

Dong-A ST

1Q 2013 Performance Results

MAY 2013



A HEALTHIER SOCIETY.

All of us at Dong-A are dedicated to building a healthier society for humanity. This philosophy encompasses the health and well-being of humankind as a whole as well as the environment and the economy. Committed to building a healthier society for all, we collaborate on win-win partnerships firmly grounded on mutual trust.

Forward Looking Statements

The business results for the 1st quarter of 2013, currently under audit review, are presented here as pro-forma 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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I. 1Q 2013 PERFORMANCE

ΓΕΝΙΚΑ ΣΤΟΙΧΑ ΕΚΠΟΛΙΤΙΣΜΟΥ

Income Statement of March & 1Q 2013 (Assume before Demerger)

[KRW bil.]

	Dong-A ST		1Q before Demerger**
	March 2013	1Q 2013 (Pro-forma)	(Pro-forma)
Sales	47.9	146.9	**215.6
COGS	21.8	66.0	**99.9
SG&A Expenses	22.7	66.3	103.0
HR Related Cost	7.9	20.9	31.7
R&D Cost	4.8	14.4	22.1
Advertisement Cost	0.8	1.8	9.0
Other Marketing Related Cost	3.9	13.5	14.6
Operating Profit	3.4	14.5	12.7
<hr/>			
<i>Cost of Goods Sold Ratio</i>	45.5%	45.0%	46.3%
<i>SG&A Expenses Ratio</i>	47.4%	45.1%	47.8%
<i>HR Related Cost per Sales*</i>	16.5%	14.3%	14.7%
<i>R&D Cost per Sales</i>	10.0%	9.8%	10.2%
<i>Advertisement Cost per Sales</i>	1.7%	1.3%	4.2%
<i>Other Marketing Related Cost per Sales</i>	8.1%	9.2%	6.8%
<i>Operating Profit Margin</i>	7.1%	9.9%	5.9%

* Salary + Severance + Fringe Benefit

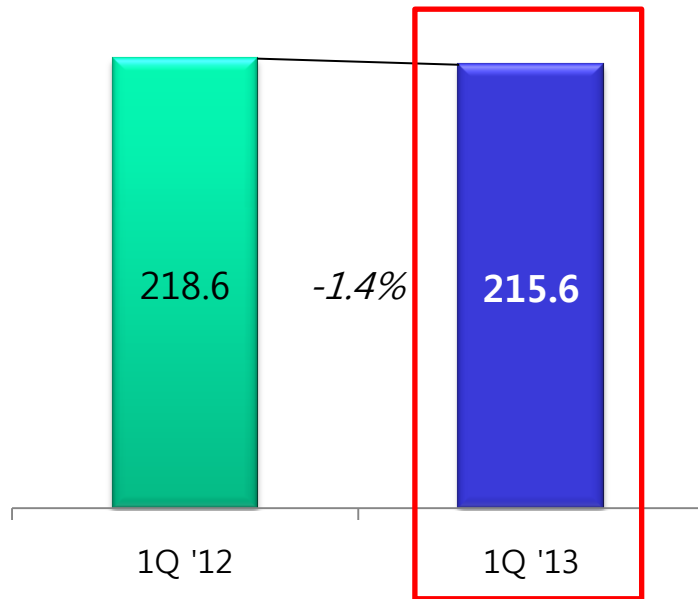
** Reflecting internal transactions / Unaudited

1Q 2013 Sales & OP (Assume before Demerger)

YoY

[KRW bil.]

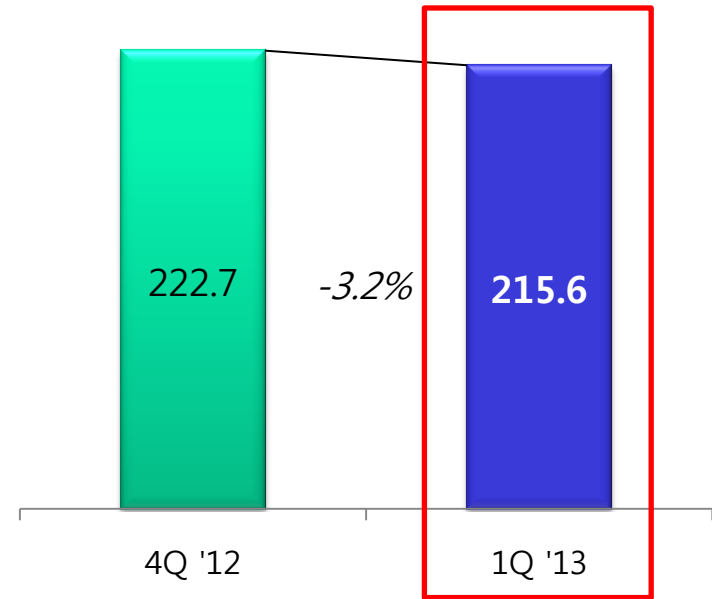
14.1 (6.5%)
12.7 (5.9%)



QoQ

[KRW bil.]

27.4 (12.3%)
12.7 (5.9%)



■ Sales ● OP (OPM)

Performance by Company & Division

(Assume before Demerger)

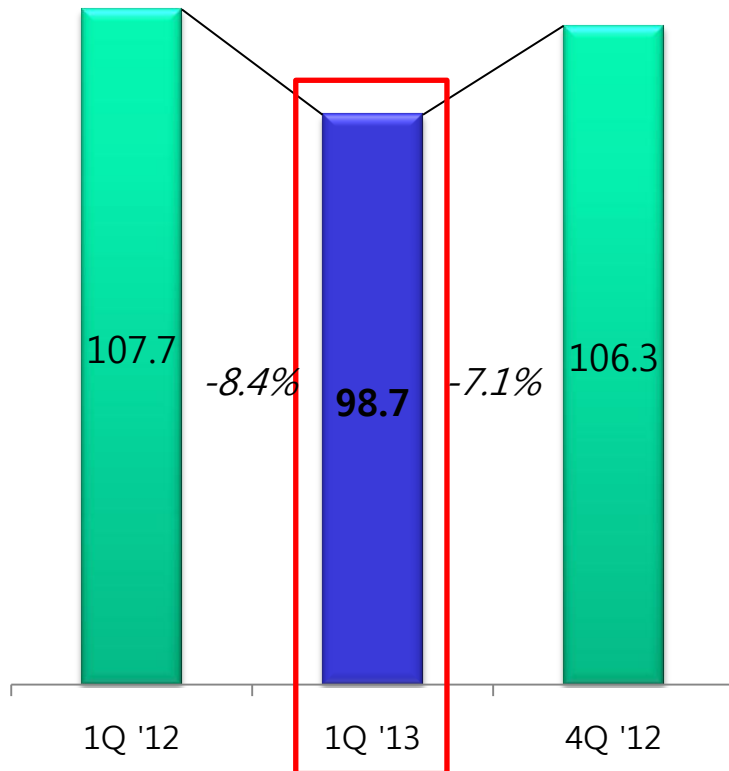
	1Q 12	4Q 12	1Q 13	YoY	QoQ
Dong-A ST					
ETC	107.7	106.3	98.7	-8.4%	-7.1%
Export	21.6	22.4	28.5	32.0%	27.0%
Medical	20.6	17.9	16.2	-21.1%	-9.6%
Other	2.7	3.5	4.1	51.3%	16.9%
Total	152.5	150.1	147.5	-3.3%	-1.7%
Dong-A Pharm.					
Bacchus	32.7	37.2	33.6	2.7%	-9.8%
OTC	33.3	35.4	34.7	4.1%	-2.0%
Total	66.0	72.6	68.3	3.5%	-5.9%

II. DONG-A ST PERFORMANCE BY DIVISION

Dong-A ST – ETC Division

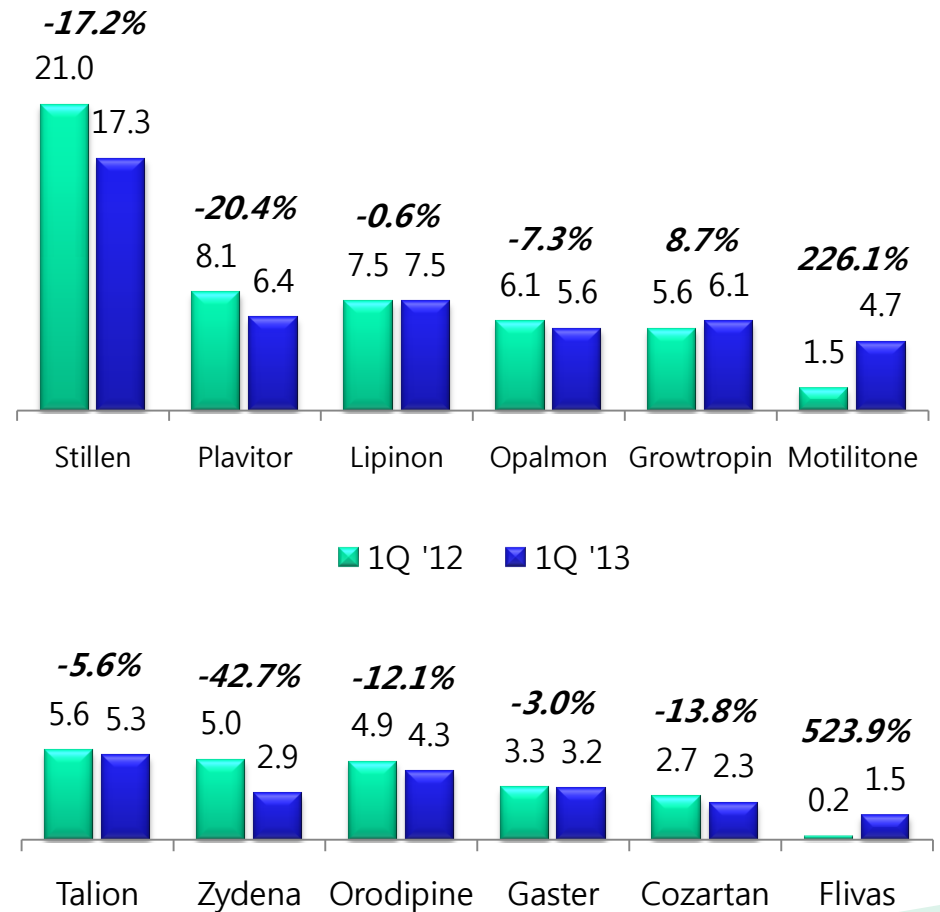
ETC (YoY, QoQ)

[KRW bil.]



Major ETC Products (YoY)

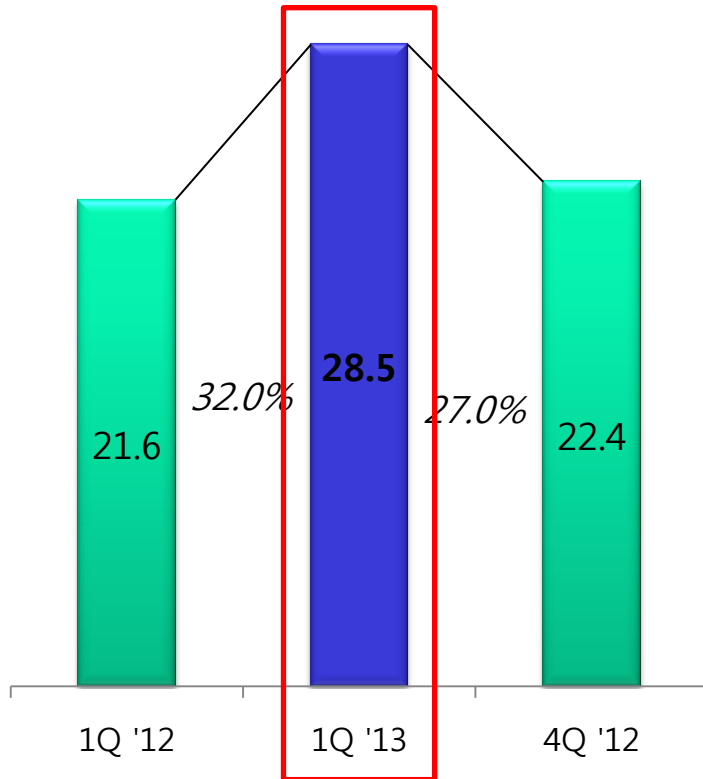
[KRW bil.]



Dong-A ST – Export Division

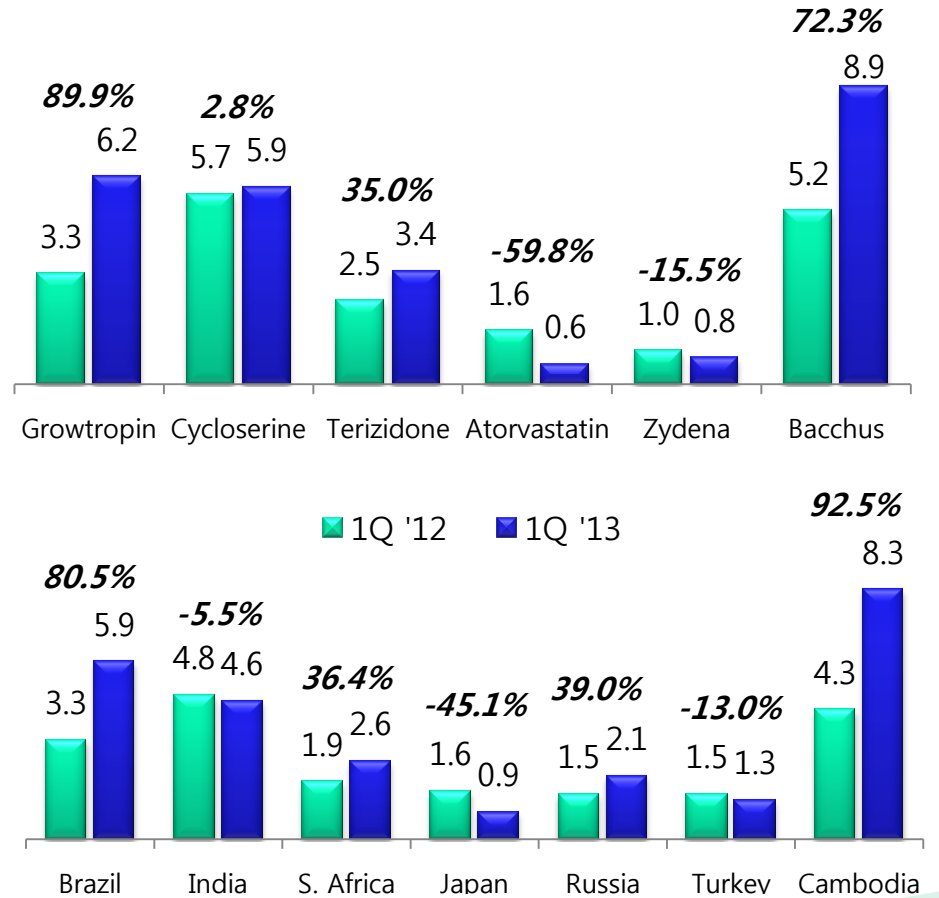
Export (YoY, QoQ)

[KRW bil.]



Major Regions & Products (YoY)

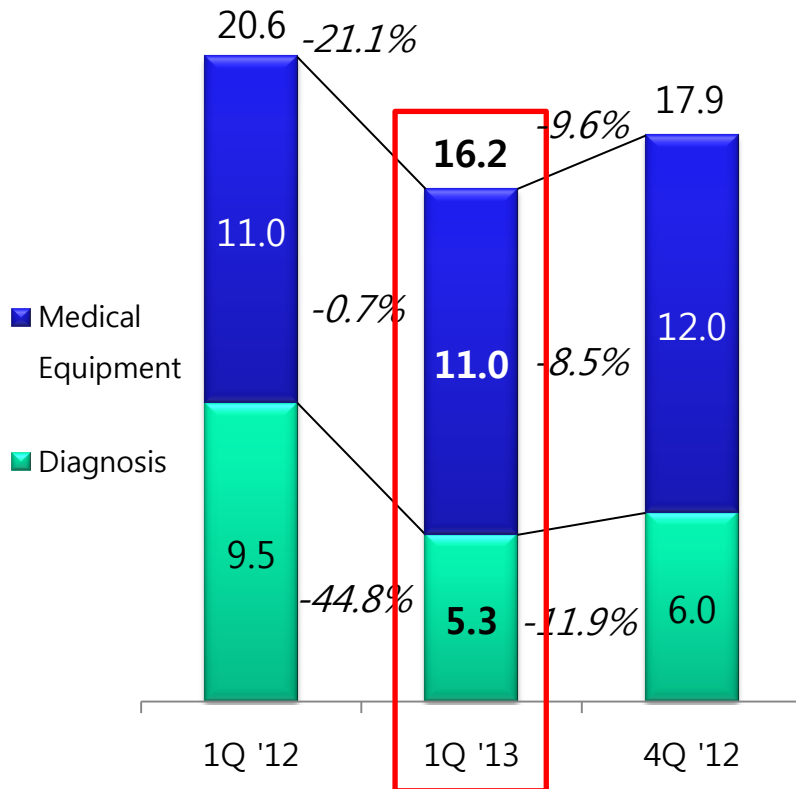
[KRW bil.]



Dong-A ST – Medical Division

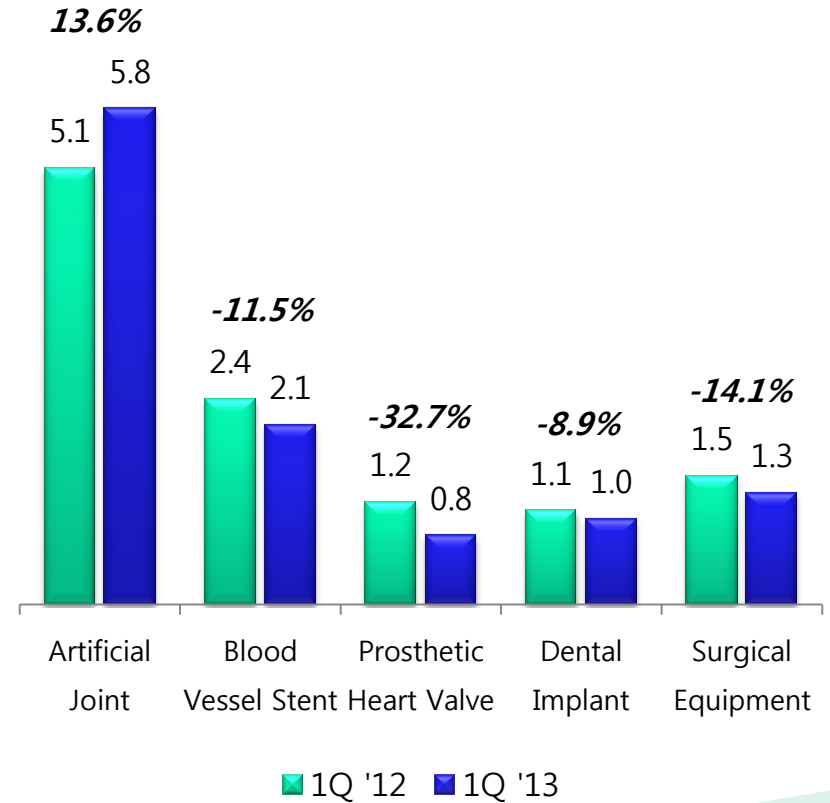
Medical (YoY, QoQ)

[KRW bil.]



Major Medical Products (YoY)

[KRW bil.]

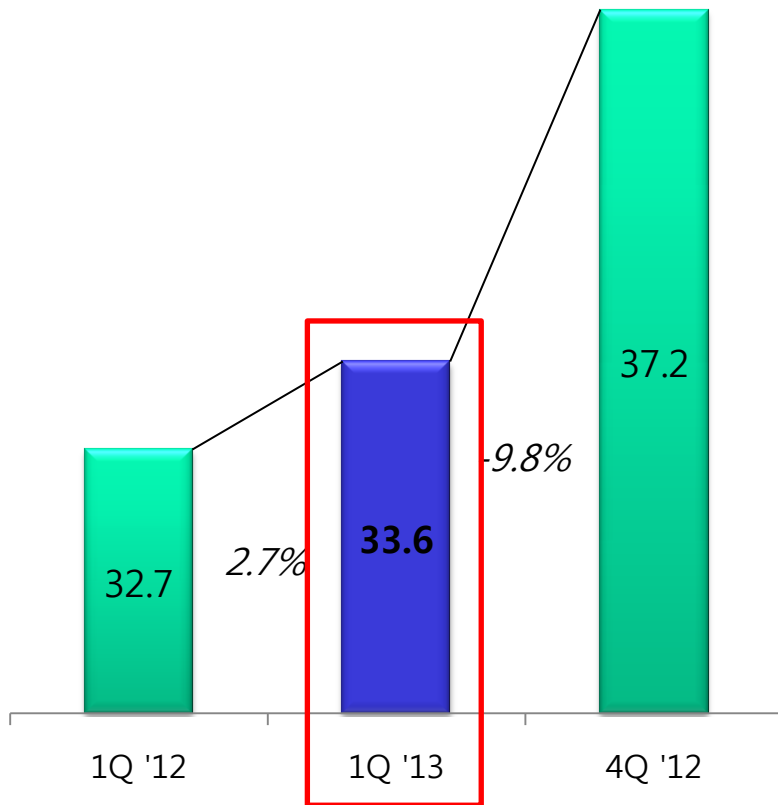


III. DONG-A PHARM. PERFORMANCE BY DIVISION

Dong-A Pharm. – Bacchus Division

Bacchus (YoY, QoQ)

[KRW bil.]

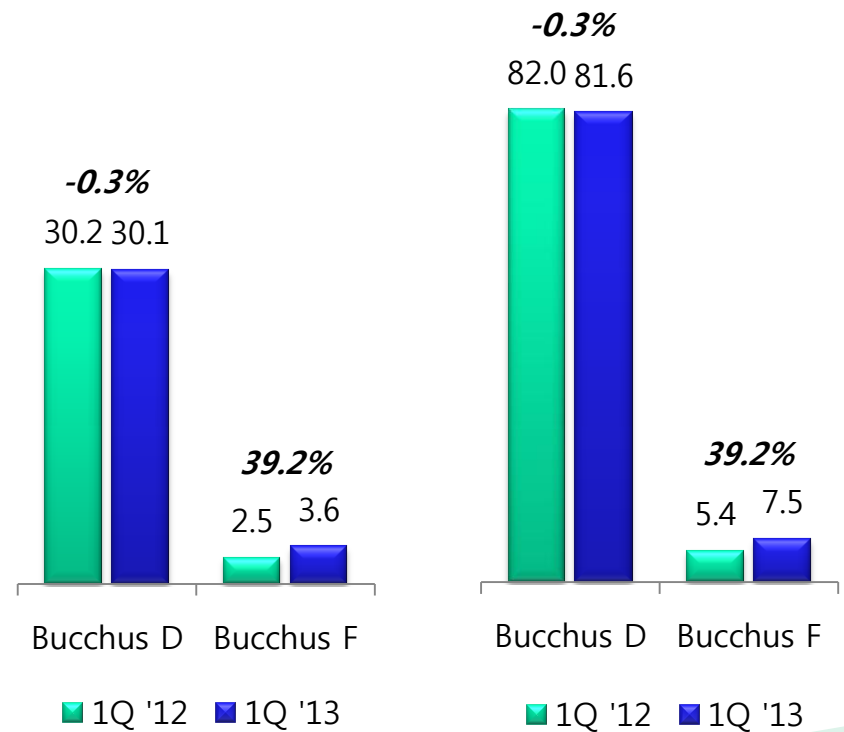


Bacchus D & F (YoY)

[KRW bil., mil. bottles]

Sales

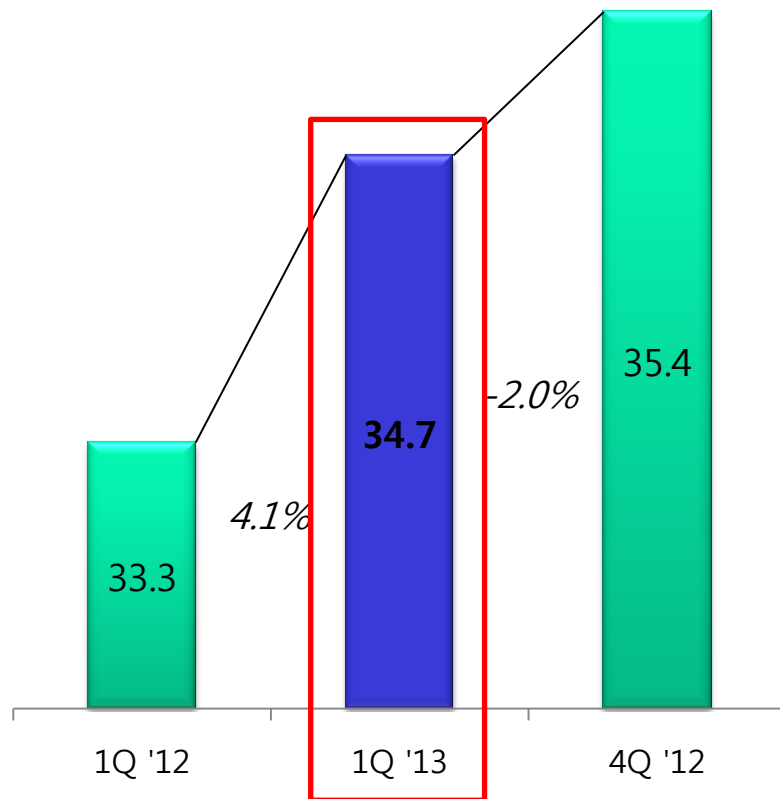
Bottles



Dong-A Pharm. – OTC Division

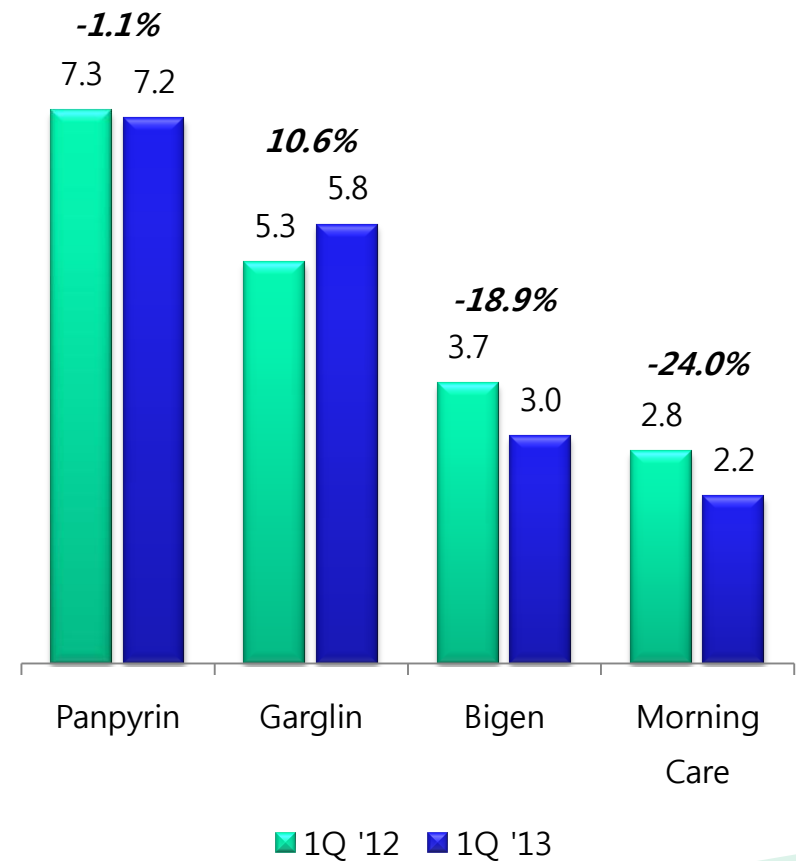
OTC (YoY, QoQ)

[KRW bil.]



Major OTC Products (YoY)

[KRW bil.]



IV. CURRENT ISSUES

DA-7218 (Tedizolid) Phase III Results

Rapid efficacy in severe cellulitis

Screen

Day 3

Day 10



337cm²



0 cm²



0 cm²

Tedizolid: highly differentiated oxazolidinone

Tedizolid



Week 1

Week 2

Linezolid (Zyvox)



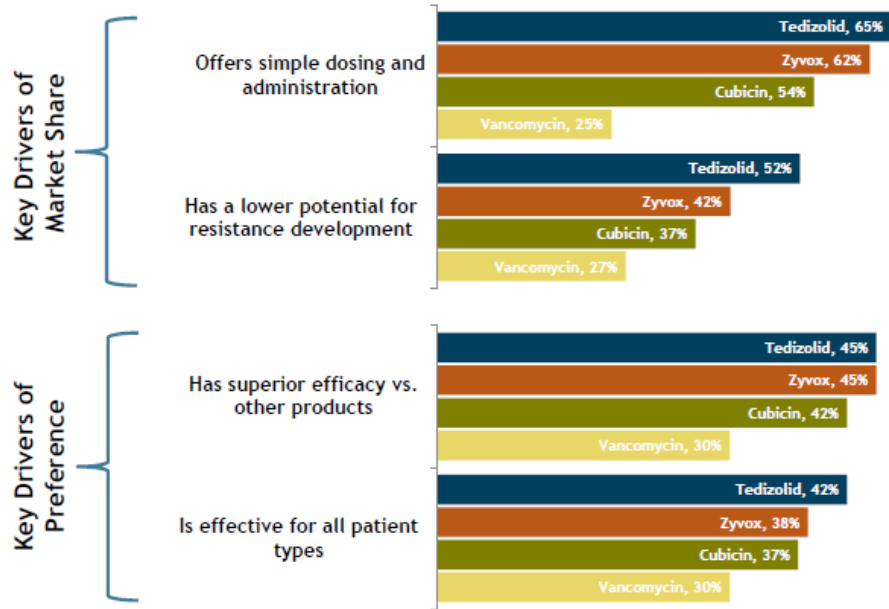
Week 1

Week 2



- ❖ Trius Therapeutics presented clinical data of phase III trial at ECCMID in Berlin on April 29th
 - ❖ Proved the same efficacy with lower dosage in shorter period of time

DA-7218 (Tedizolid) Phase III Results

Tedizolid highly competitive in key efficacy attributes*

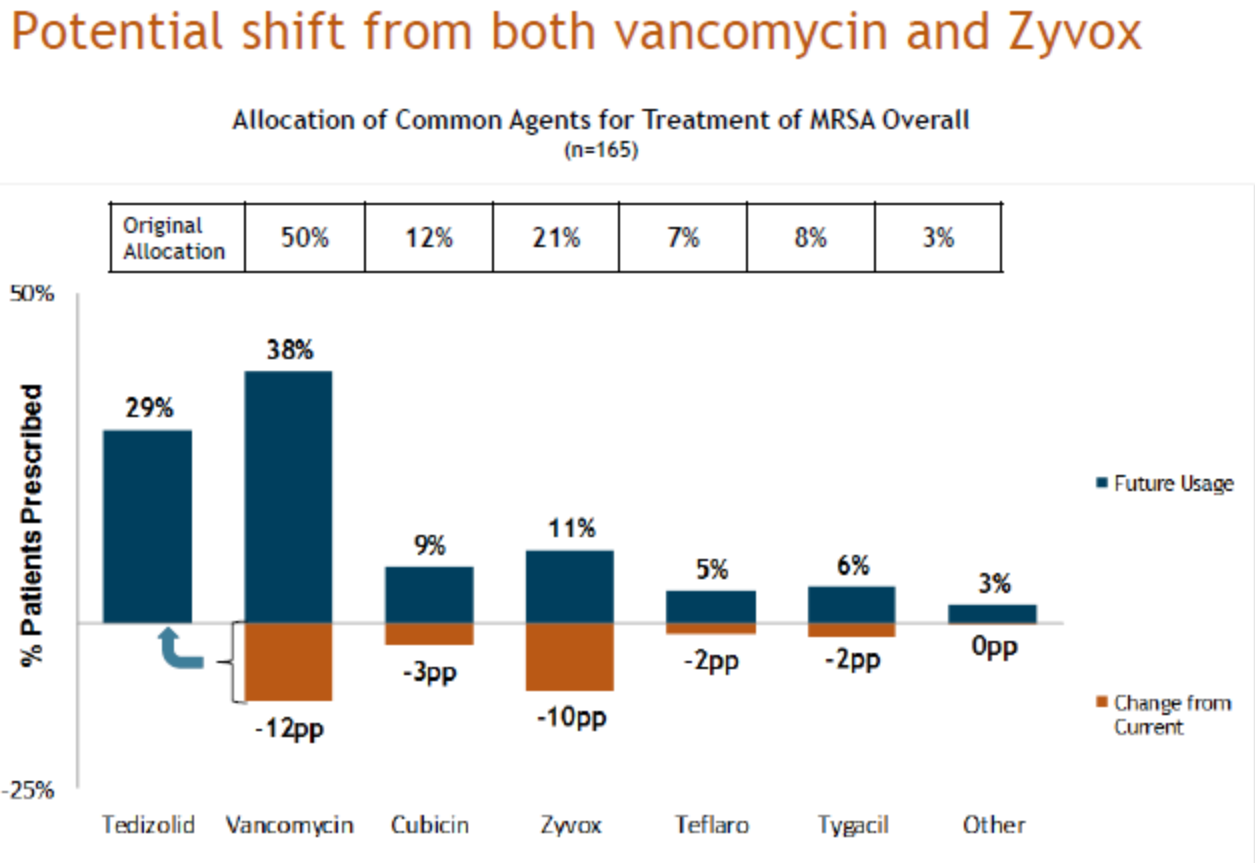


Strong product profile

Attribute	 Linezolid	Generic	 Daptomycin	 Tedizolid
	IV/Oral	✓	X	X
In-Vivo Bactericidal	X	✓	✓	✓
Active in Lung Infections	✓	✓	X	✓
Once Daily Treatment	X	X	✓	✓
Short Course of Therapy	X	X	X	✓

❖ Superior in all attributes: simple dosage, lower resistance development, superior efficacy, effective for all patient types

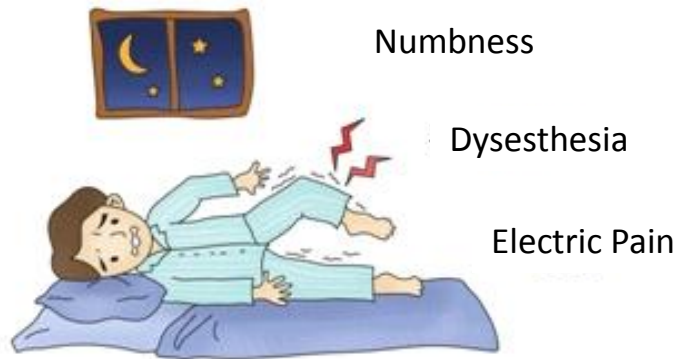
DA-7218 (Tedizolid) Phase III Results



- ❖ 30% MS of total MRSA market (about \$3bil.) is highly achievable

DA-9801 IND Approval of Phase II in U.S.

- ❖ The first IND application approval of a Korean phyto-medicine in the U.S. FDA
- ❖ **DA-9801**
 - Mixture extract of 'Dioscorea Nipponica' for the treatment of diabetic neuropathy
 - Superior in pain relieving than existing drugs (peripheral nerve + central nerve)
 - Global diabetic neuropathy market size : \$2.5bil. (U.S. accounts for 80%)



<Diabetic Neuropathy>



< Dioscorea Nipponica >

Acquiring M.I.Tech

- ❖ A medical equipment company specialized in non-vascular stent
- ❖ Annual sales are around KRW10.0bil. (80% of total sales come from export, mainly to France, Germany, Russia and Japan)
- ❖ Strategic change of Dong-A ST's Medical division from selling imported products to developing and selling our own products

 **M.I.Tech**



Major Products

- **Non-vascular stent**
 - A mesh 'tube' to enlarge organ and blood vessel
 - Global Non-vascular stent market size : US\$0.6bil.



Major R&D Products

- **DBS : Deep Brain Stimulator**
 - A surgical treatment for degeneration of brain such as Parkinson's disease
 - Safer than existing treatments
 - Global DBS market size : US\$2bil.
- **Next Generation Cochlear Implant**
 - A device for people with severe or profound hearing loss

APPENDIX

R&D Pipeline – NCEs (New Chemical Entities)

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
NCE	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)
	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 planned (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)
				Phase 2 planned (USA)
Bio	DA-3801	Infertility (Ovulation Induction)	Recombinant FSH	Under Phase 3 (KOR)
	DA-3803	Infertility	Recombinant hCG	Under Phase 3 (KOR)
	DA-3030	Diabetic Neuropathy	G-CSF	Under Phase 1 (KOR)
	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)

Thank you.