AURIGA INDUSTRIES A/S

Stock Exchange Notification No. 2/2005

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Financial statements of Auriga Industries A/S for 2004

Figures in brackets are the figures for 2003

A record year for the Auriga group which in 2004 achieved its best results ever after growth in all three group companies. At the same time, the company improved its cash flow from operating activities and available cash flow. An extraordinary increase in dividend by DKK 1.60 to DKK 4.00 per DKK 10 share is proposed.

- Consolidated revenue increased by 19 per cent to DKK 5,310 million, while the operating profit showed a record increase of 142 per cent to DKK 692 million, corresponding to an EBIT margin of 13 per cent. The profit before tax of DKK 601 million (DKK 182 million) was slightly higher than indicated in the upgrade announced on January 28, 2005, at which time revenue of DKK 5.3 billion and profit before tax of approx. DKK 590 million were forecasted.

- The good results are primarily due to growth in Cheminova which recorded an operating profit of DKK 666 million, corresponding to an EBIT margin of 16 per cent. After several years in the red, Hardi returned a profit, realising an operating profit of DKK 55 million, corresponding to an EBIT margin of 5 per cent. Skamol also improved its operating profit to DKK 6 million, corresponding to an EBIT margin of 3 per cent.

- The consolidated cash flow developed satisfactorily with cash flows from operating activities of DKK 462 million (DKK 306 million) and an available cash flow of DKK 352 million (DKK –66 million).

- Cheminova's outlook for 2005 is affected by the low USD exchange rate and return to normal climatic conditions. Hardi will continue its endeavours to improve production economy. Skamol will commence sales of fire doors in 2005.

- For 2005, the Auriga group expects revenue of approx. DKK 5 billion and a profit before tax of about DKK 310 million (based on the provisions of the Danish Financial Statements Act). Based on the new IFRS rules, the profit before tax is expected to amount to approx. DKK 335 million.

- The annual general meeting will be held at the company offices in Harboøre, Denmark, on April 26, 2005 at 2 pm. The Board of Directors will propose a dividend of DKK 4.00 per share.

Povl U. Skifter Chairman of the Board of Directors	Mogens Nehen-Hansen President

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KEY FIGURES AND RATIOS
FOR THE AURIGA GROUP 2000-2004

						EUR million
DKK million	2000	2001	2002	2003	2004	2004
Revenue	3,718	4,261	4,268	4,471	5,310	714
Operating profit *)	331	393	302	286	692	93
Net financials etc.	(76)	(119)	(129)	(97)	(78)	(11)
Profit/loss before tax *)	244	263	168	182	601	81
Write-down, consolidated goodwill - Hardi	-	-	(125)	-	-	-
Net profit/loss after tax and minority interests	144	156	(43)	89	393	53
Balance sheet total	4,604	4,971	4,657	4,897	5,324	716
Share capital	255	255	255	255	255	34
Equity	1,990	2,092	2,163	2,156	2,324	312
Net Assets	3,432	3,824	3,757	3,767	3,632	488
Net debt	1,175	1,514	1,333	1,444	1,157	156
Cash flows from operating activities	(89)	162	425	306	462	62
Cash flows from investing activities	(196)	(414)	(217)	(372)	(110)	(15)
- of which invested in property, plant and equipment	(204)	(264)	(211)	(162)	(112)	(15)
Available cash flow	(285)	(252)	208	(66)	352	47
Depreciation, amortisation and write-down	243	276	415	287	286	38
Research and development costs	167	195	188	174	162	22
Number of employees	2,860	2,948	3,027	2,996	3,000	3,000
Profit margin (EBITDA)	15%	16%	14%	13%	18%	18%
Profit margin (EBIT) *)	9%	9%	7%	6%	13%	13%
NOPAT *)	199	236	157	149	462	62
ROIC (Return on invested capital) *)	6%	6%	4%	4%	13%	13%
Debt ratio	34%	40%	35%	38%	32%	32%
Return on equity *)	7%	8%	4%	4%	18%	18%
Profit in DKK per share of DKK 10 *)	5.9	6.4	3.3	3.6	16.0	2.1
Cash flows from operating activities in DKK per share of DKK 10	(3.6)	6.6	17.4	12.5	18.8	2.5
Equity value in DKK per share of DKK 10	81.0	85.5	88.4	88.1	94.6	12.7
Dividend in DKK per share of DKK 10	2.4	2.4	2.4	2.4	4.0	0.5
Quoted price, end of year	67	57	57	62	115	15.5
Price/earnings ratio *)	11	9	17	17	7	7
Quoted price/equity value	0.83	0.67	0.65	0.70	1.22	1.22
Market value, end of year	1,709	1,454	1,454	1,581	2,933	394

*) Stated prior to the one-off write-down of consolidated goodwill concerning Hardi in 2002.

Key figures in EUR are translated at the exchange rate as at December 31, 2004.

The financial ratios have been calculated in accordance with the recommendations of the Danish Society of Investment Professionals (Den Danske Finansanalytikerforening).

The financial ratios have been adjusted for the portfolio of treasury shares.

REVIEW FOR AURIGA INDUSTRIES A/S

In 2004, Auriga achieved the best results ever with a considerable increase in revenue as well as earnings. The excellent results are primarily attributable to Cheminova which was able to fully exploit the favourable economic conditions which characterised the year. As expected, Hardi was turning several years of losses into a profit in 2004. Skamol, the smallest company in the group, also made a profit for 2004.

After a number of years with high investment levels, Cheminova saw a fall in investments in 2004. Despite increasing levels of activity in the southern hemisphere where long credits are granted, Auriga succeeded in maintaining a satisfactory cash flow from operating activities. Unlike the year before, 2004 therefore saw a good cash flow development.

Objectives and strategy

It is the objective of Auriga to ensure a long-term value addition for the benefit of the shareholders, employees and other interested parties. The value creation is ensured through the operation of three independent companies. Although the core activity is plant protection, it is the opinion of the management that the greatest long-term value for the shareholders is created through Auriga continuing to operate and develop all three companies in the group. However, the Board of Directors and the Board of Executives regularly assess the composition of the portfolio of companies.

In 2003, objectives were set for the growth in revenue and earnings in each of the three companies. The group's overall objective is a stable growth in revenue and an EBIT margin of 10 per cent. Fluctuations in foreign exchange rates and levels of economic activity may, however, result in variations from year to year.

Developments in subsidiaries

Cheminova's revenue increased in 2004 by 20 per cent to DKK 4,094 million. The year was characterised by good climatic conditions, a good harvest in most countries and in the first six months of the year by high prices for a number of crops. To this was added good sales of insecticides for the boll weevil eradication programme in the USA and for the eradication of locusts in Africa. Soybeans in Brazil was in 2004 plagued by the Asian rust fungal disease. Cheminova's fungicide flutriafol has proven very effective in the eradication of Asian rust, and the product consequently saw a considerable increase in sales relative to 2003. Thanks to favourable hedging by means of forward exchange contracts, Cheminova was able to settle its net income for the year in USD at an exchange rate of approx. 700. The average USD exchange rate was 599 in 2004.

Cheminova returned an operating profit of DKK 666 million, corresponding to an EBIT margin of 16 per cent. Profit before tax was DKK 598 million, the highest ever.

In 2004, the new pyrethroid insecticide, gamma-cyhalothrin, was registered in the USA and Brazil. This is expected to pave the way for gamma-cyhalothrin winning market shares in the world's two largest agricultural countries in the coming years.

Gamma-cyhalothrin, the most effective pyrethroid in the market, has been developed by Cheminova and is produced at Cheminova's factory in Denmark. Registration and sales are handled by a 50:50 joint venture between Dow AgroSciences and Cheminova. The product will in the coming years contribute to Cheminova's growth.

A number of important products will become patent-free in the coming years, and Cheminova is constantly engaged in the development and marketing of a range of new products which in future will account for an increasing share of Cheminova's revenue.

Hardi's revenue increased in 2004 by 19 per cent to DKK 1,009 million. High crop prices in 2003 and early 2004 in conjunction with a good harvest in 2004 meant that crop farmers in most of Hardi's markets increased their investments in agricultural machinery, including sprayers. The considerable increase in revenue was also the result of material improvements to the reliability of Hardi's deliveries throughout 2004.

With a view to restoring profitability in Hardi, a large number of measures have in recent years been introduced, including the concentration of all production and assembly activities in northern Europe at the company's factory on the island of Falster. The results of this reconstruction are now beginning to materialise. In 2004, Hardi returned an operating profit of DKK 55 million, corresponding to an EBIT margin of 5 per cent. The profit before tax was DKK 19 million against a loss of DKK 33 million in 2003.

Hardi concluded its biggest-ever development project in 2004, and in January 2005 presented New Commander, a new trailer sprayer. The new sprayer is in many ways revolutionary and will in the coming years contribute to the continued improvement of profitability in Hardi.

Skamol's revenue increased by 2 per cent to DKK 206 million. The primary aluminium industry is Skamol's largest business area, and sales to this segment developed satisfactorily in 2004. Sales of vermiculite products were falling, especially because of a weak German market for night-storage heaters.

In 2004, Skamol returned an operating profit of DKK 6 million, which is a significant improvement on the year before. The associated company Damolin saw very satisfactory results, taking the profit before tax in Skamol to DKK 18 million in 2004.

International Financial Reporting standards (IFRS)
As from 2005, the consolidated financial statements for Auriga must be presented in accordance with the International Financial Reporting Standards (IFRS). In 2005, the implementation of the new rules is expected to result in a profit which is approx. DKK 25 million higher than the profit calculated in accordance with the provisions of the Danish Financial Statements Act.

Auriga will in 2005 present interim financial reports based on the Danish Financial Statements Act.

Foreign exchange
Auriga's three subsidiaries are all international companies and are consequently affected by fluctuations in exchange rates. The foreign exchange risk is reduced by hedging the net positions in the most important currencies through the conclusion of forward exchange and option contracts with a term of up to two years.

The group's main currency, USD, has seen a falling trend since the beginning of 2002 and ended the year at an exchange rate of 547, down just over 8 per cent relative to the end of 2003. Despite higher revenue in USD than expected at the beginning of the year, Auriga has in 2004 realised an effective settlement price of approx. 700. By comparison, the average exchange rate listed by the Danish national bank was 599.

The expected net positions for 2005 have to a very large extent been hedged for the most important currencies. Thus, just over half of Cheminova's expected net income in USD has been hedged at an exchange rate of DKK 6.15.

Income, balance and cash flow
Figures in brackets are the figures for 2003
Consolidated revenue increased by 19 per cent to DKK 5,310 million (DKK 4,471 million). Of the increase in revenue of DKK 839 million, DKK 674 million is attributable to Cheminova and DKK 160 million to Hardi, while Skamol saw revenue increasing by DKK 5 million.

Operating profit increased by 142 per cent to DKK 692 million (DKK 286 million). This corresponds to an EBIT margin of 13 per cent (6 per cent). Cheminova's EBIT increased by DKK 330 million, Hardi's by DKK 58 million and Skamol's EBIT by DKK 18 million.

Financial items, including profit-sharing and share of profit in associates, amounted to DKK 91 million (DKK 104 million).

Profit before tax was up relative to the year before by DKK 419 million to DKK 601 million (DKK 182 million).

Both revenue and the profit before tax far exceed expectations at the beginning of the year and are the best results ever.

Tax on profit for the year amounted to DKK 200 million, corresponding to a tax rate of 33 per cent (48 per cent). The tax rate is slightly lower than expected and considerably lower than in 2003.

Balance sheet total increased by 9 per cent to DKK 5,324 million (DKK 4,897 million). Net assets amounted to DKK 3,632 million (DKK 3,767 million) at the end of 2004, while net debt was DKK 1,157 million (DKK 1,444 million).

Cash flow from operating activities was DKK 462 million (DKK 306 million). After a few years with major investments, investments fell to DKK 110 million (DKK 372 million). Available cash flow was DKK 352 million (DKK -66 million).

The development in both earnings and cash flow is satisfactory and far better than expected at the beginning of the year.

Outlook 2005
At the beginning of 2005, Cheminova must expect the year to be more normal than 2004 which was characterised by favourable conditions in most markets and favourable contracts in USD. Sales of the new products are expected to continue to rise, while a significant fall is expected in sales of the older organophosphorous products.

For 2005 as a whole, Cheminova expects revenue of DKK 3.8 billion and a profit before tax of approx. DKK 310 million.

Hardi expects revenue of just under DKK 1 billion in 2005. With continued improvements to production economy, a profit before tax of approx. DKK 25 million is expected.

The outlook for 2005 for Skamol is characterised by a low USD exchange rate and by the fact that a number of new aluminium projects will not be implemented until 2006. The fall in sales to the aluminium industry is, however, expected to be countered by increasing sales of fire doors.

For 2005 as a whole, Skamol expects revenue of DKK 210 million and a profit before tax of approx. DKK 10 million.

For 2005, the Auriga group expects revenue of approx. DKK 5.0 billion and a profit before tax of about DKK 310 million based on the provisions of the Danish Financial Statements Act. Based on the new IFRS rules, profit before tax is expected to be DKK 335 million.

For 2005, Auriga expects a positive available cash flow of approx. DKK 200 million.

REVIEW FOR CHEMINOVA A/S

DKK million	2004	2003
Revenue	4,094	3,420
Operating profit or loss before depreciation and amortisation of goodwill (EBITDA)	866	540
Operating profit (EBIT)	666	336
Net financials	(44)	(70)
Profit-sharing	(24)	(15)
Profit before tax	598	251
Net profit for the year	387	142
Balance sheet total	3,821	3,466
Fixed assets	917	1,059
Equity	1,736	1,578
Net debt	464	736
Cash flows from operating activities	421	363
Cash flows from investing activities	(59)	(329)
Available cash flow	362	34
Fixed asset investments	62	307
Depreciation and amortisation	200	204
Profit margin (EBITDA)	21%	16%
Profit margin (EBIT)	16%	10%

Objectives and strategy

It is Cheminova's objective to be the best innovative global supplier of generic products within the agrochemical industry. Value is generated through the optimisation and expansion of Cheminova's five core competences: to identify, develop, register, manufacture and market known plant protection products better and cheaper than any other company in the industry.

Through acquisitions and development of its own products Cheminova will develop into a stronger and more broadly founded company. Its market share must be increased, and growth is to be seen primarily in countries with stable economies and high registration requirements.

The objective is to maintain a strong cash flow from operating activities and an EBIT margin of at least 10 per cent. Depending on, among other things, developments in the USD exchange rate, the EBIT margin may in some years fall below the stated level.

Market development

For the first time in a number of years, 2004 saw an increase in global sales of conventional plant protection products. According to preliminary calculations, the world market in 2004 measured in USD amounted to just over USD 30 billion, up approx. 15 per cent on the year before. By unchanged USD exchange rate in 2004 relative to 2003, the increase would have been 5%.

World market prices for a number of important crops remained high in early 2004, but following a good harvest, prices fell in the second half of the year. Unlike 2003, climatic conditions were favourable in much of Europe in 2004. However, primary reasons for the market growth were improved economic conditions in Latin America and high sales of fungicides in Brazil following an outbreak of Asian rust in soybeans.

All regions with the exception of North America saw growth in 2004. The market in Latin America grew by 16 per cent in local currencies, while Europe and Asia achieved growth rates of 5-7 per cent. The North American market fell by a couple of percentage points, primarily on account of a continuing increase in the use of GM crops and falling glyphosate prices.

Favourable conditions have meant that virtually all market players experienced growth in sales and earnings in 2004.

The agrochemical industry has in recent years been characterised by heavy consolidation, and six multinational research-based companies currently represent approx. 80 per cent of the world market against approx. 20 companies fifteen years ago. The industry is also affected by the fact that a large number of interesting products are going off patent in the coming years. Finally, a number of minor products are disappearing from the market on account of the high reregistration costs.

Developments within the industry will in the coming years enable resourceful generic companies such as Cheminova to gain market share through acquisitions as well as development of its own products.

Sales and distribution
Cheminova succeeded in exploiting the favourable market opportunities to the full in 2004. Revenue increased by 20 per cent, which is far more than expected at the beginning of the year.

In 2004, sales of Cheminova's organophosphorous insecticides accounted for 30 per cent of revenue, unexpectedly amounting to a small increase relative to the previous year. Contributory factors were high sales of malathion to the American boll weevil eradication programme for cotton as well as deliveries of organophosphorous insecticides for the eradication of locusts in Africa. The boll weevil programme has been a tremendous success and is expected to be concluded in the next few years, but climatic conditions resulted in higher boll weevil infestation levels in Texas in 2004 than expected. Africa was in the course of the year plagued by large swarms of locusts, presenting a serious threat to food production in northern and central Africa. The eradication programme was financed by the governments in the affected countries and also largely by international aid organisations.

Cheminova's new products did well, and their share of revenue increased to 42 per cent. The largest product in this group is the herbicide glyphosate. The price of glyphosate is continuing to fall in the USA, which in combination with changes in exchange rates meant that Cheminova's revenue from glyphosate fell relative to the previous year.

In 2001, Cheminova acquired the fungicide flutriafol from Syngenta. Since the takeover, sales of flutriafol have increased dramatically, and 2004 saw a doubling of revenue relative to 2003. An important factor in this context is the spread of the Asian rust fungal disease, especially in Brazil. Asian rust is a serious threat to soybean farmers, and flutriafol is one of the most effective products for combat this disease.

Sales of Cheminova's new pyrethroid insecticides were in line with expectations and saw a considerable increase on 2003. In addition to the new pyrethroid, gamma-cyhalothrin, Cheminova is at the moment introducing a number of new generic products developed by the company itself. In 2004, there were a total of eleven products in this group, and the number is set to increase in the coming years. The group of new generic products accounted for only a small share of revenue in 2004, but is set to generate an increasing share of the company's sales.

Sales of fine chemicals amounted to 12 per cent of revenue and developed in line with expectations, but subject to increasingly intense price competition.

Sales of third-party products amounted to 16 per cent of total revenue. These products complete the subsidiaries' product programme.

Through twelve subsidiaries, Cheminova is represented in most of the important agricultural countries. Distribution of Cheminova's products is primarily under own brands and registrations. Virtually all subsidiaries experienced growth in both revenue and earnings in 2004. The greatest growth was seen in Brazil where Cheminova during a few years has gained a strong position, but developments in the USA were also satisfactory and exceeded expectations. The USA and Brazil are the largest agricultural countries in the world and also Cheminova's two most important markets. In Europe, several companies returned good results with revenue and earnings up. In India, a good monsoon brought growth for the Indian subsidiary which saw its best results so far.

Production and investments
Production in Denmark was satisfactory. Strong demand for several products resulted in a considerably larger production than planned. The year was characterised by a scarcity of raw materials for periods of time and by increasing prices of raw materials throughout the year, which were, however, to some extent offset by improvements to the production economy.

Production in India was also satisfactory, and an increase in demand led to record-high production.

Following completion of the construction of the large production plant for the company's new pyrethroid, investment levels fell as expected in 2004 to DKK 59 million.

Environment
Concern for the environment, health and safety is an integrated part of Cheminova's business policy. Responsible conduct within these areas is of vital importance to the commercial success and evaluation of Cheminova by society at large. This applies to all the activities undertaken by Cheminova, from product development and production to the application of the products.

In addition to ensuring compliance with current legislation, rules and regulations, it is group policy to take steps aimed at continuous improvements within the areas of health and safety and the environment. Cheminova is endeavouring to communicate openly about these matters both internally and externally.

Since 1988, Cheminova's activities in Denmark have been environmentally approved. The approval, which is very comprehensive and which has since 1988 been supplemented by approx. 200 additional approvals, is currently being revised. The revision comprises three main areas:

Basic terms for individual production plants. The revision was carried out in 2003.

Discharge of waste water. A renewed permit has been negotiated with the administration of the County of Ringkjøbing and is expected to be approved by the county council at the start of 2005. The permit is based on the EU's Water Framework Directive which must be complied with by all member countries by 2015 at the latest. The requirement values in the permit have been fixed on the basis of EU's new guidelines concerning technical risk assessment, the implication being that Cheminova's production has to a very large extent been prepared for the future and for compliance with very ambitious environmental requirements.

Emissions to the atmosphere. The concluding revision is expected to be carried out in 2005.

In addition to its production facilities in Denmark, Cheminova has a production plant in India. The Indian plant has been granted all the necessary environmental approvals. Moreover, Cheminova has introduced ongoing improvements within both the external and the internal environment. This development will continue with a view to achieving further improvements in the coming years.

Product development
The development of the new pyrethroid gamma-cyhalothrin was virtually completed during 2004. The transition to production has been according to plans.

Development efforts have been characterised by a dramatic increase in the number of projects targeting new generic projects. These efforts comprise the development and upscaling of new production processes (syntheses) as well as new modern formulations. A few new products were granted the first registrations in 2004 and are being introduced, while several products are being developed and will be ready for introduction in the near future.

Knowledge and innovation
With a view to attaining the growth targets, Cheminova is continuously striving to maintain and develop knowledge and innovation levels.

Through targeted efforts directed at educational institutions, Cheminova is seeking to attract competent candidates. Furthermore, the company runs a trainee programme which provides a basis for recruiting future managers and specialists.

Human resource audits are performed annually, and appraisal interviews are held with individual employees with a view to developing their competences in such a way that the educational and development activities engaged in by employees support Cheminova's strategic objectives.

Cheminova is working to develop its project organisation and will in the coming year be introducing e-filing with a view to improving the scope for knowledge-sharing within the company.

Income, balance and cash flow
Figures in brackets are the figures for 2003
Revenue increased in 2004 by 20 per cent to DKK 4,094 million (DKK 3,420 million). The considerable increase is attributable to growth in virtually all markets.

EBITDA was DKK 866 million (DKK 540 million) corresponding to 21 per cent (16 per cent) of revenue. After depreciation, amortisation and write-downs of DKK 200 million (DKK 204 million), Cheminova's operating profit was DKK 666 million (DKK 336 million) corresponding to an EBIT margin of 16 per cent (10 per cent).

Net financials amounted to DKK 44 million (DKK 70 million). The fall is primarily attributable to increasing interest income in Brazil.

Profit before tax was DKK 598 million (DKK 251 million).

The results are Cheminova's best ever and far exceed the outlook at the beginning of the year.

Balance sheet total was up DKK 355 million at DKK 3,821 million at the end of 2004. Of the increase, DKK 218 million pertains to increasing accounts receivable, especially on account of increasing activity levels in the southern hemisphere.

Cash flow from operating activities was DKK 421 million (DKK 363 million). In 2004, investments amounted to DKK 59 million (DKK 329 million). The largest investments made in 2003 were attributable to the acquisition of rights and products as well as the completion of the pyrethroid plant.

Available cash flow was DKK 362 million in 2004 (DKK 34 million). Developments in balance sheet and cash flow were satisfactory and exceeded expectations in 2004.

Outlook 2005
For Cheminova, 2004 was characterised by favourable on all fronts. At the beginning of 2005, Cheminova must expect this year to be more normal.

The outlook for 2005 is an increase in sales of Cheminova's new products, but relative to the year before a significant fall in sales of the old organophosphorous insecticides is expected.

Just over half of the parent company's expected net income in USD has been hedged by means of options at a rate of DKK 6.15. The settlement price for 2004 was approx. DKK 7.00.

Expectations of a more normal year and a lower USD exchange rate mean that Cheminova is expecting a fall in revenue and a lower profit for 2005 than in the 2004 record year.

For 2005 as a whole, Cheminova expects revenue of approx. DKK 3.8 billion and a profit before tax of approx. DKK 310 million.

REVIEW FOR HARDI INTERNATIONAL A/S

DKK million	2004	2003
Revenue	1,009	849
Operating profit or loss before depreciation and amortisation of goodwill (EBITDA)	102	62
Operating profit (EBIT)	55	16
Restructuring costs	-	(19)
Net financials	(36)	(29)
Profit before tax	19	(33)
Net profit for the year	23	(25)
Balance sheet total	1,191	1,098
Fixed assets	412	417
Equity	321	309
Net debt	620	574
Cash flows from operating activities	(2)	8
Cash flows from investing activities	(43)	(30)
Available cash flow	(45)	(22)
Fixed asset investments	45	39
Depreciation and amortisation	47	46
Profit margin (EBITDA)	10%	7%
Profit margin (EBIT)	5%	2%

Objectives and strategy

It is Hardi's objective to be the professional crop farmer's preferred supplier of sprayers globally. The objective is fulfilled by focusing on application technology creating added value for end-users. Hardi's core competences are development, application know-how, marketing and assembly.

The profitability of Hardi must be further improved in the coming years. The target is an EBIT margin of 10 per cent and improvements in available cash flow.

Market development

Unlike 2003, the year 2004 was generally characterised by favourable climatic conditions and a good harvest. The only exception was Australia where harvest yields were 20 per cent down on 2003, a record year. For the first time in five years, the global harvest exceeded demand, which for most crops meant lower prices in the second half of 2004 relative to 2003. Earnings in 2004 in the agricultural sector were generally on a par with the year before.

After a couple of years of good income levels for crop farmers, 2004 saw an increase in the demand for agricultural machinery in North America and parts of the EU. An important exception was Germany. The market for sprayers has kept pace with the general trend within agricultural and is expected to have amounted to approx. USD 1.5 billion in 2004.

The development towards more specialised high-performance sprayers with low environmental impact has continued. This has meant that the small, often local sprayer manufacturers have lost market shares.

Most major manufacturers of tractors and combine-harvesters offer a programme of self-propelled sprayers, but they are also losing market shares at the moment.

The third group of suppliers consists of a few international suppliers with a highly specialist programme, and this is the group to which Hardi belongs. It is estimated that this group has approx. one third of the entire market. Hardi is believed to have won market share in virtually all markets in 2004.

Sales and distribution

Hardi's revenue for 2004 was DKK 1,009 million, which is up 19 per cent on the year before. Approx. 4 per cent of the increase is due to the fact that Hardi started the year with an extraordinarily full order book following delivery problems throughout 2003.

France, Hardi's most important market, had a good year with a considerable increase in revenue. Sales to the other western European countries, with the exception of Germany, were higher than in 2003. Sales to the Nordic countries developed positively.

Eastern Europe is currently a growing market for agricultural machinery, and Hardi's sales to the new EU member states were up 24 per cent in 2004.

In North America, a good harvest and continuing high subsidies for farmers resulted in a good year for the industry and for Hardi. Measured in local currency, Hardi's revenue was up 20 per cent.

Australia, where Hardi is the dominant supplier of sprayers, saw a good first half of the year on account of high prices and a record harvest in 2003. In the second half, Australian farmers became less willing to invest as a result of falling world market prices and the prospect of a worse harvest than the year before for a number of crops.

Product development and production

In 2004, product development activities focused on the completion of Hardi's new trailer sprayer, the New Commander. The development of the New Commander has taken four years and required considerable investments and many resources. In a number of essential areas, the New Commander, which contains five patents, revolutionises the solutions known so far and will consolidate Hardi's role as a global leader within sprayer technology. The new machine was world-premiered at the Agromek fair in January 2005 and has already won several prizes.

With its modular design, the New Commander is very production-friendly. The machine will in the coming years completely replace the existing Commander plus series.

Hardi has in recent years concentrated production and assembly activities at only a few factories. The relocation in 2003 of production from Taastrup to Hardi's main factory in Nr. Alslev on Falster gave rise to considerable problems as regards the company's reliability of delivery and production economy. The factory's employees worked extremely hard throughout the year and succeeded in improving the reliability of supplies considerably. At the same time, both efficiency and productivity have improved as expected.

Operations at Hardi's factory in France were satisfactory throughout 2004, and the factory was able to meet the significant increase in demand.

On account of the company's long-term contracts with steel suppliers, the increase in steel prices was not felt by Hardi until the end of the year. Steel prices are expected to be high in 2005, but will to some extent be offset by an increase in Hardi's sales prices.

Environment
Hardi's activities have very limited direct impact on the environment. The most important environmental impacts relate to surface treatments and the consumption of energy and raw materials as well as any waste associated therewith.

The increase in production in 2004 has resulted in the application of more resources and greater waste volumes, but measured in relation to the volume of finished products manufactured, 2004 shows a falling trend within both areas.

In connection with the relocation of production from Taastrup to the factory in Nr. Alslev, it was agreed with the inspection authorities that Hardi should obtain a new and comprehensive approval of the factory. In spring 2005, Hardi will be able to submit the remaining application material to the authorities.

Income, balance and cash flow
Figures in brackets are the figures for 2003
Revenue increased in 2004 by 19 per cent to DKK 1,009 million. EBITDA was DKK 102 million (DKK 62 million) corresponding to 10 per cent (7 per cent) of revenue. With unchanged depreciation, amortisation and write-downs of DKK 47 million, EBIT was DKK 55 million (DKK 16 million) corresponding to an EBIT margin of 5 per cent. In 2003, the operating profit was affected by restructuring costs of DKK 19 million. Excepting these costs, EBIT margin was 2 per cent in 2003. The development in operating profit is satisfactory.

Net financials amounted to DKK 36 million (DKK 29 million). The increase is solely due to exchange rate adjustments.

Profit before tax was DKK 19 million (DKK -33 million), which is higher than expected.

Balance sheet total was up DKK 93 million at DKK 1,191 million (DKK 1,098 million). The increase is primarily due to an increase in inventories leading up to the 2005 season.

On account of an increase in working capital, cash flow from operating activities was negative at DKK 2 million (DKK 8 million). After investment of DKK 43 million (DKK 30 million), available cash flow was negative at DKK 45 million (DKK -22 million). Developments in balance sheet total and cash flows were less satisfactory in 2004.

Outlook 2005
On the basis of a good harvest in 2004 and continuing favourable subsidies, the US market is expected to grow in 2005. A bad 2004 harvest in Australia is expected to result in a fall in sales of agricultural machinery. Under normal climatic conditions, total sales in Europe are expected to be on the same level as 2004. However, the restructuring of the EU's agricultural subsidies is giving rise to uncertainty among farmers, which may affect investment levels.

At the beginning of 2005, Hardi's order intake was satisfactory.

Expectations are of continued improvements in production economy and an EBIT margin of 6 per cent.

For 2005 as a whole, Hardi expects revenue of approx. DKK 1,000 million and a profit before tax of approx. DKK 25 million. Hardi's cash flow is expected to improve.

REVIEW FOR SKAMOL A/S

DKK million	2004	2003
Revenue	206	201
Operating profit or loss before depreciation and amortisation of goodwill (EBITDA)	27	9
Operating profit (EBIT)	6	(12)
Share of profit or loss in associates	11	8
Net financials	0	(1)
Profit before tax	18	(6)
Net profit for the year	11	(4)
Balance sheet total	233	250
Fixed assets	141	144
Equity	92	90
Net debt	100	115
Cash flows from operating activities	25	22
Cash flows from investing activities	(11)	(17)
Available cash flow	14	5
Fixed asset investments	8	20
Depreciation and amortisation	21	21
Profit margin (EBITDA)	13%	5%
Profit margin (EBIT)	3%	neg.

Objectives and strategy
It is Skamol's objective to be the leading supplier of insulation products to the aluminium industry. Furthermore, the company wants to expand its position within insulation for other high-temperature industries, fireplaces and wood-burning stoves as well as within the fire protection business area.

Growth is to be achieved through the development, production and marketing of differentiated, value-added products. The objective is for revenue to grow to DKK 250 million over the next three years and for Skamol's profitability to improve significantly in the same period.

Market development and sales
Levels of economic activity within most of Skamol's business areas improved towards the end of 2004 relative to 2003, but it has been difficult to introduce the necessary price increases to compensate for the low USD rate and increasing energy costs.

2004 was another year of increasing demand and increasing prices for the primary aluminium industry. However, large parts of the growth seen in 2004 took place in China, a market in which Skamol is not present. In 2006 and the coming years a number of new plants are, however, expected to be constructed outside China.

Skamol's sales to the aluminium industry were slightly higher in 2004 than in 2003, primarily as a result of high sales of moler bricks and complementary products. Sales of calcium silicate to the aluminium industry are, however, falling at the moment as a result of changing production strategies at several aluminium melters.

Skamol's sales of calcium silicate to the rest of the high-temperature industry increased on the other hand following improvements in levels of economic activity and an increase in marketing. Sales to the cement industry have been particularly satisfactory.

The use of night-storage heaters in the German market is continuing to fall, which has resulted in a fall in sales of Skamol's vermiculite products.

The new business area, fire protection, with sales of, for example, cores for fire doors and marine panels, grew less than expected. This is due, in particular, to the fact that production facilities in Denmark were not established until the beginning of 2005.

Production and product development
Production was satisfactory in 2004, and despite increasing energy prices the company succeeded in reducing the average production costs at all Skamol's four factories.

The most significant reduction was seen in production costs at the calcium silicate factory in Nordsalling. Thanks to better utilisation of capacity, the average production costs fell by 20 per cent. The factory has thereby achieved the production economy on which the decision in 2000 to expand capacity was based.

The portfolio of important approvals of fire doors and marine panels was strengthened with the granting of approvals of cores for 60-minute and 90-minute doors in accordance with the coming European standard as well as one 60-minute marine panel. Following the establishment of the joint venture company NCM Core A/S in 2004 and a new production plant, the basis for growth within this business area has been established.

Environment
Skamol's environmental impacts are primarily in the form of emissions of substances, the consumption of energy, the obtaining of moler and material waste.

The production activities at Skamol's three Danish factories are approved under separate environmental approvals. At Skamol's production facility on the island of Fur, work is currently going into renewing the company's environmental approval which dates back to 1989.

Plants for reducing environmental impacts, such as dust-filtration plants and sludge-treatment plants, are integrated in the production plants, where relevant. The principle is to recycle as many parts of the defiltrated materials as possible together with the other raw materials with a view to minimising to the greatest possible extent the consumption of resources and the need to deposit waste. Waste which cannot be reused is deposited at approved waste disposal sites as well as in the company's approved depots.

Skamol engages in the obtaining of moler on the island of Fur, and the subsequent filling of the pits is continuous and governed by plans prepared in cooperation with the relevant authorities.

Income, balance and cash flow
Figures in brackets are the figures for 2003
Revenue increased by 2 per cent to DKK 206 million. EBITDA was DKK 27 million (DKK 9 million), corresponding to 13 per cent (5 per cent) of revenue. Depreciation and amortisation were unchanged at DKK 21 million, with an operating profit of DKK 6 million (DKK -12 million), corresponding to an EBIT margin of 3 per cent (-6 per cent). Despite the clear improvement, the results do not live up to the long-term targets for the company.

Net financials amounted to DKK 0.5 million (DKK -1.5 million). Associated companies returned profits of DKK 11 million (DKK 8 million), as Damolin A/S achieved its best results ever in 2004.

Balance sheet total was reduced by DKK 17 million to DKK 233 million, while cash flow from operating activities was DKK 25 million (DKK 22 million). After investments of DKK 11 million (DKK 17 million), available cash flow was DKK 14 million (DKK 5 million). The development in balance sheet total and cash flow is satisfactory.

Outlook 2005

Improved levels of economic activity and the introduction of cores for fire doors and marine panels are expected to generate satisfactory growth for Skamol in 2005. Sales to the aluminium industry are expected to fall slightly as a number of new aluminium projects will not be implemented until 2006. To this should be added the effects of the current low USD exchange rate.

For 2005 as a whole, Skamol expects revenue of approx. DKK 210 million and a profit before tax of about DKK 10 million.

FINANCIAL CALENDAR FOR 2005

Annual report for 2004 (printed version)	April 12, 2005
Quarterly report for the 1st quarter of 2005	April 26, 2005
Annual general meeting	April 26, 2005
Interim report for the 1st half of 2005	August 22, 2005
Quarterly report for the 3rd quarter of 2005	November 8, 2005

Appendix 1

INCOME STATEMENT 2004

	Group		Parent	
DKK '000	**2004**	2003	**2004**	2003
Revenue	**5,309,604**	4,470,924	**-**	-
Cost of sales	**3,375,531**	3,105,425	**-**	-
Gross margin	**1,934,073**	1,365,499	**-**	-
Sales and distribution costs	**691,757**	583,120	**-**	-
Administrative expenses	**379,889**	329,754	**18,953**	16,452
Research and development costs	**162,038**	174,115	**-**	-
Total costs	**1,233,684**	1,086,989	**18,953**	16,452
Other operating income	**21,830**	40,939	**1,581**	200
Amortisation and write-down of consolidated goodwill	**30,020**	33,327	**18,497**	18,370
Operating profit/loss	**692,199**	286,122	**(35,869)**	(34,622)
Share of profit or loss in subsidiaries before tax	**-**	-	**626,256**	205,593
Share of profit or loss in associates before tax	**11,107**	7,504	**-**	-
Net financials	**(78,352)**	(96,508)	**1,868**	4,746
Profit-sharing	**(23,876)**	(14,978)	**-**	-
Profit before tax	**601,078**	182,140	**592,255**	175,717
Tax on profit for the year	**199,652**	87,079	**199,652**	87,079
Consolidated profit/loss	**401,426**	95,061	**392,603**	88,638
Minority interests' share	**8,823**	6,423	**-**	-
Net profit/loss for the year, Auriga Industries' share	**392,603**	88,638	**392,603**	88,638
Proposed appropriation of the profit for the year:				
Dividend			**102,000**	61,200
Reserve for net revaluation according to the equity method			**153,418**	(20,368)
Retained earnings			**137,185**	47,806
Total			**392,603**	88,638

BALANCE SHEET AS AT DECEMBER 31, 2004

ASSETS

	Group		Parent	
DKK '000	**2004**	2003	**2004**	2003
Fixed assets				
Intangible assets				
Sales and registration rights etc.	**81,628**	94,756	**-**	-
Know-how	**141,448**	161,108	**-**	-
Goodwill etc.	**59,603**	66,240	**-**	-
Consolidated goodwill	**281,655**	309,905	**-**	-
Total intangible assets	**564,334**	632,009	**-**	-
Property, plant and equipment				
Land and buildings	**458,825**	476,633	**2,480**	2,715
Technical plant and machinery	**499,755**	576,945	**-**	-
Fixtures and fittings, tools and equipment	**48,803**	50,690	**-**	88
Plant under construction	**27,322**	43,396	**-**	-
Total property, plant and equipment	**1,034,705**	1,147,664	**2,480**	2,803
Investments				
Investments in subsidiaries	**-**	-	**2,320,390**	2,166,972
Investments in associates	**39,038**	33,190	**-**	-
Other investments	**6,001**	994	**-**	-
Total investments	**45,039**	34,184	**2,320,390**	2,166,972
Total fixed assets	**1,644,078**	1,813,857	**2,322,870**	2,169,775
Current assets				
Inventories	**1,383,216**	1,205,266	**-**	-
Receivables				
Trade receivables	**1,391,451**	1,133,163	**-**	-
Receivables from subsidiaries	**-**	-	**130,000**	100,520
Deferred tax asset	**119,340**	67,387	**-**	-
Income taxes receivable	**2,856**	3,950	**-**	3,189
Other receivables	**232,007**	402,939	**5,923**	4,175
Total receivables	**1,745,654**	1,607,439	**135,923**	107,884
Investments	**7,937**	9,393	**7,716**	9,135
Cash	**543,025**	261,291	**-**	5,816
Total current assets	**3,679,832**	3,083,389	**143,639**	122,835
Total assets	**5,323,910**	4,897,246	**2,466,509**	2,292,610

BALANCE SHEET AS AT DECEMBER 31, 2004

LIABILITIES

	Group		Parent	
DKK '000	**2004**	2003	**2004**	2003
Equity				
Share capital	**255,000**	255,000	**255,000**	255,000
Reserve for net revaluation according to the equity method			**1,021,928**	868,510
Retained earnings	**2,078,127**	1,932,223	**1,056,199**	1,063,713
Accumulated exchange rate adjustments	**(111,317)**	(92,695)	**(111,317)**	(92,695)
Proposed dividend for the financial year	**102,000**	61,200	**102,000**	61,200
Total equity	**2,323,810**	2,155,728	**2,323,810**	2,155,728
Minority interests	**32,487**	29,487	**-**	-
Provisions				
Pension obligations	**9,287**	7,214	**1,250**	1,250
Other provisions	**17,577**	14,008	**-**	-
Deferred tax	**86,940**	159,180	**-**	-
Total provisions	**113,804**	180,402	**1,250**	1,250
Long-term liabilities				
Mortgage debt	**132,982**	158,947	**1,598**	1,714
Employee bonds	**15,743**	17,690	**-**	-
Lease obligations	**4,473**	5,666	**-**	-
Credit institutions	**770,027**	700,475	**-**	-
Total long-term liabilities	**923,225**	882,778	**1,598**	1,714
Short-term liabilities				
Long-term debt falling due within one year	**112,572**	262,024	**116**	109
Credit institutions	**672,386**	569,434	**320**	-
Trade payables	**605,165**	438,765	**-**	-
Payables to subsidiaries	**-**	-	**108,204**	132,170
Payables to associates	**49**	132	**-**	-
Income taxes payable	**101,750**	18,399	**28,061**	-
Other payables	**413,810**	349,715	**3,150**	1,639
Profit-sharing for the financial year	**24,852**	10,382	**-**	-
Total short-term liabilities	**1,930,584**	1,648,851	**139,851**	133,918
Total short-term and long-term liabilities	**2,853,809**	2,531,629	**141,449**	135,632
Total liabilities	**5,323,910**	4,897,246	**2,466,509**	2,292,610

CASH FLOW STATEMENT 2004

	Group	
DKK '000	**2004**	2003
Net profit for the year	**392,603**	88,638
Depreciation, amortisation and write-down, fixed assets	**256,296**	253,579
Amortisation and write-down, consolidated goodwill	**30,020**	33,327
Other adjustments	**301,729**	217,294
Change in working capital	**(261,483)**	(13,105)
Cash flows from operating activities before net financials	**719,165**	579,733
Net financials	**(78,352)**	(96,508)
Cash flows from ordinary activities	**640,813**	483,225
Income taxes paid	**(179,009)**	(177,216)
Cash flows from operating activities	**461,804**	306,009
Acquisition of subsidiaries	**-**	(27,401)
Acquisition of intangible assets	**(4,830)**	(200,543)
Acquisition of property, plant and equipment	**(111,732)**	(161,893)
Disposal of intangible assets and property, plant and equipment	**4,689**	14,490
Dividend received from associates	**2,465**	2,958
Cash flows from investing activities	**(109,408)**	(372,389)
Available cash flow	**352,396**	(66,380)
Repayment of long-term debt	**(273,210)**	(122,544)
Raising of long-term loan	**164,208**	200,000
Issue of employee bonds	**3,129**	2,653
Payment of profit-sharing	**(9,406)**	(13,850)
Dividend paid	**(63,604)**	(62,129)
Disposal of treasury shares	**4,250**	-
Cash flows from financing activities	**(174,633)**	4,130
Change in cash and cash equivalents	**177,763**	(62,250)
Cash and cash equivalents as at January 1	**(299,187)**	(236,500)
Cash and cash equivalents as at December 31	**(121,424)**	(298,750)
Interest-bearing net cash and cash equivalents comprise:		
Cash and securities less short-term bank debt	**(121,424)**	(298,750)
Interest-bearing debt	**(1,035,797)**	(1,144,802)
Interest-bearing net cash and cash equivalents as at December 31	**(1,157,221)**	(1,443,552)

STATEMENT OF CHANGES IN EQUITY

Unless otherwise stated, all figures are in DKK '000

Group	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Accumulated exchange rate adjustment	Proposed dividend for the financial year	Total
Equity as at January 1, 2004	255,000	-	1,932,223	(92,695)	61,200	2,155,728
Dividend paid					(61,200)	(61,200)
Acquisition/disposal, treasury shares			4,250			4,250
Dividend, treasury shares			2,257			2,257
Changes in equity in subsidiaires			2,832			2,832
Exchange rate adjustment etc. relating to subsidiaries and associates				(18,622)		(18,622)
Adjustment of hedging instruments at fair value			(215,439)			(215,439)
Tax on changes in equity			61,401			61,401
Net profit for the year			290,603		102,000	392,603
Equity as at December 31, 2004	255,000	-	2,078,127	(111,317)	102,000	2,323,810

Parent	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Accumulated exchange rate adjustment	Proposed dividend for the financial year	Total
Equity as at January 1, 2004	255,000	868,510	1,063,713	(92,695)	61,200	2,155,728
Dividend paid					(61,200)	(61,200)
Acquisition/disposal, treasury shares			4,250			4,250
Dividend, treasury shares			2,257			2,257
Changes in equity in subsidiaires			2,832			2,832
Exchange rate adjustment etc. relating to subsidiaries and associates				(18,622)		(18,622)
Adjustment of hedging instruments at fair value			(215,439)			(215,439)
Tax on changes in equity			61,401			61,401
Net profit for the year		153,418	137,185		102,000	392,603
Equity as at December 31, 2004	255,000	1,021,928	1,056,199	(111,317)	102,000	2,323,810