

4Q 2015

Business Results

Feb 2, 2016

Disclaimer

This IR Presentation contains forward-looking statements that are based on management's expectations, estimates, projections and assumptions.

Actual results may differ from those we project and may be affected by the business environment, government regulation and legislation, financial market movement, or other factors. All forward-looking statements speak only as of the date of this report. The company does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report. The Company has adopted its financial statements under International Financial Reporting Standards (IFRS) in 2010.

Summary of Business Results

(KRW bn)

	FY2015	FY2014	Change (YoY)	4Q 2015	4Q 2014	Change (YoY)
Sales	451	426	↑ 6%	136	131	↑4%
Pharma	388	356	↑ 9%	118	106	↑11%
FineChem	62	69	↓10%	18	25	↓28%
Operating profit	25	16	↑56%	7	16	↓56%
R&D expenses¹⁾	62	60	↑ 3%	16	14	↑14%
EBITDA	62	48	↑29%	17	24	↓29%
EBITDA+R&D	123	108	↑14%	32	37	↓14%
(% of sales)	27%	25%		24%	28%	

1) R&D expense in SG&A

[FY2015 Results] Sales of KRW 451bn(+KRW 25bn, ↑6% yoy), Operating Profit of KRW 25bn (+ KRW 9bn, ↑56% yoy)

- Sales growth was mainly driven by the solid sales of 'Yvoire' (HA Filler) and 'Zemiglo' franchise (Diabetes)
- Operating profit improved due to sales increase and the improvement of product mix despite a decrease of milestone profit
 - Sales: Yvoire ('14 KRW 21bn → '15 KRW 37bn, ↑80%), 'Zemiglo' Franchise ('14 KRW 14bn → '15 KRW 25bn, ↑74%)
 - Total milestone ('14 KRW 23bn → '15 KRW 12bn)

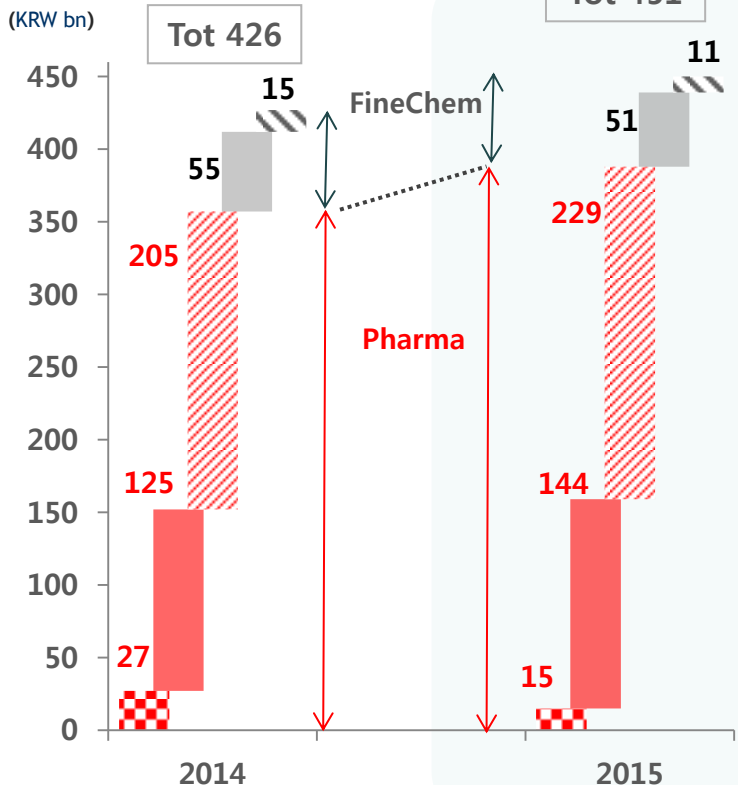
Financial Highlights

(KRW bn)	FY2015	FY2014	4Q 2015	4Q 2014
Sales	451	426	136	131
Cost of sales	(232)	(225)	(73)	(70)
SG&A	(194)	(184)	(56)	(45)
<i>Excluding R&D</i>	(132)	(125)	(40)	(32)
<i>As % of sales</i>	29.3%	29.3%	29.4%	24.4%
Operating Profit	25	16	7	16
<i>OPM</i>	5.5%	3.8%	5.1%	12.2%
Income before taxes	14	2	3	9
Net Profit	11	△2	2	4
<i>NPM</i>	2.4%	-	1.5%	3.1%
Assets	707	653		
Liabilities	449	404		
Total Shareholders' Equity	258	250		

Analysis of Results

Sales Breakdown

▨ FineChem_Domestic ■ FineChem_Overseas
▨ Pharma_Domestic ■ Pharma_Overseas
▨ Pharma_etc



Review (FY2015)

▶ **Sales: KRW 451bn, ↑6% yoy (+KRW 25n)**

◎ **Pharma : KRW 388bn, ↑9% yoy (+ KRW 32bn)**

- Domestic, +25bn : Zemiglo& Zemimet (+11bn)
- Overseas, +19bn : Yvoire (+13bn), Boostin (+6bn)
- Others (Milestone), -12bn

- 2015 (KRW 12bn)

· Sanofi obtained the 'Zemiglo' approval in India

· Mochida exempted from a Phase 1 clinical trial in Japan for 'LBAL'

- 2014 (KRW 23bn)

· License out for 'LBAL' (biosimilar) with Mochida Pharmaceutical

· Distribution agreement of 'Follitrope' in Chinese market

· Long term supply contract of 'Boostin'

◎ **FineChem : KRW 62bn, ↓10% yoy (+ KRW 7bn)**

- Weakened demand for agricultural chemicals in overseas market

▶ **Operating Profit: KRW 25bn, ↑56% yoy (+KRW 9n)**

▶ **Net Profit: KRW 11bn, Turned a profit**

Key Products Sales

(Unit: KRW bn)		1Q '15	2Q '15	3Q '15	4Q '15	FY15	FY14	
Biologics	hGH	Utropin, etc	8	10	10	11	39	41
	Arthritis	Hyruan, SYNOVIAN, etc.	6	8	8	9	33	29
	Anemia	Espogen	5	5	5	6	21	22
	Infertility	Folitrope, etc.	5	6	8	8	27	25
	Veterinary Medicine	Boostin	7	9	7	11	34	28
	HA Filler	Yvoire	6	9	10	12	37	21
Vaccine	Vaccine	Euvax B	5	5	5	9	24	27
Metabolic Diseases	Diabetes	Zemiglo, Zemimet	5	6	6	7	25	14

R&D Pipeline

Class	Product	Indication	DS	PC	Clinical Trial			NDA ¹⁾
					P I	P II	P III	
Vaccine	Eupenta (WHO)	D/T/P/HepB/Hib prevention						●
	LBVC	Poliomyelitis prevention	●					
	LBVD	D/T/P/HBV/M/IPV prevention		●				
	LBVE	Pneumonia prevention		●				
IMD ²⁾	ZemiStatin	Diabetes / Hyperlipidemia					●	
Biosimilar	LBEC0101	Rheumatoid Arthritis					●	
	LBAL	Rheumatoid Arthritis					●	
Biologics	Eutropin Pen-type	Growth Hormone Deficiency						●
	Follitrope (Global)	Infertility					●	
	Espogen (Global)	Anemia of CRF ³⁾						●
	YVOIRE Soft Plus	Skin Rejuvenation					●	

1) New Drug Application

2) Incrementally modified drug

3) Chronic Renal Failure

Thank You