



# ***Nexen Tire 2012 2Q Result***

*Driving Tomorrow NEXEN*

2012.08.09  
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*



## Income Statement

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
Net Sales	433.3	406.3	333.8	6.7%	29.8%
Gross Profit	118.6	111.5	79.5	6.4%	49.2%
<i>Margin(%)</i>	<i>27.4%</i>	<i>27.4%</i>	<i>23.8%</i>	<i>-0.1%P</i>	<i>3.6%P</i>
Operating Profit	51.8	51.0	27.2	1.6%	90.1%
<i>Margin(%)</i>	<i>12.0%</i>	<i>12.6%</i>	<i>8.2%</i>	<i>-0.6%P</i>	<i>3.8%P</i>
Financial Income & Expenses	-9.1	-1.2	0.9	-676.9%	-1,152.1%
Ordinary Profit	42.7	49.8	28.1	-14.3%	51.8%
Depreciation	20.5	16.0	17.3	28.3%	18.4%
EBITDA	72.3	67.0	44.5	7.9%	62.2%
<i>Margin(%)</i>	<i>16.7%</i>	<i>16.5%</i>	<i>13.3%</i>	<i>0.2%P</i>	<i>3.3%P</i>

➤ Based on K-IFRS

## Balance Sheet

(in KRW billion)

	2012 2Q (A)	2011 (B)	(A)-(B)
<b>Assets</b>	<b>2,019.7</b>	<b>1,902.2</b>	<b>117.4</b>
<b>Current Assets</b>	<b>750.1</b>	<b>731.4</b>	<b>18.7</b>
<b>Quick Assets</b>	<b>474.5</b>	<b>455.4</b>	<b>19.0</b>
<b>Inventories</b>	<b>275.6</b>	<b>276.0</b>	<b>-0.3</b>
<i>(Cash and Cash Equivalents)</i>	<i>158.5</i>	<i>177.1</i>	<i>-18.6</i>
<b>Non-current Assets</b>	<b>1,269.6</b>	<b>1,170.8</b>	<b>98.7</b>
<b>Liabilities</b>	<b>1,392.0</b>	<b>1,337.2</b>	<b>54.8</b>
<b>Current Liabilities</b>	<b>754.4</b>	<b>754.3</b>	<b>0.1</b>
<b>Non-current Liabilities</b>	<b>637.5</b>	<b>582.9</b>	<b>54.6</b>
<i>(Debt)</i>	<i>794.0</i>	<i>735.3</i>	<i>58.7</i>
<b>Shareholders' Equity</b>	<b>627.7</b>	<b>565.0</b>	<b>62.7</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.2Q	635.4	101.2%	221.8%	99.4%	31.1%
2011	558.1	98.8%	236.7%	97.0%	29.7%

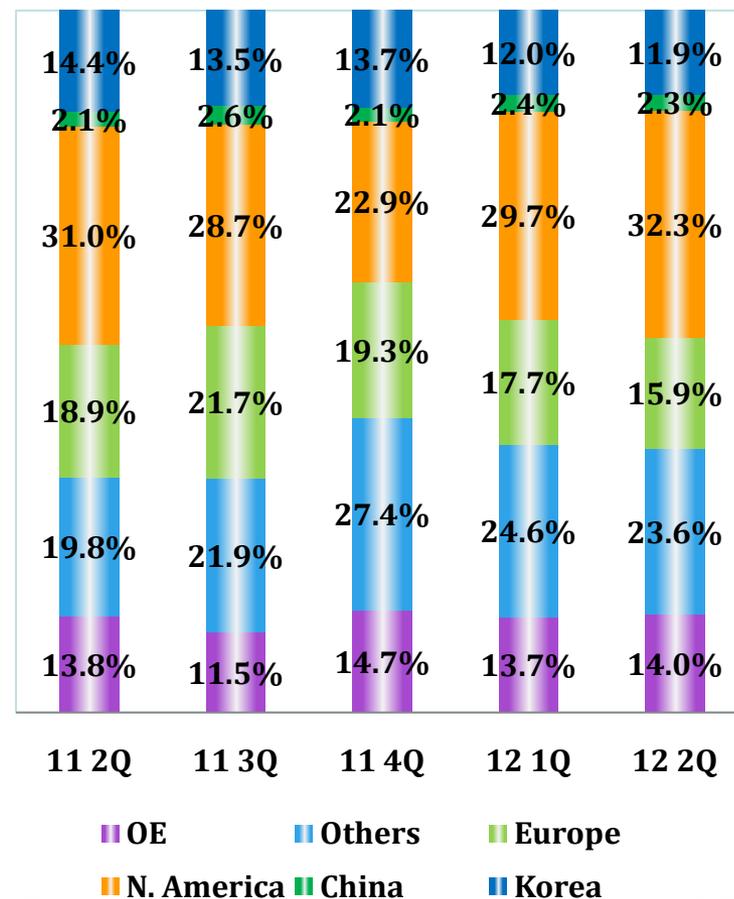
## Sales Breakdown

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
<b>Sales</b>	435.6	415.2	338.5	4.9%	28.7%
<b>1. RE</b>	374.7	358.8	291.8	4.4%	28.4%
-Korea	51.8	49.3	48.8	5.0%	6.2%
-China	10.2	9.9	7.2	3.0%	41.2%
-N. America	140.7	122.5	104.9	14.9%	34.1%
-Europe	69.3	75.8	63.9	-8.6%	8.5%
-Others	102.7	101.3	67.01	1.4%	53.3%
<b>2. OE</b>	60.8	56.4	46.7	7.9%	30.2%

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

## <Sales breakdown>

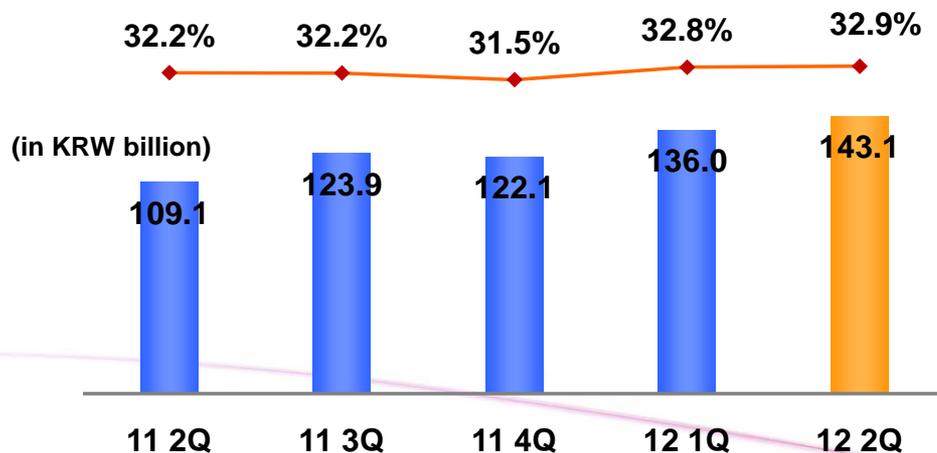


## UHPT Sales

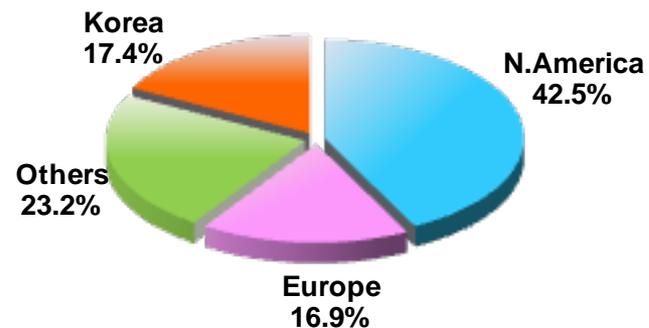
(in KRW billion, thousand units)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
UHPT Sales	143.1	136.0	109.1	5.2%	31.2%
% / Net Sales	32.9%	32.8%	32.2%	0.1%P	0.7%P
% / Total Volume	27.4%	27.4%	26.9%	0.0%P	0.5%P

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



### <UHPT Sales by Regions>



2012 2Q KRW-based

## Operating Expenses

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
Freight & Logistic Expense	21.6	16.2	17.7	33.9%	22.3%
SG&A expenses	44.6	45.9	35.3	-2.8%	26.2%
- Salaries	12.9	14.8	11.4	-13.2%	13.2%
- R&D	9.8	8.8	6.6	11.5%	49.0%
- Advertising	3.5	2.3	2.7	48.6%	29.3%
- Others	18.4	19.9	14.7	-7.4%	25.5%
Other income & expenses	-0.6	1.5	0.8	-142.0%	-182.1%

## Financial Income & Expenses

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
<b>Financial income &amp; expenses</b>	<b>-9.1</b>	<b>-1.2</b>	<b>0.9</b>	<b>-676.9%</b>	<b>-1,152.1%</b>
- Interest	-7.3	-3.3	-1.8	-121.4%	-308.7%
- Foreign Currency Transaction	-0.2	0.4	1.3	-144.7%	-112.6%
- Foreign Currency Translation	-1.7	1.8	0.2	-191.8%	-996.3%
- Others	0.1	-0.1	1.2	-205.2%	-93.6%



## *II. Consolidated Result*

## *II. Result by Plant*



## Income Statement

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
Net Sales	357.3	317.1	285.3	12.7%	25.2%
Gross Profit	96.3	90.5	64.8	6.4%	48.8%
<i>Margin(%)</i>	<i>27.0%</i>	<i>28.6%</i>	<i>22.7%</i>	<i>-1.6%P</i>	<i>4.3%P</i>
Operating Profit	48.4	47.6	25.5	1.7%	89.7%
<i>Margin(%)</i>	<i>13.5%</i>	<i>15.0%</i>	<i>8.9%</i>	<i>-1.5%P</i>	<i>4.6%P</i>
Financial Income & Expenses	-4.1	1.5	0.7	-377.1%	-651.0%
Ordinary Profit	44.3	49.1	26.3	-9.6%	68.9%
Depreciation	13.9	10.6	8.6	31.9%	61.1%
EBITDA	62.3	58.2	34.2	7.2%	82.5%
<i>Margin(%)</i>	<i>17.4%</i>	<i>18.3%</i>	<i>12.0%</i>	<i>-0.9%</i>	<i>5.5%P</i>

## Balance Sheet

(in KRW billion)

	2012 2Q (A)	2011 (B)	(A)-(B)
<b>Assets</b>	<b>1,716.4</b>	<b>1,555.8</b>	<b>160.6</b>
<b>Current Assets</b>	<b>614.4</b>	<b>589.8</b>	<b>24.6</b>
<b>Quick Assets</b>	<b>445.1</b>	<b>423.5</b>	<b>21.7</b>
<b>Inventories</b>	<b>169.3</b>	<b>166.3</b>	<b>2.9</b>
<i>(Cash and Cash Equivalents)</i>	<i>147.3</i>	<i>151.8</i>	<i>-4.5</i>
<b>Non-current Assets</b>	<b>1,102.0</b>	<b>966.0</b>	<b>136.0</b>
<b>Liabilities</b>	<b>1,092.2</b>	<b>995.9</b>	<b>96.3</b>
<b>Current Liabilities</b>	<b>595.8</b>	<b>578.6</b>	<b>17.3</b>
<b>Non-current Liabilities</b>	<b>496.4</b>	<b>417.3</b>	<b>79.1</b>
<i>(Debt)</i>	<i>540.7</i>	<i>465.1</i>	<i>75.6</i>
<b>Shareholders' Equity</b>	<b>624.2</b>	<b>559.9</b>	<b>64.3</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.2Q	393.4	63.0%	175.0%	103.1%	36.4%
2011	313.4	56.0%	177.9%	101.9%	36.0%

## Operating Expenses

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
Freight & Logistic Expense	16.0	12.2	13.8	31.3%	15.6%
SG&A expenses	35.0	36.0	29.2	-2.7%	20.0%
- Salaries	10.1	12.2	9.3	-17.3%	9.2%
- R&D	9.5	8.5	6.5	12.2%	47.3%
- Advertising	2.8	1.7	2.5	64.1%	13.8%
- Others	13.6	12.5	11.0	8.1%	23.7%
Other income & expenses	3.1	5.3	3.8	-41.0%	-18.1%

## Financial Income & Expenses

(in KRW billion)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
<b>Financial income &amp; expenses</b>	<b>-4.1</b>	<b>1.5</b>	<b>0.7</b>	<b>-377.2%</b>	<b>-651.1%</b>
- Interest	-4.7	-0.2	0.0	-1,852.4%	-10,345.0%
- Foreign Currency Transaction	-1.6	-0.3	0.2	-348.0%	-778.6%
- Foreign Currency Translation	2.4	1.9	-0.4	29.1%	-649.0%
- Others	-0.2	0.2	1.0	-186.2%	-117.5%

## Income Statement

(in RMB million)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
Net Sales	480	470	431	2.2%	11.5%
Gross Profit	104	85	73	22.5%	42.0%
<i>Margin(%)</i>	<i>21.7%</i>	<i>18.1%</i>	<i>17.0%</i>	<i>3.6%P</i>	<i>4.7%P</i>
Operating Profit	9	13	12	-33.1%	-25.2%
<i>Margin(%)</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>-1.0%P</i>	<i>-0.9%P</i>
Ordinary Profit	9	13	12	-30.2%	-26.5%
Depreciation	21	20	17	3.1%	25.7%
EBITDA	30	34	29	-11.2%	4.5%
<i>Margin(%)</i>	<i>6.2%</i>	<i>7.2%</i>	<i>6.6%</i>	<i>-0.9%P</i>	<i>-0.4%P</i>

➤ China-GAAP

## Income Statement

(in RMB million)

	2012 2Q	2012 1Q	2011 2Q	QoQ	YoY
<b>Net Sales</b>	480	470	431	2.2%	11.5%
<b>Gross Profit</b>	104	85	73	22.5%	42.0%
<i>Margin(%)</i>	<i>21.7%</i>	<i>18.1%</i>	<i>17.0%</i>	<i>3.6%P</i>	<i>4.7%P</i>
<b>Operating Profit</b>	37	25	11	49.2%	234.1%
<i>Margin(%)</i>	<i>7.7%</i>	<i>5.3%</i>	<i>2.6%</i>	<i>2.4%P</i>	<i>5.1%</i>
<b>Ordinary Profit</b>	9	13	12	-30.2%	-26.5%
<b>Depreciation</b>	21	20	17	3.1%	25.7%
<b>EBITDA</b>	58	45	28	28.4%	108.8%
<i>Margin(%)</i>	<i>12.1%</i>	<i>9.6%</i>	<i>6.4%</i>	<i>2.5%P</i>	<i>5.6%P</i>

➤ K-IFRS standard format

## Balance Sheet

in RMB million)

	2012 2Q	2011	증감
<b>Assets</b>	<b>2,391</b>	<b>2,355</b>	<b>35.4</b>
<b>Current Assets</b>	<b>841</b>	<b>856</b>	<b>-15.3</b>
<b>Quick Assets</b>	<b>581</b>	<b>522</b>	<b>58.6</b>
<b>Inventories</b>	<b>260</b>	<b>334</b>	<b>-73.9</b>
<i>(Cash and Cash Equivalents)</i>	<i>62</i>	<i>139</i>	<i>-76.9</i>
<b>Non-current Assets</b>	<b>1,550</b>	<b>1,499</b>	<b>50.7</b>
<b>Liabilities</b>	<b>1,628</b>	<b>1,844</b>	<b>-215.9</b>
<b>Current Liabilities</b>	<b>887</b>	<b>968</b>	<b>-81.0</b>
<b>Non-current Liabilities</b>	<b>741</b>	<b>876</b>	<b>-134.9</b>
<i>(Debt)</i>	<i>1,396</i>	<i>1,480</i>	<i>-84.6</i>
<b>Shareholders' Equity</b>	<b>762</b>	<b>511</b>	<b>251.2</b>

	Net debt	Net Debt %	Liabilities %	Current ratio	Equity ratio
2012.2Q	1,334	175.0%	213.6%	94.8%	31.9%
2011	1,342	262.5%	360.7%	88.4%	21.7%

# # Income Statement (Consolidated)

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(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	214.5	18.7	230.0	16.1
Operation Profit	19.7	4.2	51.3	9.1	39.5	5.0	165.1	16.4	132.9	11.6	114.3	8.0
Non-Operating Income	9.7	2.1	12.1	2.1	78.7	10.0	45.2	4.5	27.4	2.4	41.9	2.9
Non-Operating Expenses	15.3	3.2	23.2	4.1	127.3	16.2	70.0	6.9	31.0	2.7	43.4	3.0
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)

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(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



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**Thank you !**