

DEVELOPMENT AND GROWTH

Development and growth are absolutely crucial to the continued success of Auriga Industries A/S and to fulfilling the ambitious objectives outlined in Cheminova's Business Plan "Five-in-Fifteen". Consequently, it is very satisfactory that we have in the past year introduced several new products and gained more market share in a difficult and declining global market for crop protection products. However, the negative developments in the market for glyphosate mean that the financial results for 2009 are unsatisfactory resulting in a very modest operating profit.

This annual report focuses on development and growth as the path to "Five-in-Fifteen" since it is only through the continued expansion and renewal of our product programme that we can realise our ambitious goals for the future. We have already achieved important results, and we have a pipeline of interesting development projects which will contribute to increased earnings in the coming years.

For several years, the herbicide glyphosate has accounted for a major, but now declining share of total sales. In 2008, the group's earnings from glyphosate were higher than normal due to a global shortage of the product, but this situation changed during 2009. Over a few months, market prices fell back to a – historically speaking – normal level. A part of the inventories bought in the first months of the year therefore had to be sold at a loss.

Glyphosate will remain an important part of Cheminova's product programme, but it will account for a significantly reduced share of sales this year.

Focus now and in future will be on development and growth from new products which can ensure improved earnings for the benefit of all stakeholders.

» Development and growth are crucial to fulfilling the ambitious goals set out in Cheminova's Business Plan "Five-in-Fifteen". Consequently, it is very satisfactory that we win market share every year. While, in 2008, we won market share in a record year which saw market growth of approx. 20%, we succeeded in doing the same in 2009 in a market which declined by up to 10%. Growth is primarily driven by the many new products which we have introduced in recent years based on our own development activities.

Concurrently with development and growth based on new products, sales of the most toxic crop protection products are being reduced as these are being phased out in all developing countries. Cheminova's ambitious phase-out plan is just one of the specific initiatives springing from our corporate social responsibility (CSR) policy.

CSR in Cheminova guides our conduct and our corporate practice. Cheminova's actions must be sustainable for both society and our business.

Kurt Pedersen Kaalund
President and CEO

