



Asian Beauty Creator
AMOREPACIFIC

Comprehensive Stock Exchange of AMOREPACIFIC GROUP and Pacific Pharmaceuticals

AMOREPACIFIC IR

December 04, 2012

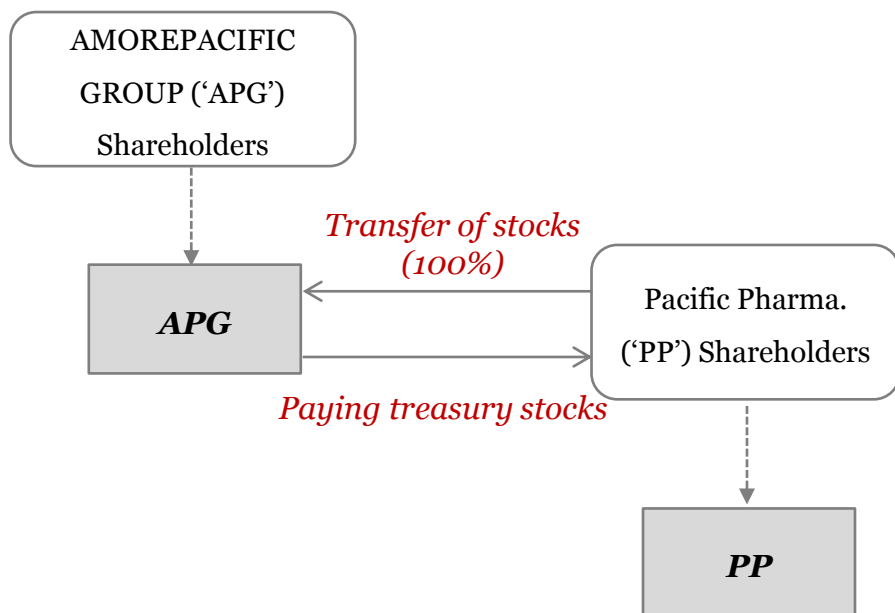
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1. Deal structure - Comprehensive stock exchange

Deal structure is to exchange Pacific Pharmaceuticals ('PP') Stocks owned by PP's shareholders for AMOREPACIFIC GROUP ('APG') stocks

Deal structure



APG acquires 100% ownership in PP as a result of the transaction

Stock exchange

- Calculation of Exchange ratio -

In accordance with the 'Enforcement Decree of the Financial Investment Services and Capital Market Act' :

0.0638710 APG common stock per PP common share
0.1196224 APG preferred stock per PP preferred share

- Changes in ratio of APG ownership after the transaction -

	Before		Increase/ Decrease (thousand)	After		Change
	No. of shares (thousand)	Ownership		No. of shares (thousand)	Ownership	
The largest shareholders	4,911	66.1%		4,911	65.7%	-0.4%
Other shareholders	2,516	33.9%	46	2,562	34.3%	0.4%
Treasury stocks	552	0.0%	- 46	506	0.0%	-
Total	7,979	100%		7,979	100%	-

Dilution Effects to APG shareholders

will be insignificant AMOREPACIFIC

2. Expected benefits

Contribution to the increase in APG's value through accelerated growth of the subsidiary

- **Accelerated growth of pharmaceutical business through reinforced support from the Holding Company**

- Efficient use of resources to improve profitability of the pharmaceuticals business and to accelerate the new business (i.e. Medical Beauty)
- Improved agility through establishing a prompt decision making system

- 1 **A rise in equity value of APG thanks to the stronger growth of the subsidiary**

- PP has generated profits continuously
- Performance of PP and its increase in equity value will be fully reflected on APG through change to a wholly owned subsidiary

- 2 **Insignificant dilution effects to APG shareholders**

- Estimated treasury shares involved will be approximately 46,000 shares (0.6% of total issued APG shares), and will cause insignificant dilution effects to existing APG shareholders

3. (Appendix) Schedule and share holders status

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Schedule

Schedule	Due Date
Signing of Comprehensive stock exchange contract	December 06, 2012
General Shareholders' Meeting or Resolution of the BoD for approval of stock exchange	February 06, 2013

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Share holders Status

APG	Common stock		Preferred stock	
	No. of shares	Ownership	No. of shares	Ownership
Kung-Bae Suh	4,443,959	55.7%	122,974	13.5%
Min-Jeong Suh	-	-	241,271	26.5%
Other largest shareholders	479,028	6.0%	44,884	4.9%
Treasury stocks	551,557	6.9%	17,025	1.9%
Internal shareholding subtotals	5,474,544	68.6%	426,154	46.8%
Domestic institutional subtotal	657,736	8.2%	55,216	6.1%
Foreigners subtotal	1,744,265	21.9%	390,041	42.8%
Domestic individual subtotal	102,553	1.3%	39,686	4.4%
Total	7,979,098	100.0%	911,097	100.0%

PP	Common stock		Preferred stock	
	No. of shares	Ownership	No. of shares	Ownership
APG	1,373,513	65.1%	40,370	18.4%
Total institutional Investors (Exclusive of APG)	521,770	24.7%	139,329	63.3%
Others (minority shareholder)	213,664	10.1%	40,301	18.3%
Total	2,108,947	100.0%	220,000	100.0%