

Dong-A Pharm.
2012 Performance Results
Investor Relations



January 2013

Forward Looking Statements

The business results for the 4th quarter of 2012, currently under audit review, are presented here for investors' convenience. Hence, please be advised that some of their contents may be altered in the course of audit.

This presentation may contain "forward-looking statement." Forecasts and projections contained in this material are based on current business environments and management strategies, and they may differ from the actual results upon changes and unaccounted variables.

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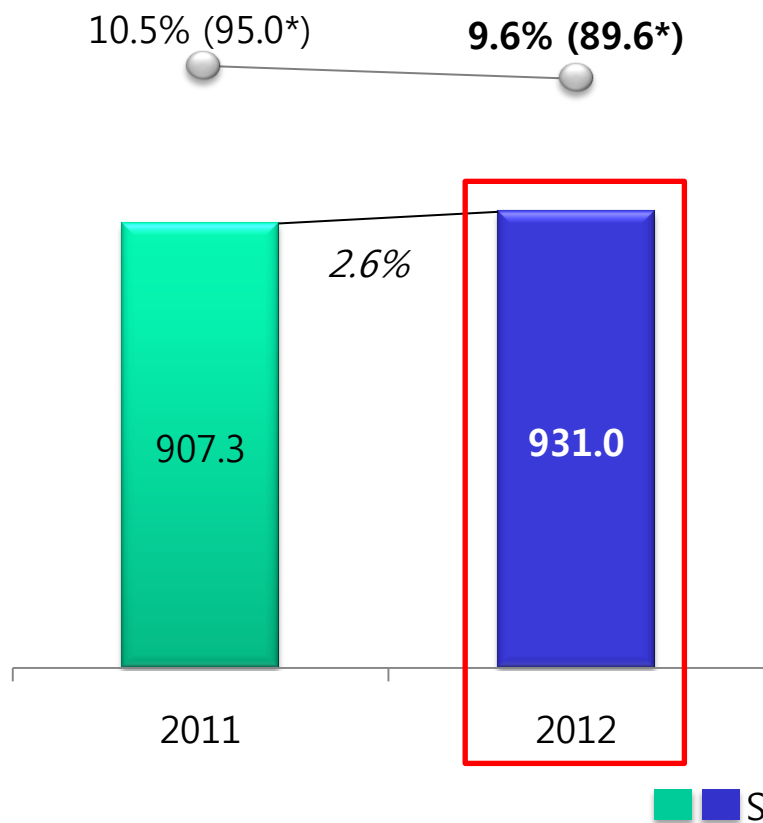
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(K-IFRS Separate)
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I. Financial Performance (K-IFRS Separate)

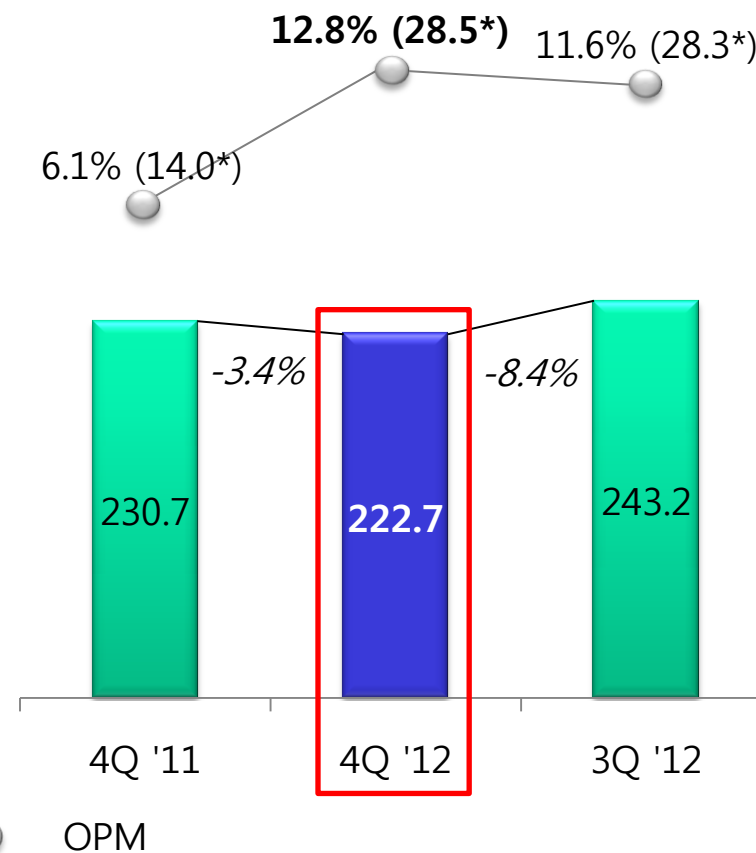
Financial Performance – Sales & OPM

[KRW bil.]

2012 (YoY)



4Q 2012 (YoY, QoQ)



* New OP basis(before other profit & loss)

■ Sales ● OPM

2012 Margin Analysis

[KRW bil.]

	2011	2012	YoY
Cost of Goods Sold Ratio	44.4%	47.8%	3.3%p
SG&A Expenses Ratio	44.7%	42.6%	-2.1%p
HR Related Cost per Sales (Salary + Severance + Fringe Benefit)	12.8%	12.9%	0.1%p
R&D Cost per Sales (Reflected in SG&A)	8.0%	8.8%	0.8%p
Advertisement Cost per Sales	5.3%	5.0%	-0.3%p
Other Marketing Related Cost per Sales (Support for Research + Sales Promotion)	8.7%	6.4%	-2.3%p
Operating Profit Margin*	10.9%	9.6%	-1.3%p
Other Income per Sales	1.1%	1.0%	-0.1%p
Other Losses per Sales	1.5%	0.9%	-0.6%p
EBIT Ratio	9.5%	9.6%	0.1%p
R&D Cost (Reflected in SG&A)	72.4	81.8	13.0%

* New OP basis(before other profit & loss)

4Q 2012 Margin Analysis

	3Q '12	4Q '12	QoQ
Cost of Goods Sold Ratio	46.4%	45.7%	-0.7%p
SG&A Expenses Ratio	42.0%	41.5%	-0.5%p
HR Related Cost per Sales (Salary + Severance + Fringe Benefit)	14.1%	11.1%	-3.0%p
R&D Cost per Sales (Reflected in SG&A)	7.9%	8.4%	0.5%p
Advertisement Cost per Sales	4.9%	5.5%	0.6%p
Other Marketing Related Cost per Sales (Support for Research + Sales Promotion)	5.7%	5.8%	0.1%p
Operating Profit Margin*	11.6%	12.8%	1.2%p
Other Income per Sales	1.8%	0.4%	-1.4%p
Other Losses per Sales	1.4%	0.4%	-1.0%p

* New OP basis(before other profit & loss)

Sustainable COGS & OP Margin Analysis

[KRW bil.]

	3Q '12	4Q '12	2H '12
Sales	243.2	222.7	465.9
COGS	112.9	101.7	214.6
Gross Profit	130.3	121.1	251.4
SG&A	102.0	92.5	194.5
Operating Profit*	28.3	28.5	56.8

<u>One-offs</u>	3Q '12	4Q '12	2H '12
Commission Revenue	2.5	3.2	5.7
Currency Effect		1.0	1.0
Modified Sales	240.7	219.5	460.3
Modified COGS	112.9	102.7	215.6
Modified COGS Ratio	46.9%	46.8%	47%
SG&A Ratio	42.4%	42.1%	42%
Sustainable OPM	10.7%	11.1%	11%

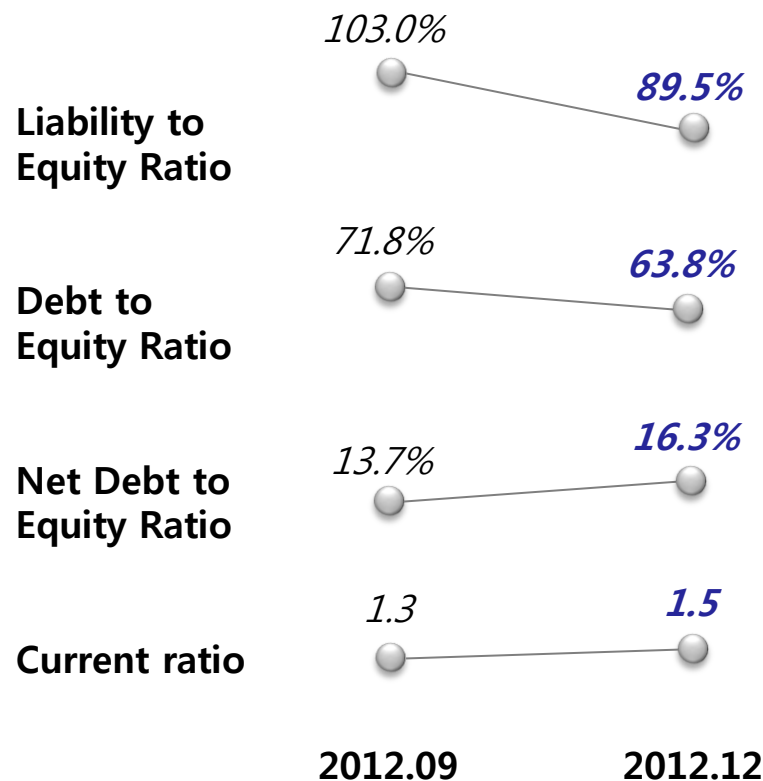
* New OP basis(before other profit & loss)

2012 4Q Balance Sheet

[KRW bil.]

	2012. 09	2012. 12	QoQ
Total Asset	1,474.6	1426.5	-3.3%
Cash	421.8	357.8	-15.2%
Receivable	145.0	135.5	-6.6%
Inventory	120.6	131.2	8.9%
Total Liability	748.3	673.6	-10.0%
Debt	521.1	480.4	-7.8%
Total Capital	726.3	753.0	3.7%

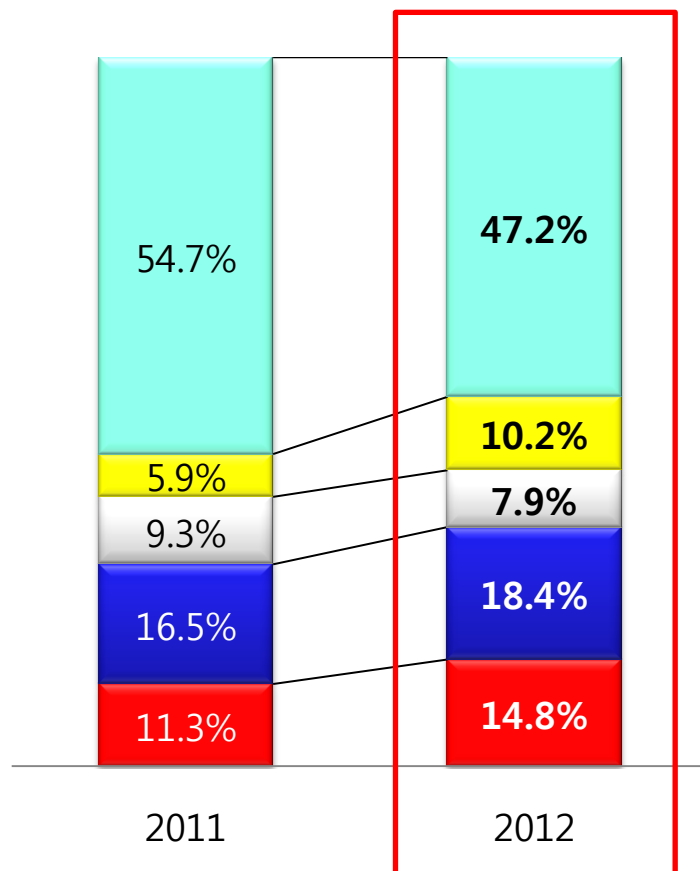
Major Financial Ratios



II. Performance by Division

Performance by Division

Sales Portion

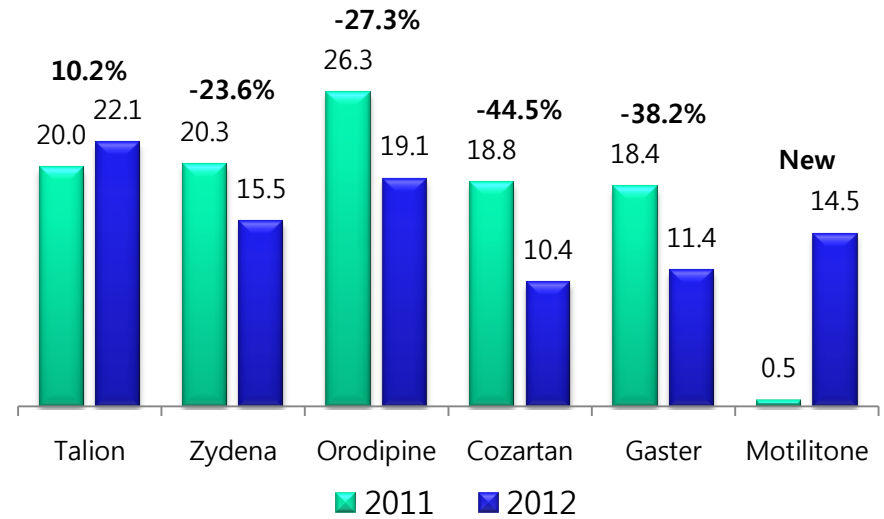
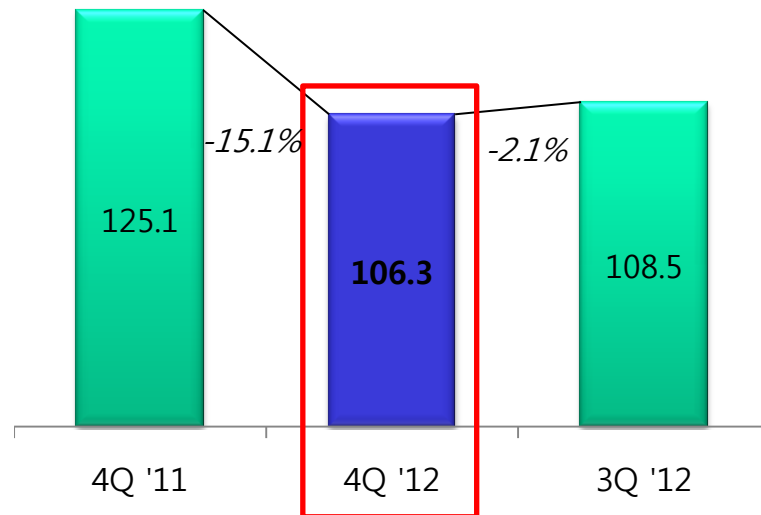
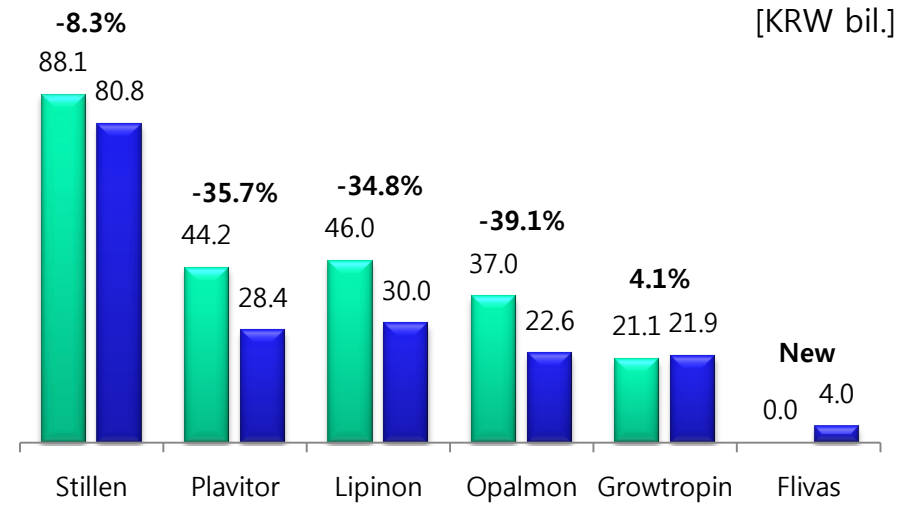
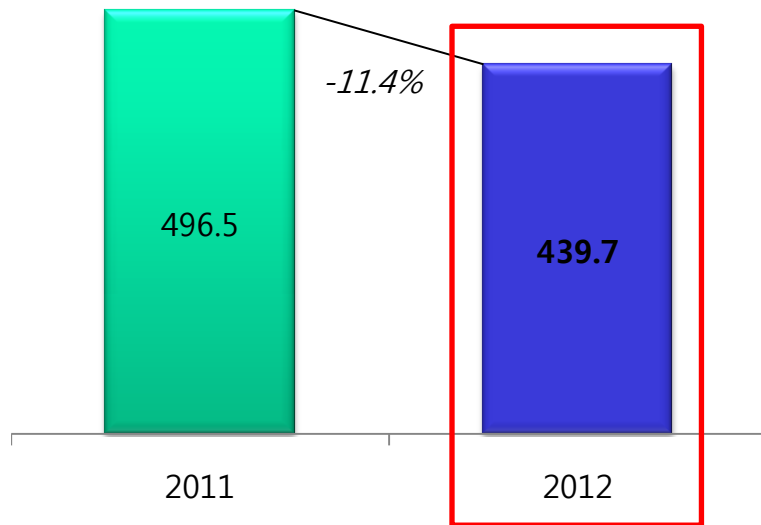


Sales by division

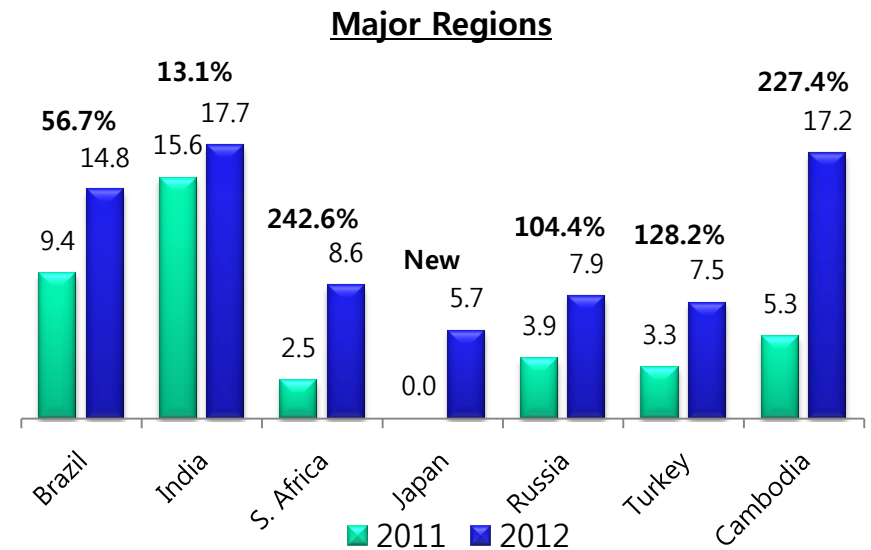
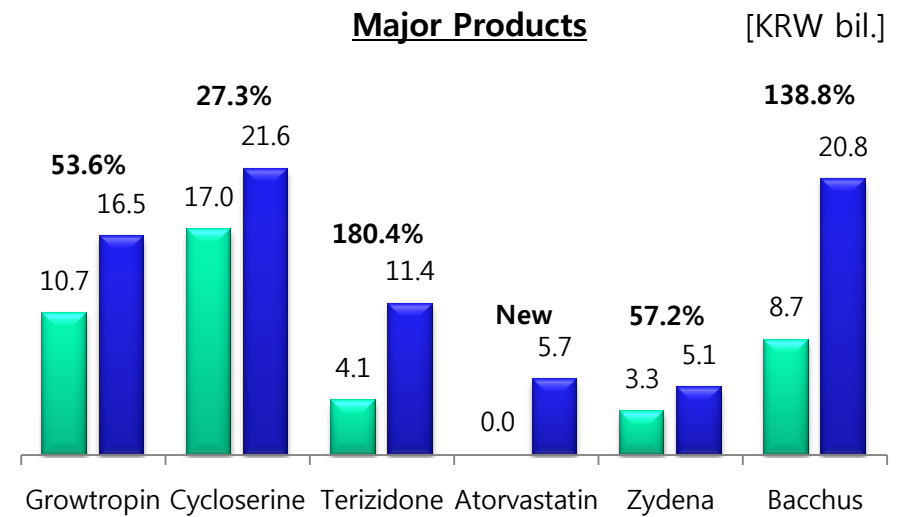
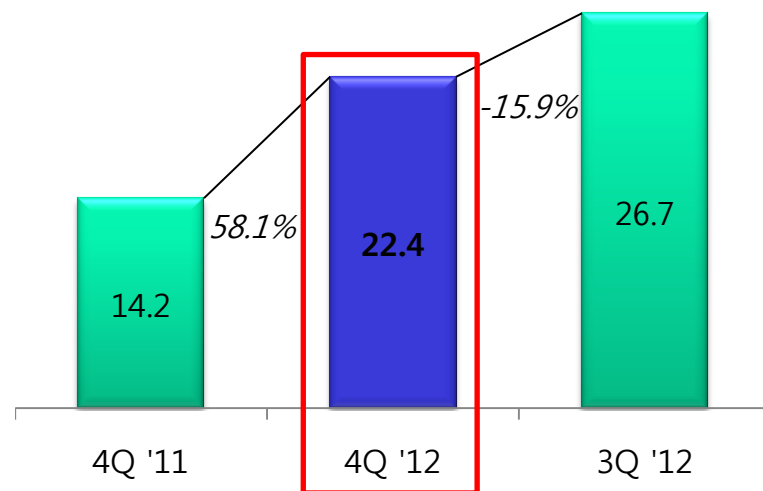
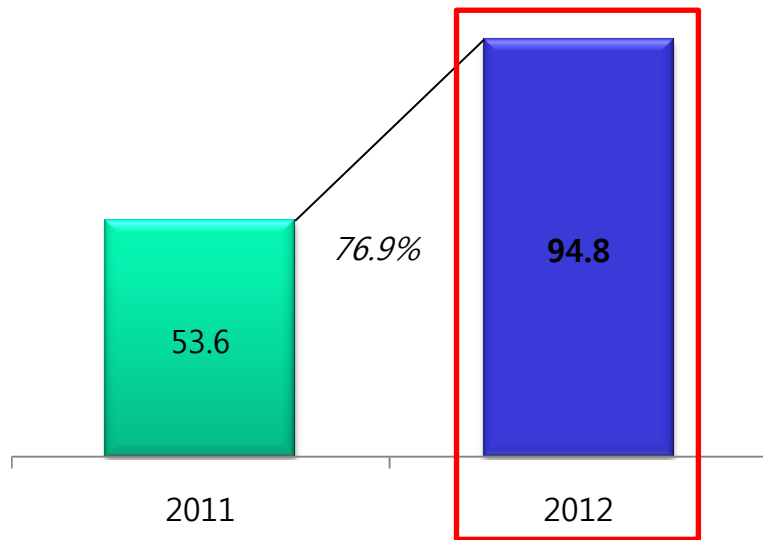
[KRW bil.]

Division	2011	2012	Growth YoY
ETC	496.5	439.7	-11.4%
Export	53.6	94.8	76.9%
Medical	84.5	73.7	-12.8%
Total	634.7	608.2	-4.2%
Bacchus	150.1	170.9	13.9%
OTC	102.7	138.2	34.5%
Total	252.9	309.1	22.2%

Performance by Division – ETC & Major Products

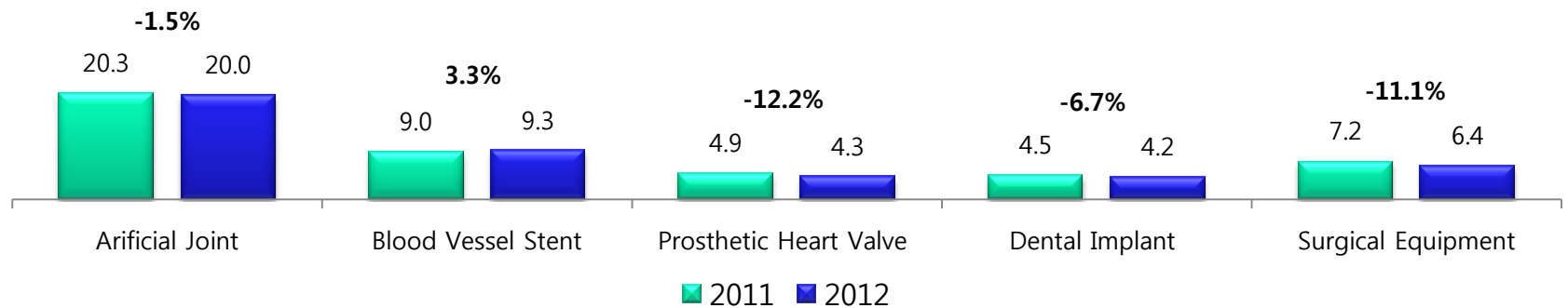
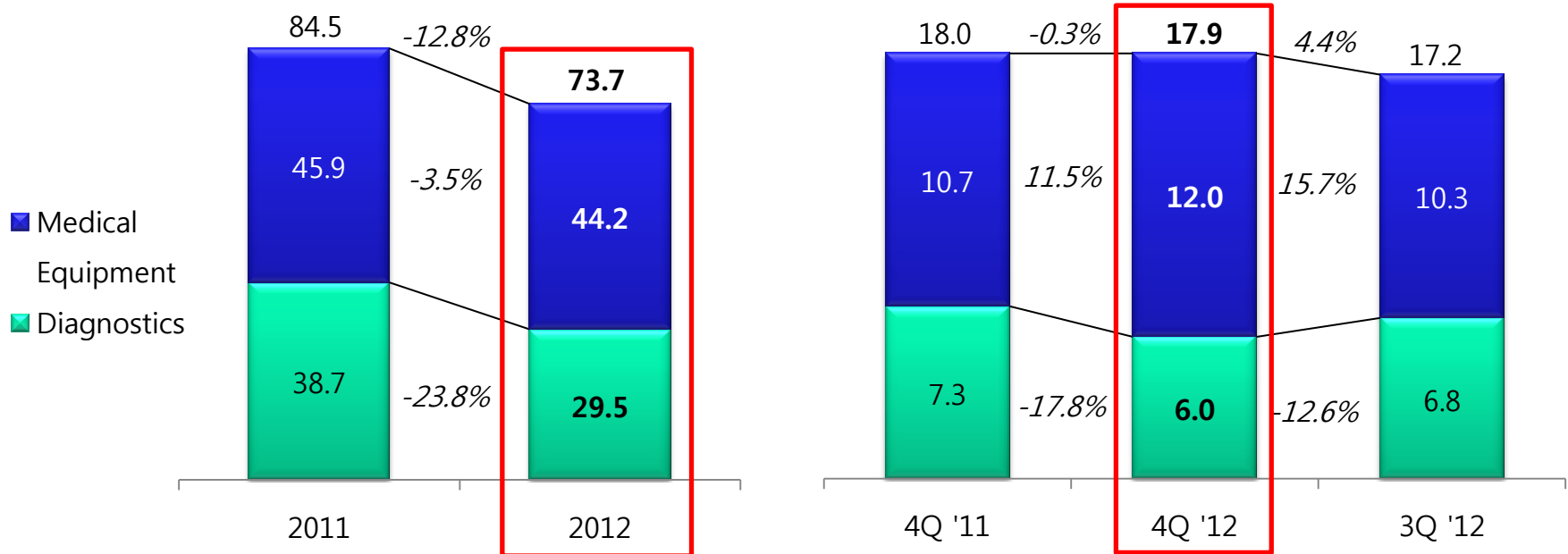


Performance by Division – Export

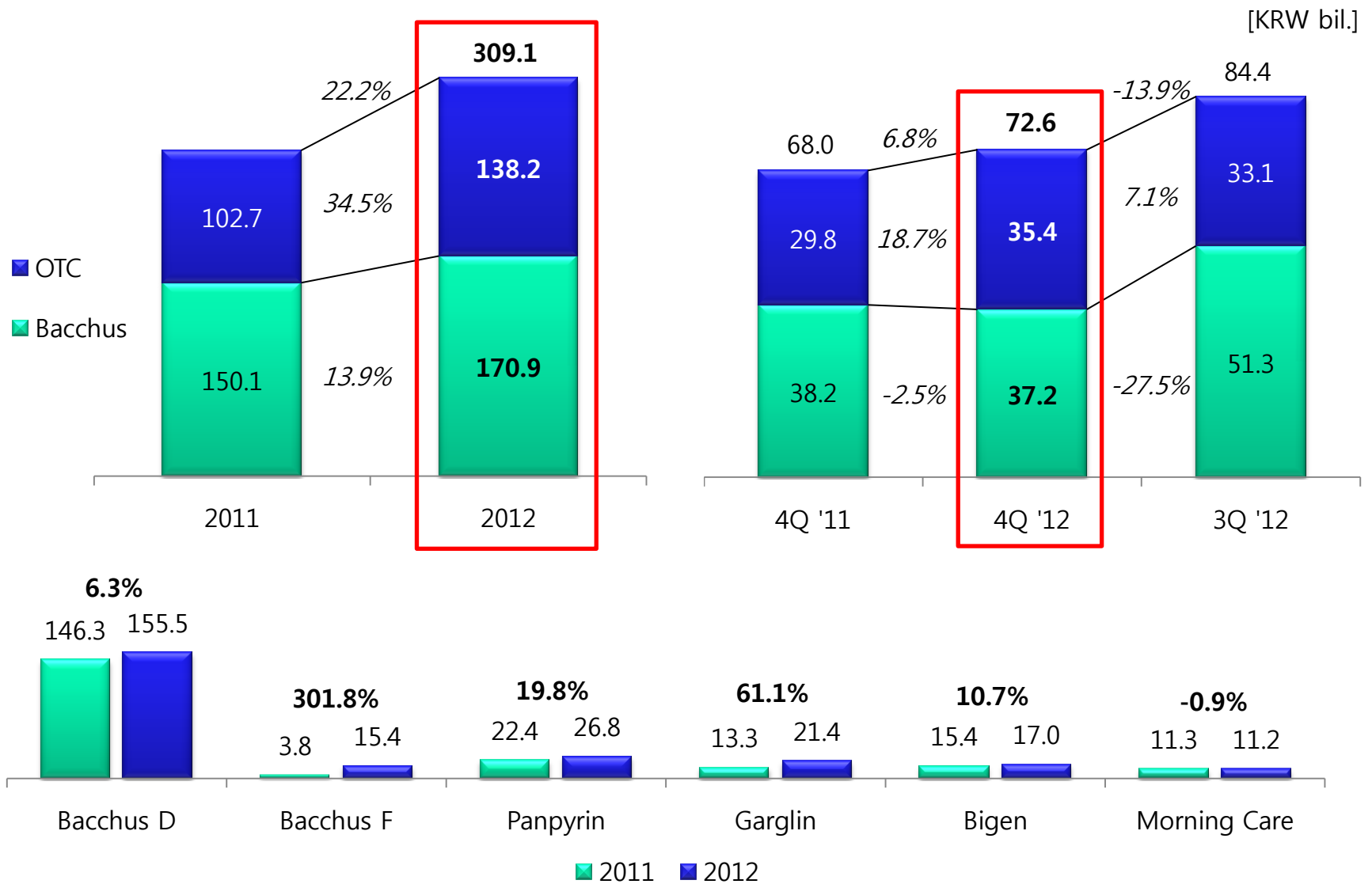


Performance by Division – Medical

[KRW bil.]



Performance by Division – OTC & Bacchus



R&D Roadmap - NCE/Phyto

2013~2014

- DA-8159***
- ED (USA)
- DA-6034**
- Gastritis (KOR)
- DA-7218***
- ABSSSI (USA)

2015~2016

- DA-8159***
- BPH (JPN)
- DA-8159**
- PAH (KOR)
- DA-7218**
- ABSSSI (KOR)
- DA-6034**
- Dry Eye (KOR)
- DA-8031**
- Premature Ejaculation (KOR)
- DA-9801**
- Diabetic Neuropathy (KOR)
- DA-1229**
- Type 2 Diabetes (KOR)

2017~

- DA-8159***
- BPH (USA)
- DA-8159***
- PH (EU)
- DA-6886**
- Irritable Bowel Syndrome (KOR)

Chemical / Phyto * Overseas

R&D Roadmap - Bio

2013~2014

DA-3031*
- Neutropenia (KOR)

DA-3801
- Ovulation Induction (KOR)

DA-3803
- Infertility (KOR)

2015~2016

DA-3030
- Diabetic Neuropathy (KOR)

DA-3002
- Idiopathic Short Stature (KOR)

DA-3051**
- Multiple Sclerosis (BRA)

DA-3880
- Anemia of Chronic Renal Failure (KOR)

2017~

DA-3808
- Hemophilia (KOR)

DA -3111**
- her2 Breast Cancer
- (KOR & JPN)

DA-3607
- Brain Tumor (KOR)

Protein / Antibody

* Biobetter

** Overseas

III. 2013 Business Plan

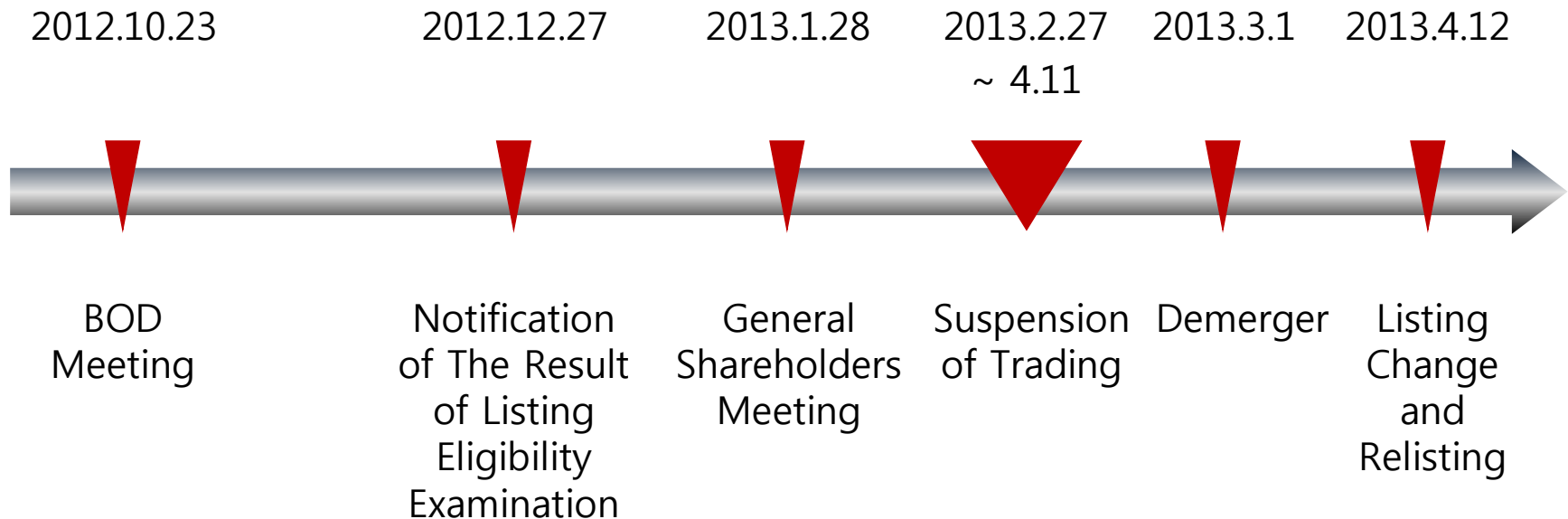
2013 Business Plan

- Sales & OPM
 - Sales : KRW1,026.0bil. (+10.2%, YoY)
 - OP(OPM) : KRW 117.0bil (11.4%)
- R&D Cost : KRW100.0bil., 9.8%
 - Focus on developing global new drugs through strengthening R&D capability
 - Biosimilar R&D

Appendix

Demerger Schedule

Planning to complete HC establishment and restructuring of subsidiaries until 2013



Condensed Statements of Financial Position (Separate)

[KRW bil.]

	1Q '11	2Q '11	3Q '11	4Q '11	1Q '12	2Q '12	3Q '12	4Q '12
Total Assets	1,137.8	1,150.7	1,195.0	1,236.8	1,268.1	1,297.7	1,474.6	1,426.5
Current Assets	403.4	416.1	458.9	466.2	496.7	524.5	694.8	633.8
Cash & Equivalents	146.8	144.4	198.3	194.6	218.6	250.6	421.8	357.8
Receivables	131.9	140.1	144.8	143.6	141.7	143.1	145.0	135.5
Inventories	118.5	115.6	109.7	120.4	127.9	121.3	120.6	131.2
Fixed Assets	734.4	734.6	736.1	770.6	771.3	773.2	779.8	792.7
Total Liabilities	431.3	422.2	445.0	504.4	546.3	570.0	748.3	673.6
Current Liabilities	254.4	258.2	280.4	365.2	412.5	497.0	519.8	430.8
Fixed liabilities	176.9	164.0	164.6	139.1	133.8	73.0	228.5	242.8
Total Equity	706.5	728.5	750.0	732.4	721.8	728.0	726.3	753.0
<i>Liability to Equity Ratio</i>	<i>61.0%</i>	<i>58.0%</i>	<i>59.3%</i>	<i>68.9%</i>	<i>75.7%</i>	<i>78.3%</i>	<i>103.0%</i>	<i>89.5%</i>
<i>Debt to Equity Ratio</i>	<i>34.7%</i>	<i>33.0%</i>	<i>32.0%</i>	<i>38.0%</i>	<i>44.9%</i>	<i>47.8%</i>	<i>71.8%</i>	<i>63.8%</i>
<i>Net Debt to Equity Ratio</i>	<i>13.9%</i>	<i>13.2%</i>	<i>6.9%</i>	<i>16.9%</i>	<i>20.2%</i>	<i>13.4%</i>	<i>13.7%</i>	<i>16.3%</i>

Condensed Statements of Income (Separate)

[KRW bil.]

	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12	3Q '12	4Q '12	2012
Sales	210.2	224.5	241.9	230.7	907.3	218.6	246.5	243.2	222.7	931.0
COGS	82.3	93.0	113.7	114.2	403.3	106.9	123.3	112.9	101.8	444.8
Gross Profit	128.0	131.5	128.2	116.4	504.0	111.7	123.1	130.3	121.0	486.2
SG&A	99.9	104.1	98.8	102.4	405.2	97.6	104.4	102.0	92.5	396.6
Operating Profit*	28.1	27.3	29.4	14.0	98.8	14.1	18.7	28.3	28.5	89.6
Other Income	3.6	3.4	1.0	2.3	10.2	2.8	0.8	4.4	0.9	8.9
Other Loss	1.3	0.9	2.1	9.7	14.0	0.8	3.3	3.5	1.0	8.6
Finance Income	1.9	1.0	2.1	1.6	6.6	8.1	-0.6	2.7	9.8	20.0
Finance Costs	4.1	4.1	3.4	3.5	15.1	4.5	3.7	4.4	8.3	20.9
EBIT	28.2	26.7	26.9	4.8	86.5	19.7	11.9	27.4	30.0	89.0
Net Profit	20.4	21.0	21.3	-2.0	60.7	16.4	8.6	20.4	22.7	68.1
GP Margin	60.9%	58.6%	53.0%	50.5%	55.6%	51.1%	50.0%	53.6%	54.3%	52.2%
OP Margin*	13.4%	12.2%	12.1%	6.1%	10.9%	6.5%	7.6%	11.6%	12.8%	9.6%
EBT Margin	13.4%	11.9%	11.1%	2.1%	9.5%	9.0%	4.8%	11.3%	13.5%	9.6%
NP Margin	9.7%	9.4%	8.8%	-0.9%	6.7%	7.5%	3.5%	8.4%	13.3%	7.3%

* New OP basis(before other profit & loss)

Performance by Division

[KRW bil.]

Division	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12	3Q '12	4Q '12	2012
ETC Total	114.5	120.9	135.9	125.1	496.5	107.7	117.2	108.5	106.3	439.7
OTC Total	51.9	62.2	70.7	68.0	252.9	66.0	86.1	84.4	72.6	309.1
Bacchus	26.6	38.7	46.7	38.2	150.1	32.7	49.7	51.3	37.2	170.9
Other OTC	25.3	23.5	24.0	29.8	102.7	33.3	36.4	33.1	35.4	138.2
Medical Total	25.2	23.5	17.8	18.0	84.5	20.6	18.0	17.2	17.9	73.7
Medical Equipment	12.9	12.3	10.0	10.7	45.9	11.0	10.9	10.3	12.0	44.2
Diagnostic	12.3	11.3	7.8	7.3	38.7	9.5	7.1	6.8	6.0	29.5
Overseas	12.3	13.4	13.8	14.2	53.6	21.6	24.2	26.7	22.4	94.8
Other	6.3	4.4	3.7	5.4	19.8	2.7	1.0	6.5	4.2	14.3
Total Sales	210.2	224.5	241.9	230.7	907.3	218.6	246.5	243.2	223.4	931.7

Major Products Sales (ETC)

[KRW bil.]

Product	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12	3Q '12	4Q '12	2012
Lipinon	11.5	11.7	11.3	11.5	46.0	7.5	7.0	8.2	7.4	30.0
Plavitor	10.5	11.7	10.5	11.4	44.2	8.1	5.8	7.3	7.2	28.4
Opalmon	8.9	9.8	9.7	8.7	37.0	6.1	5.1	6.1	5.3	22.6
Orodipine	6.8	7.0	6.1	6.3	26.3	4.9	5.2	4.5	4.6	19.1
Cozartan	4.8	5.2	4.4	4.4	18.8	2.7	2.7	2.7	2.4	10.4
Stillen	22.2	21.9	21.0	23.0	88.1	21.0	20.2	20.0	19.7	80.8
Gaster	4.6	4.6	4.9	4.3	18.4	3.3	2.7	3.6	1.8	11.4
Motilitone	-	-	-	0.5	0.5	1.5	3.2	4.8	5.1	14.5
Growtropin	4.8	4.8	6.0	5.4	21.1	5.6	5.4	5.8	5.2	21.9
Talion	4.1	5.2	5.2	5.5	20.0	5.6	5.5	5.2	5.8	22.1
Glimel	3.8	3.9	4.1	3.7	15.5	2.6	2.0	2.5	2.5	9.6
Zydena	4.8	5.1	5.2	5.2	20.3	5.0	4.2	3.1	3.2	15.5
Flivas	-	-	-	-	-	0.2	1.0	1.3	1.5	4.0

Major Products Sales (OTC)

[KRW bil.]

Product	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12	3Q '12	4Q '12	2012
Bacchus D	26.6	38.7	45.4	35.7	146.3	30.2	45.2	46.3	33.8	155.5
Bacchus F	-	-	1.3	2.5	3.8	2.5	4.5	5.0	3.5	15.4
Bacchus Total	26.6	38.7	46.7	38.2	150.1	32.7	49.7	51.3	37.2	170.9
Panpyrin	6.9	4.8	4.5	6.3	22.4	7.3	5.9	5.6	8.0	26.8
Bigen	3.8	3.8	4.1	3.6	15.4	3.7	4.3	4.9	4.1	17.0
Garglin	3.4	3.3	3.1	3.5	13.3	5.3	5.7	5.2	5.3	21.4
Morning Care	2.8	2.8	2.5	3.3	11.3	2.8	2.5	3.0	3.0	11.2

R&D Pipeline - NCEs (New Chemical Entities)

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
	DA – 8159	Erectile Dysfunction	PDE-5 Inhibitor	Phase 3 completed (USA) Warner Chilcott
		Benign Prostatic Hyperplasia		Under Phase 2 (JPN) Meiji Seika Pharma.
		Portal Hypertension		Under Phase 2 (EU) Dr. Falk
		Pulmonary Arterial Hypertension		Under Phase 2 (KOR)
NCE	DA – 7218	Infection (ABSSSI)	Oxazolidinone Class Antibiotic	Phase 3 completed (Global) Trius Therapeutics
		Lung Infection		Phase 3 planned (Global) Trius Therapeutics
	DA – 1229	Type 2 Diabetes	DPP-4 Inhibitor	Phase 2 completed (KOR)
	DA - 6034	Gastritis	Flavone Derivative	Under Phase 3 (KOR)
		Dry Eye		Under Phase 2 (KOR)
	DA - 8031	Premature Ejaculation	SERT Inhibitor	Under Phase 2 (KOR)
	DA - 6886	Irritable Bowel Syndrome	5-HT ₄ Agonist	Under Phase 1 (KOR)

R&D Pipeline – Phyto & Biological Entities

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
Phyto	DA-9801	Diabetic Neuropathy	Herbal Extracts	Under Phase 2 (KOR)
	DA-3801	Infertility (Ovulation Induction)	Recombinant FSH	Phase 3 completed (KOR)
	DA-3803	Infertility	Recombinant hCG	Under Phase 3 (KOR)
	DA-3030	Diabetic Neuropathy	G-CSF	Under Phase 1 (KOR)
Bio	DA-3031	Neutropenia	PEGylated-G-CSF	Under Phase 3 (KOR)
	DA-3051	Multiple Sclerosis	Interferon- β	Phase 3 planned (BRA)
	DA-3002	Idiopathic Short Stature	Human Growth Hormone	Under Phase 3 (KOR)
	DA-3091	Type 2 Diabetes	Long-acting Exenatide	Under Phase 1 (KOR)
	DA-3607	Brain Tumor	TRAIL	Under Phase 1 (KOR)

R&D on Bio at Beginning Stage

- **Biosimilar/better** - DA-3811 (Gaucher Disease, Cerezyme Biosimilar)
DA-3808 (Hemophilia A, Advate Biosimilar)
DA-3880 (Anemia of Chronic Renal Failure, Aranesp Biosimilar)
- **Antibody** - DA-3111 (her2 Positive Breast Cancer, Herceptin Biosimilar)

Thank You

