



3<sup>rd</sup> Edition (December, 2009)

# NEXEN TODAY

## 1. Nexen Tire Decided to Build World's Largest Tire Plant in Changnyeong, Korea (Korea Business Herald, Sep.28, 2009)

Nexen Tire has signed an investment agreement on September 28<sup>th</sup> to build new plant in Changnyeong City in South East part of Korea.

Nexen is planning to invest \$1 billion to its second Korea plant. It will be the world's largest single plant for tire production and it aims to begin construction from November next year and start production from May 2012. It plans to produce 1 million tires a year of 2012 and keep invest facilities next eight years.



The \$1 billion investment, which is scheduled to be made by 2017, will make the company's output from its other China and South Korea plants to 60 million tires yearly and place it among the world's top 10 tire makers, the company said in the press conference.

The motivation of this 'new' huge plant project came from the growing demands. The current Nexen plant had never stopped even under the global economic crisis last year to satisfy with increasing order from global customers and domestic car makers. Nexen is exporting 80% of its total production to 122 countries and also supplying to domestic car makers like Hyundai, Kia and GMDAT.

Nexen also said the 'New' plant will not only contribute to Changnyeong area's economy by hiring 2,000 people, but also it will make the image of eco-friendly city by focusing on production of green technology tire.

"We decided to build the new plant in Changnyeong to reduce logistics costs in consideration of the proximity to nearby industrial complex," said Kang Byung-Joong, chairman of Nexen, in the interview.

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## 2. Nexen Tire Joined SEMA 2009 - A Great Success (Inside Release)



Nexen Tire joined SEMA (Specialty Equipment Market Association) from Nov. 3 to Nov.6 in Las Vegas.

Even though global recession affected tire industry, Nexen opened large booth and got abreast of other major tire makers. The company exhibited 26 product lines, including eco-friendly N-Blue, new product Win-Ice and World's first 15-series tire in this show.

The company got excellent result making 2010 business plan to expand further than this year and had a chance to understand each other with the worldwide 50 dealers that visited Nexen Booth.

The company intends to promote more active global marketing through this kind of international event, that will be the opportunity to grow both domestic and global tire markets.

The SEMA Show is the premier automotive specialty products trade event in the world at Las Vegas Convention Center. The first show started in 1963 and attracts a lot of buyers from all around the world.





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### 3. Nexen Tire, Official Sponsor of 2009 Korean Professional Baseball Post Season (X-Sports News, Oct.22, 2009)



Nexen Tire joined '2009 Pro Baseball Post Season' as a main sponsor. The company awarded 'Nexen Tire Man of the Match' who had been selected as the best player every game.

Nexen Tire was the exclusive sponsor of Post Season as tire maker. This sole status made the company promote brand popularity through indirect advertising exposure on 17 times of nationwide live TV broadcasting.

### 4. Nexen Tire Holds RV Championship The 5<sup>th</sup> Round on October 25<sup>th</sup> (Sports Today, Oct.23, 2009)



The fifth round of 2009 Nexen Tire RV Championship, the biggest RV racing in Korea, started in October 25<sup>th</sup> at Racing Park in Taebak, Korea.

In this race, spectators had great moment with gift, photo zone event with racing girl, and main event RV car race that showed exciting





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performance. “Nexen tire RV Championship is getting more and more popular. It not only helps to enhance brand image but also gives exciting leisure opportunity to customers as every rounds attract more interest from the people. So, Nexen tire will keep supporting to lead domestic motor-sports.” said President & CEO Travis-Kang.

## 5. Team Nexen ‘James Deane’ won Ireland Championship Final Round (Inside Release)

Team Nexen’s main driver, James Deane won Prodrift Ireland Championship final Round in Fermoy, Ireland on September 28<sup>th</sup>.

James Deane, who won the last year match, escaped from slump and showed fantastic drift skills this year.



He showed great driving skills with Mazda RX-7 fitted with Nexen N3000 tire, and his ardent fans poured enthusiastic cheers on the winner after the final round.

Nexen Tire has sponsored Prodrift Series since 2007 and plans to keep support James Deane next year. In this race, the company expects enhancing brand image and having chance to prove UHP tire performance in Europe.

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## 6. Expanded Regular Recruitment for Future Growth (Inside Release)

Nexen Tire's recruitment had been done from July 27<sup>th</sup> to August 14<sup>th</sup>. The company hired 50 people after interview, and those successful candidates will be assigned to Overseas Sales, Business Management, Strategic Planning, Sales Management, Factory Management, Managing Production and Laboratory.

"Although recession weakens profitability and growth of global tire markets, Nexen Tire recorded the greatest outcome in the first half of this year through unique business strategy against the global economic downturn." said vice chairman Hong Jong-Man. "And the company will keep looking for competent and proactive personnel who well match global business environment."

Nexen Tire is eagerly striving to become global top 10 tire maker, with its new investment plan on 2nd manufacturing site in Korea, while putting its top priority on human resource development.

## 7. Nexen Tire Holds Driving School (Prime Business, Oct.19, 2009)

Nexen Tire opened driving school on October 17<sup>th</sup> with headliners and invited customers.



'Nexen Tire Driving School' was held at performance test center in Hwasung City, Korea with 50 chosen customers and racing team 'Nexen R-Stars'.

This event gave great satisfaction for customers by giving pro-driver's training and lecture of Lee Se-Chang, 'R-Stars' team coach.

At event, driving school certificates issued for all 50





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participants. Also, Max Performance Sports Tire N9000, the new product of Nexen, was fitted on the Kia 'Forte Koup', and the racers were offered an opportunity to test the performance of the new tires.

Nexen Tire emphasized that this driving school event will help enhance the growing interest and development of motorsports.

## 8. The Clean Factory, Competitiveness of Nexen Tire. (e-Daily, Nov.25, 2009)



A group of students is looking around the inside of Nexen Tire Yangsan factory in Korea and they seemed to be surprised because there was no smoke and rubber smell.

The company opens 'Clean Factory' to everyone including public, corporate and foreign buyers when visitors request.

Factory tour is really exceptional because harmful material emission from tire production process is very sensitive issue in the tire industry. But the safety and health care system of Nexen Tire makes Nexen employees to be proud of opening the plant without any hesitation.

Visitors can feel Nexen's effort to make 'Clean Factory' here and there in the factory. 'Fume Elimination System' is installed at the roof and the wall to inhale bad smoke, and can see flowerpots everywhere absorbing carbon dioxide for clean air. Also the factory uses little solvent and other chemical harmful substance through production process to keep the plant safe and clean.





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## 9. 'Nexen Tire's Success Comes From Trust Between Employees And Management'

(e-Daily, Nov.25, 2009)



Vice Chairman Hong Jong-Man is the leading actor for Nexen Tire's outstanding achievement this year. "The production plan for the next year has been changed from 21 million units to 24 million units and Yangsan plant will maintain production capacity and Qingdao plant will produce 3- million-units-more next year. So, Qingdao's capacity will be 7 million total." he explained.

The vice chairman emphasizes the harmony between employees and management as the priority order to success. His first job as Vice Chairman & CEO was to communicate with the labor union. He has changed many part of factory to show his intention on reciprocal and productive relationship with labor by building Welfare Center and reforming the facilities in the workplace to enhance working environment.

There has been no strike in Nexen Tire since 1990 and the company also made compromise without wage negotiation conflict this year. It is very exceptional case in the tire industries. This led the company to make a big decision - \$1 billion investment to build the world's largest plant. He said "I believe trust between employees and management is the key to produce higher quality tire than global competitors. We are going to build eco-friendly plant realizing the state-of-the-art technology."





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## 10. Chairman, Kang Byung-Joong Awarded From Korea President

(Yonhap news, Dec.1, 2009)



[Nexen Chairman Kang Byung-Joong, 2<sup>nd</sup> from the right]

Nexen Tire Chairman, Kang Byung-Joong was awarded Gold Tower Order of Industrial Service Merit from Korea President, Lee Myung-Bak at the 46<sup>th</sup> National Trade Day.

Also deputy manager Han Kyung-Hoon of Nexen Tire Europe GmbH and senior engineer Choi Ki-Dong of Yangsan factory were awarded the Minister of Knowledge Economy Prize.

The company explained “We overwhelmed other competitors with high growth this year. This is the reason why chairman Kang was prized the medal.”

“This award will be a momentum to expand active management and I’m sure Nexen will be a renowned tire manufacturer soon.” Chairman Kang said.

