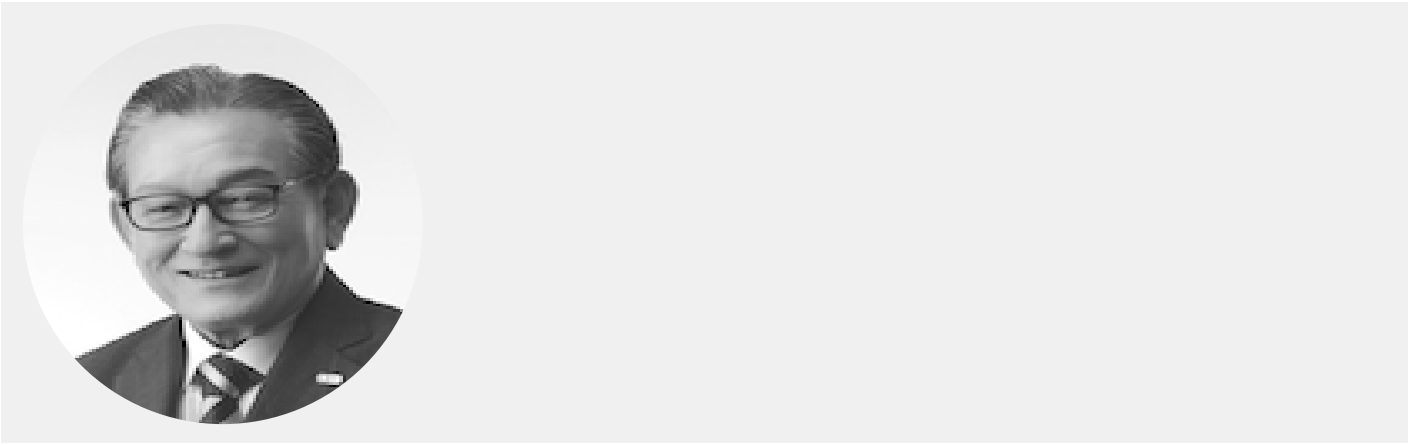
# Park Jae-Don – Chairman, Korea Pharma



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*The chairman of contract manufacturer Korea Pharma discusses the Korean CMO market and incremental innovation.*

**Where did your idea for starting Korea Pharma come from?**

I am a pharmacist by training, and graduated from Yeong-nam University's college of pharmacy. After graduation, I worked for Seoul Pharmaceutical Company for five years before starting a pharmacy in Busan with my wife, who also became a pharmacist after studying at Lee-Wha University. In 1974, I decided that I wanted to further leverage my training and do something more ambitious, so I started a manufacturing business in Busan, Korea Pharma, while my wife continued to run the pharmacy. In 1990, we relocated our offices to Seoul, and our GMP manufacturing facility is located in Hayng-nam. In 1999, we started Soyagreentec Co., Ltd., which is firm specialized in gamma radiation sterilization for medical technologies and professionally produces some medical devices, such as evacuated blood collection tube and diagnostic reagents.

**To clarify, you work as contract manufacturer, but also have your own brands of specialized medicines; how much of your business does contract manufacturing represent?**

We manufacture about 150 specialized medicines as our own brands. About 30 of these products are exported to more than 20 different countries, accounting for roughly seven million dollars of

our revenue. We also do some contract manufacturing for companies like GSK's skin care business Stiefel and Mundi Pharma, and these activities make up roughly 20 percent of our business.

At the moment we are focusing primarily on developing sales of our CNS portfolio in Korea as it is a market with quickly growing generic sales. Our long-term plan is for our R&D center to develop incrementally modified drugs and new drugs.

**Could you tell us about some of the incrementally innovative products, aka supergenerics, that you are developing at the moment?**

We are currently working on several R&D projects with a few different partners. For example, we are conducting a pre-clinical trial for a dementia treatment based on osmotin, an ingredient extracted from tobacco leaves, in conjunction with Kyeong-Sang University. There are various treatments for dementia on the international market, but most of them do little but marginally slow the progression of the disease. However, there is evidence that indicates osmotin can trigger the regeneration of brain cells in Alzheimer's patients, as well as inhibiting neural cell death. We are also actively working with several universities to develop new drug candidates. Internationally speaking, we are working with an overseas partner to develop a product that treats disease caused by bacteria resistant to CEPA antibiotics, and are currently conducting late phase clinical trials.

**Export development strategy?**

At present, we are targeting markets in the Middle East, Southeast Asia and South America to expand overseas markets. Our dementia patch, which is a brain metabolism catalyst, and an antifungal nail lacquer have been very popular in many of these markets and are our top export products. When we successfully develop the medicine for Alzheimer's disease, we will make a big contribution to ease the suffering of Alzheimer's disease patients.

**Korean China FTA was officially signed. What does this mean for your business that now you will now be able to sell in Chinese market with low taxes?**

We are having a lot of trouble with the Chinese market due to the complex and unpredictable regulatory process. Once the PIC/s system is stabilized, it will make significant difference in the ability of Korean pharmaceutical companies to export to developed markets.

**What is your plan for next five years?**

We are now at the stage where we are beginning to work on developing new drug candidates, five of them in total. With some luck, we will be able to launch the first of them within two or three

years, which will be a major step for our company.

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