

Introduction of HANDOK Pharmaceuticals

Overview

Respecting Humanity, Corporate Morality, Serving Community

Since its foundation in 1954, HANDOK, has unwaveringly pursued its goals of corporate development through innovative ideas and sincere efforts, while serving the community by providing quality pharmaceuticals.

Having inherited this tradition, HANDOK has adapted the following corporate philosophies: respecting humanity, keeping corporate morality and serving the community.

Under these guidelines, the company aims to promote public health by providing pharmaceuticals of the highest quality, being sound and transparent in its operations, and serving the public with good labor-management relationships, customer satisfaction, and eco-friendly management. HANDOK hopes to realize its dream of a healthier and more beautiful world together with our customers.

HANDOK's main business is in prescription and nonprescription drugs and diagnostics. HANDOK has over 550 employees working at the company headquarters in Seoul, its factory in Umsong and through its nationwide sales network. Sales target of 2005 is expected to reach about USD 250 Mio., which is up by 4.7% from a previous year.

Brief History

- 1954. 4 HANDOK Pharmaceuticals Co. founded
- 1957.12 Technical license agreement with Hoechst in Germany
- 1959. 4 First factory inaugurated
- 1964. 4 Joint investment agreement with Hoechst in Germany
- 1964. 4 HANDOK Medico-Pharma Museum founded
- 1971. 2 Technical license agreement with Ciba-Geigy in Switzerland
- 1972. 3 Technical license agreement with Roussel in France
- 1976. 6 Initial public offering
- 1982. 1 Exclusive distribution agreement with Eppendorf in Germany
- 1987. 6 KGMP license granted
- 1991. 3 Rousell Korea(today' Aventis Pharma) founded

- 1995. 10 Umsong factory inaugurated
- 2000. 1 HANDOK-Aventis Pharma founded
- 2004. 7 50th anniversary of the company
- 2005. 1 HANDOK, sanofi-aventis partnership inaugurated

Overseas Partnership

Hoechst (1957~1999)

Since entering the pharmaceutical industry in 1954, HANDOK has had strategic ties with a number of prestigious pharmaceutical firms around the world, including Hoechst of Germany with technical license agreement in 1957 and with joint investment in 1964.

Aventis (2000~2004)

In 2000 HANDOK restarted its business under a strong alliance with Aventis Pharma Co., Ltd., after Hoechst of Germany and Rhone Poulenc Rore of France merged into Aventis, forming a new top-ranking pharmaceutical corporation.

Sanofi-Aventis (2005~)

In 2005 strategic partnership between HANDOK and Sanofi-Aventis is set up after Sanofi-Synthelabo of France acquires Aventis Pharma. The global partnership linked with Sanofi-Aventis provides an opportunity for fostering a wide range of sales/marketing activities and close business cooperation in many aspects.

Corporate Highlights

Benchmarking model as a successful joint venture

HANDOK has gained a reputation as a success model for joint ventures by successfully introducing advanced foreign expertise and capital while adopting these to Korean circumstances through alliance and joint ventures with world leading pharmaceutical companies.

By allying overseas partners, HANDOK has strengthened the competitiveness of its product line, increased the soundness of its financial structure and secured a force of

skilled employees. We now stand ready to expand our operations globally, through the application of top class management expertise and marketing strategies.

Umsong Factory: Cutting-Edge Production Facilities

Umsong factory, built in 1995, is furnished with top-notch facilities, located on a 90,750 block of land, with a total floor space of around 33,000 . Rolling out cutting-edge pharmaceuticals of the highest quality, the factory is made up of a central R&D center, a pilot plant housing a quality control room, manufacturing plants for tablet production, packaging, penicillin, and cephalosporin, and auxiliary buildings.

All production lines in the Umsong factory are operated by fully automated systems, including automated measuring systems, container bar code systems, automatic guided vehicles(AGV), and conveyer systems, etc.

Umsong factory's facilities meet production standards not only of Korea but also of the U.S. Food and Drug Administration (FDA), WHO, and Good Manufacturing Practices (GMP). The quality control and quality team of HANDOK practice strict quality management to satisfy global standards.

Medico-Pharma Museum

Marking the 10th anniversary of its foundation, HANDOK opened the Medico-Pharma Museum in 1964 and started collecting pharmaceutical resources from the East and West. The museum allows visitors to see the history of medicine at one glance.

It accommodates the Domestic Hall, which exhibits the evolution of Korean herbal medicine; the International Hall, which displays foreign medical materials and devices; the HANDOK hall, which records HANDOK's growth and development.

The museum preserves some 3,000 ancient medicinal reference works and 7,000 pharmaceutical artifacts. The museum also contains an Herb Garden and a Specimen Room, whose rare cultural and educational resources attract thousands of college students majoring in medicine and pharmacy, and other visitors every year.

Labor-Management Relations Based on Mutual Trust and Cooperation

HANDOK is famous for its exemplary labor-management relations, in which cooperation and compromise based on mutual trust have always been employed to resolve difficulties. This has given HANDOK the distinctive honor of never having experienced a labor dispute in 31 years since its establishment of labor union in 1975.

Lately, the company's success in labor-management relations earned external recognition, when HANDOK was chosen as the Best Company in Labor-Management Cooperation and won the Grand Prize in Labor-Management from the Ministry of Labor.

Innovative Eco-Friendly Management

From its very beginnings, HANDOK has emphasized the importance of environment-friendly management, forming an environment management department that ensures that all precautions are taken against possible environmental damages. The company implements meticulous environmental care programs, such as Line-Stop system, which acts immediately to stop production when a situation is judged to be harmful to the environment or public safety.

Company's ongoing commitment to environmental improvement has greatly improved the quality of air, water, and wastes at the factory site, as recognized by the Ministry of Environment in honoring us as an "Environmentally Friendly Company" in 2000. This further encourages HANDOK's dedication to environmental conservation and to improving the quality of life.

Dividend Payment in Surplus for 48 Consecutive Years

HANDOK has a remarkable record of paying dividend in surplus for 47 consecutive years. According to the survey conducted by Chosun Ilbo, a nationwide daily newspaper, the number of corporations paying dividend in surplus for longer than 30 years reaches only 10 out of entire 685 domestic listed companies in the Korean Stock Exchange, and in which HANDOK ranked No.1 with 47 years as of the end of 2004.

Key Products Profiles

Prescription Medicines

HANDOK has gained a strong support base among specialists for its wide range of high quality prescription medicines including treatments for diabetes, high blood pressure, ulcers, antibiotics pills and injections, diuretics, skin treatments, and allergy medicines. HANDOK will continue its efforts to introduce innovative products that will open a new era in the treatment of diseases.

Major Product List

Product Name	Therapeutic Group	Product Name	Therapeutic Group
Amaryl	Anti-diabetics	Gatiflo	Anti-infective(oral)
Tritace	CV protectives	Teveten	Anti-hypertensives
Munobal	Anti-hypertensives	Ketas	CVD treatment
Roxan	Anti-ulcerant	Anzemet	Anti-emetics
Dermatop	Topical steroid	Triapin	Anti-hypertensives

Over-the-Counter Medicines

HANDOK's all-time-favorite over-the-counter drugs include Festal(digestive), Oscal(calcium supplement), Hivinal(vitamin complex), Cambison(skin ointment), Miyarisan(anti-diarrheals) as well as diverse medical products that meet consumer needs for curing or preventing various conditions.

Diagnostics

HANDOK is promoting the growth of clinical diagnostics, providing diagnostics and diagnostic equipment for infectious diseases such as AIDS and hepatitis, clinical chemical testing, serum protein testing, myocardium infarction screening, microbe movement and antibiotic sensitivity testing, along with test equipments and drugs for narcotics and medical drugs created by Dade Behring of the U.S., a world leading company in diagnostics and diagnostic equipment.

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