.5%
- R&D	6.6	6.5	4.9	35.6%	2.0%
- Advertising	2.8	2.5	2.4	13.1%	11.0%
- Others	12.0	11.0	10.4	15.3%	9.0%
Other income & expenses	8.6	3.8	0.7	1,078.5%	127.2%

Financial Income & Expenses

(in KRW billion)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Financial income & expenses	-12.6	0.7	3.7	-439.7%	-1,815.7%
- Interest	0.6	-	-0.2	492.5%	1,516.9%
- Foreign Currency Transaction	2.3	0.6	0.9	142.3%	272.9%
- Foreign Currency Translation	-15.6	-0.8	5.5	-382.3%	-1,803.8%
- Others	-	1.0	-2.6	100.2%	-99.5%



I. Financial Result

II. China Plant Result

Income Statement

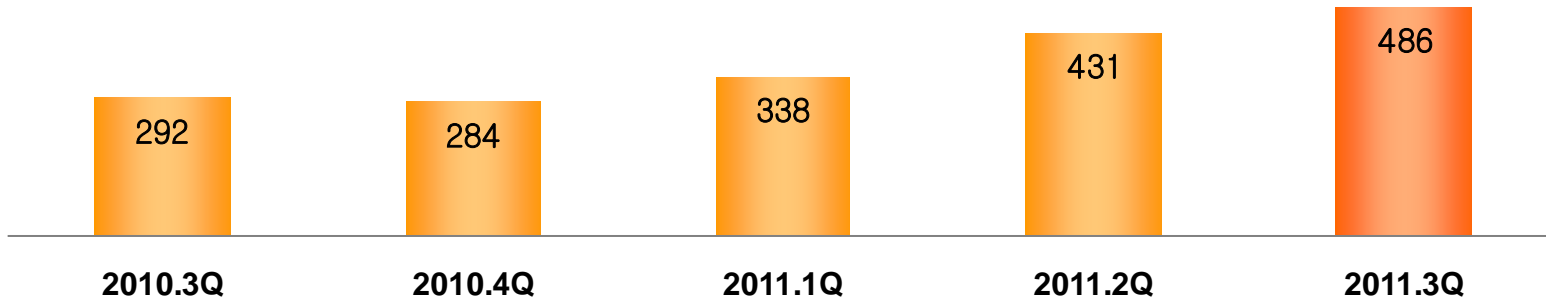
(in RMB million)

	2011 3Q	2011 2Q	2010 3Q	YoY	QoQ
Net Sales	486	431	292	66.8%	12.9%
Gross Profit	86	73	46	87.7%	17.8%
<i>Margin(%)</i>	<i>17.7</i>	<i>17.0</i>	<i>15.8</i>	<i>2.0%P</i>	<i>0.7%P</i>
Operating Profit	20	12	8	160.1%	69.5%
<i>Margin(%)</i>	<i>4.1</i>	<i>2.8</i>	<i>2.7</i>	<i>1.5%P</i>	<i>1.4%P</i>
Ordinary Profit	20	12	9	135.2%	67.6%
Depreciation	18	17	15	79.3%	10.6%
EBITDA	38	28	23	67.2%	35.6%
<i>Margin(%)</i>	<i>7.8</i>	<i>6.5</i>	<i>7.8</i>	-	<i>1.3%P</i>

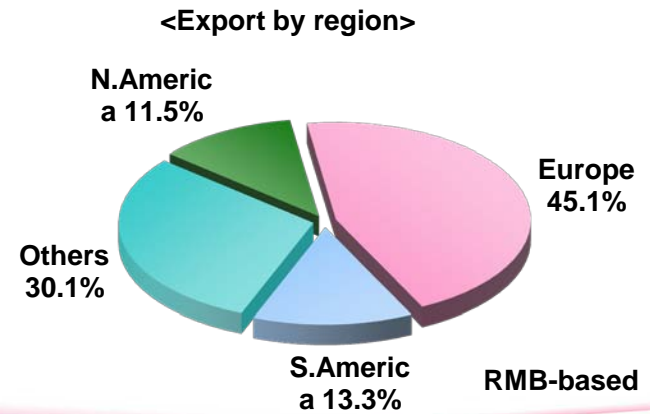
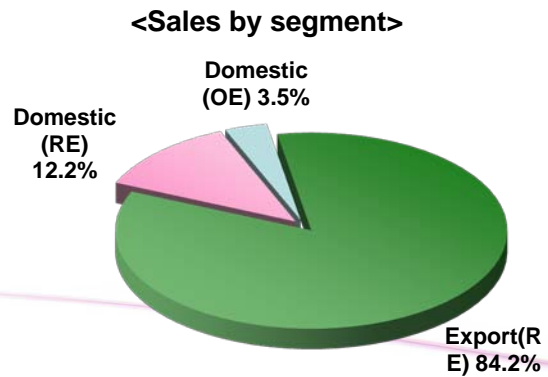
➤ China-GAAP

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
Asset	434.0	505.4	536.7	597.4	766.1	791.4	925.9
Current Assets	77.6	96.7	105.9	124.0	229.4	303.4	331.2
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
Non-Current Assets	356.4	408.6	430.8	473.5	536.6	488.0	594.6
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
Liabilities	200.3	254.4	275.9	306.1	478.2	393.4	462.8
Current Liabilities	143.6	113.8	100.0	201.0	283.1	213.8	251.8
Non-current Liabilities	56.8	140.6	175.8	105.1	195.1	179.5	211.0
Capital	233.7	251.0	260.9	291.4	287.8	398.0	463.1

Income Statement [Korea]

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(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



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Thank you !