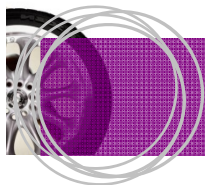




# *Nexen Tire 2012 3Q Result*

*Driving Tomorrow NEXEN*

2012.10.31  
Business Management



This presentation is consolidated financial result in compliance with K-IFRS with unaudited 2<sup>nd</sup> quarter of 2012 for investors' convenience. Therefore, some parts may change upon the review of independent auditors.

China Plant result is based on China-GAAP.



*I. Consolidated Result*

*II. Result by Plant*



# Consolidated Result

Driving Tomorrow NEXEN

## Income Statement

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Net Sales	450.3	433.3	366.4	3.9%	22.9%
Gross Profit	119.5	118.6	84.8	0.7%	40.8%
<i>Margin(%)</i>	<i>26.5%</i>	<i>27.4%</i>	<i>23.2%</i>	<i>-0.8%P</i>	<i>3.4%P</i>
Operating Profit	51.3	52.4	29.0	-2.1%	77.0%
<i>Margin(%)</i>	<i>11.4%</i>	<i>12.1%</i>	<i>7.9%</i>	<i>-0.7%P</i>	<i>3.5%P</i>
Operating Profit(*)	52.1	51.8	29.4	0.6%	77.0%
<i>Margin(%)</i>	<i>11.6%</i>	<i>12.0%</i>	<i>8.0%</i>	<i>-0.4%P</i>	<i>3.5%P</i>
Ordinary Profit	51.4	42.7	21.1	20.3%	143.3%
<i>Margin(%)</i>	<i>11.4%</i>	<i>9.8%</i>	<i>5.8%</i>	<i>1.6%P</i>	<i>5.6%P</i>
Depreciation	21.5	20.5	37.3	5.0%	-42.4%
EBITDA	72.8	72.9	70.8	-0.1%	2.8%
<i>Margin(%)</i>	<i>16.2%</i>	<i>16.8%</i>	<i>19.3%</i>	<i>-0.6%P</i>	<i>-3.2%P</i>

➤ (\*) Operating Profit before K-IFRS revision: other revenue included

# Consolidated Result

Driving Tomorrow NEXEN

## Balance Sheet

(in KRW billion)

	2012 3Q (A)	2011 (B)	(A)-(B)
<b>Assets</b>	<b>2,101.4</b>	<b>1,902.2</b>	<b>199.2</b>
<b>Current Assets</b>	<b>794.5</b>	<b>731.4</b>	<b>63.0</b>
<b>Quick Assets</b>	<b>521.5</b>	<b>455.4</b>	<b>66.0</b>
<b>Inventories</b>	<b>273.0</b>	<b>276.0</b>	<b>-3.0</b>
<i>(Cash and Cash Equivalents)</i>	<i>163.6</i>	<i>177.1</i>	<i>-13.5</i>
<b>Non-current Assets</b>	<b>1,307.0</b>	<b>1,170.8</b>	<b>136.2</b>
<b>Liabilities</b>	<b>1,436.8</b>	<b>1,337.2</b>	<b>99.6</b>
<b>Current Liabilities</b>	<b>777.0</b>	<b>754.3</b>	<b>22.7</b>
<b>Non-current Liabilities</b>	<b>659.8</b>	<b>582.9</b>	<b>76.9</b>
<i>(Debt)</i>	<i>833.3</i>	<i>735.3</i>	<i>98.0</i>
<b>Shareholders' Equity</b>	<b>664.6</b>	<b>565.0</b>	<b>99.6</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.3Q	669.7	100.8%	216.2%	102.2%	31.6%
2011	558.1	98.8%	236.7%	97.0%	29.7%

# Consolidated Result

Driving Tomorrow NEXEN

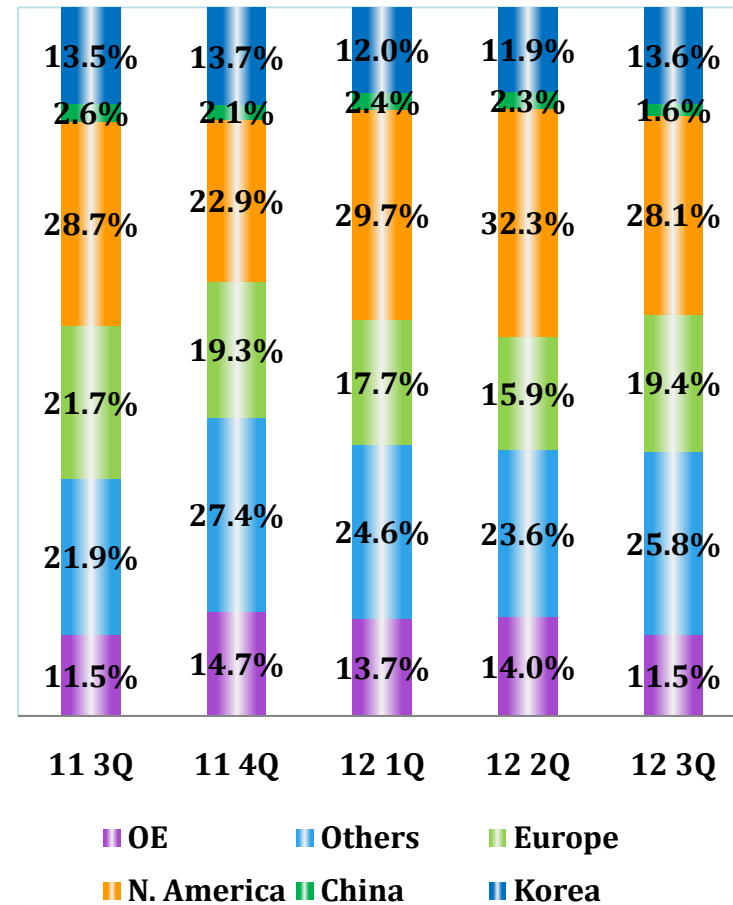
## Sales Breakdown

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Sales	460.4	435.6	385.3	5.7%	19.5%
1. RE	407.2	374.7	341.0	8.7%	19.4%
-Korea	62.6	51.8	52.1	20.8%	20.0%
-China	7.5	10.2	10.2	-26.9%	-27.3%
-N. America	129.3	140.7	109.3	-8.1%	18.3%
-Europe	89.3	69.3	84.5	28.9%	5.6%
-Others	118.6	102.7	84.9	15.4%	39.7%
2. OE	53.2	60.8	44.3	-12.6%	20.1%

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

## <Sales breakdown>

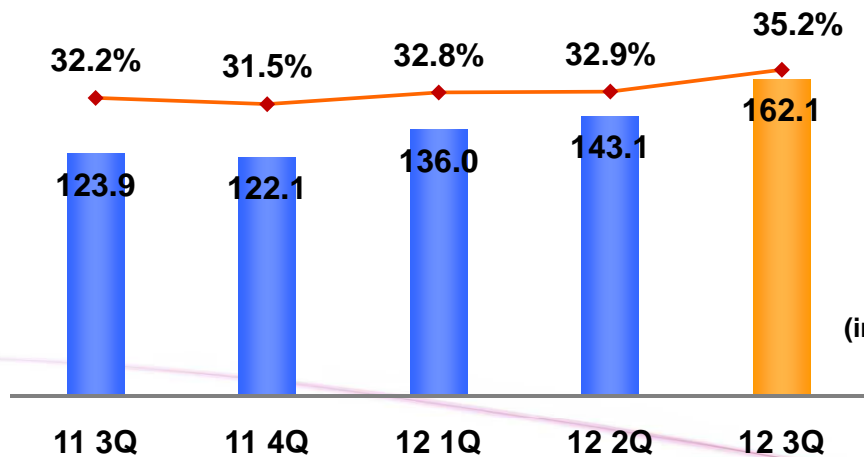


## UHPT Sales

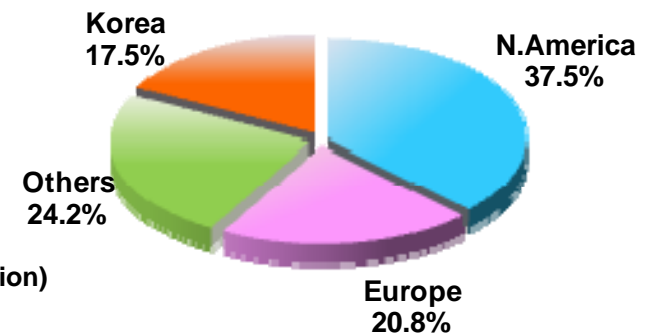
(in KRW billion, thousand units)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
UHPT Sales	162.1	143.1	123.9	13.3%	30.9%
% / Net Sales	35.2%	32.9%	32.2%	2.4%P	3.1%P
% / Total Volume	30.1%	27.4%	26.3%	2.7%P	3.9%P

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



<UHPT Sales by Regions>



## Operating Expenses

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Freight & Logistic Expense	22.3	21.6	16.4	3.1%	36.0%
SG&A expenses	45.8	44.6	39.4	2.7%	16.2%
- Salaries	12.9	12.9	12.2	0.0%	5.7%
- R&D	10.0	9.8	6.8	1.5%	47.7%
- Advertising	3.7	3.5	3.2	7.2%	14.8%
- Others	19.3	18.4	17.0	4.5%	13.2%
Other income & expenses	0.7	-0.6	0.4	217.9%	80.3%



## Financial Income & Expenses

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
<b>Financial income &amp; expenses</b>	<b>-0.7</b>	<b>-9.1</b>	<b>8.3</b>	<b>92.1%</b>	<b>-108.7%</b>
- Interest	-7.0	-7.3	-1.7	4.5%	-307.4%
- Foreign Currency Transaction	3.5	-0.2	-1.2	2249.9%	382.3%
- Foreign Currency Translation	2.5	-1.7	-5.4	249.6%	147.0%
- Others	0.2	0.1	16.7	222.3%	-98.5%



## *II. Consolidated Result*

## *II. Result by Plant*





## Income Statement

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Net Sales	345.2	357.3	289.3	-3.4%	19.3%
Gross Profit	91.2	96.3	65.8	-5.3%	38.6%
<i>Margin(%)</i>	<i>26.4%</i>	<i>27.0%</i>	<i>22.8%</i>	<i>-0.5%P</i>	<i>3.7%P</i>
Operating Profit	38.0	45.3	22.1	-16.0%	72.3%
<i>Margin(%)</i>	<i>11.0%</i>	<i>12.7%</i>	<i>7.6%</i>	<i>-1.7%P</i>	<i>3.4%P</i>
Ordinary Profit	42.1	44.3	18.0	-5.0%	133.5%
<i>Margin(%)</i>	<i>12.2%</i>	<i>12.4%</i>	<i>6.2%</i>	<i>-0.2%P</i>	<i>6.0%P</i>
Depreciation	15.3	13.9	9.1	9.8%	67.1%
EBITDA	53.3	59.2	31.2	-10.0%	70.8%
<i>Margin(%)</i>	<i>15.5%</i>	<i>16.6%</i>	<i>10.8%</i>	<i>-1.1%P</i>	<i>4.7%P</i>



## Balance Sheet

(in KRW billion)

	2012 3Q (A)	2011 (B)	(A)-(B)
<b>Assets</b>	<b>1,745.9</b>	<b>1,555.8</b>	<b>190.1</b>
<b>Current Assets</b>	<b>623.1</b>	<b>589.8</b>	<b>33.3</b>
<b>Quick Assets</b>	<b>434.4</b>	<b>423.5</b>	<b>11.0</b>
<b>Inventories</b>	<b>188.6</b>	<b>166.3</b>	<b>22.3</b>
<i>(Cash and Cash Equivalents)</i>	<i>132.0</i>	<i>151.8</i>	<i>-19.8</i>
<b>Non-current Assets</b>	<b>1,122.8</b>	<b>966.0</b>	<b>156.9</b>
<b>Liabilities</b>	<b>1,091.3</b>	<b>995.9</b>	<b>95.4</b>
<b>Current Liabilities</b>	<b>555.9</b>	<b>578.6</b>	<b>-22.7</b>
<b>Non-current Liabilities</b>	<b>1,217.8</b>	<b>417.3</b>	<b>800.5</b>
<i>(Debt)</i>	<i>563.1</i>	<i>465.1</i>	<i>98.0</i>
<b>Shareholders' Equity</b>	<b>654.6</b>	<b>559.9</b>	<b>94.7</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.3Q	431.1	65.9%	166.7%	112.1%	37.5%
2011	313.4	56.0%	177.9%	101.9%	36.0%



## Operating Expenses

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Freight & Logistic Expense	16.7	16.0	12.4	4.7%	34.6%
SG&A expenses	36.4	35.0	31.3	4.1%	16.5%
- Salaries	10.0	10.1	10.0	-0.8%	0.7%
- R&D	9.7	9.5	6.6	2.4%	47.8%
- Advertising	3.4	2.8	2.8	18.7%	21.7%
- Others	13.3	12.5	12.0	5.9%	11.1%
Other income & expenses	4.4	3.1	8.6	41.9%	-48.9%



## Financial Income & Expenses

(in KRW billion)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
<b>Financial income &amp; expenses</b>	<b>0.3</b>	<b>4.1</b>	<b>8.5</b>	<b>-92.5%</b>	<b>-96.4%</b>
- Interest	-4.4	-4.7	0.6	7.0%	-785.9%
- Foreign Currency Transaction	3.9	-1.6	-2.2	346.0%	273.7%
- Foreign Currency Translation	0.7	2.4	-7.0	-69.8%	110.4%
- Others	0.1	7.9	17.1	-98.5%	-99.3%

## Income Statement

(in RMB million)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Net Sales	483	480	486	0.5%	-0.8%
Gross Profit	103	104	86	-1.4%	18.9%
<i>Margin(%)</i>	<i>21.3%</i>	<i>21.7%</i>	<i>17.7%</i>	<i>-0.4%P</i>	<i>3.5%P</i>
Operating Profit	27	9	20	201.6%	33.0%
<i>Margin(%)</i>	<i>5.6%</i>	<i>1.9%</i>	<i>4.1%</i>	<i>3.7%P</i>	<i>1.4%P</i>
Ordinary Profit	28	9	20	211.1%	36.5%
<i>Margin(%)</i>	<i>5.7%</i>	<i>1.8%</i>	<i>4.1%</i>	<i>3.9%P</i>	<i>1.6%P</i>
Depreciation	21	21	19	1.4%	13.9%
EBITDA	48	30	39	61.0%	23.8%
<i>Margin(%)</i>	<i>10.0%</i>	<i>6.2%</i>	<i>8.0%</i>	<i>3.7%P</i>	<i>2.0%P</i>

➤ China-GAAP



## Income Statement

(in RMB million)

	2012 3Q	2012 2Q	2011 3Q	QoQ	YoY
Net Sales	483	480	486	0.5%	11.5%
Gross Profit	103	104	86	-1.4%	42.0%
<i>Margin(%)</i>	<i>21.3%</i>	<i>21.7%</i>	<i>17.7%</i>	<i>-0.4%P</i>	<i>4.7%P</i>
Operating Profit	34	37	17	-9.1%	234.1%
<i>Margin(%)</i>	<i>7.0%</i>	<i>7.7%</i>	<i>3.5%</i>	<i>-0.7%P</i>	<i>5.1%P</i>
Ordinary Profit	28	9	20	211.1%	-26.5%
Depreciation	<i>5.7%</i>	<i>1.8%</i>	<i>4.1%</i>	<i>3.9%P</i>	<i>1.6%P</i>
<i>Margin(%)</i>	<i>21</i>	<i>21</i>	<i>19</i>	<i>1.4%</i>	<i>25.7%</i>
EBITDA	55	58	36	-5.3%	108.8%
<i>Margin(%)</i>	<i>11.4%</i>	<i>12.1%</i>	<i>7.3%</i>	<i>-0.7%P</i>	<i>5.6%P</i>

➤ K-IFRS standard format



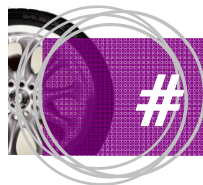
## Balance Sheet

in RMB million)

	2012 3Q (A)	2011 (B)	(A)-(B)
<b>Assets</b>	<b>2,714</b>	<b>2,355</b>	<b>359.0</b>
<b>Current Assets</b>	<b>1,022</b>	<b>856</b>	<b>165.8</b>
<b>Quick Assets</b>	<b>794</b>	<b>522</b>	<b>271.9</b>
<b>Inventories</b>	<b>228</b>	<b>334</b>	<b>-106.1</b>
<i>(Cash and Cash Equivalents)</i>	<i>178</i>	<i>139</i>	<i>39.5</i>
<b>Non-current Assets</b>	<b>1,692</b>	<b>1,499</b>	<b>193.2</b>
<b>Liabilities</b>	<b>1,692</b>	<b>1,844</b>	<b>-151.7</b>
<b>Current Liabilities</b>	<b>1,259</b>	<b>968</b>	<b>290.9</b>
<b>Non-current Liabilities</b>	<b>666</b>	<b>876</b>	<b>-209.9</b>
<i>(Debt)</i>	<i>1,522</i>	<i>1,480</i>	<i>41.8</i>
<b>Shareholders' Equity</b>	<b>789</b>	<b>511</b>	<b>278.1</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.3Q	1,344	170.3%	214.4%	81.2%	29.1%
2011	1,342	262.5%	360.7%	88.4%	21.7%



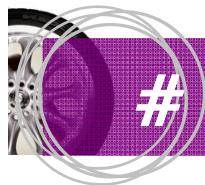
# # Income Statement (Consolidated)

Driving Tomorrow NEXEN

(in KRW Billion)

	2006	(%)	2007	(%)	2008	(%)	2009	(%)	2010	(%)	2011	(%)
Net Sales	472.1	100.0	565.7	100.0	784.1	100.0	1,009.9	100.0	1,148.6	100.0	1,430.0	100.0
Cost of Goods Sold	358.5	75.9	397.9	70.3	590.8	75.3	669.0	66.2	801.2	69.8	1,085.7	75.9
Gross Profit	113.6	24.1	167.8	29.7	193.4	24.7	340.9	33.8	347.4	30.2	344.3	24.1
SG&A	93.9	19.9	116.5	20.6	153.9	19.6	175.8	17.4	210.8	18.3	232.3	16.2
Operation Profit	19.7	4.2	51.3	9.1	39.5	5.0	165.1	16.4	136.6	11.9	120.0	7.8
Non-Operating Income	9.7	2.1	12.1	2.1	78.7	10.0	45.2	4.5	36.4	3.2	67.8	4.7
Non-Operating Expenses	15.3	3.2	23.2	4.1	127.3	16.2	70.0	6.9	46.4	4.0	69.0	4.8
Ordinary Profit	14.1	3.0	40.3	7.1	-9.1	-1.2	140.3	13.9	130.9	11.4	113.1	7.9
Income Taxes	5.1	1.1	12.0	2.1	3.0	0.4	26.9	2.7	23.7	2.1	25.4	1.8
Net Income	9.0	1.9	28.2	5.0	-12.1	-1.5	113.3	11.2	107.2	9.3	87.8	6.1

➢ K-IFRS applied from 2010



# # Balance Sheet (Consolidated)

Driving Tomorrow NEXEN

(in KRW Billion)

	2006	2007	2008	2009	2010	2011
<b>Asset</b>	<b>561.9</b>	<b>712.5</b>	<b>998.7</b>	<b>1,020.2</b>	<b>1,258.9</b>	<b>1,902.2</b>
<b>Current Assets</b>	<b>131.2</b>	<b>179.2</b>	<b>338.7</b>	<b>380.3</b>	<b>491.3</b>	<b>731.4</b>
<b>Quick Assets</b>	<b>70.6</b>	<b>105.7</b>	<b>212.2</b>	<b>244.9</b>	<b>306.5</b>	<b>455.4</b>
<b>Inventories</b>	<b>60.6</b>	<b>73.5</b>	<b>126.5</b>	<b>135.4</b>	<b>184.8</b>	<b>276.0</b>
<b>Non-Current Assets</b>	<b>430.7</b>	<b>533.2</b>	<b>660.1</b>	<b>639.9</b>	<b>767.6</b>	<b>1,170.8</b>
<b>Investment Assets</b>	<b>68.2</b>	<b>53.8</b>	<b>54.6</b>	<b>39.0</b>	<b>82.4</b>	<b>81.0</b>
<b>Property &amp; Equipment</b>	<b>361.8</b>	<b>476.9</b>	<b>600.6</b>	<b>595.8</b>	<b>678.8</b>	<b>1,083.7</b>
<b>Intangible Assets</b>	<b>0.8</b>	<b>2.5</b>	<b>4.8</b>	<b>5.0</b>	<b>6.4</b>	<b>6.1</b>
<b>Liabilities</b>	<b>306.4</b>	<b>433.8</b>	<b>720.7</b>	<b>633.2</b>	<b>775.5</b>	<b>1,337.2</b>
<b>Current Liabilities</b>	<b>130.5</b>	<b>276.9</b>	<b>370.2</b>	<b>323.8</b>	<b>472.8</b>	<b>754.3</b>
<b>Non-current Liabilities</b>	<b>175.9</b>	<b>156.9</b>	<b>350.5</b>	<b>309.4</b>	<b>302.7</b>	<b>582.9</b>
<b>Capital</b>	<b>255.5</b>	<b>278.7</b>	<b>278.0</b>	<b>386.9</b>	<b>483.3</b>	<b>565.0</b>

➤ K-IFRS applied from 2010



**Thank you !**