Management presentation

PHARMACEUTICAL FIRM
Darnitsa

Disclaimer

This presentation contains information about Nord Star Pharmashare A/S (Denmark), including CJSC "Pharmaceutical Firm Darnitsa" (Ukraine) and its other subsidiaries (the "Company").

This presentation is for information purposes only and does not constitute an offer to sell or solicitation of an offer to buy any shares or other securities of the Company.

This presentation and the information contained herein is confidential. Recipients of this presentation may not reproduce, redistribute or pass on, in whole or in part, the presentation to any other person.

The information contained herein is based on sources believed by the Company to be reliable but is not guaranteed by the Company as being accurate and does not purport to be a complete statement or summary of the available data. Any opinions expressed herein are statements of Company's judgments as of the date of publication and are subject to change without notice. The Company does not intend, and does not assume any obligation, to update or correct the information included in this presentation.

No reliance may be placed for any purposes whatsoever on the information and statements contained in this presentation or on their completeness. No representation or warranty, express or implied, is given by or on behalf of the Company or any of its advisors or any other person as to the accuracy or completeness of the information or statements contained in this presentation and no responsibility or liability is or will be accepted for any such information or statements.

This presentation includes and is based on, among other things, forward-looking information and statements. Such forward-looking information and statements are based on the current expectations, estimates and projections of the Company or assumptions based on information available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to known and unknown risks, uncertainties and other important factors beyond the Company's control. The Company cannot give any assurance as to the correctness of such information and statements. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation, including, among others, risks or uncertainties associated with the Company's products, technological development, growth management, financing, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document.

Table of contents

Introduction

Section 1

PHARMACEUTICAL FIRM
Darnitsa

Management team

Gleb Zagorii
Head of Supervisory Board

- Joined Darnitsa in 1997, Chief Strategy Coordinator since 2001, Head of Supervisory Board since 2006
- Developed and implemented the strategy of marketing and promotion of branded generics
- Expanded production capacities by adding 3 new workshops (sterile cephalosporin antibiotics, macrolide antibiotics and drops) in 2002 and 2004
- Organized marketing department from scratch in 1999
- PhD in pharmaceutical science
- Overall industry experience exceeds 11 years

Volodymyr Zagorii
CEO

- Joined Darnitsa in 1988, CEO since 1994
- Initiated the 10-year program of complete reconstruction and modernization of production facilities in compliance with GMP requirements over 1997-2007
- Doctor degree in pharmaceuticals, professor
- Head of industrial pharmacy faculty of P.L. Shupik Kiev Medical Academy of postgraduate education
- Was ranked #1 pharmacy top manager in the national rating published by Investgazeta
- Overall industry experience exceeds 30 years

Alexey Troinikov
Head of Audit Committee

- Joined Darnitsa in 2000
- Organized existing international holding structure
- Successfully coordinated CAPEX program, including contracts with European equipment suppliers and equipment shipments
- Optimized raw materials purchases through in-house Europe-based supply hubs

Management team

Svetlana Kozlovska
CFO

- Joined Darnitsa in 1989
- Managed organization of private placement of minority stake among international investors from the Company's side
- Initiated and managed independent IFRS audit process
- Overall industry experience exceeds 19 years

Chertkov Yuriy
Head of Marketing

- Joined Darnitsa in 2005
- Achieved 33% CAGR of the "promo" portfolio sales in 2005-2007
- Optimized sales force organizational structure (115 medical reps) and increased its efficiency (#3 by doctor coverage)
- Launched the blockbuster "doctor in pharmacy" promotion project in Nov. 2007
- Developed and implemented multiple promotion projects for different target audiences
- Well-recognized expert and frequent speaker on international events

Evgeniy Cherkas
Head of Production

- Joined Darnitsa in 1997
- Successfully managed audit process for 2 GMP certificates
- Developed and implemented the concept of unique in Ukraine fully automated warehouse, which is to be launched in Sep.2008 (a must for GMP status)
- Successfully managed re-equipment project in the ointment workshop (2007)
- Increased production efficiency in injectables workshop by 40%
- Overall industry experience exceeds 11 years

Andriy Myronyuk
Head of Sales

- Joined Darnitsa in 1994
- Established strong and focused relationships with all key Ukrainian distributors providing 100% retail and hospital channels coverage
- Optimized distributor contract terms
- Developed efficient distributor incentive program resulting in substantial reduction of overdue receivables and better sales reporting
- Improved speed and quality of order delivery
- Overall industry experience exceeds 14 years

Management team

Nikolay Fedko
Head of Supplies

- Joined Darnitsa in 1999
- Optimized supply business processes
- Substantially increased raw materials turnover (30% reduction of slow-moving stock)
- Established and sustains strong relationships with key suppliers
- Overall industry experience exceeds 14 years

Tatiana Sokolova
Quality Control

- Joined Darnitsa in 1976
- Implemented GMP compliant quality management system and TQM principles
- Successfully passed FAVEA trainings in GMP documentation quality assurance and quality control
- Obtained certificated from Dr. K. E. McCormick of Heathside Information Services Ltd
- Overall industry experience exceeds 20 years

Nikolay Zozulya
Head of Capital Construction

- Joined Darnitsa in 1987, Head of Capital Construction since 1994
- Successfully managed major overhaul of all engineering communications in 1997-1999
- Created autonomous steam generation and heating systems
- Developed and implemented architectural and design solution for production and administrative buildings' façades
- Overall industry experience exceeds 20 years

History of creating a national market leader

More than 78 years of pharmaceutical tradition

1930 – Foundation

Kyiv branch of the Ukrainian Institute of experimental endocrinology was founded

1954 – Plant establishment

Decision to establish Darnitskiy pharmaceutical plant in Kyiv was taken by the USSR's Board of Ministers

Darnitsa's modern history: full-scale renovation and capacity expansion

1994 – Reorganization

Kyiv collective enterprise pharmaceutical firm "Darnitsa" was reorganized into CJSC "Pharmaceutical firm Darnitsa"

1997 – Modernization program

- Concept of technical re-equipment of Darnitsa's production base in compliance with GMP by LUWA
- Reconstruction and launch of workshop for aseptic production and dispensing of medications, water-cleaning system and heating station

2000 – Infrastructure overhaul

Reconstruction and upgrade of system of drinking and desalted-water preparation, warehouse and transportation infrastructure.

2001 – Brand recognition

Darnitsa was awarded "Brand of the Year" in two major nominations ("Public recognition" and "Stainless reputation")

2002 – 1 new workshop

Launch of production workshop for sterile cephalosporin antibiotics

2004 – 2 new workshops

Launch of two new specialized production workshops: macrolide antibiotics and drops

2006 – New laboratories

New R&D and quality control laboratory was put into operation. The labs are constructed in compliance with GMP and GCLP (Good Control Laboratory Practice) requirements, as well as ISO/IEC 17925-2001.

2007 – Private placement

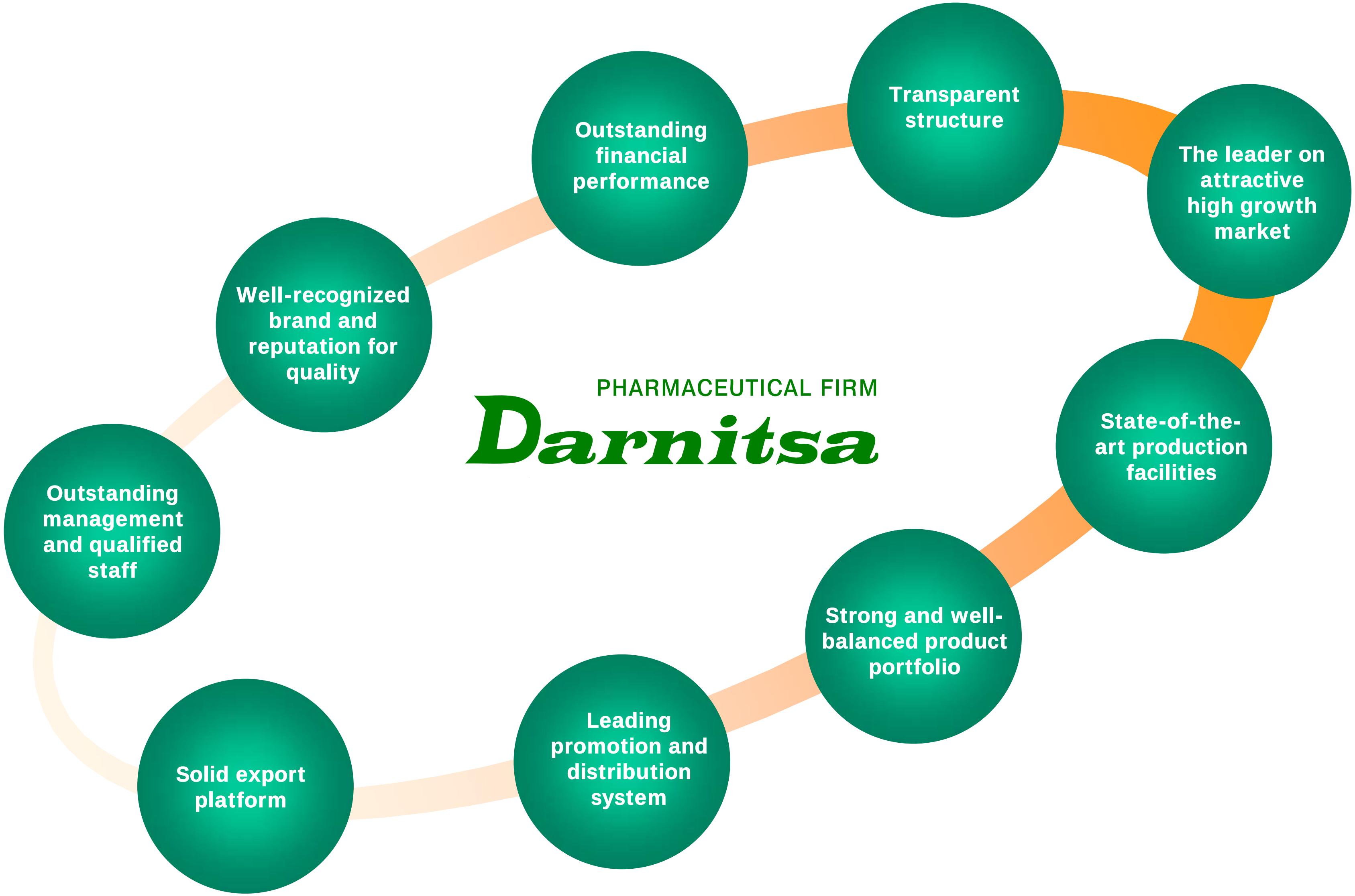
Placement of a 10% equity stake among international investors

Today

National market leader

- #3 by sales value
- 1 in 7 packs sold in Ukraine is Darnitsa product
- GMP compliant facilities
- 228 products in 13 ATC categories

Investment highlights



Investment highlights (continued)

The leader on attractive high growth market

- Leading market position (#1 in volume terms with market share of 14%(a) in retail segment, and #3 in value terms with market share of 3.6%(a))
- Double digit historic market growth (23% CAGR during 2004-2007(b)) will be sustained as a consumption rate is still far below CEE average level
- Favorable platform for upcoming industry consolidation

State-of-the-art production facilities

- Strategically located, GMP compliant and fully renovated production facilities
- Modern and technologically advanced equipment (¾ of equipment is less than 4 years old)
- Broad range of production capabilities, incl. tablets and capsules, injectables, macrolide and sterile cephalosporin antibiotics, liquids and semi-solid forms (ointments, creams, and gels)
- Existing capacities to expand production volumes and strong foundation for further capacity expansion at existing site
- Unique in Ukraine fully automated warehouse, which is "a must" for compliance with GMP requirements, coming into effect in Ukraine starting from 2009; construction of similar logistics capacities would cost at least US$30million and take over 2 years for the competitors

Strong and well-balanced product portfolio

- Large and diversified product portfolio (228 SKUs in 13 ATC categories)
- Fast growing share of highly profitable branded and innovative generics (23% in 2007 and 32% in 2008E)
- 56 new products introduced during 2004-2007, and 50 new products in the pipeline to be launched in 2008-2010

Leading promotion and distribution system

- Nationwide sales force network of 115 med. representatives (ranks #3 by doctor awareness(c))
- A range of innovative and highly effective promotion projects oriented towards multiple audiences, including consumers, pharmacists and medical specialists
- Leading distribution network of key Ukrainian distributors with 100% retail channel coverage
- Strong experience in local registration process

(a) Pharmstandard, management estimations
(b) Espicom business intelligence
(c) COMCON Pharma-Ukraine

Investment highlights (continued)

Solid export platform

- 317 effective registrations and 134 pending registrations in 15 countries
- Local representatives in 5 CIS countries

Outstanding management and qualified staff

- Dedicated and highly knowledgeable top management team with a proven track-record and expert reputation within the industry
- Long-term commitment of the management to the Company's development strategy
- CEO was ranked #1 pharmacy top manager in the national rating published by Investgazeta
- Highly qualified and GMP-trained staff

Well-recognized brand and reputation for quality

- Ranked #1 by pharmaceutical purchasing experts and #2 by pharmacists according to survey by Gfk-Ukraine (2007)
- One of the most recognized and reputable brands among domestic consumers and medical specialists
- Awarded "Golden Globe" (Geneva) for quality and technology (2003), "Brand of the year" (2001)

Outstanding financial performance

- Efficient production and cost management as well as increasing share of high margin branded generics in total sales resulted in 39% EBITDA CAGR over 2004-2007
- EBITDA margin has exceeded 40% since 2006
- Solid liquidity position with current ratio of 1.6-1.9
- Low leverage (D/E <4%)

Transparent structure

- EU registered holding company Nord Star Pharmashare (Denmark)
- Private placement among international financial investors with listing on Frankfurt Stock Exchange (Reg S GDRs representing 10% of Nord Star Pharmashare share capital)

Macroeconomic environment and pharmaceutical market overview

Section 2

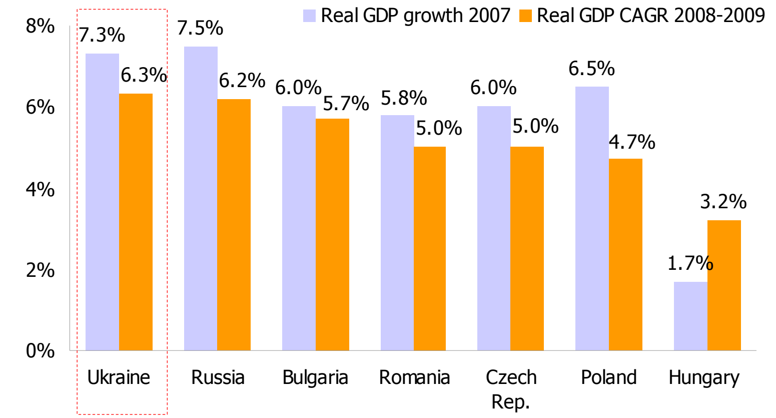
Strong macroeconomic fundamentals support growth in Ukraine

Key macroeconomic indicators

	2003	2004	2005	2006	2007
GDP real growth, %	9.6	12.1	2.7	7.3	7.3
Nominal GDP per capita, US$	1,040	1,376	1,670	2,275	3,034
Inflation (CPI), %	5.2	9.0	13.5	9.1	12.8
FDI inflow, US$bn	1.3	2.3	7.9	4.7	7.9

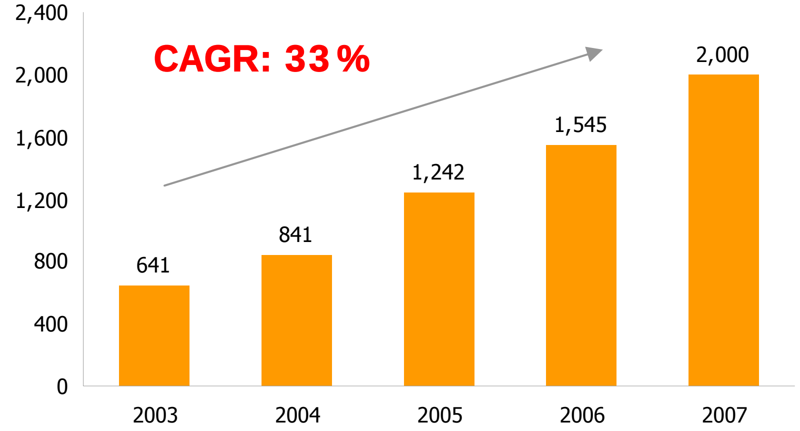
Source: State Statistics Committee of Ukraine

Real GDP growth in CEE countries



Source: EIU

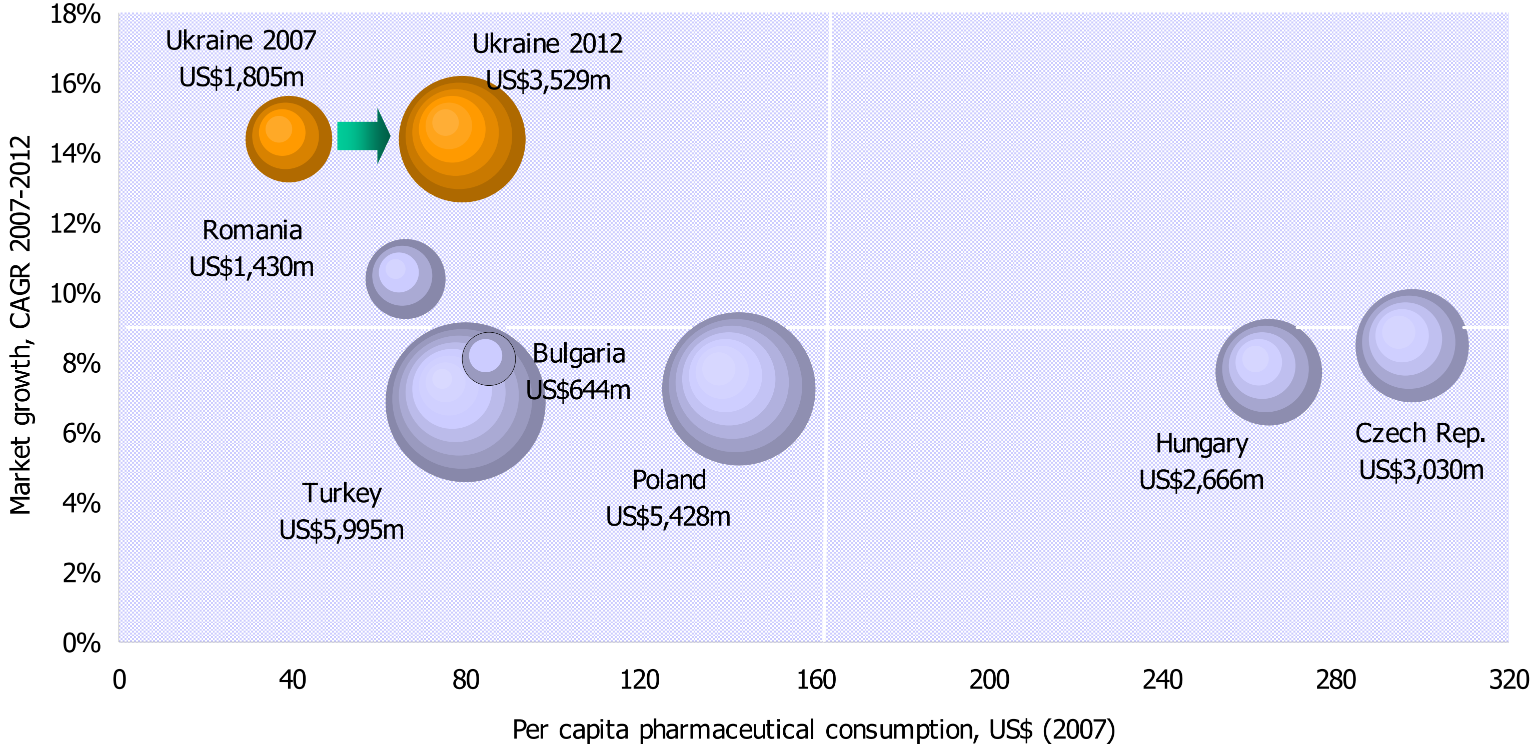
Disposable income per capita dynamics



Source: State Statistics Committee of Ukraine

- ⇨ **One of the highest GDP growth rates in CEE**
- ⇨ **Consumer incomes soar on the background of strong economy**
- ⇨ **Increasing FDI inflows show investor confidence**

One of the fastest growing pharmaceutical markets in CEE

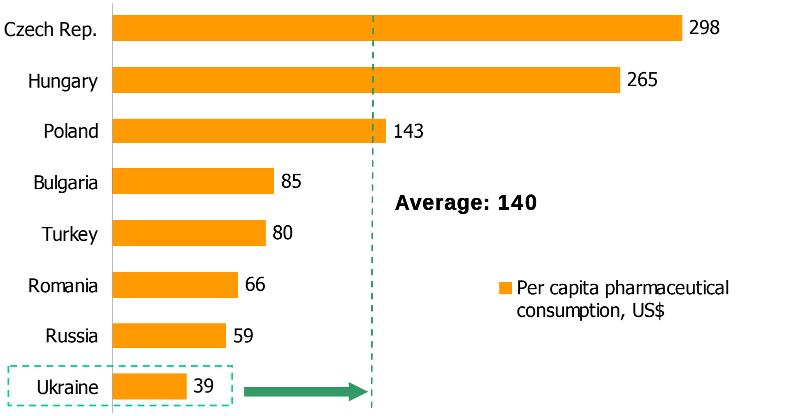


Note: Bubble size indicates the market volume in US$m in 2007
Source: management estimations for Ukraine, Espicom Business Intelligence – World Pharmaceutical Markets for other countries

PHARMACEUTICAL FIRM
Darnitsa

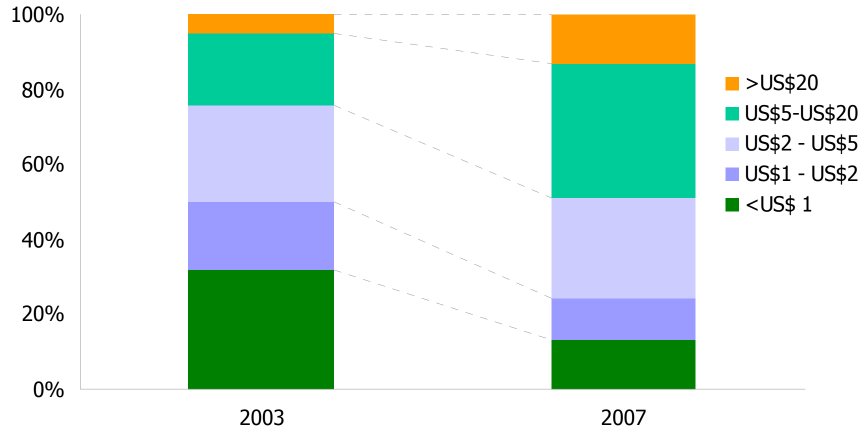
Pharmaceutical market growth drivers

Per capita pharmaceutical consumption gap



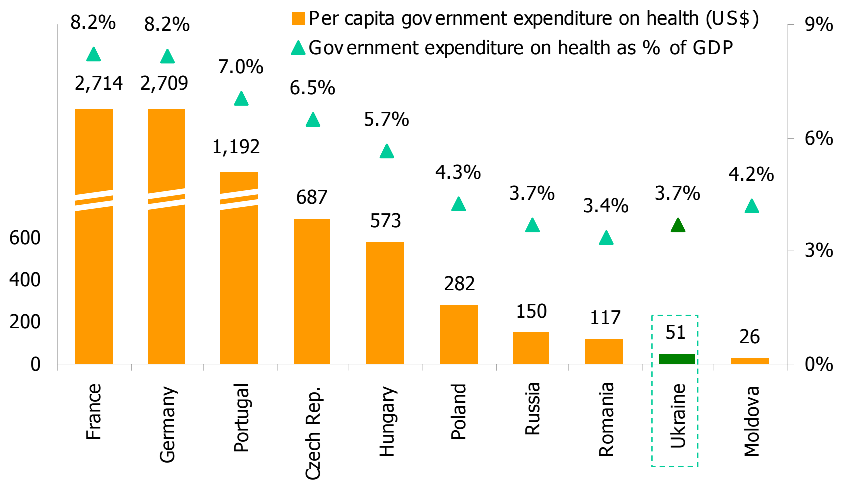
Source: Espicom Business Intelligence – World Pharmaceutical Markets

Structure of retail sales in value terms, 2003-2007



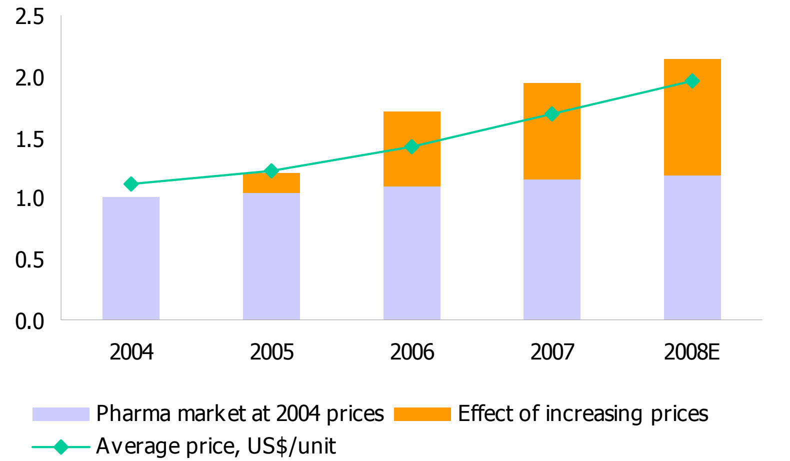
Source: RMBC

Government health spendings gap



Source: WHO/World Health Statistics, 2007 (expenditure ratios as of 2004)

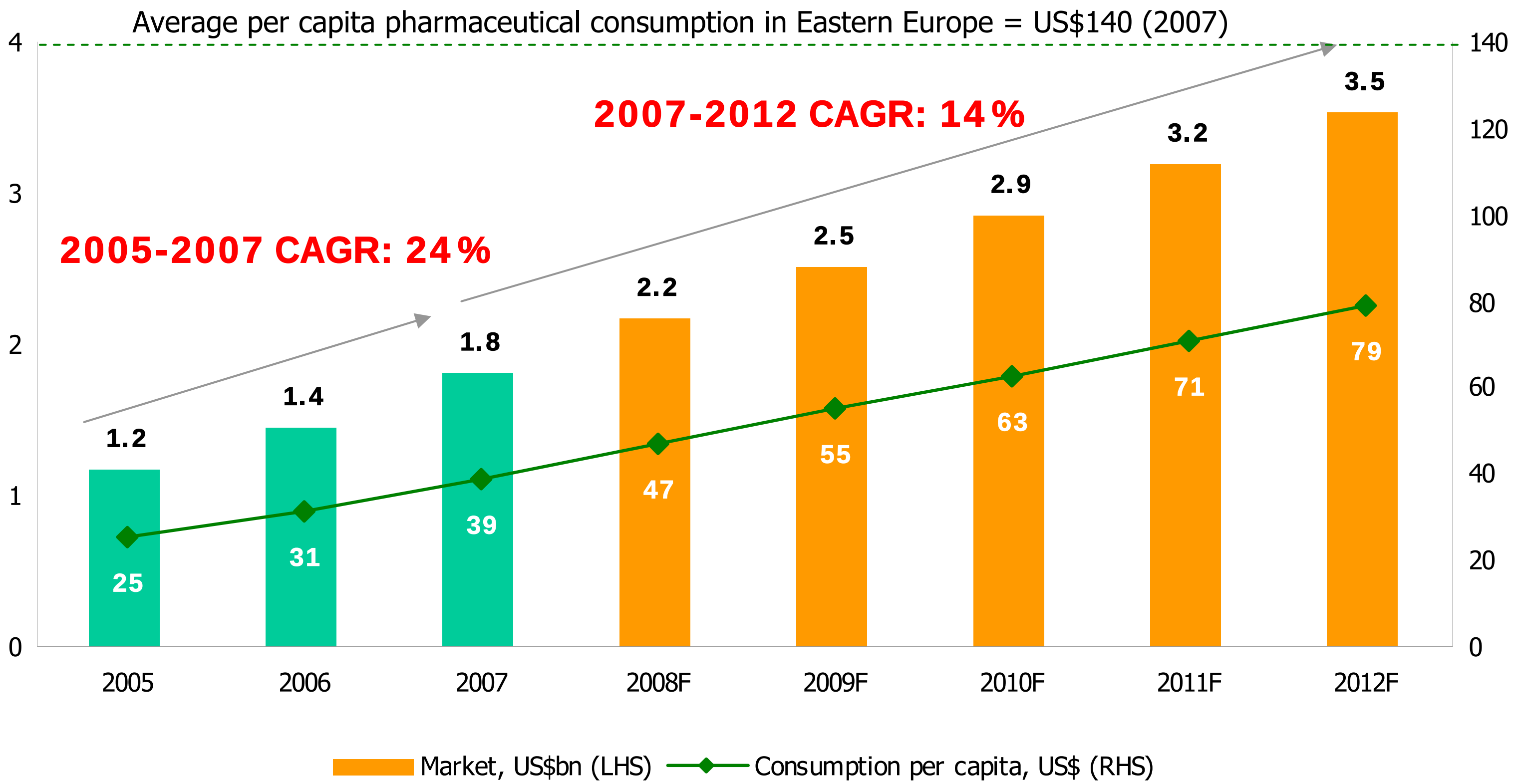
Increasing average per pack price



Source: apteka.ua, management estimations

PHARMACEUTICAL FIRM Darnitsa

Ukrainian pharma market: past and projected growth



Note: All values are expressed in manufacturer selling prices

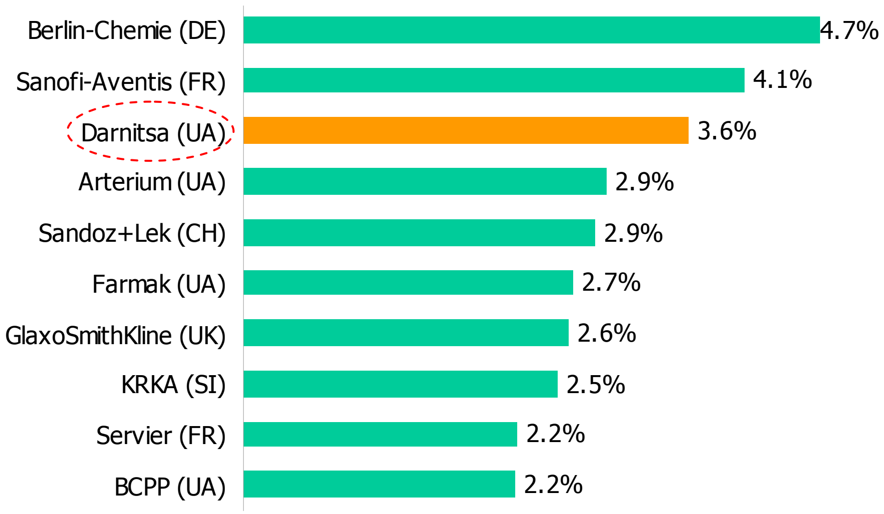
Source: Espicom Business Intelligence – World Pharmaceutical Markets for 2004-2007, management forecast for 2008-2012

Per capita consumption is forecasted to reach US$79 in 5 years, still far below current Eastern European average level of US$140

PHARMACEUTICAL FIRM Darnitsa

Leading market share position on the Ukrainian market

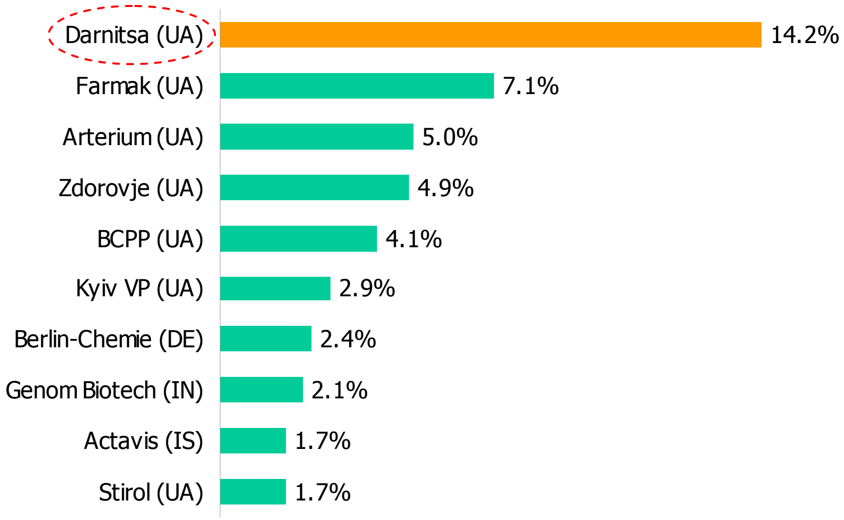
Market share in retail segment in value terms (2007)



Top-10 = 30% of the market

Source: Pharmstandard

Market share in retail segment in volume terms (2007)



Top-10 = 56% of the market

Source: Pharmstandard

Darnitsa ranks #3 by sales value and #1 by volume (in units) in retail segment

PHARMACEUTICAL FIRM Darnitsa

Strong competitive position

Top-5 domestic pharmaceutical manufacturers

	Darnitsa	Arterium	Farmak	BCPP	Zdorovje
Retail sales ranking Market share	No 3 3.6%	No 4 2.9%	No 6 2.7%	No 10 2.2%	Outside top-10
Product portfolio	228 products 13 ATC categories	201 products 10 ATC categories	197 products 13 ATC categories	120 products 8 ATC categories	201 products 10 ATC categories
Sales force efficiency ranking*	No 3	No 8	No 10	No 7	Outside top-10
Pharmacist evaluation ranking**	No 1	No 5	No 7	No 6	No 4
GMP certified workshops Products produced in certified workshops***	3 45	2 14	2 14	3 31	1 N/A

* COMCON Pharma-Ukraine doctor survey, ranking by percent of GPs visited by company's medical representatives, November 2007
** Gfk and Pharm-Expert survey, February 2008
*** Ministry of Health of Ukraine, as of end of 2007

Absolute leader among domestic pharmaceutical manufacturers

Strong competitive position

Share in retail segment sales by ATC category, %

	Darnitsa	Arterium	Farmak	BCPP	Zdorovje
[A] Alimentary tract	1.91	2.02	2.66	1.16	2.41
[B] Blood	1.61	0.79	0.84	1.48	-
[C] Cardiovascular	5.69	2.94	2.46	4.9	2.08
[D] Dermatologicals	3.91	3.96	2.03	0.67	-
[G] Genito-urinary	-	1.29	-	0.50	1.11
[H] Hormonal	3.59	-	3.66	-	0.51
[J] Anti-infectives	5.42	9.75	2.41	4.91	2.28
[L] Antineoplastic	1.43	2.11	0.72	-	0.56
[M] Muscolosceletal	2.67	-	1.1	-	1.24
[N] CNS	4.90	3.72	3.85	0.93	1.78
[P] Parasitology	1.18	-	2.55	-	2.91
[R] Respiratory	1.97	0.99	5.39	1.22	0.84
[S] Sensory organs	0.57	-	8.03	-	-
[V] Various	7.06	1.09	4.90	-	-

Darnitsa ranks #1 by market share in retail sales of the ATC category among the top 5 domestic producers

Darnitsa ranks #2 by market share in retail sales of the ATC category among the top 5 domestic producers

Darnitsa ranks #1 or #2 by market share in retail segment in 11 ATC categories out of 14

Darnitsa business overview

Section 3

PHARMACEUTICAL FIRM
Darnitsa

State-of-the-art production facilities: strategic location

- Immediate proximity to the main transportation routes and concentrated infrastructure facilitate logistics
- Opportunity to acquire nearby land plot for further expansion

Ukraine's largest regional pharmaceutical market

Kyiv's left bank

In proximity to major highways, train station, airport

Industrially zoned land plot of 11.5 hectares

Production facilities of 67,000 sq m

Headquarter of 6,000 sq m

The most favorable macro- and micro-location

PHARMACEUTICAL FIRM Darnitsa

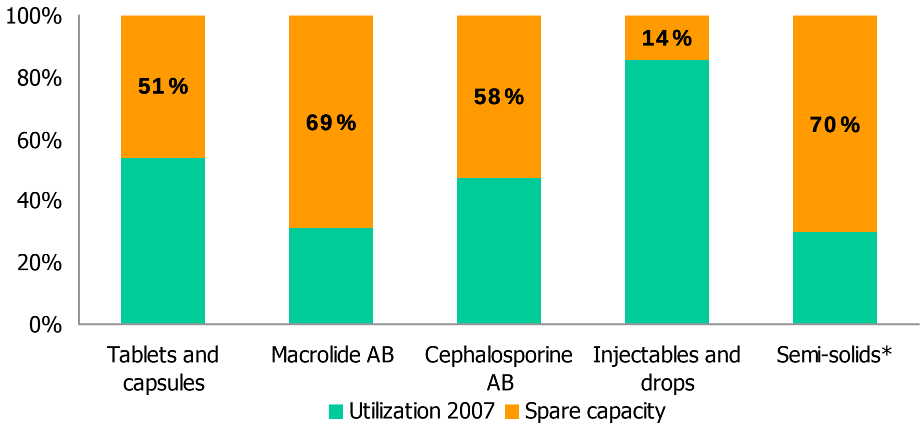
State-of-the-art production facilities: modern equipment

Modern and technologically advanced production equipment

- Technical reconstruction concept in full compliance with GMP by Luwa (Switzerland) Luwa
- Leading EU equipment suppliers: GEA, Marchesini, Dagard, etc
- ¾ of equipment is less than 4 years old
- Spare capacities enable low-cost increase of production output
- Production of more than 15 various pharmaceutical forms
- Launch of fully automated logistics center in August 2008

GEA MARCHESINI GROUP dagard STERIS euroclima Glatt

Capacity utilization by workshop, 2007



** Note: utilization calculated based on beginning of the year maximum capacity of 16 mln tubes, in Sept. 2007 capacity was expanded to 36 million tubes*

Maximum annual production output*

- **3.5 billion tablets and capsules**
- **0.24 billion macrolide AB tablets**
- **21 million vials of cephalosporin AB powder**
- **535 million ampoules**
- **36 million tubes of semi-solids (ointments, creams, gels)**
- **24 million vials of drops**

** Note: 5-day week, 3 shifts; 7-day week is possible*

"World-class" quality pharmaceutical manufacturer in Ukraine

Broad range of production capabilities

	Tablets and capsules	Macrolide antibiotics	Cephalosporin antibiotics	Injectables	Semi-solids	Drops
Year of last upgrade	2005	2003	2002	2006	2007	2004
Annual production capacity	3.5 billion tablets and capsules	240 million tablets	21 million vials (powder for injections)	535 million ampoules	36 million tubes of ointment, cream and gel	24 million vials
Area, sq m	5,000	1,536	1,486	12,500	2,500	1,500
Headcount	99	14	24	258	14	12
Number of production lines	6	1	1	9	2	2
GMP certification	Sep. 2008	Aug. 2007	May 2006	Nov. 2008	May 2008	Dec. 2006

State-of-the-art production facilities: excellent infrastructure




Laboratory complex

- Pharmaceutical development laboratory:
  - Development and scaling of production technologies
  - Development and validation of analytical methods
- Quality control laboratory:
  - Chemical and biological analysis
  - Micro-biological analysis
- GCLP certified, compliant with ISO/IEC 17025-2001, PH 2/95 of PIC/S and WHO TRS №902
- Launched in 2006
- Total area of 4,536 square meters

Logistics center

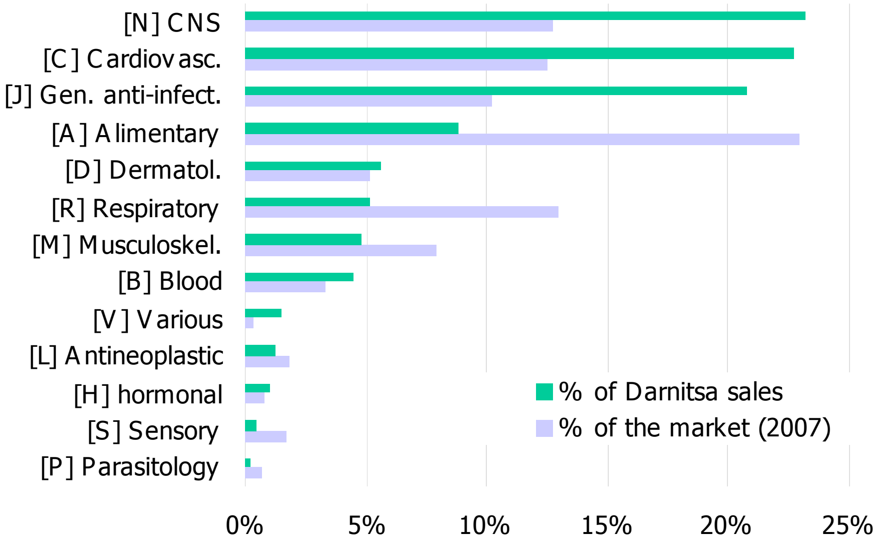
- Unique in Ukraine fully automated warehouse for 11,000 pallet-places with robotic loaders
  - special temperature sections (2-8C, 8-15C)
  - sections for raw materials testing
  - loading and off-loading sections
  - sections for orders packaging
- Integrated with ERP system
- Launch: Sep.2008
- Total area of 14,000 square meters
- "A must" for compliance of the production complex with GMP standards, coming into effect starting from 2009

Unique in Ukraine modern laboratory complex and fully automated logistics center ensure high quality of business processes along the entire value chain

Strong product portfolio

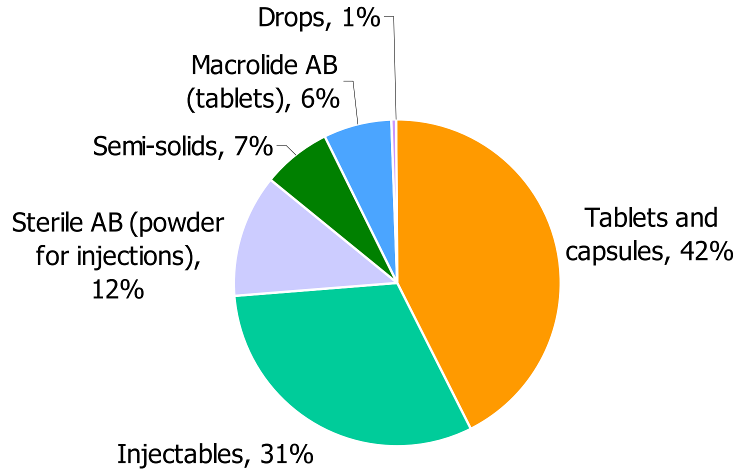
- 195 medicines in 228 representations
- Almost entire ATC range (13 categories) is represented in line with the market demand

Sales by ATC category, 2007



Note: Total sales of own products
Source: Ukrainian market data provided by Pharmstandard

Sales by pharmaceutical forms, 2007



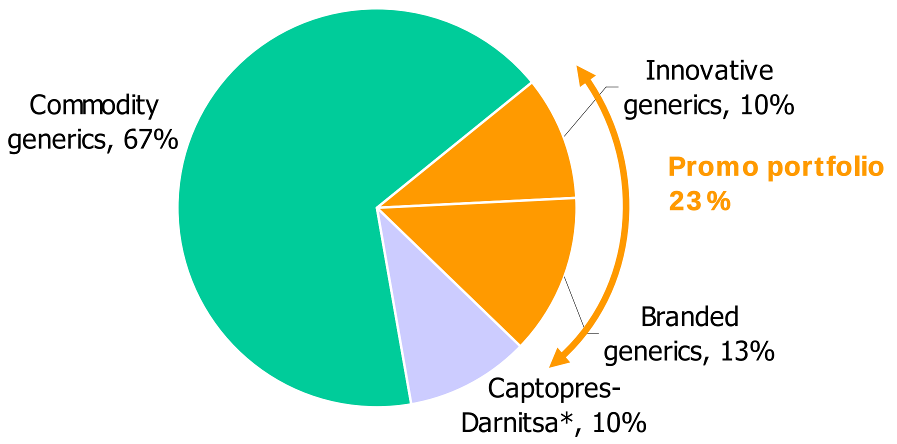
Note: Total sales of own products (US$74.9 million)

Well-balanced and diversified product portfolio covers broad market spectrum

PHARMACEUTICAL FIRM Darnitsa

Product portfolio structure

Promo vs commodity generics (2007)

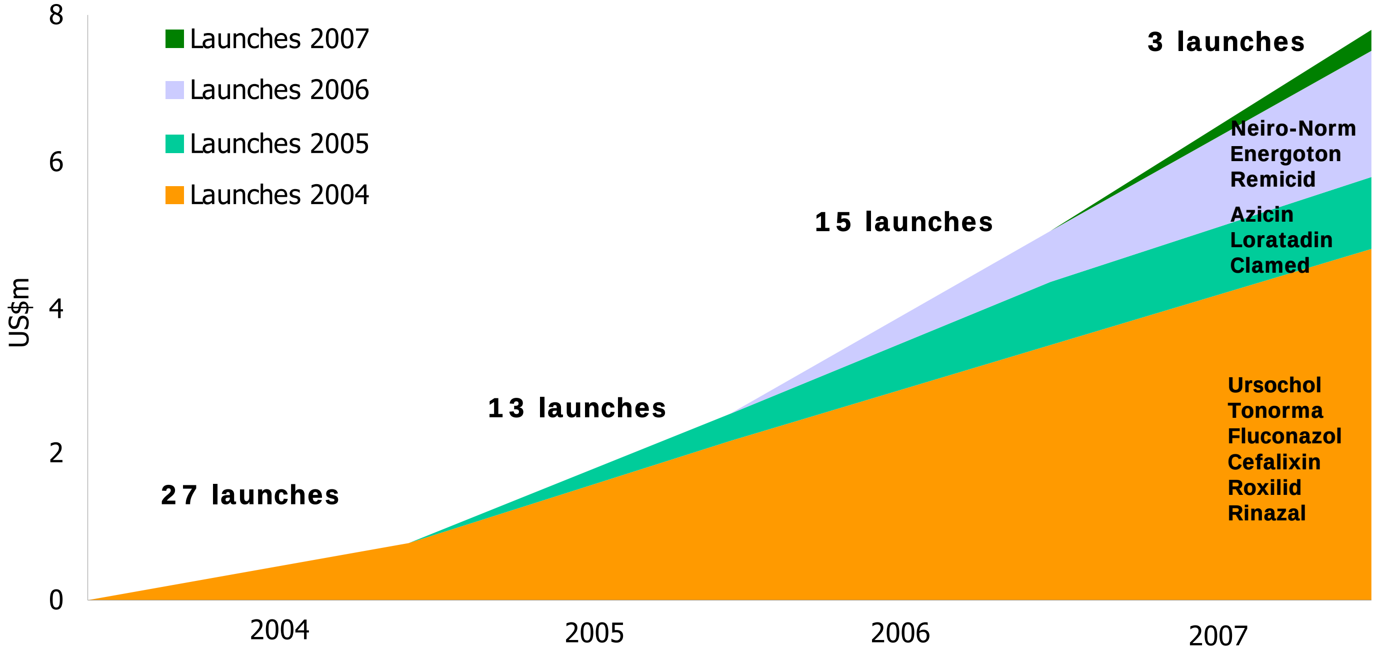


** Captopress-Darnitsa is a branded generic, which was excluded from active promotion in 2007*
Note: Domestic sales of own products

Promo portfolio of high-margin branded and innovative generics comprises 23% of sales

Active product portfolio expansion

Sales of new products



Note: Domestic sales

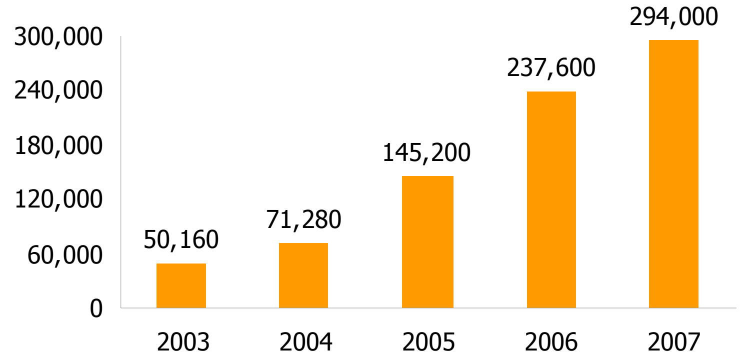
58 new products launched in the last 4 years generated US$7.7m sales in 2007 and contributed 36% of 2007 domestic sales growth

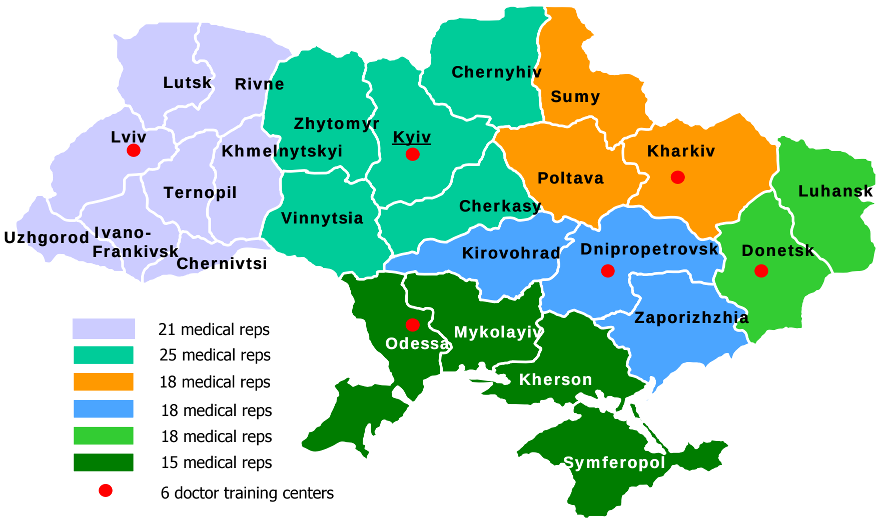
PHARMACEUTICAL FIRM Darnitsa

One of the strongest and most effective sales forces in Ukraine

- Darnitsa has developed nationwide sales representatives network, oriented towards efficiency
- Sales department is optimally structured in 4 business units – Antibiotics (AB), Cardio, OTC, and Rx
- 115 medical representatives cover the whole territory of Ukraine
- 42 medical consultants advising pharmacy customers in addition to the classic sales force visiting doctors and pharmacists
- Ranks Top-3 by doctor coverage among the leading foreign players

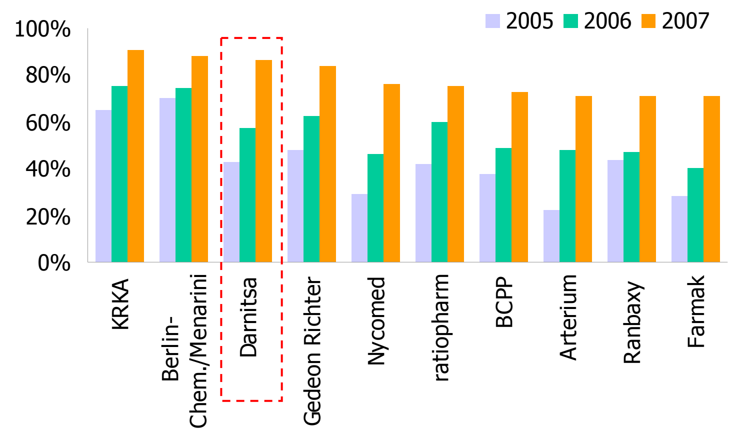
Visits to doctors by Darnitsa medical representatives





GPs coverage dynamics for Top-10 producers

% of surveyed doctors visited by company's medical reps



Source: COMCON Pharma - Ukraine

PHARMACEUTICAL FIRM Darnitsa

Leading distribution network

Strong and incentivized distribution partners:

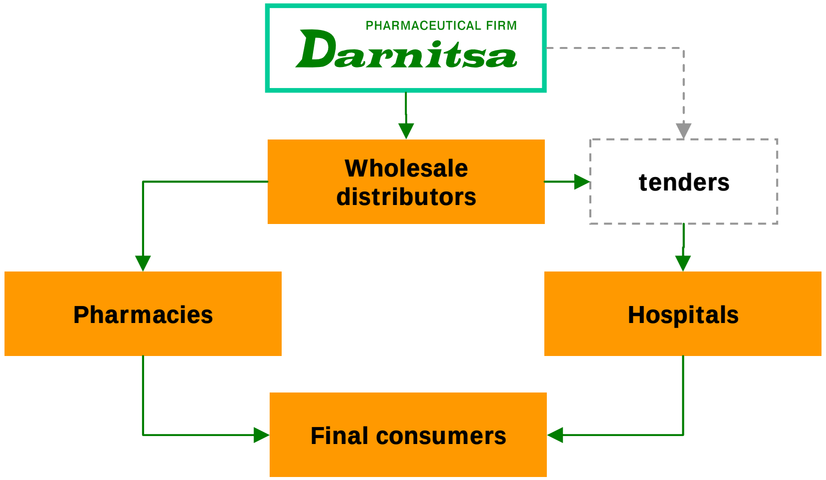
- Darnitsa maintains strong relationships with all key Ukrainian wholesale distributors
- Well-balanced contract terms create maximum incentive for distributors to market Darnitsa products
- Efficient bonus scheme motivates sales growth, timely payment, and reporting

Leading distribution network:

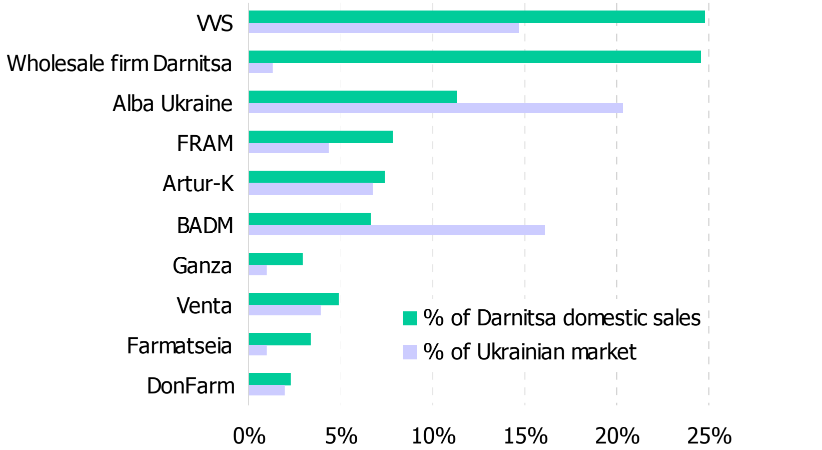
- 100% coverage of the retail channel
- 1 in 7 packs sold in Ukraine is Darnitsa product

The best finished product logistics:

- The fastest and most efficient order delivery

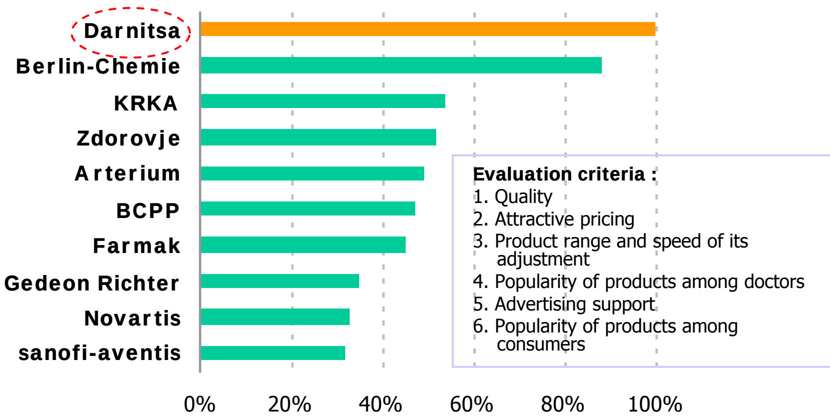


Top-10 Darnitsa distributors



Source: Pharmstandard, management estimations

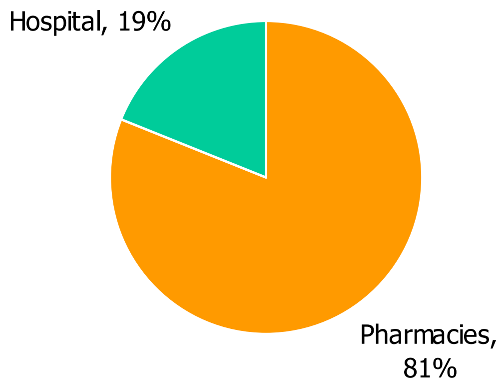
Producers evaluation by retail purchasing experts



Source: GFK-Ukraine and Pharm-expert survey, Feb 2008

Sales structure

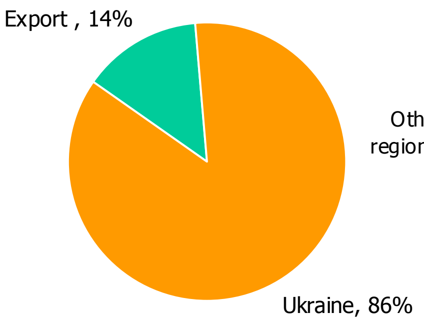
Retail vs hospital sales* (2007)



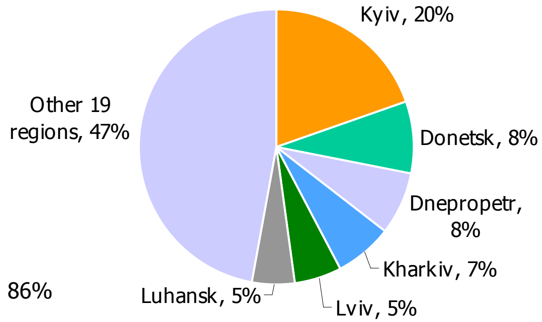
* Note: Domestic sales of own products

Breakdown by regions (2007)

Domestic sales vs export

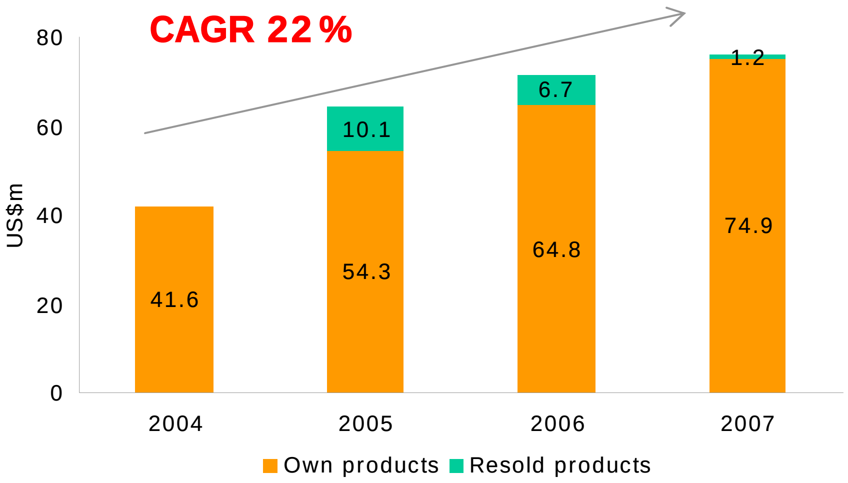


Top-6 Ukrainian regions



* Note: Sales of own products

Sales dynamics



Note: Resold products include contracts with Bayer-Schering, Medac, Nippon Kayaku, Biocon

Export geography covers 18 countries

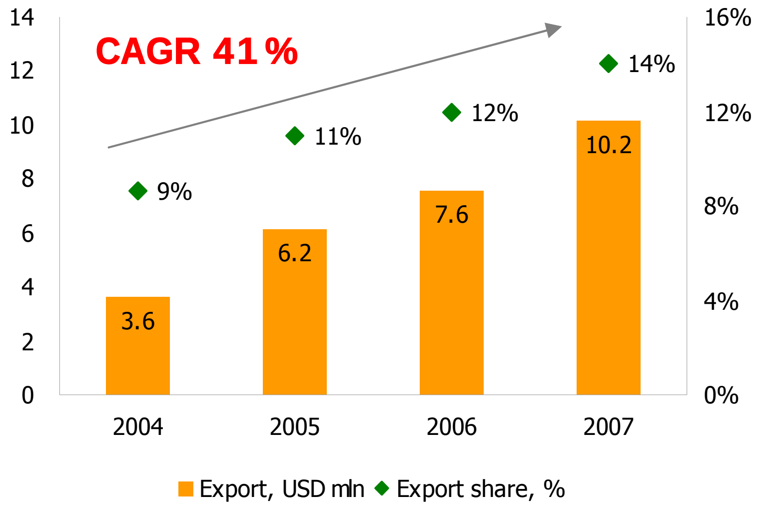
Direct export		Indirect export	
CIS (10)	**CEE (3)**	**CIS (10)**	**CEE (2)**
Russia	Poland	Turkmenistan	Estonia
Kazakhstan	Hungary	Tajikistan	Latvia
Kyrgyzstan	Bulgaria	Moldova	
Uzbekistan	**Other (2)**	Kyrgyzstan	
Belarus	Seychelles	Kazakhstan	
Moldova	Ghana	Georgia	
Georgia		Armenia	
Armenia		Azerbaijan	
Azerbaijan			

Note: indirect export is sales to other countries via Ukrainian distributors

PHARMACEUTICAL FIRM
Darnitsa

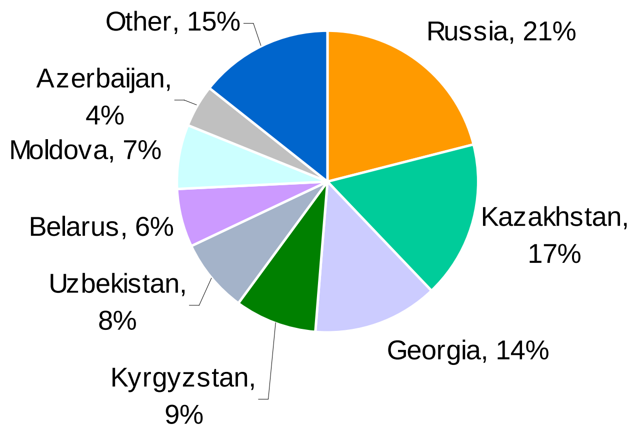
Dynamic export operations

Export sales dynamics, 2005-2007



Note: including indirect export

Export sales by countries (2007)



Note: including indirect export

Excellent platform for export into fast growing CIS markets

PHARMACEUTICAL FIRM Darnitsa

Export strategy

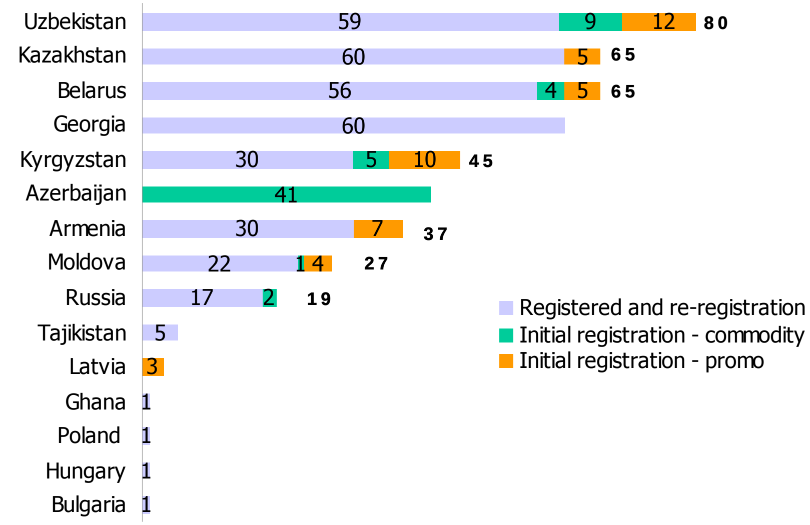
Expanding the sales on existing markets due to introduction of new products:

- Currently Darnitsa has 317 effective registrations and 26 in the re-registration process
- 134 new registrations in 9 countries are pending
- 46 of these registration are promo products which will be actively promoted in Moldova, Latvia, Uzbekistan, Kyrgyzstan, Kazakhstan and Belarus
- Local sales force will be attracted for promotion
- The program is supported by regional representatives in 5 CIS countries

Entering new markets:

- Gulf countries, including Syria, UAE, Kuwait
- Africa, including Togo and Benin
- Eastern Europe

Export registrations status



Regional representatives in 5 CIS countries

Georgia Kazakhstan Kyrgyzstan Uzbekistan Belarus

New export markets

Gulf countries **Africa**

Eastern Europe

Syria UAE Kuwait Togo Benin

Export is expected to grow with 32% CAGR in 2007-2010

PHARMACEUTICAL FIRM Darnitsa

Thank you for attention!

Questions are welcome.

PHARMACEUTICAL FIRM
Darnitsa