

General Introduction to Dong-A Pharmaceutical

May 2011

Forward Looking Statements

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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I. Market Environment



Korean Pharmaceutical Industry

Total Market

[KRW bil.]

	2006	2007	2008	2009	2010
ETC	7,020	8,034	9,156	10,436	11,226
OTC	1,796	1,724	1,690	1,802	1,872
Total	8,816	9,758	10,846	12,238	13,098

Growth

	2006	2007	2008	2009	2010
ETC	15.0%	14.4%	14.0%	14.0%	7.6%
OTC	0.3%	-4.0%	-2.0%	6.6%	3.9%
Total	11.7%	10.7%	11.1%	12.8%	7.0%

Contribution

	2006	2007	2008	2009	2010
ETC	79.6%	82.3%	84.4%	85.3%	85.3%
OTC	20.4%	17.7%	15.6%	14.7%	14.7%

[Source: IMS Health Data]

Regulatory Issues

KEY REGULATIONS	EFFECTIVE FROM	DETAILS
1. Drug Expenditure Rationalization Plan	Jan. 2007	<ul style="list-style-type: none">▪ Cost-effectiveness Assessment<ul style="list-style-type: none">➤ Rationalize the drug price according to its effectiveness by comparing to a reference product
	Jul. 2010	<ul style="list-style-type: none">▪ Drugs enlisted before 2007<ul style="list-style-type: none">➤ Price down to 80% of the highest price drug with the same ingredients over next 3 years (7%, 7%, 6%) except orphan drugs, patent protected drugs, and drugs already went through cost-effectiveness assessment
2. Dual Punishment System	Nov. 2010	<ul style="list-style-type: none">▪ Punish givers and receivers of illegal rebates
3. Real Transaction Price Incentive System	Oct. 2010	<ul style="list-style-type: none">▪ Price cut based on the real transaction price reported by medical service providers

Affect on Dong-A

1. Drug Expenditure Rationalization Plan

- 20% Uniform cut
 - less than 1% drop in sales per year

[10' Sales in KRW bil.]

		EFFECTIVE FROM 2H 2010	EFFECTIVE FROM 1H 2011	EFFECTIVE FROM 2H 2011
Therapeutic Area		Hypertension	Circulatory, Digestive, Gastric ulcer, Enteropathy, Osteoporosis	Diabetes, Antithrombotic, Antibiotic, Anti-virus, and Rest
Impact on Dong-A	Product	None	Gaster® (19.1) – 20% Foy® (4.4) – 20% Prostandin® (3.1) – 20% Zofran® (1.5) – 15%	Growtropin® (17.2) – 4% Acrofen® (11.4) – 14% Epocelin® (10.0) – 20% Zovirax® (8.7) – 20% Eporon® (4.5) – 12% Carplan® (1.3) – 11% Others (3.5) – 20%
	Impact on Sales	0%	About KRW2.0bil. drop in sales per year	About KRW2.5bil. drop in sales per year

Affect on Dong-A

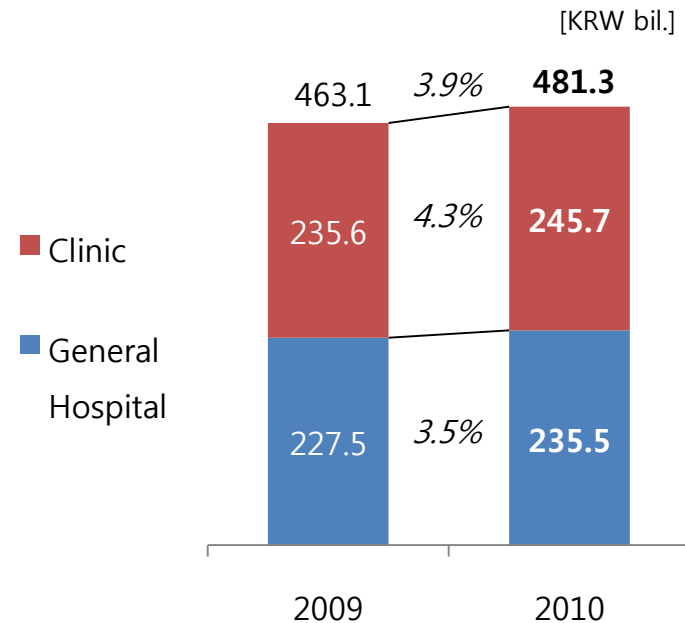
2. Real Transaction Price Incentive System

- Impact in 2011
 - virtually no impact
- Impact beyond 2011
 - Less than 5% sales reduction **when all the general hospital participates**

3. Dual Punishment System

- Will furnish fair competition which may lead to industry consolidation

Dong-A's ETC Sales



Still an Attractive Industry

- Grew 7.0% on volume but 14.0%* on unit demand due to aging population
 - Double digit growth possible when price stabilize
- Medical spending per GDP is around 6.5%, lower than OECD average of 9.1%
 - Ample room to grow
- Possible industry consolidation when regulation such as dual punishment is strictly pursued

[*Source: HIRA EDI Data]

Growing Area

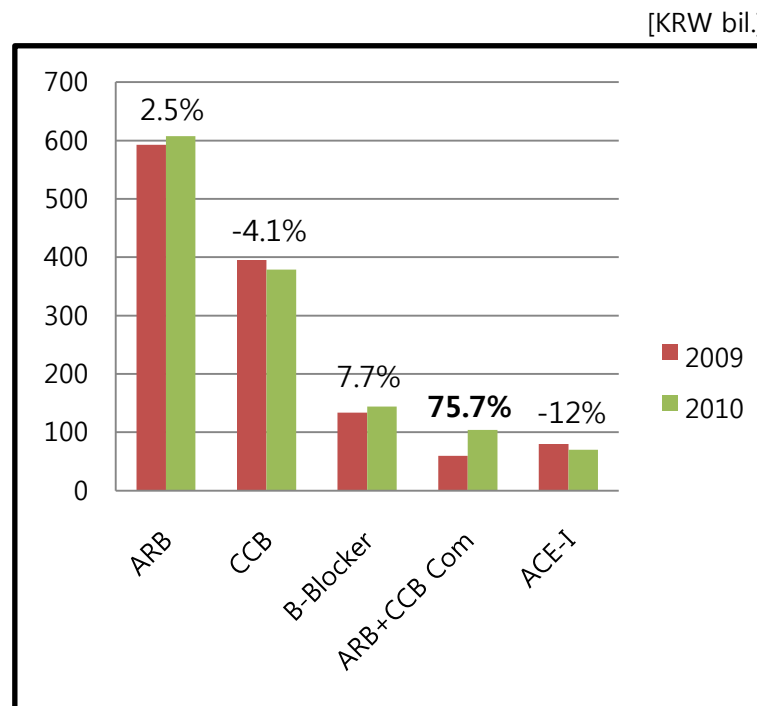
The biggest therapeutic areas in Korea are cardio especially hypertension followed by digestive area.

Market by Therapeutic Area

	[KRW bil.]		
	2009	2010	GROWTH
Total Cardio	2,233	2,389	7.0%
Hypertension	1,206	1,307	8.4%
Hyperlipidemia	497	553	11.2%
Antithrombotic	530	529	-0.2%
Urology	249	285	14.1%
Endocrine	372	414	11.3%
Digestive	928	983	5.9%
Antivirus / Bacteria / Biotic	894	947	5.8%
Neurotic / Painkiller	682	740	8.4%

[Source : UBIST]

Hypertension Market by Type



[Source: IMS Health Data]

Market Strategy

MARKET TREND	CHANGES	STRATEGY
Aging Population	<ul style="list-style-type: none">▪ Increase in chronic and senile disease	<ul style="list-style-type: none">➤ Focus on circulatory, urology, endocrine therapeutic areas
Changing Life Style	<ul style="list-style-type: none">▪ Higher income▪ Changes in diet habits	<ul style="list-style-type: none">➤ Develop original products with lucrative prices➤ Focus on digestive area
Industry Consolidation	<ul style="list-style-type: none">▪ Depends on regulation	<ul style="list-style-type: none">➤ No plan for M&A (no synergy)➤ Continue to improve financials
Toughening Regulation	<ul style="list-style-type: none">▪ Price reduction	<ul style="list-style-type: none">➤ Strategic ties with global players (Otsuka, GSK, and etc)➤ Overseas market expansion

II. Dong-A's Strength



Dong-A's Merit

- ✓ **Well-diversified Business Portfolio**
- ✓ **Strong Franchise**
- ✓ **Proven R&D Capability**
- ✓ **Lucrative Financials**
- ✓ **Successful Overseas Expansion**

Well-diversified Product Portfolio

- **Sales Contribution**

- 60% ETC, 25% OTC, 10% Medical, 5% Export

- **ETC Product contribution**

- 65% Original (30% In-house Development, 35% In-license) vs. 35% Generic

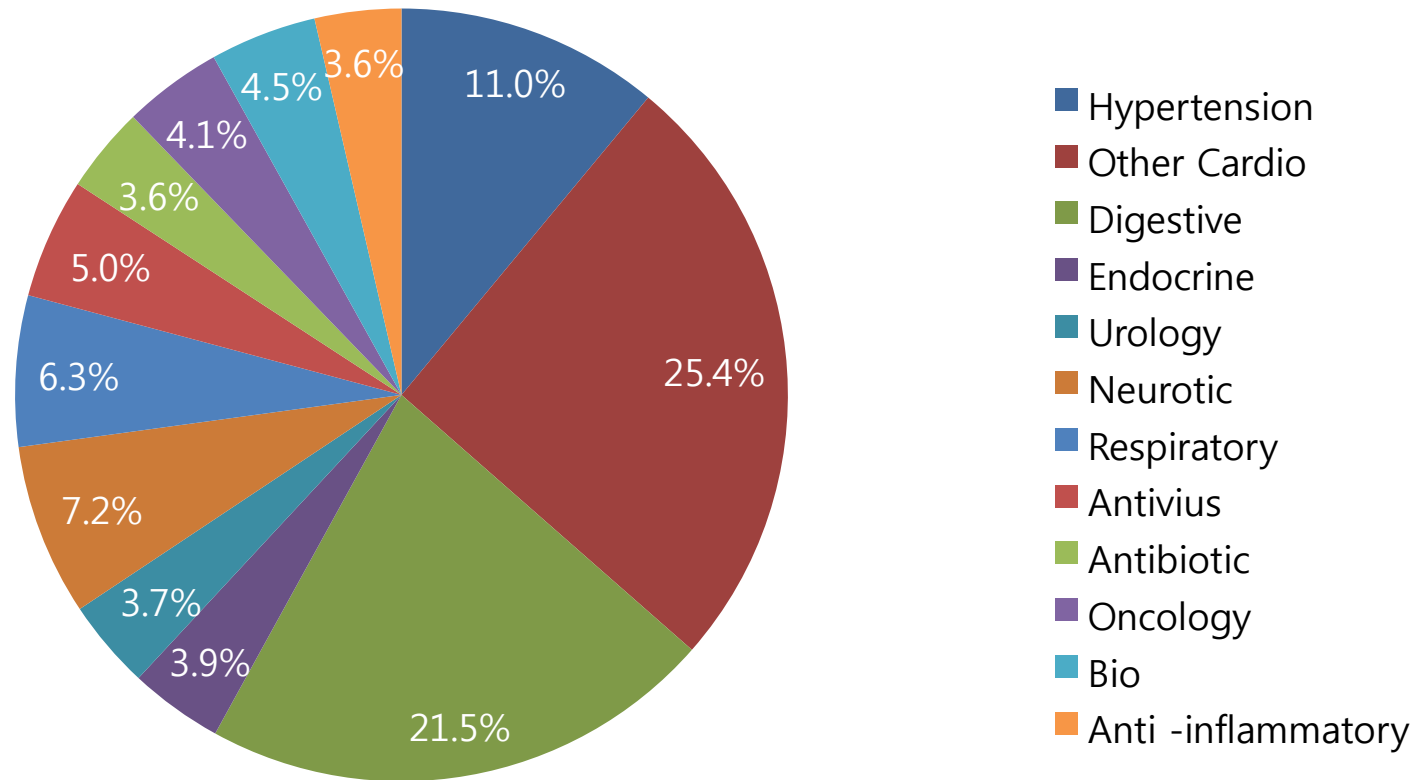
- **ETC Channel Contribution**

- 50% General Hospitals / 50% Clinics

- Less vulnerable to recent regulatory changes which had the hardest impact on **clinic sector** and **generic products**

Well-Positioned in Growing Area

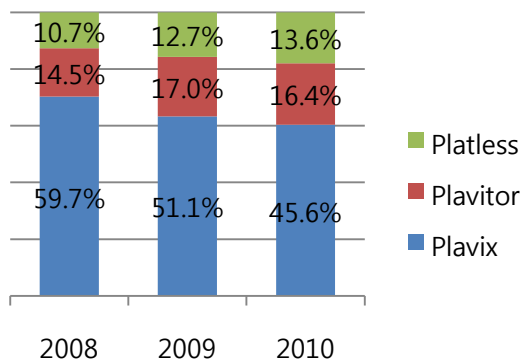
Dong-A's Product Composition in 2010



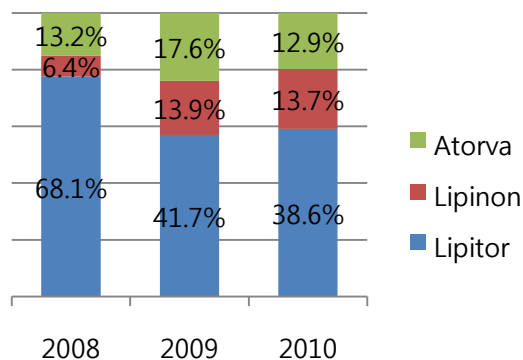
Strong Franchise – Gaining Market Share

Dong A has gained a significant market share shortly after it's launch

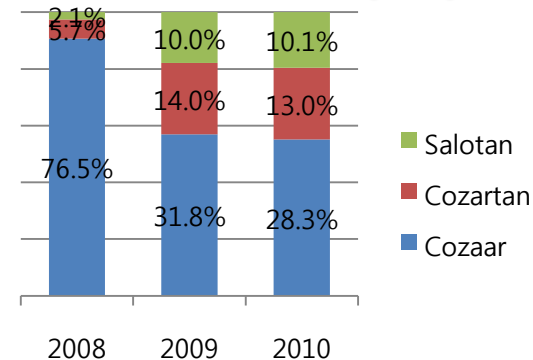
Plavitor® (06'')



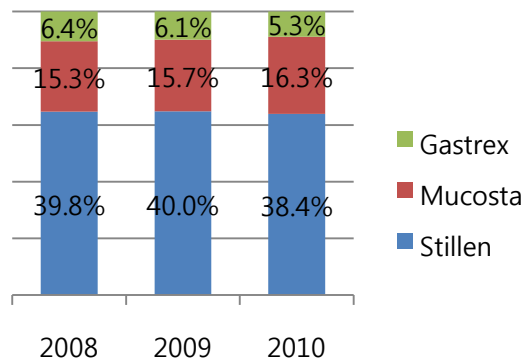
Lipinon® (08'')



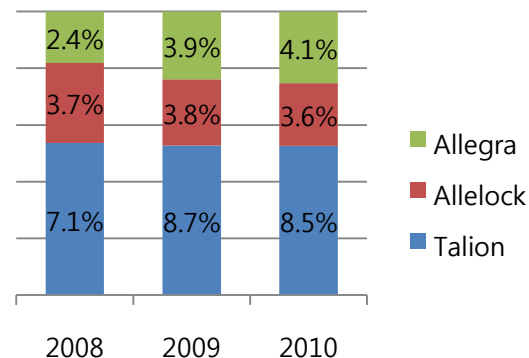
Cozartan® (08'')



Stillen® (02'')



Talion® (04'')



R&D Capability – Accredited by FDA

Dong-A proved its global quality R&D capability with Udenafil (DA-8159) and Torazolid (DA-7218) which are well on the way for U.S. FDA as well as E.U. FDA approval

**US
market**

DA-8159



- Phase 3 completed for Erectile Dysfunction

DA-7218

- In Phase 3 for MRSA Infection/ABSSSI
- Phase 1 completed for Lung Infection

**EU
market**

DA-8159



- In Phase 2 for Portal Hypertension
- License-out with Dr. Falk

Global Level Competitiveness of Dong-A's Candidates

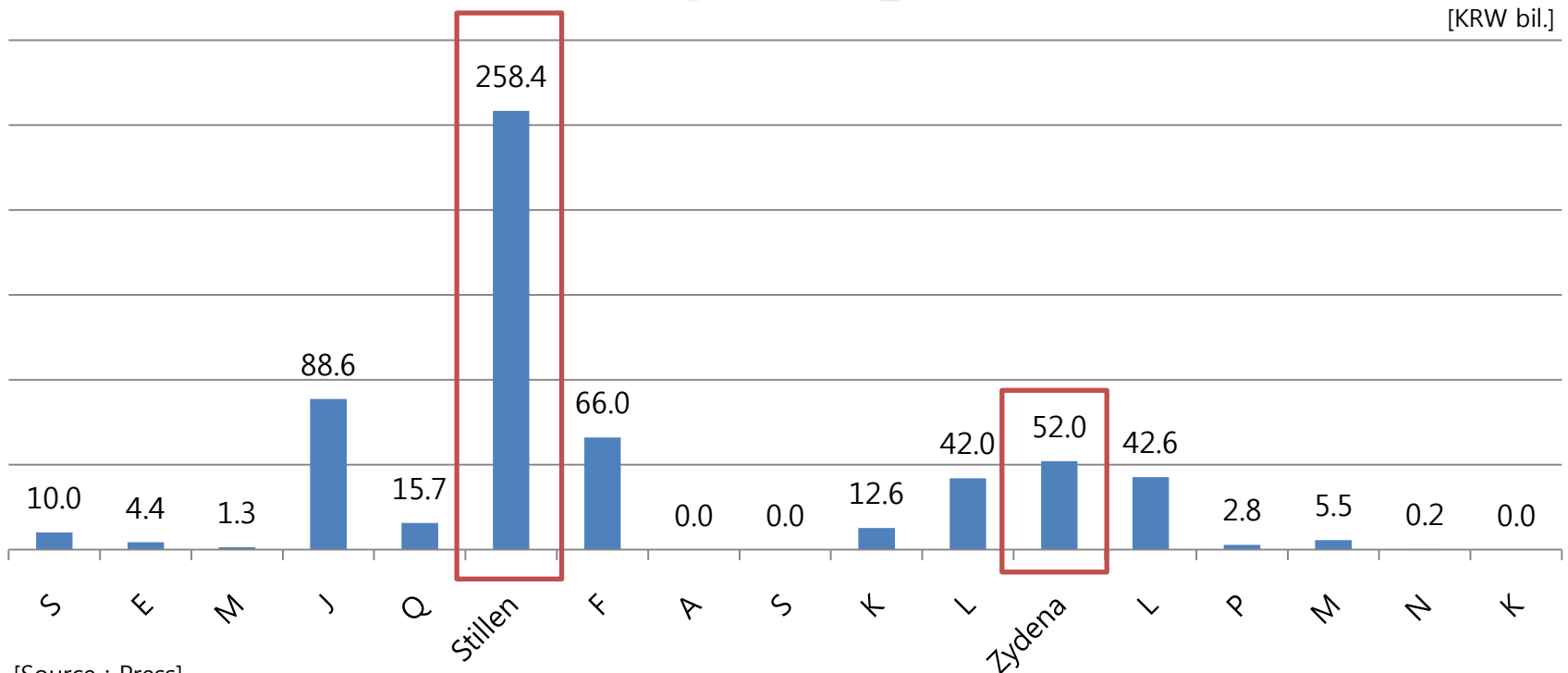
We expect a commercial success, which will be a milestone for direct entrance with our own brand

PRODUCT	MARKET SIZE IN 2010	COMPETITIVENESS
	Erectile dysfunctions - Market over US\$4.0bil. (Viagra [®] sales US\$1.9bil.)	<ul style="list-style-type: none"> ▪ Fewer side effects ▪ Ideal action duration ▪ Lower cost for patient
DA-8159 (Udenafil)	Benign Prostatic Hyperplasia (BPH) - Market over US\$4.0bil. (front-running PDE-5 in Phase 3)	<ul style="list-style-type: none"> ▪ Targeting BPH patients with ED co-morbidity ▪ Fewer side effects
	Pulmonary Arterial Hypertension (PAH) - Market over US\$2.0bil. (Revatio [®] sales US\$0.48bil.)	<ul style="list-style-type: none"> ▪ Fewer side effects ▪ Ideal action duration ▪ Lower cost for patient
DA-7218 (Torezolid)	Oxazolidinone antibiotic - Treating MRSA infection (Zyvox [®] sales U\$1.2bil.)	<ul style="list-style-type: none"> ▪ DA-7218 over Zyvox[®] - Higher potency and favorable regimen - Shorter course of treatment - Active against Zyvox[®]-resistant strains

R&D Capability – Commercial Success Rate

With the 17 originals developed in Korea, all of Dong-A's new products are scoring huge successes

Sales of In-house Developed Drugs in 2009 (Accumulated)



[Source : Press]

R&D Capability - Robust R&D Pipeline

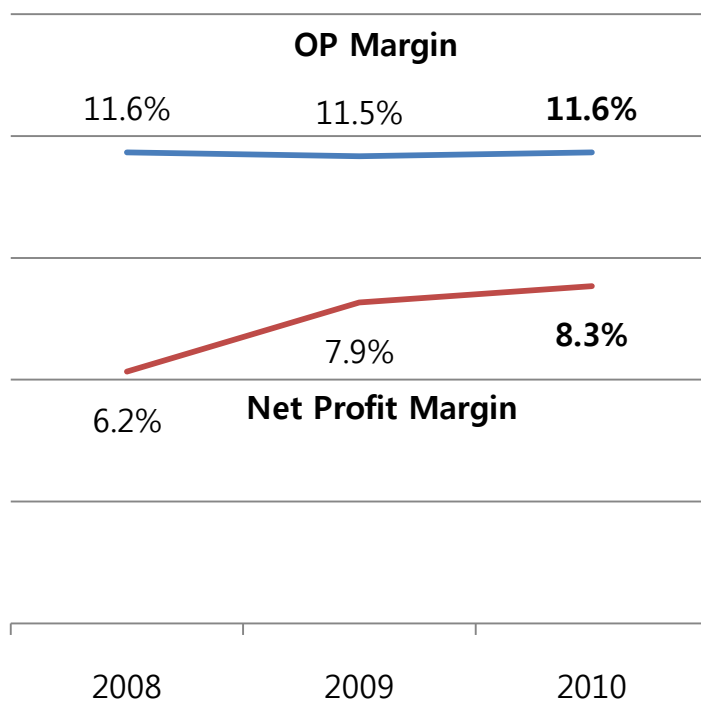
Number of Projects at Each Clinical Trial Stage in 2010

PEER	IN PHASE 1	IN PHASE 2	IN PHASE 3
Dong-A	5	8	5
Company G	4	5	2
Company H	8	0	0
Company D	5	0	3
Company Y	1	0	0

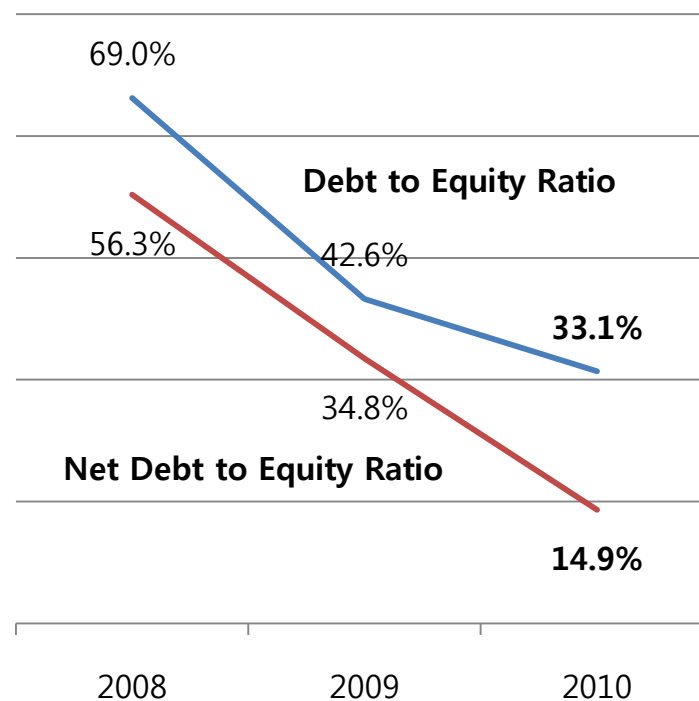
[Source : FSS Dart Filing]

Lucrative Financials – High Margin / Low Gearing

Profit Margin



Leverage



Lucrative Financials – Affluent Cash Flow

Stable Cash Flow

[KRW bil.]

	2008	2009	2010
Net Cash in from Operating	53.2	89.9	90.7
Net Cash from Investing	-72.7	-92.1	-97.8
CAPEX + Maintenance	70.0	70.9	106.3*
Net Cash from Financing	12.7	2.5	94.9

*KRW40.2bil. for purchasing land for cGMP plant + KRW42.0bil. for research building + KRW24.1bil. for maintenance

Preparing the Future - R&D Pipeline

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
NCE	DA – 8159	Erectile Dysfunction	PDE-5 Inhibitor	Under Phase 3 (US) Warner Chilcott
		Benign Prostatic Hyperplasia		Phase 2 planned (US) Warner Chilcott
		Portal Hypertension		Under Phase 2 (EU) Dr. Falk
		Pulmonary Arterial Hypertension		Under Phase 2 (KR)
	DA – 7218	Infection (ABSSSI)	Oxazolidinone Class Antibiotic	Under Phase 3 (US) Trius Therapeutics
		Lung Infection		Phase 1 Completed (US) Trius Therapeutics
	DA – 1229	Type 2 Diabetes	DPP-4 Inhibitor	Under Phase 2 (KR)
	DA - 6034	Gastritis	Flavone Derivative	Under Phase 3 (KR)
Dry Eye		Phase 2 planned (KR)		
DA - 8031	Premature Ejaculation	SERT Inhibitor	Under Phase 1 (KR)	

Preparing the Future - R&D Pipeline

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
Phyto	DA-9701	Functional Dyspepsia	Herbal Extracts	NDA (KR)
	DA-9801	Diabetic Neuropathy	Herbal Extracts	Phase 2 planned (KR)
Bio	DA-3801	Infertility (Ovulation Induction)	Recombinant FSH	Under Phase 3 (KR)
	DA-3803	Infertility	Recombinant hCG	Phase 3 planned (KR)
	DA-3030	Diabetic Neuropathy	G-CSF	Under Phase 2 (KR)
	DA-3031	Neutropenia	PEGylated-G-CSF	Under Phase 2 (KR)
	DA-3051	Multiple Sclerosis	Interferon- β	Under Phase 1 (Brazil) Bergamo
	DA-3091	Type 2 Diabetes	Long-acting Exenatide	Under Phase 1 (KR)
	DA-3607	Brain Tumor	TRAIL	Under Phase 1 (KR)

Preparing the Future - R&D Pipeline

R&D_on_Bio_at_Beginning_Stage

- Biosimilar/better- DA-3811 (Gaucher Disease)
 - DA-3853 (Rheumatoid & Psoriatic Arthritis)
 - DA-3808 (Hemophilia A)
 - DA-3880 (Anemia of Chronic Renal Failure)
- Antibody -
 - DA-3111 (her2 Positive Breast Cancer)
 - DA-3131 (Solid Tumor)

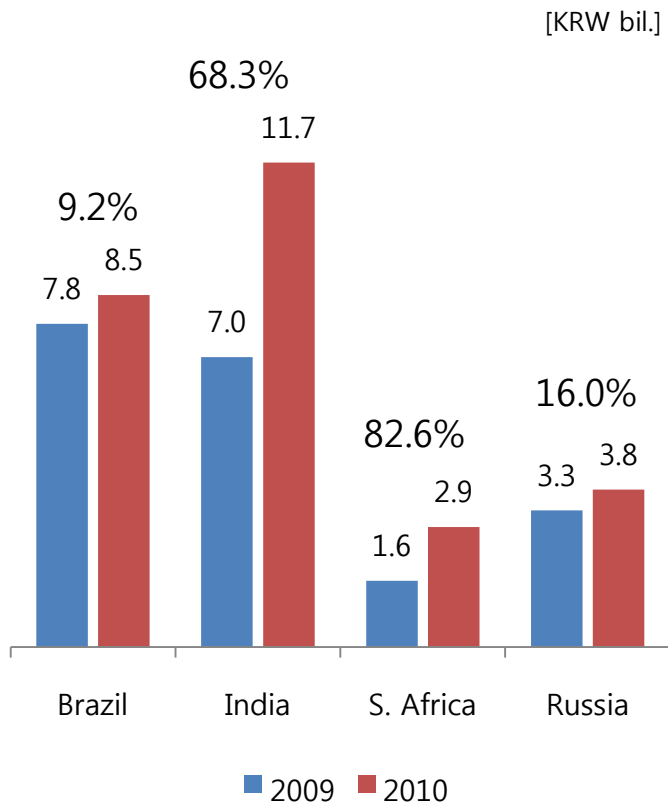
Preparing the Future - R&D Pipeline

Expected to Launch

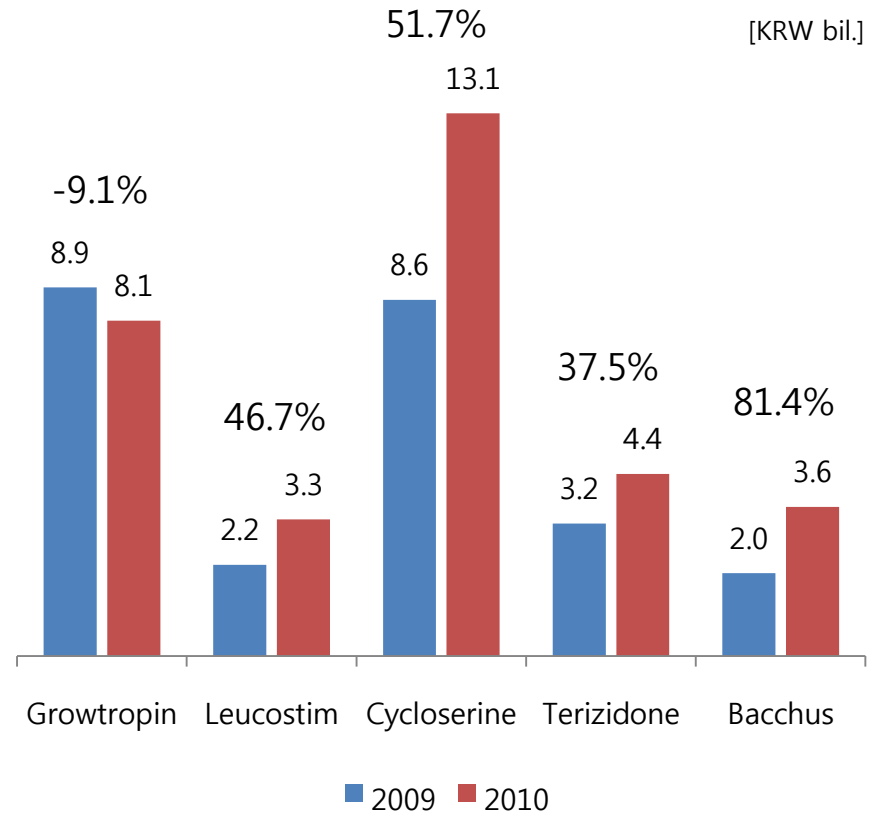
2011~2012	2012~2013	2013~2014	2014~BEYOND
			DA-8159 (BPH – U.S. / PAH)
		DA-7218 (MRSA - U.S.)	
		DA-8159 (PH)	DA-1229 (Diabetes)
DA-9701 (Dyspepsia)	DA-8159 (ED – U.S.)	DA-3803 (Infertility)	DA-6034 (Dry Eye)
DA-3801 (Anovulation)	DA-6034 (Gastritis)	DA-3031 (Neutropenia)	DA-8031 (Premature Ejaculation)
		DA-3051 (Multiple Sclerosis - Brazil)	DA-3091 (Diabetes)
			DA-3607 (Brain Tumor)

Visible Overseas Expansion

Growth By Region



Growth By Product



Overseas Expansion Strategy

- **Product launch criteria for Emerging Market**
 - No competition i.e. Cyclocerine, Terizidone
 - Product with patent i.e. Zydena[®], Atrovastatin
 - Possible marketing differentiation i.e. Monotaxel[®]
 - Price competitiveness
 - Market with toughening regulation i.e. Zydena[®]
- **Strategy for U.S., E.U. Market**
 - Each clinical trial costs KRW50~60bil.
 - Needs cGMP plant
 - License-out

Strategic Alliance With GSK

STAGE	OBJECTIVE
1st Stage	<ul style="list-style-type: none">▪ Co-promotion of GSK products through our sales channel to take on clinical channel sagged by Dual Punishment System➤ GSK : Revenue growth, capital gain➤ Dong-A : Sales commission (profit growth), Enhanced product line up▪ GSK invested 9.9% stake in Dong-A▪ Started co-promotion of Avodart[®], Hepsera[®] and Zeffix[®] from late 2010▪ Will start co-promotion of Avamys[®] and Vaxar[®] in 2011
2nd Stage	<p>Expand into emerging markets</p> <ul style="list-style-type: none">➤ GSK : Enhanced product line-up➤ Dong-A : Overseas expansion
3rd Stage	<p>Expand into developed markets</p> <ul style="list-style-type: none">➤ GSK : Enhanced product line-up➤ Dong-A : Overseas expansion

2011 New ETC Products Launch Plan

[KRW bil.]

	Product	Indication	Original Sales (2009)
2Q	Aprovel Generic	Hypertension (ARB)	37.4
3Q	Co-Aprovel Generic	Hypertension (ARB + Diuretics) Comb.	28.3
4Q	Diovan Generic	Hypertension (ARB)	53.1
	Co-Diovan Generic	Hypertension (ARB + Diuretic) Comb.	32.7
	Flivas	BPH	-
	DA-9701	Functional Dyspepsia	-
	Ultraset ER Generic	Analgesic	19.0

III. Financial Performances



Condensed Statements of Income (K-GAAP)

[KRW bil.]

	2007	2008	2009	1Q '10	2Q '10	3Q '10	4Q '10	2010	1Q '11
Sales	686.8	702.3	801.1	201.0	221.4	212.1	212.3	846.8	210.2
CoGS	306.8	259.2	323.2	81.7	86.4	87.9	89.6	345.6	83.7
Gross Profit	380.0	443.1	477.9	119.3	135.0	124.2	122.7	501.3	126.5
SG&A	304.2	361.4	386.0	96.0	106.3	94.7	105.6	402.7	100.8
Operating Profit	75.8	81.7	91.9	23.3	28.7	29.5	17.1	98.5	25.7
Interest Cost	12.7	13.1	15.5	3.7	4.8	4.5	1.3	14.3	3.1
EBT	57.4	71.0	85.1	21.1	37.8	17.5	22.4	98.8	27.4
Net Profit	34.8	43.4	63.3	15.5	33.2	11.2	13.2	73.1	21.1
GP Margin	55.3%	63.1%	59.7%	59.3%	61.0%	58.6%	57.8%	59.2%	60.2%
OP Margin	11.0%	11.6%	11.5%	11.6%	12.9%	13.9%	8.1%	11.6%	12.2%
EBT Margin	8.4%	10.1%	10.5%	10.5%	17.1%	8.3%	10.6%	11.7%	13.0%
NP Margin	5.1%	6.2%	7.9%	7.7%	15.0%	5.3%	6.2%	8.6%	10.0%

Condensed Statements of Financial Position (K-GAAP)

[KRW bil.]

	2007	2008	2009	1Q '10	2Q '10	3Q '10	4Q '10	1Q '11
Total Assets	671.0	731.6	1,000.0	1,025.8	1,188.2	1,175.0	1,160.4	1,193.7
Current Assets	284.3	292.7	294.7	301.7	448.2	438.6	380.4	401.2
Cash	51.2	44.5	44.8	54.9	177.5	181.8	132.6	147.0
Receivables	138.2	134.9	133.8	134.9	138.0	136.0	132.3	134.1
Inventories	94.7	109.0	118.2	111.4	109.3	112.4	115.7	118.9
Fixed Assets	386.6	438.9	705.3	724.1	740.0	736.4	780.0	792.5
Total Liabilities	343.0	381.4	420.0	440.5	474.4	447.3	431.6	454.8
Current Liabilities	216.2	249.1	316.0	335.6	240.8	200.9	222.1	242.1
Fixed liabilities	126.8	132.3	103.9	104.9	233.5	246.4	209.4	212.7
Total Equity	328.0	350.2	580.1	585.3	713.9	727.7	728.9	738.9
Liability to Equity Ratio	104.6%	108.9	72.4%	75.3%	66.5%	61.5%	59.2%	61.6%
Debt to Equity Ratio	61.2%	69.0%	42.6%	43.3%	38.4%	33.5%	33.1%	32.6%
Net Debt to Equity Ratio	49.8%	56.3%	34.8%	33.9%	13.5%	8.5%	14.9%	12.7%

Sales by Divisions

[KRW bil.]

	2007	2008	2009	1Q '10	2Q '10	3Q '10	4Q '10	2010	1Q '11
ETC Total	316.5	399.0	463.1	120.0	124.2	115.4	122.1	481.3	114.5
General Hospital	172.0	208.2	227.5	60.9	60.7	56.8	57.1	235.5	55.8
Clinic	144.5	190.8	235.6	58.7	63.5	58.5	65.0	245.7	58.7
OTC Total	200.9	199.0	209.1	47.1	60.8	59.6	54.2	221.7	51.9
Bacchus	112.5	118.8	116.5	23.0	36.8	37.6	31.0	128.3	26.6
Other OTC	88.4	80.2	93.2	24.2	24.0	22.0	23.2	93.4	25.3
Medical Total	90.1	69.7	81.1	23.5	23.0	22.0	22.8	91.3	25.3
Medical Equipment	56.8	32.6	39.7	12.9	11.7	10.4	11.0	46.0	12.9
Diagnostic	33.2	37.1	41.3	10.6	11.4	11.6	11.7	45.3	12.4
Export	19.4	26.1	37.4	9.7	12.4	12.0	10.8	45.0	12.3

Sales by Major Products

[KRW bil.]

Therapeutic	Products	2009	2010	Growth	Treatment
Hypertension	Orodipine	28.2	28.9	2.3%	CCB - 3rd Generation
	Cozartan	13.6	18.0	33.1%	ARB
	Vasotrol	4.3	4.6	7.3%	β -Blocker
	Tanatril	4.7	4.5	-5.8%	ACE-I
Other Cardio	Opalmon	40.6	44.3	9.2%	Antithrombotic Agents
	Plavitor	39.7	43.6	9.8%	Antithrombosis
	Lipinon	30.9	40.9	32.1%	Hyperlipidemia
Endocrine	Glimel	15.1	15.5	2.8%	Diabetes
	Gluconon	3.0	2.9	-3.9%	Diabetes
	Thioctia	2.3	2.5	9.0%	Diabetic Polyneuropathy
Urology	Zydena	16.3	20.0	22.9%	Erectile Dysfunction
Digestive	Stillen	85.4	87.7	2.6%	Gastric Mucosal Protection
	Gaster	18.5	19.1	3.4%	H2 Blocker
	Pantoline	7.2	8.3	15.5%	Proton Pump Inhibitor
Neurotic	Nicetile	34.3	26.3	-23.5%	Dementia
	Gabapentin	8.0	8.7	9.6%	Post-herpetic Neuralgia Treatment

Sales by Major Products

[KRW bil.]

Therapeutic	Products	2009	2010	Growth	Treatment
Respiratory	Talion	18.6	19.6	5.5%	Allergic Rhinitis
	Onon	11.7	12.4	5.9%	Asthma
Antivirus / Skin Disease	Valtrex	10.3	10.0	-3.1%	Herpes Zoster
	Zovirax	7.9	8.7	10.0%	Genital Herpes
	Diflex	6.9	6.0	-13.2%	Anti-fungals
Antibiotic	Epocelin	10.3	10.0	-3.3%	3rd Cephalosporin I.V. Antibiotics
	Suprax	6.3	6.5	2.8%	3rd Cephalosporin Oral Antibiotics
Oncology	Leucostim	4.8	4.7	-2.6%	Neutropenia
	Foy	4.3	4.4	2.8%	Pancreatitis
	Gemcit	3.8	3.9	3.0%	Lung Cancer, Pancreatic Cancer
Anti-inflammatory	Acrofen	11.6	11.4	-1.5%	Anti-inflammatory
	Paramacet	3.3	4.8	44.9%	Analgesic
	Melocox	3.4	3.1	-9.2%	Analgesic
Biological	Growtropin	15.6	17.2	10.4%	Runt Disease
	Eporon	4.3	4.5	3.9%	Anemia
	Gonadopin	1.3	2.0	60.1%	Female Infertility Treatment

2011 Budget

- **Sales Expected: About KRW 900 bil.**
 - ✓ Positive Attributors
 - Stronger product line-up, growth in export
 - ✓ Negative Attributors
 - Dual Punishment System, low price incentive

- **Operating Profit Margin Expected 11%~12%**
 - ✓ Positive Attributors
 - Proceeds from GSK product sales, cost reduction measure
 - ✓ Negative Attributors
 - Low Price Incentive System
 - Increase in SG&A (R&D, Marketing)
 - **Achieved KRW210.2 bn. with 12.2% OPM(K-GAAP) in 1Q 2011**

Major Assumptions

- *2011 Industry growth : 6.8% (based on BMI* forecast)*
- *FX : Yen 100 → KRW 1,200, \$ → KRW 1,100*

Appendix



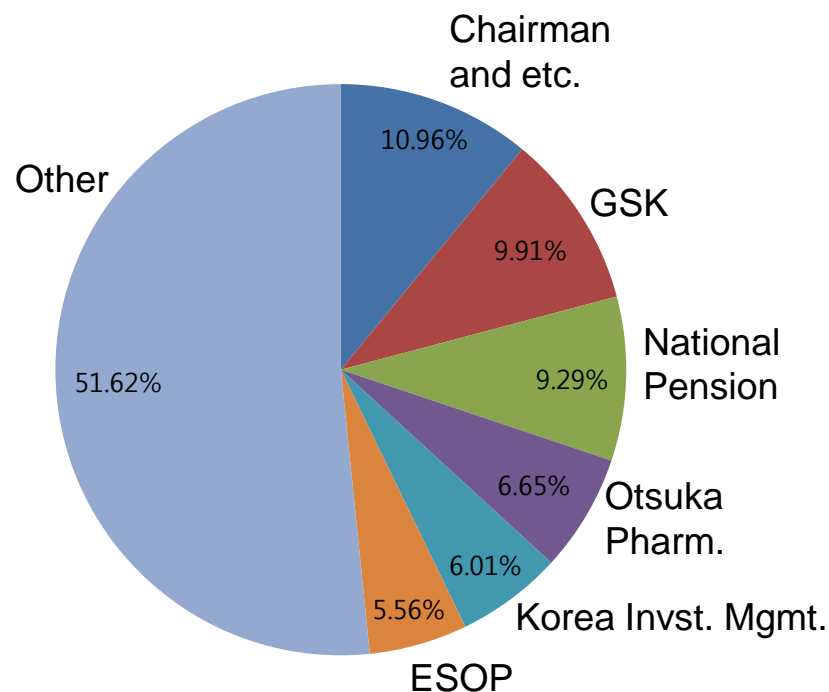
Corporate Information and Governance

Quick Overview

Founding	1949. 8. 9
Listing	1970.2.10
Group	Dong-A Socio
Co-CEOs	Won-Bae Kim/Jung-Seok Kang
Employees	2,200 (2010.12.31)
Audit Opinion	Unqualified (KPMG)
CR/CP	A- / A2-
Main Bank	SC First Bank
Capital	KRW55.7bil. (11,135,000 shares)

[As of Mar. 31, 2011]

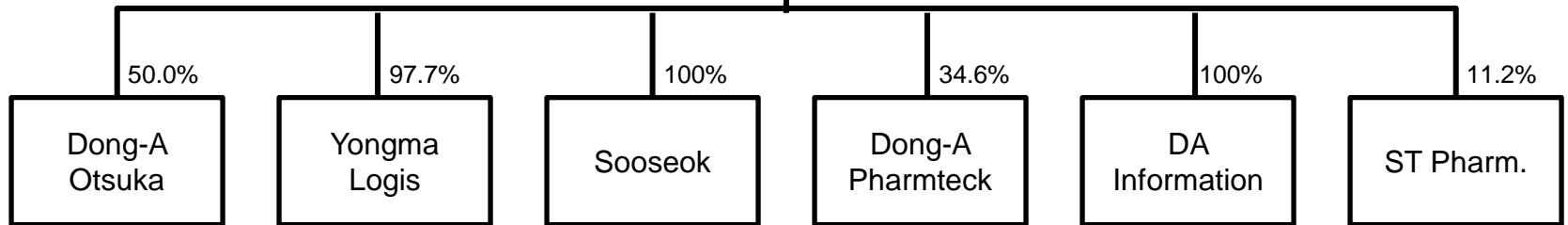
Major Shareholders (Over 5%)



[As of Mar. 31, 2011]

Major Affiliates

Dong- A Pharmaceutical



Beverage Maker
Well-known for
Pocari Sweat

Distributor of
Medicine & etc.

Maker of Bacchus
bottles

Manager of Clinical
Trials of Zyderna in
U.S.

IT solution
Provider

API maker for
Pharmaceutical

10 Sales W171.6bil. 10 Sales W85.4bil.
10 NP W-0.7bil. 10 NP W4.8bil.

10 Sales W40.1bil. 10 Sales W24.4bil.
10 NP W3.9bil. 10 NP W16.4bil.

10 Sales W24.4bil. 10 Sales W5.9bil.
10 NP W16.4bil. 10 NP W1.3bil.

10 Sales W5.9bil. 10 Sales W28.9bil.
10 NP W1.3bil. 10 NP W1.0bil.

10 Sales W28.9bil. 10 Sales W1.0bil.
10 NP W1.0bil.

[As of Dec. 31, 2010]

Consolidated Financial Summary (K-GAAP)

	[KRW bil.]		
	2008	2009	2010
Total Assets	769.9	1,057.3	1,234.3
Current Assets	305.7	315.6	424.4
Cash and Cash Equivalent	44.9	50.6	150.5
Receivables	145.2	145.2	145.4
Inventory	111.0	120.5	117.4
Non-current Assets	464.2	741.6	809.8
Total Liabilities	419.0	476.9	
Current Liabilities	275.7	348.7	255.8
ST Borrowings	101.8	104.6	70.2
Current LT borrowings	34.7	21.1	12.9
Current Debenture	23.0	20.0	38.0
Current EB	0	73.4	0
Non-Current Liabilities	143.3	128.1	232.9
Long term borrowings	30.7	22.7	39.8
Debenture	38.0	38.0	10.0
BW	0	0	100.0
Total Equity	580.3	350.9	745.6

	[KRW bil.]		
	2008	2009	2010
Sales	763.6	866.2	947.6
COGS	327.9	388.5	421.7
SG&A	351.7	376.3	399.1
Operating Profit	84.0	101.4	126.9
Non Operating Profit	34.8	20.7	27.2
Non Operating Loss	47.8	35.6	40.0
EBT	71.0	86.5	114.0
Net Profit	43.3	63.3	82.4

Product Details

Zydena® [Erectile Dysfunction Treatment]

Global Market Size : US\$4.0bil.

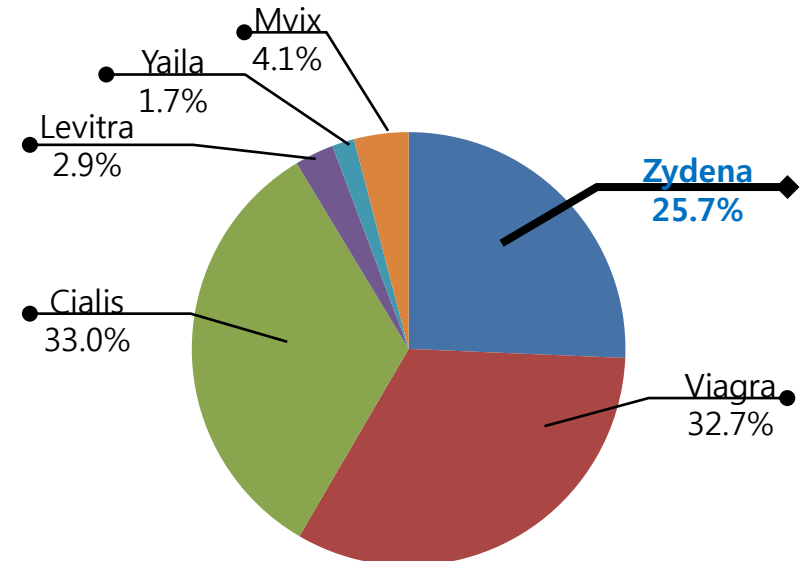
Domestic Market Size : KRW97.5bil.



Comparing Oral PDE-5 Inhibitors

PRODUCT	COMPANY	FEATURE
Zydena (Udenafil)	Dong-A	Onset Time : 15M Duration : 24H
Viagra (Sildenafil)	Pfizer	Onset Time : 1H Duration : 4H
Levitra (Vardenafil)	Bayer / GSK	Onset Time : 15M Duration : 4.5H
Cialis (Tadalafil)	Lily / ICOS	Onset Time : 16M Duration : 36H

Korean ED Market Share (2010)



[Source : IMS Health Data]

Global Level Competitiveness of Dong-A's drugs

Especially, Torezolid (DA-7218) are showing excellent 2nd stage results against its peer, Zyvox

	ATTRIBUTE	LINEZOLID	TOREZOLID	ADVANGTAGE
EFFICACY	MRSA MIC ₉₀ µg/mL	4.0	0.5	More potent
	In vivo activity	Bacteriostatic	Bacteriostatic	Faster Acting = Expanded Application
	Lin MRSA(Cfr) MIC ₉₀ µg/mL	16.0	0.5	Active against Resistant MRSA
	Frequency of Resistance	3 X 10 ⁻⁹	2 X 10 ⁻¹⁰	Lower Resistance Acquisition
SAFETY	Tyramine/SSRI Interactions	Yes	No	Fewer Drug Interactions
	Impact on Blood Cells	More	Less	Safer For LT Dosing
COST EFFECTIVENESS	Course of Therapy	10-14 Day	6 Day	Fewer Pills
CONVENIENCE	Dosing Duration Compliance	600 mg BID	200 mg QD	Shorter Time to Cure, Shorter Hospitals Stays

[Source : Trius Therapeutics]

Major Products Sales (ETC)

[KRW bil.]

Products	2007	2008	2009	1Q '10	2Q '10	3Q '10	4Q '10	2010	1Q '11
Stillen	60.2	74.8	85.4	22.1	22.4	20.7	22.5	87.7	22.1
Opalmon	23.5	31.9	40.6	11.0	12.3	13.2	7.8	44.3	8.8
Plavitor	13.0	29.9	39.7	10.5	10.5	10.9	11.7	43.6	10.5
Lipinon	-	9.6	30.9	9.6	10.4	10.2	10.7	40.9	11.5
Orodipine	13.4	23.2	28.2	7.3	7.5	7.0	7.1	28.9	6.8
Nicetile	30.5	37.9	34.3	7.8	9.1	5.4	4.0	26.3	3.3
Gaster	14.3	16.7	18.5	4.8	4.5	4.9	4.9	19.1	4.6
Growtropin	14.7	14.4	15.6	4.4	4.0	4.5	4.3	17.2	4.8
Zydena	11.2	14.2	16.3	4.7	4.7	4.4	6.2	20.0	4.8
Cozartan	-	-	12.9	4.4	4.5	4.4	4.7	18.0	4.8
Talion	11.9	15.4	18.6	4.5	5.2	4.1	5.8	19.6	4.1
Glimel	11.5	13.6	15.1	4.1	4.1	3.6	3.7	15.5	3.8
Acrofen	7.9	11.0	11.6	2.7	3.0	2.9	2.8	11.4	2.8
Valtrex	6.4	9.1	10.3	2.5	2.4	2.6	2.5	10.0	1.2
Epocelin	11.4	10.9	10.3	2.3	2.2	2.5	3.0	10.0	1.9
Onon	9.1	10.9	11.7	3.0	3.3	2.4	3.7	12.4	2.9
Tanatril	9.6	10.2	4.7	1.1	1.2	1.0	1.2	4.5	1.0

Major Products Sales (OTC)

[KRW bil.]

Products	2007	2008	2009	1Q '10	2Q '10	3Q '10	4Q '10	2010	1Q '11
Bacchus	112.5	118.8	116.5	23.0	36.8	37.6	31.0	128.3	26.6
Panpyrin	17.8	5.3	19.9	7.2	5.0	4.9	6.7	23.8	6.9
Begen	19.0	4.5	15.3	3.4	3.5	4.2	2.6	13.7	3.7
Garglin	13.3	3.5	15.6	4.2	4.6	2.9	3.2	14.9	3.4
Morning Care	8.2	3.2	12.2	2.0	2.6	1.8	3.4	9.8	2.8

Key Biologic Patent Expiries (U.S.)

[US\$ bil.]

BRAND	COMPANY	INDICATION	2009 Sales	Year of Patent Expiry
Enbrel	Amgen	Rheumatoid Arthritis	5.0	2012
Engyme	Amgen	Anemia	5.3	2013
Remicade	Johnson & Johnson	Rheumatoid Arthritis	4.4	2013
Avonex	Biogen Idec	Multiple Sclerosis	1.8	2013
Rebif	Merck KGaA	Multiple Sclerosis	1.6	2013
Humalog Franchise	Eli Lilly	Diabetes	1.4	2013
Neupogen	Amgen	Neutropenia	1.2	2013
Cerezyme	Genzyme	Gaucher Disease	1.1	2013
Rituxan	Genentech	Non-Hodgkins Lymphoma	4.5	2015
Neulasta	Amgen	Leukocyte Growth	3.0	2015
Lantus	Sanofi-Aventis	Diabetes	2.7	2015
Humira	Abbott	Rheumatoid Arthritis	3.0	2016
Herceptin	Genentech	Breast Cancer	4.0	2019
Avastin	Genentech	Colorectal Cancer	3.4	2019
Lucentis	Novartis	Macular Degeneration	1.2	2019

Global Partners

PRODUCT	REGION	COMPANY	PROGRESS
Zydena® (Erectile Dysfunction)	Russia	OJSC	Launched
	MENA	HIKMA	Preparing to sell API
	CIS	Valenta	Launched in Ukraine
	Thailand	B.L.HUA	Launch within a year
	Brazil	Bergamo	Launch within a year
	Columbia	Procabs	Launch within a year
	Malaysia / Singapore	Pahang Pharmacy	Launched in Malaysia / Launch within 2 years in Singapore
	Pakistan	Matrix Pharma.	Processing - approval is not easy
	Philippine	Macro Pharma.	Launched
	Turkey	Abdi Ibrahim	Launched in 2011 (API)
India/Nepal	Zydus Cadila	Expect to launch in 3Q	
Australia	Bio and Gene	Recently contracted	
Gonadopin® (Infertility)	Brazil	Bergamo	Launched
	Russia	MIR Pharm	Launch within a year
	Turkey	Dr. FRIK	Launch within 2 years
	India	Srum Institute	Launch within 2 years
	Syria	Oubari	Recently contracted
	Yemen	Al-Dawa	Recently contracted

Global Partners

PRODUCT	REGION	COMPANY	PROGRESS
Leucostim® (Netropenia)	Turkey	DEM ilac	Launched
	Syria	Oubari	Recently contracted
Eporon® (Anemia)	Turkey	DEM ilac	DD completed / Clinical trial expected to finish by end of 2011
	Yemen	Ak-Dawa	Recently launched
Growtropin® (Human growth hormone)	Brazil	Bergamo	Launched
	Ukraine	L-Contract	Launched
	Iran	ICU-Vita	Recently contracted
	Lebanon	Bella Pharma	Recently contracted
Closerine® (Tuberculosis)	Ukraine	L-Contract	Launch within 1H 2011
Interferon Alfa® (Anti-virus)	Ukraine	AllMed	Launched
	Syria	Oubai	Recently contracted
Gemcit® (Anti-cancer)	Lebanon	Bella Pharma	Recently launched
	Morocco	Novopharm	Recently launched
Stillen® (Gastritis)	Philippine	Macropharma	Launched
	South Africa	Camax	KRW400~500mil. expected in 2011

Glossary

Eporon Inj. Prefilled syringe (Recombinant erythropoietin/ Anemia associated with chronic renal failure)	Bio
Gonadotropin Inj. (Recombinant follitropin / Infertility)	Bio
Growtropsin AQ Inj. Pen. (Recombinant somatropin / Growth failure due to an inadequate secretion of growth hormone)	Bio
Leucostim Inj. (Recombinant filgrastim / Neutropenia in patients receiving myelosuppressive chemotherapy)	Bio
Viteron-A for Inj. (Recombinant interferon alpha-2a / Multiple myeloma, Malignant melanoma, Kaposi's sarcoma, Hepatitis B)	Bio
Stillen Tab. (Artemisiae argyi folium Ext. / Gastrointestinal diseases including acute and chronic gastritis)	Chem
Zydena Tab. (Udenafil / Erectile dysfunction)	Chem
Caltonin nasal spray (Calcitonin-salmon / Postmenopausal osteoporosis)	Gen
Cholesnon Tab. (Simvastatin / Cerebrovascular disease, Hyperlipidemia, Hypercholesterolemia)	Gen
Closerin Cap. (Cycloserine / Active pulmonary, Extra-pulmonary tuberculosis)	Gen
Diflex Cap. (Fluconazole / Fungi infection, Candidiasis)	Gen
Gabapentin Cap. (Gabapentin / Neuropathic pain)	Gen
Gemcit Inj. (Gemcitabine / Non-small cell lung cancer, Pancreatic cancer, Bladder cancer, Breast cancer, Ovarian cancer)	Gen
Glimel Tab. (Glimepiride / Diabetes)	Gen
Lipinon (Atorvastatin / Anti-cholesterol)	Gen
Melanon Cream (Hydroquinone, Tretinoin, Hydrocortisone / Hyperpigmentation)	Gen
Melocox Cap. (Meloxicam / Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis)	Gen
Orodipine Tab. (Amlodipine orotate / Hypertension, Angina)	Gen
Pantoline Tab. & Inj. (Pantoprazole / Ulcers)	Gen
Plavitor Tab. (Clopidogrel / Stroke, heart attack, Peripheral Artery Disease (P.A.D.))	Gen
Shranker Cap. (Sibutramine / Weight loss)	Gen
Vasotrol Tab. (Carvedilol / Hypertension, Angina)	Gen
Taurine (Nutrient)	API
Amlodipine orotate (Anti-hypertensives)	API
D-Cycloserine (Anti-tuberculosis)	API
Doxifluridine (Anti-cancer)	API
Epirubicin (Anti-cancer)	API
Formoterol fumarate (Anti-asthmatic)	API
Gemcitabine (Anti-cancer)	API
Glimepiride (Anti-diabetic)	API
Irinotecan (Anti-cancer)	API
Losartan (Anti-hypertensives)	API
Meloxicam (Analgesic)	API
Terizidone (Anti-tuberculosis)	API
Topiramate (CNS)	API
Voglibose (Anti-diabetic)	API

VALUE CREATION

WE
DELIVER
GREATER
VALUE.

Dong-A places the highest priority on ensuring the integrity of the company's management and upholding the rights of its shareholders.

We have been steadfast in nurturing a company culture in which everyone respects the value that is inherent in ethical conduct.

IMAGE DESCRIPTION: The Main Building of Dong-A Pharmaceutical Headquarters

CORPORATE INFORMATION & IR INFORMATION

CORPORATE INFORMATION

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Date of Establishment

June 1932

Securities Listings

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Annual General Meeting

March 18, 2011

Information Availability

<http://www.donga-pharm.com>