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SHAREHOLDER LETTER

On track despite difficult market in Q3 2010

Increasing revenue driven by new products, improved operating profit and a gradual reduction of working capital and debt. This is the result of Q3 despite a difficult market with a late start to the season in Brazil and intensifying price competition. Thus, the growth outlined in the "Five-in-Fifteen" strategy continued in Q3 2010.

The interim report for Q3 2010 was released on November 10, 2010. Despite the positive results for Q3, the outlook for revenue and earnings for FY 2010 as a whole has, however, been downgraded relative to earlier announcements, but we expect the results for the year as a whole to be considerably better than last year.

However, the fact that debt remains high is a focus area. By maintaining strong focus on working capital management combined with lower capital expenditure, Auriga succeeded in generating a positive cash flow and in reducing net interest-bearing debt in Q3 2010. In the enclosed Current Information, you can read more about what we are doing to improve working capital.

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Should you have any questions about Auriga, please do not hesitate to contact Investor Relations by email at investor@auriga.dk or by telephone at +45 70 10 70 30 for further information.

Yours faithfully,

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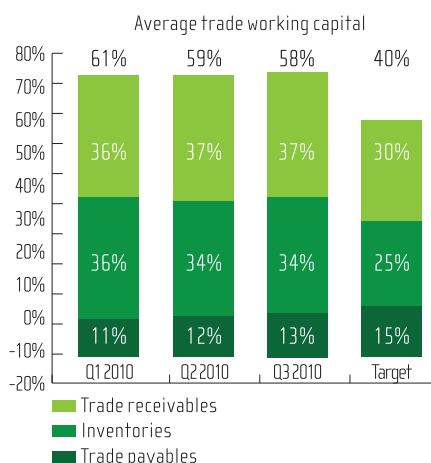
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Improved working capital to free up to DKK 1 billion for growth

An important element in the “Five-in-Fifteen” strategy is that Cheminova’s development projects and acquisitions should be partly self-financed. Reducing debt, which is still at a high level, is therefore crucial. Debt can be reduced by, for example, improving the working capital, which is the total amount tied up in inventories and trade receivables less trade payables. In this way, the tied-up funds can be released, thereby improving liquidity and reducing interest payments.

Targets:

- Net debt must be reduced to under DKK 2 billion before the end of the year. This is approx. DKK 0.5 billion less than the status after the first half of 2010. In Q3 2010, debt was reduced by DKK 169 million, which is a step in the right direction.
- The long-term target is to reduce working capital making it corresponding to an average of 40% of revenue. At the moment, it corresponds to just under 60%. Relative to current revenue levels, this corresponds to an approx. DKK 1 billion improvement in working capital.



- Compared with enterprises in other sectors, the target of working capital of 40% of revenue may not seem that ambitious, says CFO Jesper Barslund Jacobsen, Cheminova’s new Senior Vice President, Finance & Support, in the global group.

- The relatively high level of working capital is common in the crop protection industry. Firstly, the large players in the

market set the standards and offer long credit periods to customers. Secondly, the season for crop protection products is relatively short, which means that we must keep the right products in stock at the start of the season. And thirdly, our production should preferably be spread out over the whole year so as to optimise capacity utilisation, says Jesper Barslund Jacobsen.

Trimming of inventories

Large inventories are a problem throughout the global Cheminova group. So as to reduce inventories to an acceptable level, some of the production plants will shut down for the Christmas holidays earlier than usual this year. A number of other initiatives are designed to prevent inventories from becoming too large in future.

- In future, we will stock a few selected products rather than others, explains Jesper Barslund Jacobsen. - Up until now, we have stocked virtually all end products with a view to being able to make swift deliveries. In future, inventory levels will to a larger extent be determined by earnings and expected demand.

Moreover, improved IT planning tools across the organisation will also help keep inventories at a suitable level. The SAP ERP system has been implemented in Denmark, Spain and Uruguay in 2010 and will be rolled out in the other subsidiaries in the coming years.

Longer credit periods with suppliers

In 2009, a global project was launched, aimed at improving general payment terms. Cash flow must be improved to finance the group’s growth, and Cheminova therefore wants longer credit

periods with its suppliers.

- Since the start of the project, the average credit period has been increased by approx. 15 days for the most important 250 suppliers in Denmark, says Jesper Barslund Jacobsen. This means that in Denmark alone, we have reduced our bank debt by more than DKK 60 million on a daily basis, thereby also reducing interest expenses. Furthermore, the terms of payment offered by suppliers to all subsidiaries and representation offices in more than 30 countries worldwide have also been improved, Jesper Barslund Jacobsen emphasises.

Customers to pay on time

- Most of Cheminova’s sales are effected by our subsidiaries which are committed to increasing global sales, continues Jesper Barslund Jacobsen. - We minimise outstanding balances by making punctual payments attractive for customers. We focus primarily on three aspects: We always follow up to ensure that payments are effected by the agreed time. We seek to avoid bad debts by selecting the most credit-worthy customers. And in so far as is possible, we try to avoid losses by requesting that security be furnished by customers, says Cheminova’s new CFO, Jesper Barslund Jacobsen, in conclusion.



Jesper Barslund Jacobsen, Senior Vice President, Finance & Support (CFO)