



2<sup>nd</sup> Edition (July, 2009)

## NEXEN TODAY

- NEXEN RV CHAMPIONSHIP promotes international exchange competition among Korea, China and Japan in the season of 2009 (Feb 7<sup>th</sup>, Daily Sports, Korea)

Globalizing Korean Motor Sports is expected to move one step forward in the near future. HASF, the organization that manages the largest scale of RV On-Road Racing in Korea, has held ‘2008 NEXEN RV Championship Award & 2009 Vision Announcement’ at EL Tower in Yang-Jae Dong, Seoul Korea, on February 6. In this event, 250 people have participated including Mr. C.S. Yang, Managing Director from Nexen Tire Corporation, the motor sports interested and members of car racing teams.

In this event, HASF encouraged car racers who have participated in last year’s tournaments, and announced organization details of 2009 Championship with a signing ceremony of title sponsor, Nexen Tire. 2009 NEXEN RV Championship started April 5 and will be held through November 8 with total 7 racing tournaments. The racing classes are separated according to the engine horse power and displacement. The top racing class, ‘SGT Class’ increased the permissible horse power from 270 to 300. This change would make the race competition more energetic.

Mr. Yang, the Managing Director of Nexen Tire, the title sponsor said “We Nexen Tire will do our best to support this event not only just for the continuous growth of the tournament, but also for the globalization of RV Championship through the window of international competition between Korea, China and Japan.” Since initial launching of NEXEN RV Championship in 2006, this event has been recognized as the largest of the RV On-Road racing events in Korea, and Nexen Tire has been well reputed to organizing the tournament stably for the past 3 years.

- Beyond the limit of tire technology (Apr 28<sup>th</sup>, Daily Busan, Korea)



In the ceremony of ‘42nd Korea Science Day’ dated on April 21, Mr. C.T. Cho, Vice President and Chief of R&D Division of Nexen Tire, received Presidential Award in the field of ‘Tire Science’. Mr. Cho has been recognized as established Chief Technology Officer with first leveled technological know-how and capability. Mr. Cho has contributed to tire development for more than 30 years and has been also known as ‘Top Korean Tire Scientist’.

In the 1990’s, he developed Formula 3 racing tire first ever in Korea which can endure in high-speed driving. It involved state-of-the art technology to develop such tire which can endure the high-speed over 300km, for Formula 1 and 3. He looked back





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

over his past and said, “I made a numerous trips to U.S.A and Australia in order to find a car circuit for tire test because there was no car circuit for tire test in Korea at that time.”

Even after he moved to Nexen Tire, his ability still outshined. 4 years ago, he developed and commercialized the world’s first ‘Nano Tire’, which increased the property of tire material astonishingly. Increasing the durability remarkably 3 to 4 times higher than general tire, Nano Tire technology has been admired as exclusive technology in the world. At the end of last year, Nexen Tire surprised the world tire industries by developing 15 series tire successfully with the lowest Aspect Ratio. This tire is the maximized UHP tire, which would be fitted to the world best super cars, such as Ferrari, Porsche, etc.

Mr. Cho said, “Though Nexen Tire may be smaller in scale than competitors, we have an endless potential with our outstanding technology and talented R&D researchers. As one of the 3 major tire manufacturers in Korea with an expectation of USD 800 million annual turn over, doubtlessly Nexen Tire will always step forward in the R&D field.”

## ● NEXEN – R STARS joining ceremony (May 17<sup>th</sup>, Daily Sports, Korea)

NEXEN-R STARS team received an approbatory commendation and cheers from over 5,000 audiences in the racing tournament, with its members including Korean star entertainers. NEXEN-R STARS is the largest team among the entry racing teams in RV Championship. By having a splendid starting event with 9 professional racing vehicles and joining ceremony with Nexen Tire, the Nexen Team is surely expected to achieve successful team operation in 2009 season.



NEXEN-R STARS made a huge investment for participating RV Championship 2009. Team representative and also a famous Korean celebrity Lee Se Chang, finalized the racer’s line up and racing





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

class. He is energetically ready for the exciting race in this year.

Companies' supports have been revealed. The main sponsor of the Nexen Tire and the sub sponsors of Hyundai Motor Company, Kia Motor Corporation, SK SOLUX, Frixia, Bex Corporation-WD40 and Le Coq Sportif would support this event. Wakos, Dae Shin Autotools and Neo Tech would also participate for technical sponsors.

- President Kang, decides to open Middle East branch right after his visit. - Bold propulsion, just like his father Kang, the founder (June 7<sup>th</sup>, Maeil Business Newspaper, Korea)

Just as he was named in the position of President of Nexen Tire on January 5, Mr. Travis Kang started to visit the overseas markets. He visited the strategic countries such as U.S, France, Saudi Arabia, Hong Kong, China, etc. a few times each. After his one week visit to the Middle East markets, he strongly proposed to his executives, "After seeing the market of Middle East, I truly believe Dubai is the bridgehead for the new market. Let's open a branch there immediately."

With Mr. Kang's emphasis on the importance of overseas sales and his quick decision making, the Dubai branch opens its regular business starting this August, just 4 months after its first consideration. In the industry, the word is that Kang's bold and quick decision like opening the Dubai branch resembles his father, Mr. B.J. Kang, the founder. Just like when his father made a decision on acquisition of Woosung Tire, confronting the opposition of his employees, it is said that the new president and founder's son, Travis Kang resembles his attributes. It is now ten years since the 1999-acquired Woosung Tire changed its name to Nexen Tire in 2000. To answer on the reason for how the company has shown impressive results in the first quarter, he stated "Since the end of last year, we have been applying specialized sales strategy for each overseas market and aggressively developing niche market."



Kang still enjoys talking with his father on management for Nexen Tire. "I sometimes call him several times a day to ask him for his management know-how that has been built over decades because it is an important asset to me." Kang also stated that he will keep on the transparent management and the good relationship with the labor union. "A company needs to be true not only to its employees, but also to the business clients and also to the end-customers.





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

Building up the employees' sense of belonging to the company relies on how much the company is true to them." Nexen Tire also opens its financial report to the employees every month to show how the company is doing.

Currently, there are two CEOs in Nexen Tire. President, Travis Kang takes in charge of sales and Vice-Chairman Jong-Man Hong takes in charge of the overall management of the company. As he is in charge of sales, Mr. Kang always concentrates on how he can develop sales. "Because export is taking up almost 80% of the total sales, we are planning to strengthen the overseas sales even more. Also I will respect independence of each overseas sales subsidiaries and branch offices, for example, there will be no such thing as bulldoze sales from the Headquarter. If our overseas organizations have quota pushed to sell the tires, they might have to lower prices which could lead to losing the confidence from the buyers. We must build a positive circle of sales."

Kang also focuses on enhancing the Nexen brand awareness. "Since now we can assure excellent quality, we will focus on strengthening branding. When someone recommends our tires, we must at least let the person know that there is a brand as such and choose the products"

## ● Nexen Tire 'Enough drive for continuous increase in stock prices' (June 10<sup>th</sup>, Hanhwa Securities, Korea)

The sales mix of Nexen Tire with higher value-added products such as UHP (Ultra High Performance) have been improving. UHP is usually for the new vehicles, and out of the whole capacity of the Korea plant 17 mil., about 40% of 7 mil., is for UHP tires. The order quantity is already exceeding the capacity and Nexen is planning to increase production in 2010 by about 30%. For the new vehicles, Nexen is providing 70% of OEM tires for Kia Forte and Soul, and not only for the existing small car line, since last year Nexen has been supplying tires also for Sonata and Grandeur, Hyundai's main popular cars. Although most of the sales and revenue comes from the export replacement tire market, when the Korean Won exchange rate decreases below 1,200 won/\$, profitability of the domestic replacement market improves. Therefore, Nexen is trying to have the most ideal ratio between export and domestic.

## ● Nexen Tire – OE supply boom to the Korean car manufacturers (Internal News)

Nexen Tire has been increasing its percentage of OE supply for new car models through wider brand awareness these days.





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

Since 2008, Nexen Tire has been supplying tires to car manufacturers' main models such as NF Sonata Transform, Mohave, Soul, Forte, Morning, Winstorm, Rexton II etc., and is acknowledged for its high quality and state-of-the art technology. Especially, the maintained big portion of Nexen Tire in OE supply for Kia Soul is contributing to much building up its brand awareness. Nexen Tire expects not only to keep on increasing supplies to the Korean car makers but also to develop new supply to the notable foreign makers in order to level-up its reliability on technology and quality to the world top level.

### [Current OE models]

Korea Automaker	Car/ Vehicle	OE Product
KIA	MORNING	CP621
	FORTE	CP662/CP661 $\alpha$
	SOUL	CP662/CP661 $\alpha$ /CP643 $\alpha$
	SORENTO-R	RO571
	MOHAVE	RO542
HYUNDAI	VERNA	CP621
	SONATA	CP671
	NEW SANTAFE	RO571
	STAREX	CP521
	PORTER	CP321
GMDAT	GENTRA	CP621
	WINSTORM	CP521
SSANGYONG	ACTYON	RO541/RO542
	ACTYON SPORT	RO541/RO542
	KYRON	RO541/RO542
	REXTON	RO541/RO542





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

## ● The Clean Factory Tour- the core of Nexen Tire (Internal news)

Nexen Tire has been inviting the local communities to visit its factory under the name of ‘Clean Factory Experience’ and this is organized as an open field trip since last autumn. Since the 16<sup>th</sup> of October, 2008, the company has hosted a variety of people from the chamber of commerce, the local rotary club, the executives of local private taxi unions, and the local tire shop owners. Furthermore, by broadening these events to the nationwide automobile related colleges/universities and research organizations, the company expects to enhance their public relations to the general public.



The environment-friendly condition created by the TPM (Total Productive Maintenance) activities is contributing to the actual quality control. Nexen Tire is also very well-known as being transparent in management as it comes to opening the annual shareholder’s meeting prior to any other business firms in Korea. ‘The Clean Factory Experience’- the name of the field tour, was named after the meaning of experiencing its clean and transparent managing situation like maintaining clean working condition and operating transparent business management, etc. “There are limitations to what students learn from academic classes. Through this valuable opportunity, the students have gained some knowledge which is not usually taught in school” Mr. Shim, the team manager of the Automobile technology school, said. Students who have participated in “The Clean Factory Experience” had their various impressions and thoughts after the tour, but they have clearly stated in accord that it was valuable experience and they would strongly recommend their juniors to have similar opportunity in the future.





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

## ● Nexen Tire- Sponsoring Prodrift Racing in Europe (Internal News)

Nexen Tire is the official sponsor of the 2009 Prodrift Racing in Europe, as it has signed the contract of sponsorship on the 5<sup>th</sup> of December, 2007. The Prodrift, founded in 2003 is the biggest Drift Series in Europe, that has two series, the European Championship Series and Ireland Championship Series. Nexen Tire sponsors the 'Team Nexen', which consists of the drivers who are driving their cars mounted with N3000 and N9000 in the tournaments. Nexen Tire has been promoting their quality product as well as its brand awareness through the sponsorship in Europe.



[A photos of cornering skid in Ireland Championship 2<sup>nd</sup> round (Left) and James Deane interviewing with broadcasting]

James Deane, one of the main drivers, who is also the winner of the 2008 Ireland Drift Series, is now on the third in the second round of this year's competition. James expressed his impression on N3000 in a broadcasting interview after the second round of this year's competition, "N3000 proved its superb control on the wet surface in the race"

## ● Expanding overseas branches - A step forward to the active international sales (Internal News)

Nexen Tire has been putting its utmost efforts in expanding its global networks in order to strengthen the proactive sales activities in the global markets.





2<sup>nd</sup> Edition (July, 2009)

# NEXEN TODAY

Latin America branch was established in June, 2009 and it is currently in operation in Sao Paulo, Brazil. In addition, Dubai branch will also be hitting the road in the upcoming month, August, 2009. After launching the Dubai branch in August, Nexen Tire would be operating in 10 overseas locations (Subsidiary companies and branch offices). Through this further developing global network, Nexen Tire targets to strengthen its global management. Its long term goal is to boost the brand recognition in each local market, that is backed up by its reliable product quality and technology capability.

Nexen Tire Latin America established covers the sales activities in the strategic markets including Brazil, Argentina, Chile and Uruguay.

Located in the heart of the Middle East, the Nexen Tire Dubai covers the strategic markets of Dubai, Saudi Arabia, Iran and North African markets through its aggressive sales activities.

