

Dong-A Pharmaceutical 2Q 2012 Performance Results

JULY 2012



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 2nd 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.

Table of Contents

I. Financial Performance (K-IFRS Separate)

II. Performance by Division

III. R&D Update

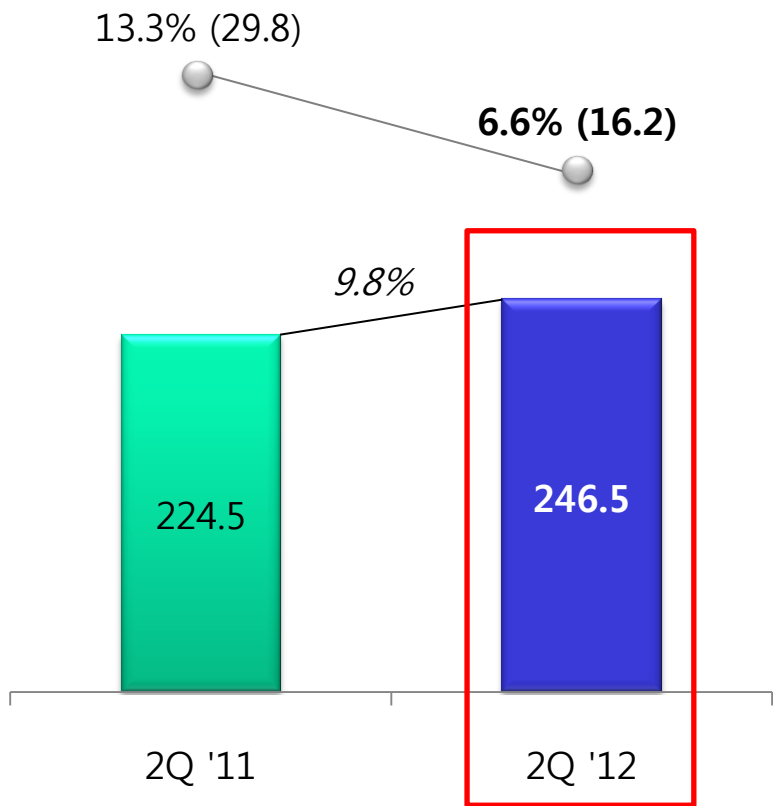
Appendix

I. FINANCIAL PERFORMANCE (K-IFRS SEPARATE)

Financial Performance – Sales & OPM

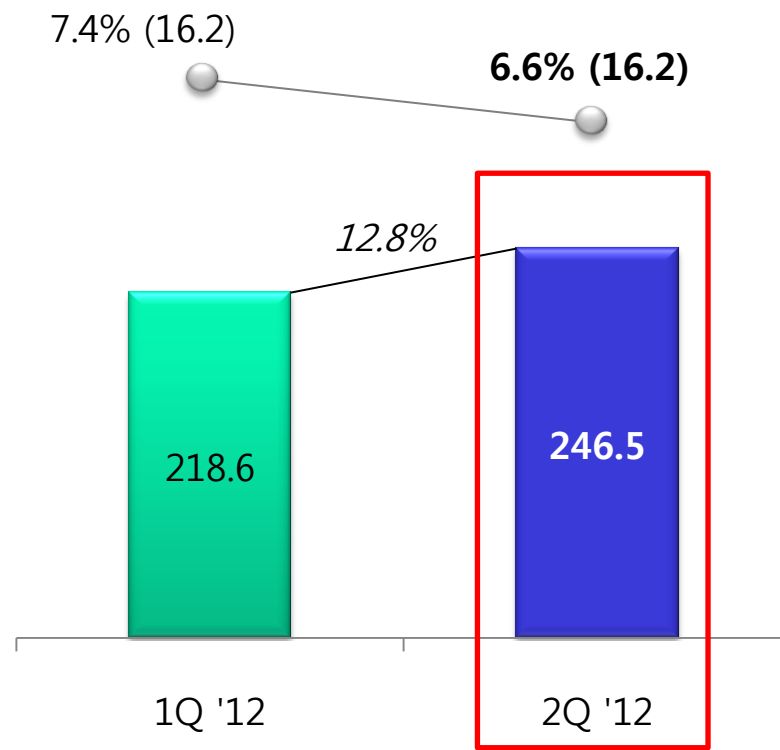
YoY

[KRW bil.]



QoQ

[KRW bil.]



■ Sales ● OPM

* Sales grew 2.5%, YoY if sales from GSK products(KRW16.4bil.) are not considered

Financial Performance – Margin Analysis

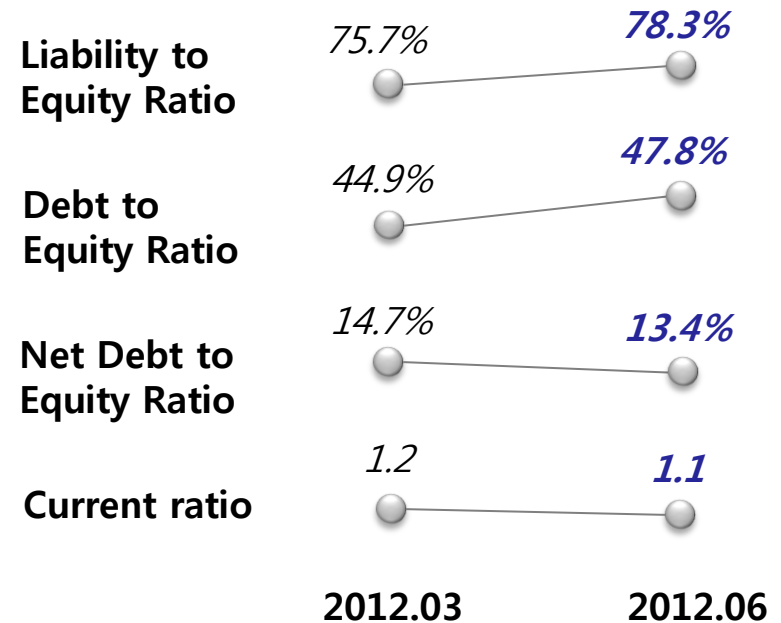
	2Q '11	1Q '12	2Q '12	YoY	QoQ
Cost of Goods Sold Ratio	41.4%	48.9%	50.0%	8.6%p	1.1%p
SG&A Expenses	46.4%	44.7%	42.4%	-4.0%p	-2.3%p
HR Related Cost per Sales (Salary + Severance + Fringe Benefit)	14.9%	11.9%	14.3%	-0.6%p	2.4%p
R&D Cost per Sales (Reflected in SG&A)	7.8%	11.1%	7.8%	0.0%p	-3.3%p
Advertisement Cost per Sales	5.5%	3.5%	5.9%	0.4%p	2.4%p
Other Marketing Related Cost per Sales	8.8%	8.0%	6.1%	-2.7%p	-1.9%p
Other Income per Sales	1.5%	1.3%	0.3%	-1.2%p	-1.0%p
Other Losses per Sales	0.4%	0.4%	1.3%	0.9%p	1.0%p
Operating Profit Margin	13.3%	7.4%	6.6%	-6.7%p	-0.8%p

2012 2Q Balance Sheet

[KRW bil.]

	2012. 03	2012. 06	QoQ
Total Asset	1,268.1	1,297.9	2.4%
Cash	218.6	250.6	14.6%
Receivable	141.7	143.1	0.9%
Inventory	127.9	121.3	-5.1%
Total Liability	546.3	570.0	4.3%
Debt	324.4	347.8	7.2%
Total Capital	721.8	728.0	0.9%

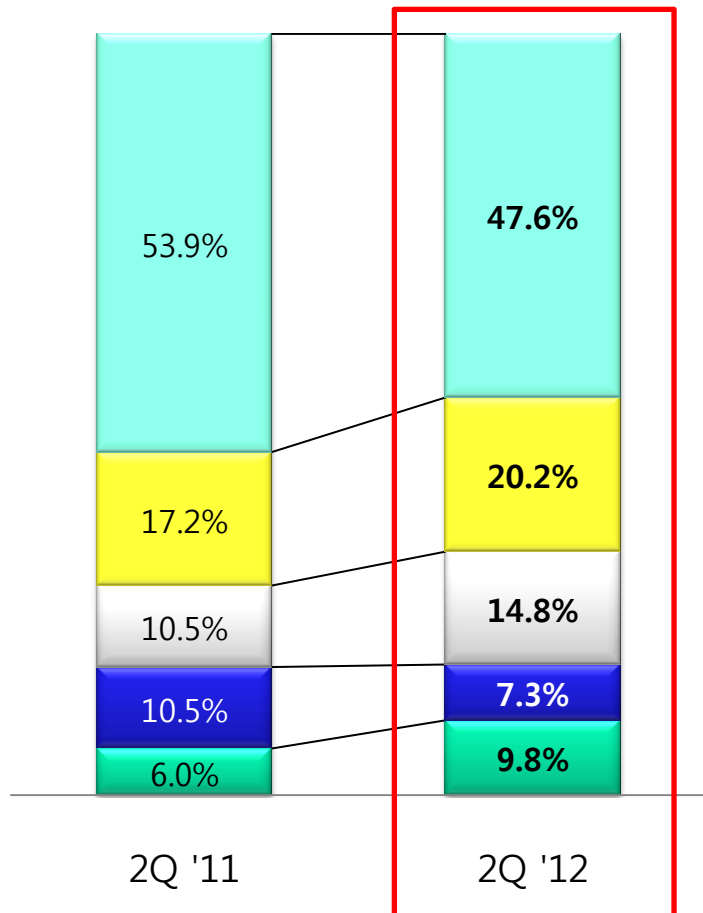
Major Financial Ratios



II. PERFORMANCE BY DIVISION

Performance by Division

Sales Portion



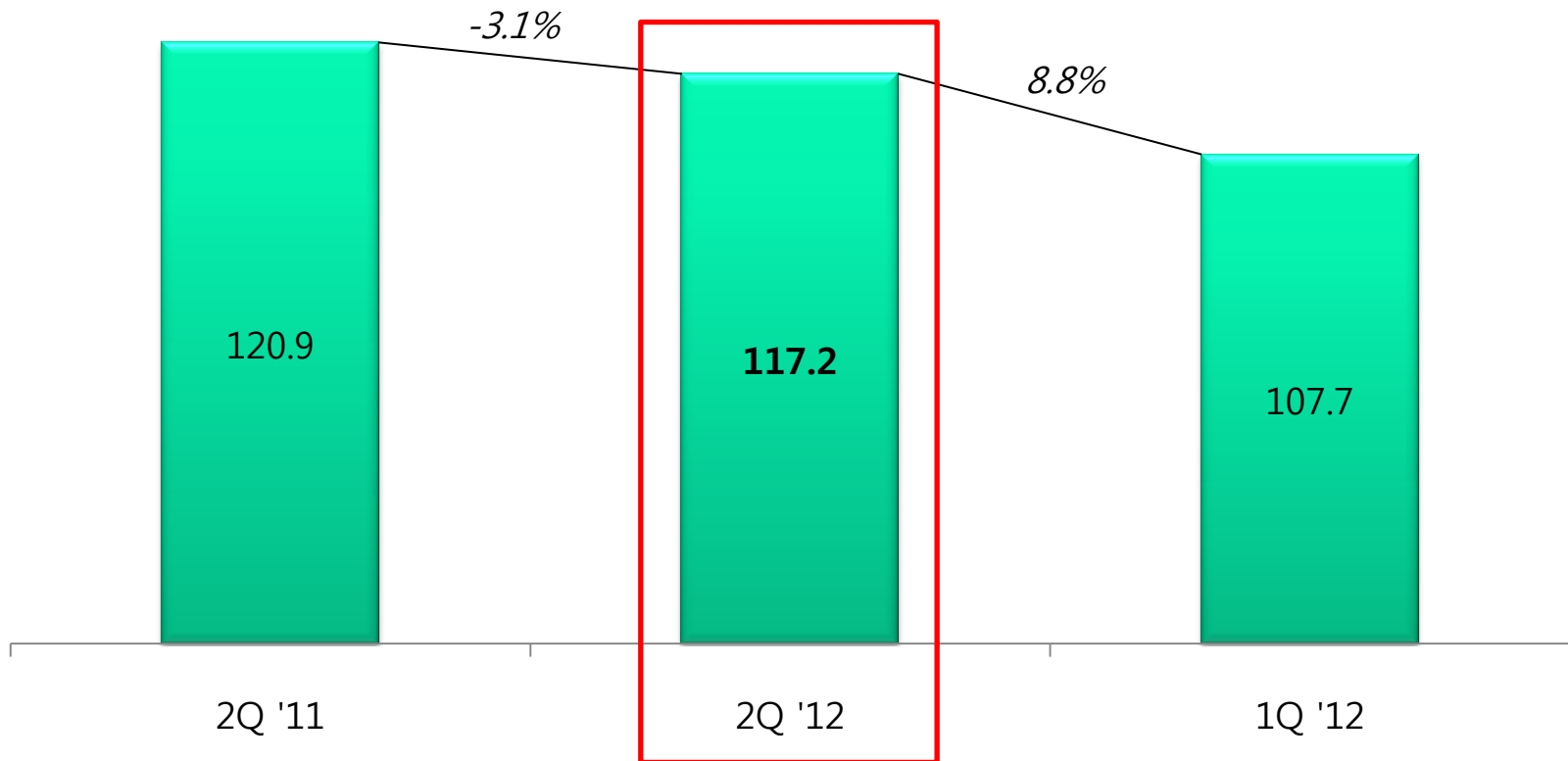
Sales by division

[KRW bil.]

Division	2Q '11	1Q '12	2Q '12	Growth	
				YoY	QoQ
ETC	120.9	107.7	117.2	-3.1%	8.8%
Bacchus	38.7	32.7	49.7	28.5%	52.1%
OTC	23.5	33.3	36.4	54.5%	9.1%
Medical	23.5	20.6	18.0	-23.4%	-12.3%
Export	13.4	21.6	24.2	80.7%	11.9%

Performance by Division – ETC

[KRW bil.]

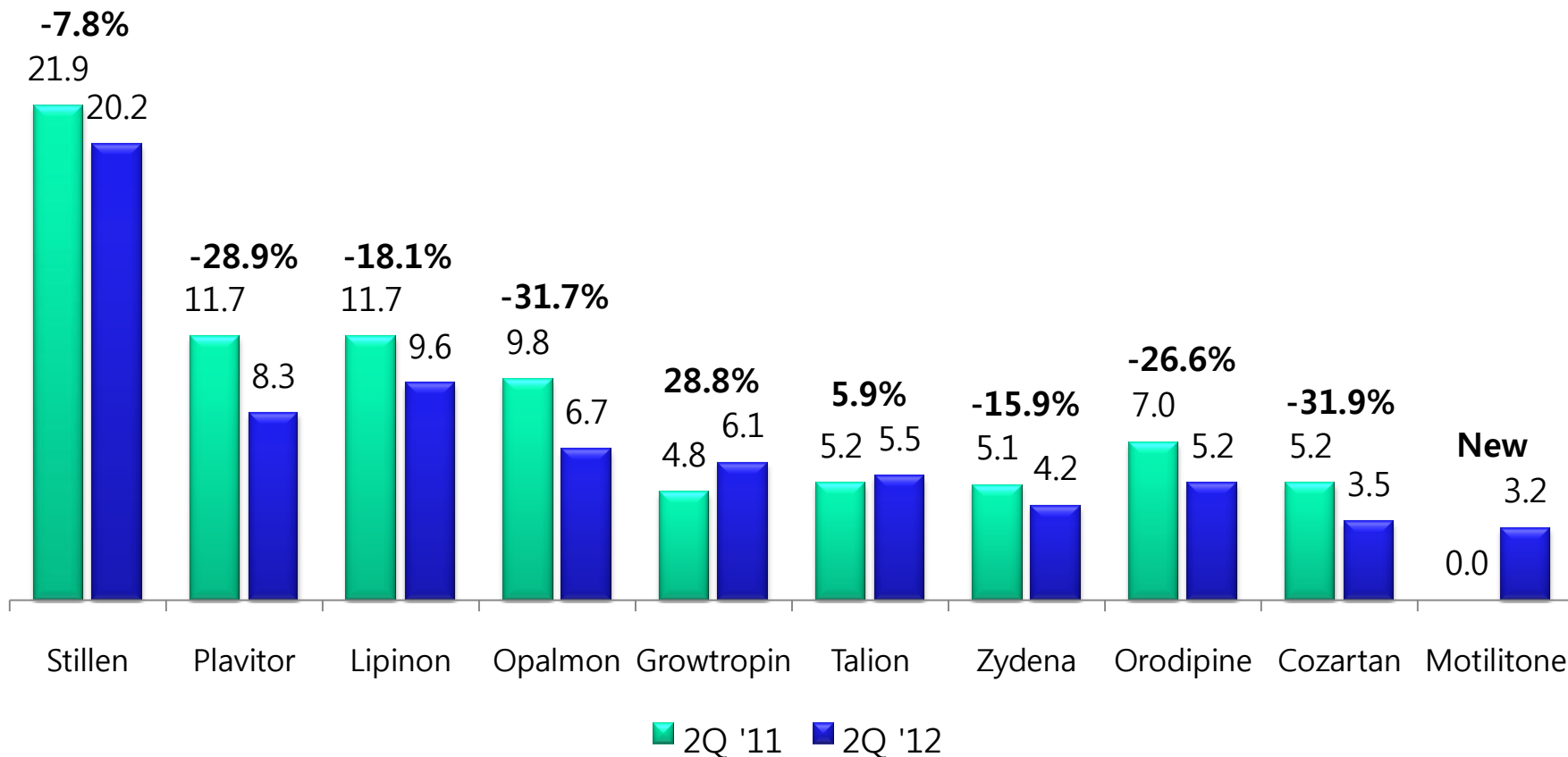


* Sales dropped 16.1%, YoY if sales from GSK products(KRW16.4bil.) are not considered

Performance by Division – ETC

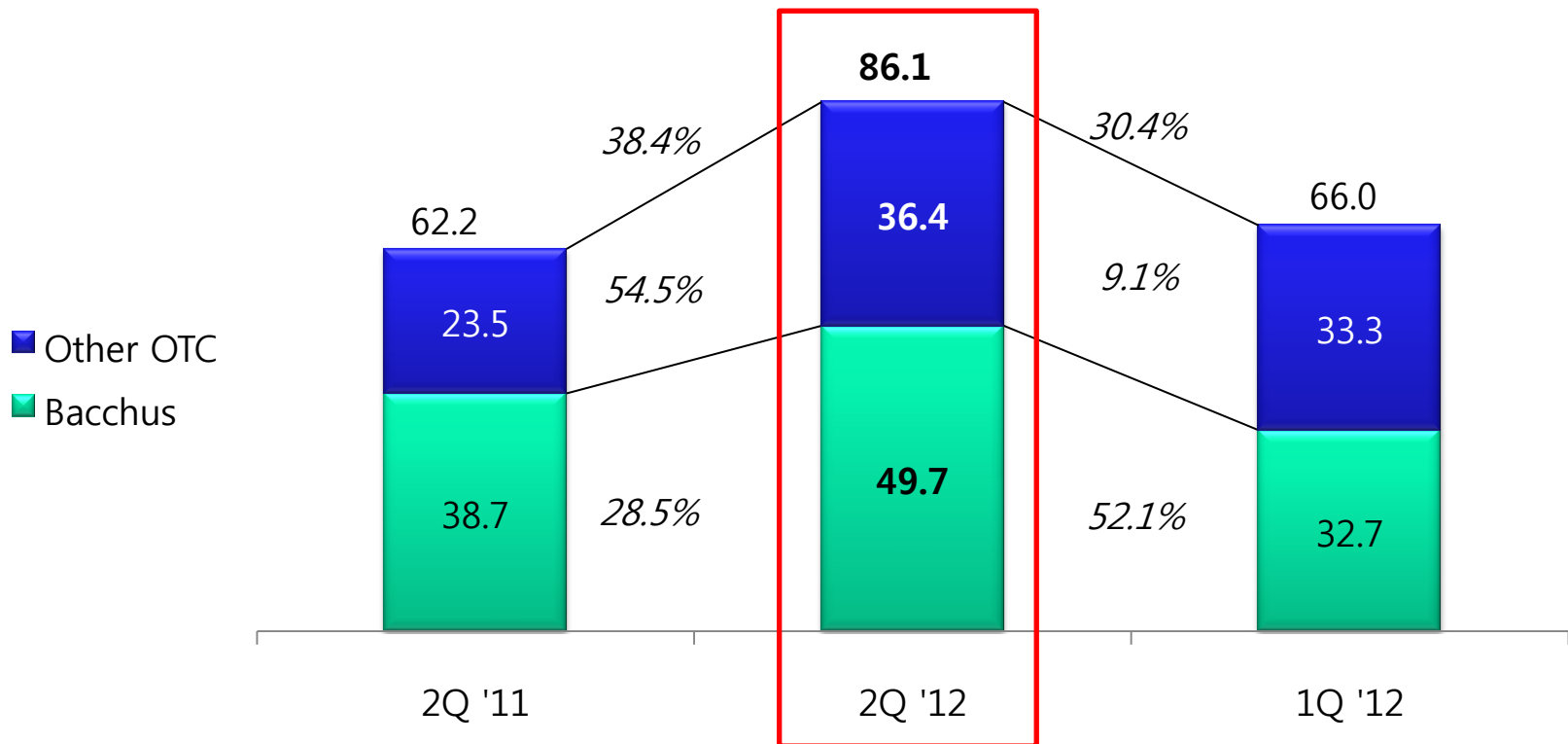
Major ETC Products

[KRW bil.]



Performance by Division – OTC (Bacchus/Other)

[KRW bil.]

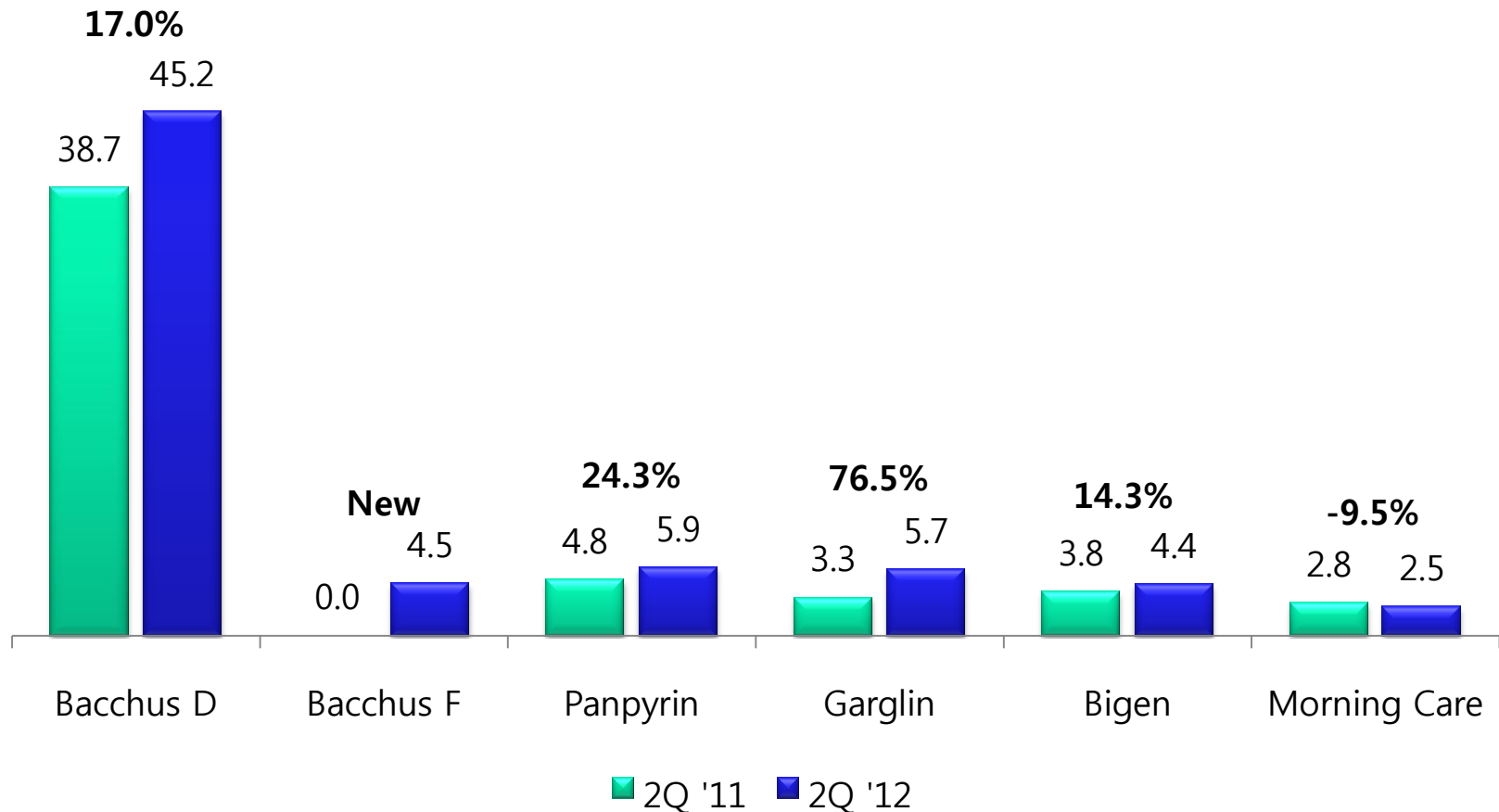


* Sales grew 14.0%, YoY if sales from Bayer & GSK products(KRW9.5bil.) are not considered

Performance by Division – OTC (Bacchus/Other)

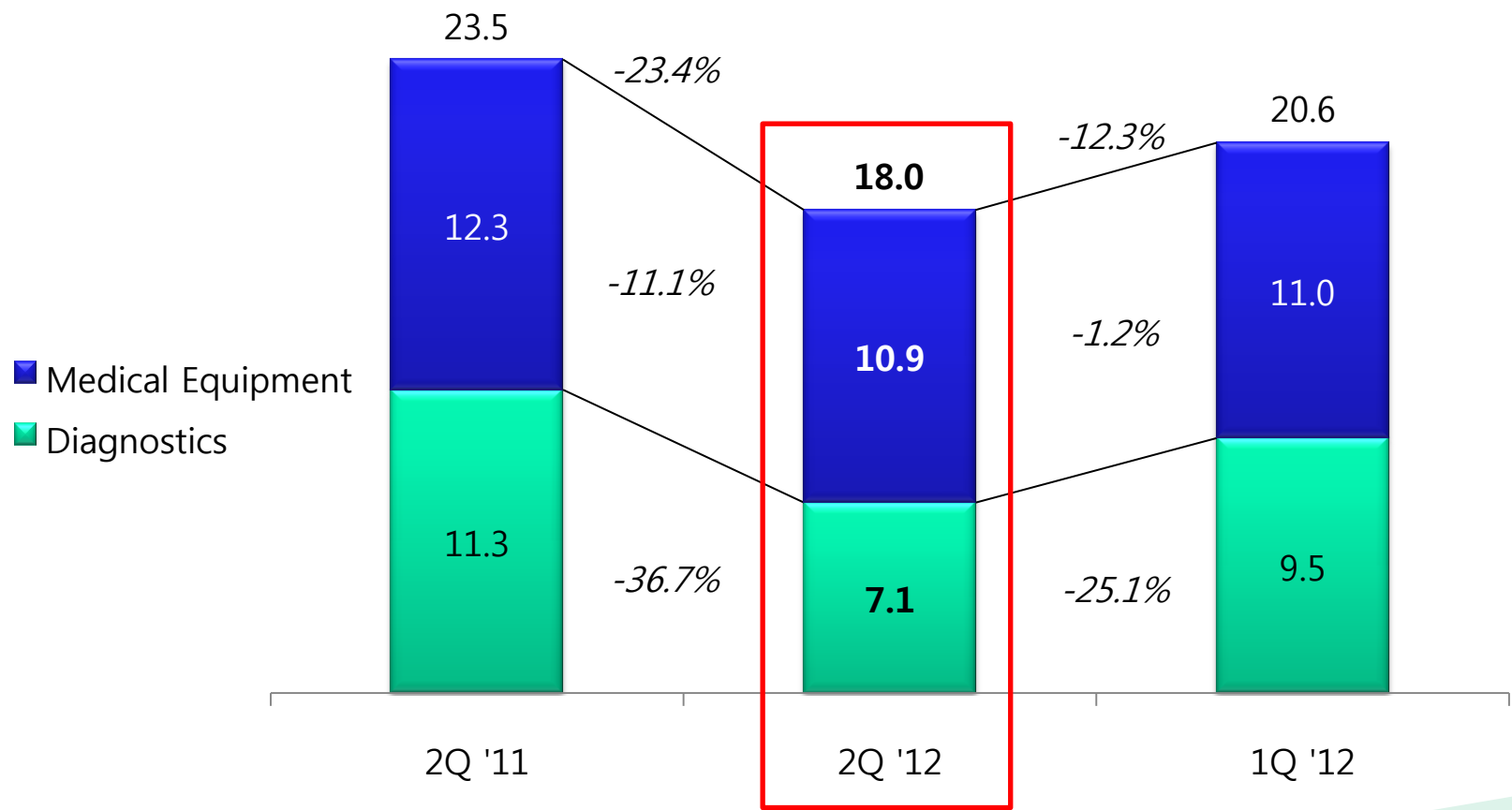
Major OTC Products

[KRW bil.]



Performance by Division – Medical

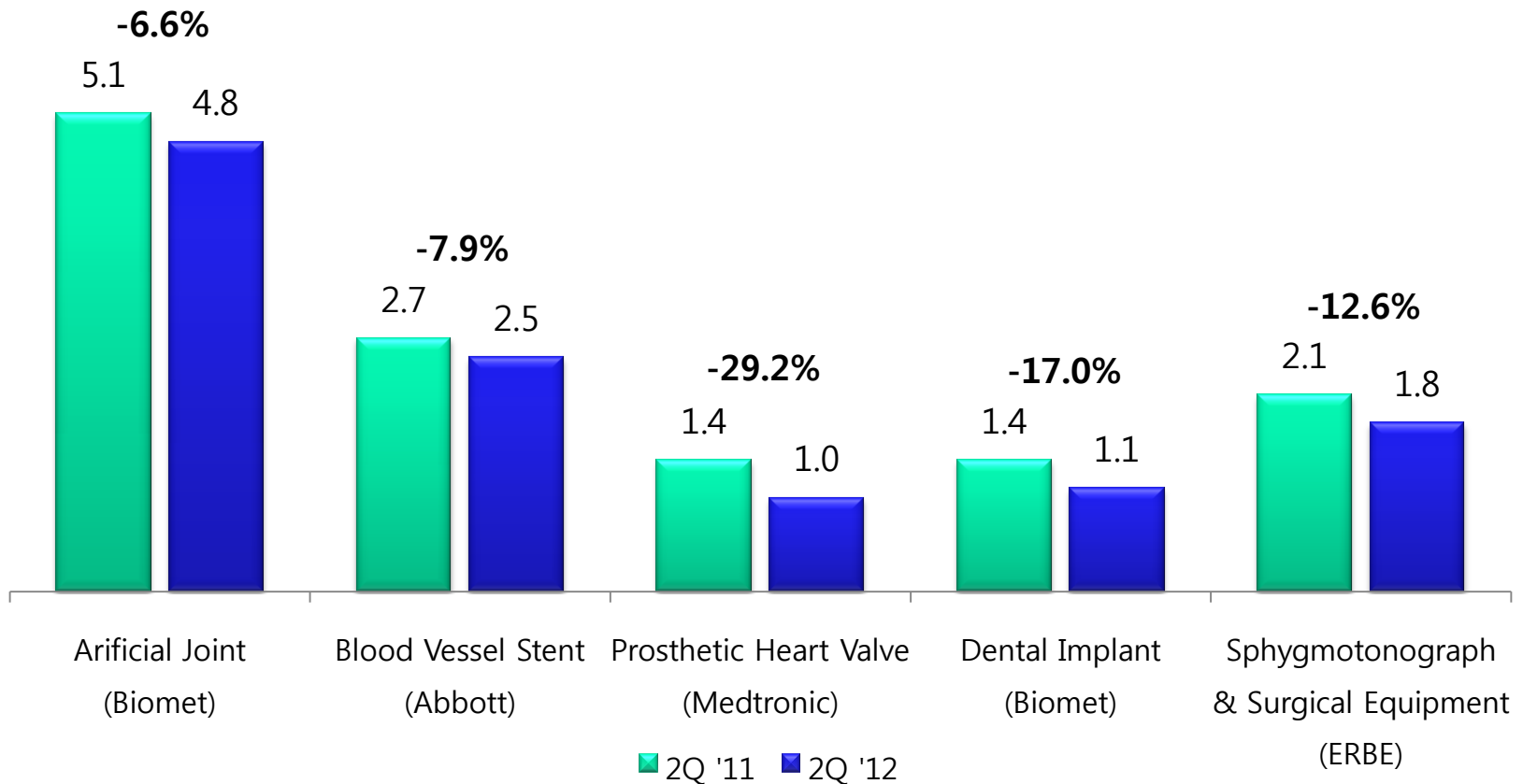
[KRW bil.]



Performance by Division – Medical

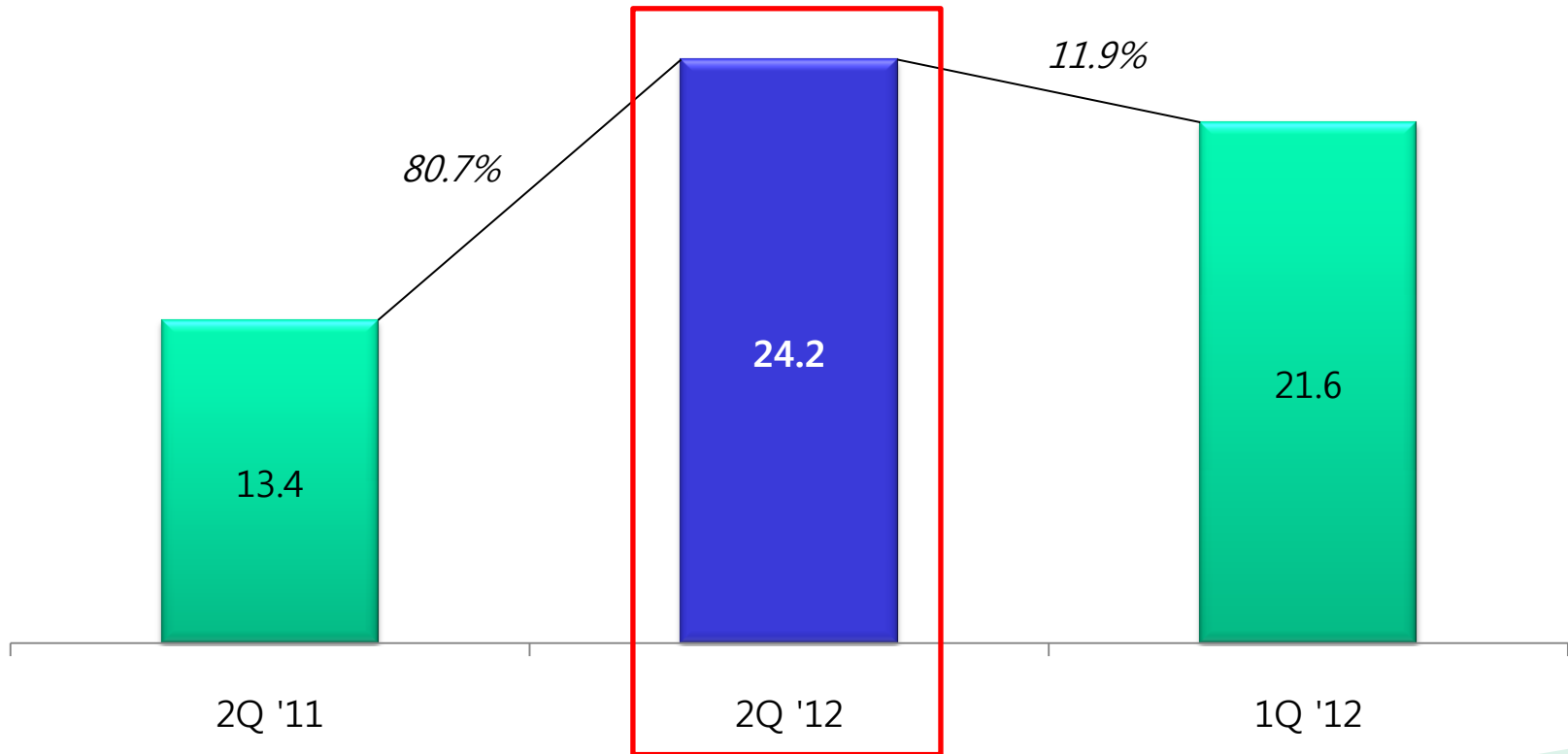
Major Medical Equipment Products

[KRW bil.]



Performance by Division – Overseas

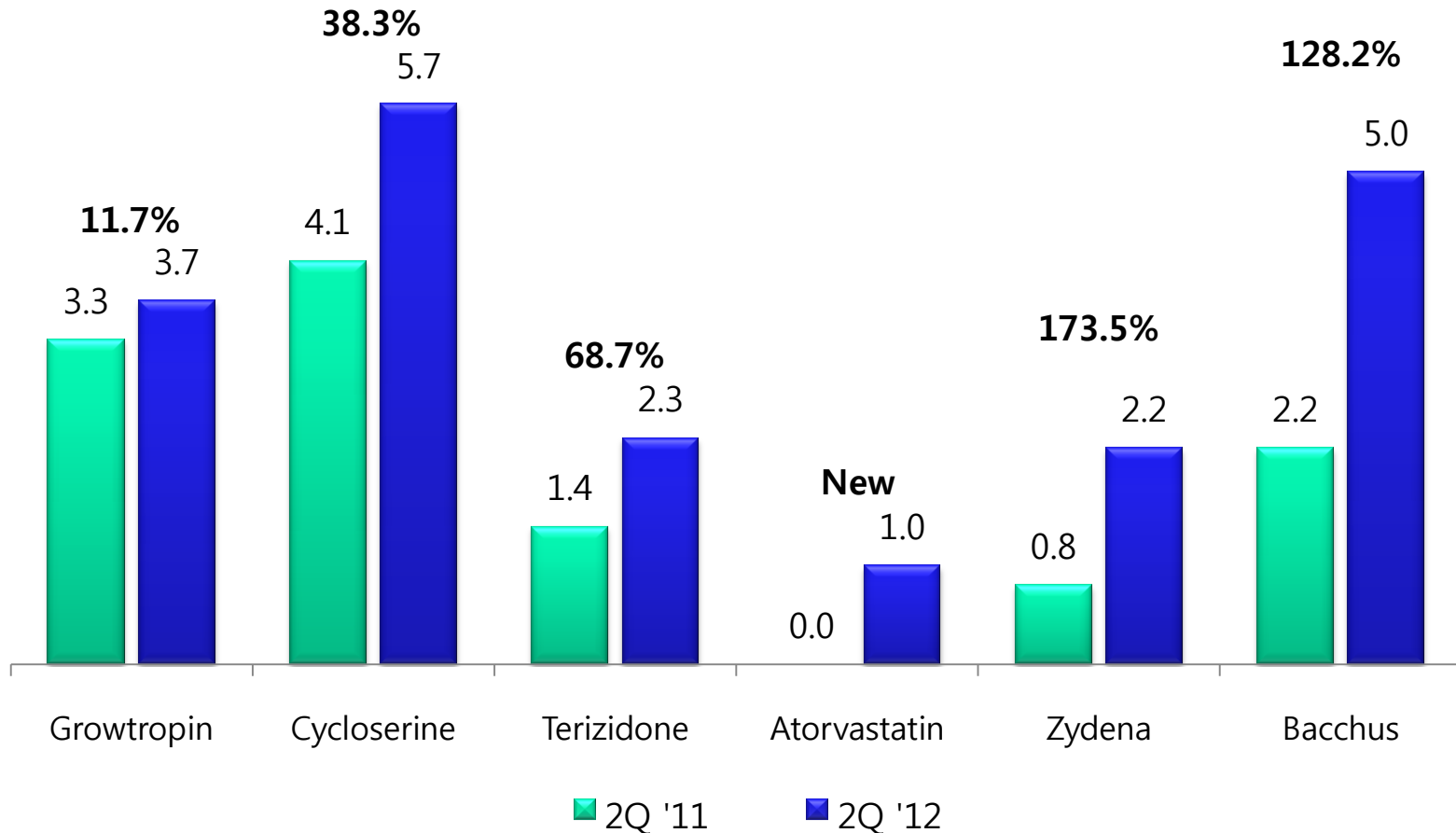
[KRW bil.]



Performance by Division – Overseas

Major Overseas Products

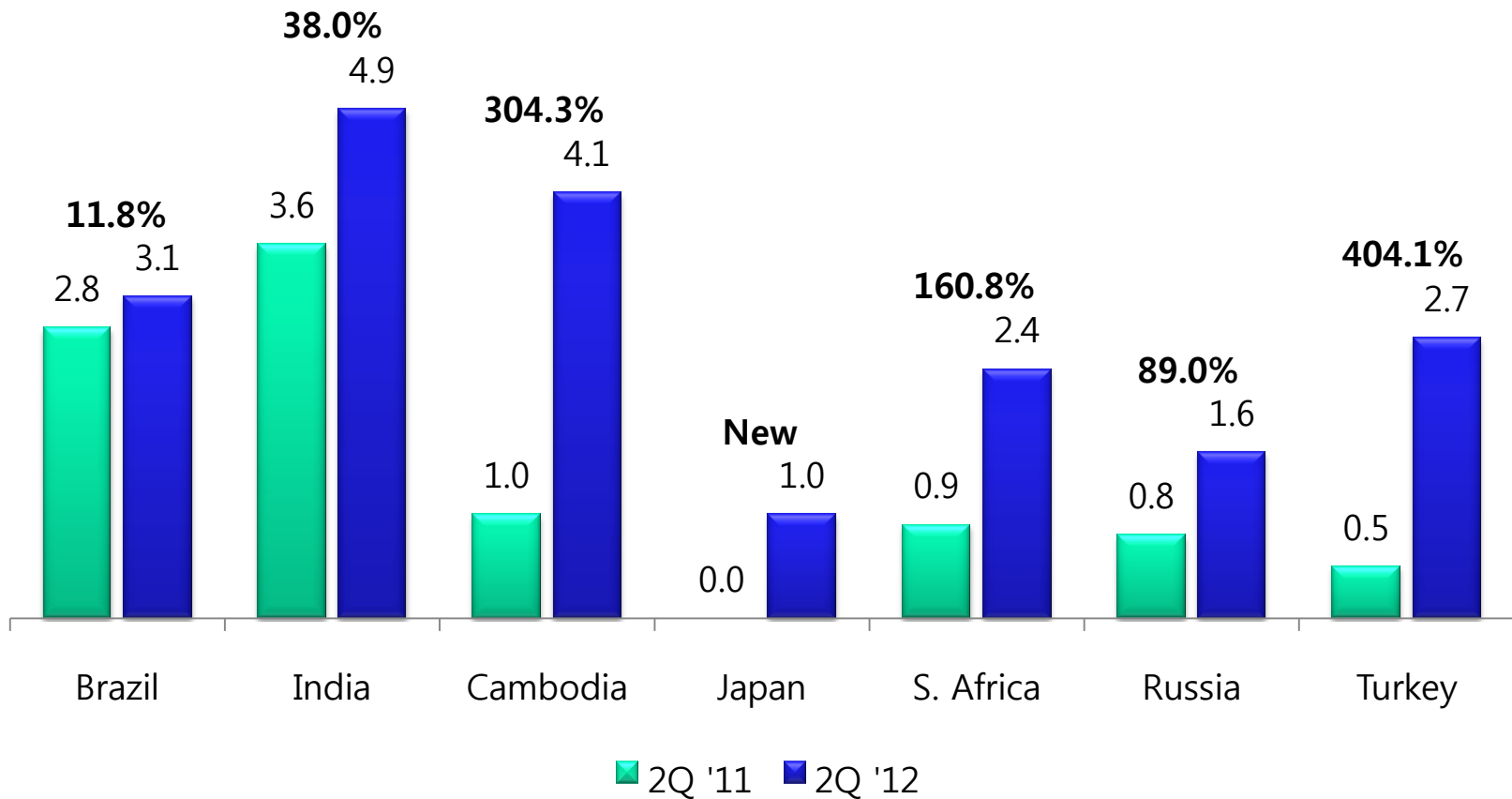
[KRW bil.]



Performance by Division – Overseas

Major Overseas Regions

[KRW bil.]



III. R&D UPDATE

R&D Pipeline – NCE (New Chemical Entity)

TYPE	CODE NAME	MAJOR INDICATION	DESCRIPTION	STAGE
NCE	DA – 8159	Erectile Dysfunction	PDE-5 Inhibitor	Phase 3 completed (US) Warner Chilcott
		Benign Prostatic Hyperplasia		Phase 2 planned (JP) Meiji Seika Pharma.
		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(b) (US) Trius Therapeutics
		Lung Infection		Phase 3 planned (US) Trius Therapeutics
		Systematic Infection		Phase 2 planned (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		Under Phase 2 (KR)
DA - 8031	Premature Ejaculation	SERT Inhibitor	Under Phase 2 (KR)	
DA - 6886	Irritable Bowel Syndrome	5-HT ₄ Agonist Exasperation	Under Phase 1 (KR)	

R&D Pipeline – 천연물 & 바이오의약품

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

R&D Pipeline – Other Bio-medicine

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)

R&D Roadmap - NCE/Phyto

2013~2014

DA-8159*
- ED (US)

DA-6034
-Gastritis (KR)

DA-7218*
- ABSSSI (US)

2015~2016

DA-8159*
- BPH (US)

DA-8159
- PAH (KR)

DA-6034
- Dry Eye (KR)

DA-8031
- Premature Ejaculation (KR)

DA-9801
-Diabetic Neuropathy (KR)

DA-1229
- Type 2 Diabetes (KR)

2017~

DA-8159*
- BPH (JP)

DA-8159*
- PH (EU)

DA-6886
- Irritable Bowel Syndrome (KR)

R&D Roadmap - Bio

2013~2014

- DA-3031**
- Neutropenia (KR)
- DA-3801
- Ovulation Induction (KR)
- DA-3803
- Infertility (KR)

2015~2016

- DA-3091**
- Diabetes (KR)
- DA-3030
- Diabetic Neuropathy (KR)
- DA-3002
- Idiopathic Short Stature (KR)
- DA-3051*
- Multiple Sclerosis (BR)
- DA-3607
- Brain Tumor (KR)
- DA-3880
- Anemia of Chronic Renal Failure (KR)

2017~

- DA-3808
- Hemophilia (KR)
- DA -3111*
- her2 Breast Cancer (KR & JP)

APPENDIX

Condensed Statements of Financial Position (Separate)

[KRW bil.]

	1Q '11	2Q '11	3Q '11	4Q '11	1Q '12	2Q '12
Total Assets	1,137.8	1,150.7	1,195.0	1,236.8	1,268.1	1,297.9
Current Assets	403.4	416.1	458.9	466.2	496.7	524.5
Cash & Equivalents	146.8	144.4	198.3	194.6	218.6	250.6
Receivables	131.9	140.1	144.8	143.6	141.7	143.1
Inventories	118.5	115.6	109.7	120.4	127.9	121.3
Fixed Assets	734.4	734.6	736.1	770.6	771.3	773.5
Total Liabilities	431.3	422.2	445.0	504.4	546.3	570.0
Current Liabilities	254.4	258.2	280.4	365.2	412.5	497.0
Fixed liabilities	176.9	164.0	164.6	139.1	133.8	73.0
Total Equity	706.5	728.5	750.0	732.4	721.8	728.0
<i>Liability to Equity Ratio</i>	61.0%	58.0%	59.3%	68.9%	75.7%	78.3%
<i>Debt to Equity Ratio</i>	34.7%	33.0%	32.0%	38.0%	44.9%	47.8%
<i>Net Debt to Equity Ratio</i>	13.9%	13.2%	6.9%	16.9%	20.2%	13.4%

Condensed Statements of Income (Separate)

[KRW bil.]

	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12
Sales	210.2	224.5	241.9	230.7	907.3	218.6	246.5
COGS	82.3	93.0	113.7	114.2	403.3	106.9	123.3
Gross Profit	128.0	131.5	128.2	116.4	504.0	111.7	123.1
SG&A	99.9	104.1	98.8	102.4	405.2	97.6	104.4
Other Income	3.6	3.4	1.0	2.3	10.2	2.8	0.8
Other Loss	1.3	0.9	2.1	9.7	14.0	0.8	3.3
Operating Profit	30.3	29.8	28.2	6.6	95.0	16.2	16.2
Finance Income	1.9	1.0	2.1	1.6	6.6	8.1	-0.6
Finance Costs	4.1	4.1	3.4	3.5	15.1	4.5	3.7
EBT	28.2	26.7	26.9	4.8	86.5	19.7	11.9
Net Profit	20.4	21.0	21.3	-2.0	60.7	16.4	8.6
<i>GP Margin</i>	<i>60.9%</i>	<i>58.6%</i>	<i>53.0%</i>	<i>50.5%</i>	<i>55.6%</i>	<i>51.1%</i>	<i>50.0%</i>
<i>OP Margin</i>	<i>14.4%</i>	<i>13.3%</i>	<i>11.7%</i>	<i>2.9%</i>	<i>10.5%</i>	<i>7.4%</i>	<i>6.6%</i>
<i>EBT Margin</i>	<i>13.4%</i>	<i>11.9%</i>	<i>11.1%</i>	<i>2.1%</i>	<i>9.5%</i>	<i>9.0%</i>	<i>4.8%</i>
<i>NP Margin</i>	<i>9.7%</i>	<i>9.4%</i>	<i>8.8%</i>	<i>-0.9%</i>	<i>6.7%</i>	<i>7.5%</i>	<i>3.5%</i>

Performance by Division

[KRW bil.]

Division	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12
ETC Total	114.5	120.9	135.9	125.1	496.5	107.7	117.2
OTC Total	51.9	62.2	70.7	68.0	252.9	66.0	86.1
Bacchus	26.6	38.7	46.7	38.2	150.1	32.7	49.7
Other OTC	25.3	23.5	24.0	29.8	102.7	33.3	36.4
Medical Total	25.2	23.5	17.8	18.0	84.5	20.6	18.0
Medical Equipment	12.9	12.3	10.0	10.7	45.9	11.0	10.9
Diagnostic	12.3	11.3	7.8	7.3	38.7	9.5	7.1
Overseas	12.3	13.4	13.8	14.2	53.6	21.6	24.2

Major Products Sales (ETC)

[KRW bil.]

Product	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12
Stillen	22.1	21.9	21.0	23.2	88.1	21.0	20.2
Lipinon	11.5	11.7	11.3	11.5	46.0	7.7	9.6
Plavitor	10.5	11.7	10.5	11.4	44.2	8.2	8.3
Opalmon	8.9	9.8	9.7	8.7	37.0	6.1	6.7
Orodipine	6.8	7.0	6.1	6.3	26.3	4.9	5.2
Growtropin	4.8	4.8	6.0	5.4	21.0	5.6	6.1
Zydena	4.8	5.1	5.2	5.2	20.2	5.0	4.2
Talion	4.1	5.2	5.2	5.5	20.0	5.6	5.5
Cozartan	4.8	5.2	4.4	4.4	18.8	2.8	3.5
Gaster	4.6	4.6	4.9	4.3	18.4	3.4	3.3
Glimel	3.8	3.9	4.1	3.7	15.5	2.6	3.1
Nicetile	3.3	3.7	3.6	3.0	13.6	2.0	1.5
Onon	2.9	3.1	2.5	3.1	11.6	1.8	1.7
Acrofen	2.8	2.9	3.1	2.3	11.0	1.9	2.0

Major Products Sales (OTC)

[KRW bil.]

Product	1Q '11	2Q '11	3Q '11	4Q '11	2011	1Q '12	2Q '12
Bacchus	26.6	38.7	46.7	38.2	150.1	32.7	49.7
Panpyrin	6.9	4.8	4.5	6.3	22.4	7.3	5.9
Bigen	3.8	3.8	4.0	3.6	15.4	3.8	4.4
Garglin	3.4	3.3	3.1	3.5	13.3	5.3	5.7
Morning Care	2.8	2.8	2.5	3.3	11.3	2.9	2.5

THANK YOU