Interview with Pil Soo Oh, Managing Director, Lundbeck South Korea

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What are the origins of Lundbeck in Korea and your involvement in its establishment?

I joined Lundbeck just before it was officially established in Korea in April 2002. We started out as a small organization, working through our local partner Whanin. In October that same year we managed to launch our first product on the market, CIPRAM, an antidepressant. Initially we had no sales reps of our own, but after the first year we progressively began recruiting people and have continued growing since. An important milestone for Lundbeck in Korea came in 2004 when we were able to launch EBIXA, a drug for Alzheimer's disease. This was a product which had been registered in Korea for 20 years, but at a very low price. After a lot of hard work and negotiations, we managed to convince the government of the value of this drug and got a premium price which then allowed us to launch EBIXA on the Korean market. Lundbeck's growth in Korea was further boosted with the introduction of another anti-depressant LEXAPRO. It has been the market leader only two years after its launch. It will be the first anti-depressant to reach (roughly) $20 million in sales this year on the Korean market.

How much of a challenge has it been to market Lundbeck's products which are essentially for neurological and psychiatric disorders, in a country which has traditionally not been very open regarding these problems?

There are social stigmas surrounding mental disorders everywhere in the world, but in South Korea and this part of Asia they are more pronounced. This has meant that someone suffering from depression would normally try to conceal it at any cost. But the situation in Korea has started to change in the last few years, following some very high profile depression cases among celebrities. Just recently in October 2008 one of South Korea's most famous actresses committed suicide due to depression. This has raised awareness and is making people speak more openly about depression.

How has Lundbeck been working in order to make the treatment of mental disorders a higher priority in South Korea?

South Korea has one national healthcare system which is managed by the government, and unfortunately mental disorders are not given very high priority. We find it difficult to engage directly with the government in order to change this, so we have decided to focus on working with the medical society instead. This strategy has been working well for us since the doctors have been very responsive and eager to lift some limitations and find ways to mobilize more resources for the area of psychiatric disorders.

To what extent is South Korea participating in global clinical trials for Lundbeck and what are the perspectives of increasing them in the future?

Korea is currently involved in 5 global Phase II & III clinical trials for Lundbeck, which far outnumbers what other big pharma companies are doing in the CNS area here. The country has become very important for Lundbeck's global projects, and this is something that is likely to further improve thanks to the Korean government's policy to promote more clinical trial activities by multinational companies. We are also very keen on increasing this in Korea because of the advantages it presents in terms of speed, cost, quality and motivation of the medical community to participate in global clinical trials.

In terms of the market, how important is South Korea for Lundbeck's business in the Asian landscape?

Lundbeck has developed very quickly in Korea since its establishment in 2002. Originally a part of the Asian operations handled from Hong Kong, by 2006 we had become an important subsidiary and therefore started reporting directly back to Copenhagen. Over next several years Korea is projected to become the largest Asian subsidiary in terms of turnover for Lundbeck. Indeed, the fast development of Lundbeck Korea has attracted a lot of attention, making us for example the only subsidiary featured in the Group's 2007 investor report.

After many years of high growth, what are the perspectives for the coming years as the overall pharmaceutical industry faces a more uncertain environment marked by the government's cost containment policies?

This is nothing unique to South Korea, as there is a global trend by governments trying to contain growing healthcare costs. As a company which is very dedicated and specialized in the CNS area, Lundbeck has a strong focus on the hospital market. Our managers and key people have a great deal of experience and knowledge about the customers, the products and the market. This combination has allowed us to achieve our results so far, and over the next few years we will continue with this winning strategy. We will optimize current opportunities making use of all the resources at our disposal. Our main challenge will be to minimize the generic impact that will come in mid-2009 once our blockbuster product LEXAPRO comes off exclusivity on the Korean market, and we will do so through good life-cycle management. In addition, Lundbeck Korea will launch a new product for schizophrenia in 2010, SERDOLECT, which is already available on the European market. Registration trials have just been completed and we will be finishing the pricing and reimbursement process in 2009. There are also products for insomnia and Parkinson's disease which we are seeking to bring to the Korean market in the coming years.

When you look back at these years of Lundbeck in Korea, what is the most motivating part of this experience?

We are very results oriented and consider that they are the main measure of our success. In this regard I am very proud of what we have accomplished in just a few years, after having started this myself with only 4 people and now reaching an organization of over 50 which keeps expanding. The key word is development, and this kind of growth is a big motivation to continue moving forward.

What is your vision for Lundbeck Korea 5 years down the road?

In 5 years time we will have at least 3 new products on the Korean market, possibly more, including a successor to our current antidepressant blockbuster LEXAPRO. Lundbeck Korea will be a full-fledged subsidiary and leader in its field, with a portfolio that will cover all the major areas of CNS disorders like depression, Alzheimer's, schizophrenia, Parkinson's and insomnia.

What is your final message to the readers of Pharmaceutical Executive?

The pharmaceutical sector is conservative by nature. It takes time to build up trust and relationships with opinion leaders, but this is essential in a closed and hierarchic community such as Korea. The important thing is to have a good team of dedicated and motivated professionals in

order for the company to reach its full potential.

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