



Stock Exchange Notification No. 11/2005

April 26, 2005

## Quarterly Financial Statements for Auriga Industries A/S for the first quarter of 2005

*The Quarterly Financial Statements have been presented in accordance  
with the new international accounting standards (IFRS).  
Figures in brackets are the figures for 2004.*

**The first quarter of the financial year has been satisfactory and in line with expectations. The profit before tax was DKK 126 million (DKK 134 million). Based on the accounting policies applied up to now, the profit before tax was DKK 118 million (DKK 126 million). Expectations of a profit before tax for 2005 as a whole of DKK 335 million, based on the IFRS rules, are maintained.**

- Sales in the first quarter amounted to DKK 1,254 million (DKK 1,270 million). Despite unfavourable climatic conditions in several markets compared with 2004, both Cheminova and Hardi achieved sales on the same level as 2004. Skamol's sales were somewhat lower than in 2004, which saw major deliveries for a number of individual projects.
- The EBIT margin was 11 per cent, unchanged in comparison with the first quarter of 2004.
- The results for the first quarter of 2005 have been achieved despite a lower USD exchange rate. The results reflect a healthy underlying growth in the group companies.
- The season has just commenced on the northern hemisphere, and Auriga must therefore maintain the forecasts previously announced with regard to revenue and profit for 2005.
- Cheminova has signed a long-term supply agreement with Bayer concerning the world's largest insecticide, imidacloprid. The agreement will in the coming years contribute significantly to Cheminova's growth.
- Hardi has successfully introduced a new trailer, New Commander, which in the next couple of years will replace the existing trailer series and contribute to continued improvements to the production economy.

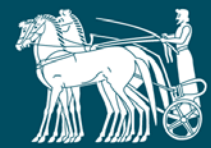
AURIGA INDUSTRIES A/S

Povl U. Skifter  
Chairman of the Board of Directors

Mogens Nehen-Hansen  
President

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## Key figures for the Auriga group

<b>Income statement, DKKm</b>	<b>1st quarter 2005</b>	<b>1st quarter 2004</b>	<b>2004</b>
Revenue	1,254	1,270	5,310
Cost of sales	838	849	3,387
Other costs	280	282	1,245
Other operating income	6	4	22
Operating profit (EBIT)	142	143	700
Income from investments in associates	1	2	11
Net financials	(17)	(11)	(78)
Profit before tax	126	134	633
Tax	44	47	199
Minority interests' share	3	3	9
<b>Net profit</b>	<b>79</b>	<b>84</b>	<b>425</b>

<b>Balance sheet, DKKm</b>	<b>31.3.2005</b>	<b>31.3.2004</b>	<b>31.12.2004</b>
<i>Assets</i>			
Fixed assets	1,648	1,779	1,676
Inventories	1,524	1,270	1,383
Receivables	2,077	2,066	1,746
Cash	328	157	551
<b>Total assets</b>	<b>5,577</b>	<b>5,272</b>	<b>5,356</b>
<i>Liabilities</i>			
Equity	2,467	2,195	2,383
Provisions	137	229	119
Interest-bearing debt	1,902	1,942	1,708
Other debt (not interest-bearing)	1,071	906	1,146
<b>Total liabilities</b>	<b>5,577</b>	<b>5,272</b>	<b>5,356</b>

<b>Cash flow statement, DKKm</b>	<b>31.3.2005</b>	<b>31.3.2004</b>	<b>31.12.2004</b>
Cash flow from operating activities	(290)	(321)	462
Cash flow from investing activities	(28)	(20)	(110)
<b>Available cash flow</b>	<b>(318)</b>	<b>(341)</b>	<b>352</b>

<b>Key figures</b>	<b>31.3.2005</b>	<b>31.3.2004</b>	<b>31.12.2004</b>
Profit/loss on ordinary operations before depreciation (EBITDA) in DKKm	207	208	978
Profit margin (EBITDA)	17%	16%	18%
Profit margin (EBIT)	11%	11%	13%
Debt ratio	38%	43%	32%
Profit in DKK per share of DKK 10 (EPS)	3.2	3.4	17.3
Quoted price/equity value	1.36	0.71	1.19

In the quarterly financial statements, tax has been estimated at 35 per cent. The quarterly financial statements have not been audited.



## Comments on the quarterly financial statements

### **Auriga Industries A/S**

The quarterly financial statements have been presented using the IFRS provisions on recognition and measurement. Annex 1 shows the effect of the changed accounting policies. The key figures and ratios for 2004 have been adjusted to reflect the changed accounting policies.

Auriga's revenue for the first quarter was DKK 1,254 million (DKK 1,270 million). Operating profit for the quarter was DKK 142 million (DKK 143 million) corresponding to an EBIT margin of 11 per cent (11 per cent). With an estimated tax rate of 35 per cent, net profit for the quarter was DKK 79 million (DKK 84 million). Both revenue and net profit are more or less as forecast at the beginning of the year.

Cash flow from operating activities was negative at DKK 290 million, which is an improvement compared to first quarter of 2004 of DKK 31 million.

The group's sales in USD were settled at an average exchange rate of approx. DKK 6 in the first quarter of 2005. Approx. 70 per cent of total sales in USD for 2005 have at present been hedged through forward exchange contracts.

Sales in Europe and the USA still account for most of the consolidated revenue. This year, the season has started a little later than in 2004, especially in Europe. As yet, it is therefore not possible to predict how sales for the year will develop.

For 2005 as a whole, Auriga maintains its forecast of revenue of approx. DKK 5.0 billion and a profit before tax of DKK 335 million.

### **Cheminova A/S**

In the first quarter, Cheminova's markets have developed differently. Despite drought in Rio Grande Del Sul, the revenue of Cheminova's Brazilian subsidiary was a little above first quarter of 2004. A contributory factor was the continuing strong sales of flutriafol which is used for the combat of the Asian rust fungal disease.

With revenue significantly above that of last year, Cheminova India has had a good start to the year. In Europe, the first quarter has been characterised by drought in Spain and cold weather in Italy and France. On the other hand, the beginning of the year has been good in the USA, primarily due to strong sales of the herbicide glyphosate.

In April, Cheminova signed a cooperation agreement with Bayer AgroScience concerning the world's largest insecticide, imidacloprid. The agreement means that Cheminova has obtained global rights to sell its own imidacloprid formulations based on Bayer's active substance. The product is expected to contribute significantly to Cheminova's revenue and earnings in the next few years.

### **Hardi International A/S**

In the first quarter, Hardi's revenue and order intake was characterised by a continuing high level of demand in France and the new EU member states, whereas investments in Spain have been lower than last year, primarily due to drought.

The lack of rain in Australia resulted in a bad harvest in 2004 with yields significantly below those of the year before. This has led to a decrease in Hardi Australia's order intake in the first quarter.



The opposite has been the case for Hardi in the USA which is still seeing high investment levels. In addition, US farmers' fear of possible outbreaks of the Asian rust fungal disease has had a positive effect on the demand for sprayers in the USA.

In the first quarter, Hardi has successfully introduced a new trailed sprayer, New Commander, which in the coming years will contribute significantly to continued improvements to Hardi's production economy.

### Skamol A/S

The improved economic climate has led to a continuing high level of demand for Skamol's products, primarily from the high-temperature industries, whereas Skamol's aluminium business is down on last year due to a limited number of new buildings. However, a number of new aluminium projects are planned for 2006 with favourable market potentials for Skamol.

Sales of calcium silicate cores for fire doors saw growth in the USA in the first quarter, whereas sales of fire doors and fire panels in Europe increased more slowly than expected.

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Change in equity, DKKm	31.03.2005	31.03.2004	31.12.2004
Equity as at January 1	2,383	2,156	2,156
Change of accounting policies	11	28	59
Dividend paid	-	-	(61)
Sale, treasury shares	10	-	2
Profit/loss for the period after tax	79	84	* 393
Price adjustments subsidiaries	8	17	(12)
Change in fair value of financial instruments after tax	(24)	(90)	(154)
Equity end of period	2,467	2,195	1,990

\* Profit/loss for the period after tax is calculated in accordance with the Danish Financial Statements Act. The effect of the transition to IFRS on the profit/loss after tax is included in the change of accounting policies.



### **Statement by the Boards**

The Board of Directors and the Board of Executives have today reviewed and approved the interim financial report for the first quarter of 2005 for Auriga Industries A/S.

The interim financial report has been presented in accordance with IFRS and other provisions governing the presentation of financial statements by companies listed at the Copenhagen Stock Exchange. In our opinion, the interim financial report gives a true and fair view of the group's financial position and results as well as the cash flows of the group.

The interim financial statements have not been audited.

Harboøre, April 26, 2005

### **Board of Executives:**

Mogens Nehen-Hansen    Bjørn Albinus    Niels-Jørn Rahbek    Kurt Pedersen Kaalund

### **Board of Directors:**

Povl U. Skifter    Johannes Jacobsen    Søren Iversen    Povl Krogsgaard-Larsen

Ernst Lunding    Jan Stranges    Helle Krøll    Bjarne Damgaard Nielsen    Jørn Sand Madsen

### **FINANCIAL CALENDAR FOR 2005**

Ordinary 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



## Annex 1

### Changes to accounting policies following transition to IFRS

The interim financial report has been presented in accordance with the IFRS rules.

The accounting policies under IFRS will be described in detail in the annual report for 2005.

### Change of accounting policies

The accounting policies in the interim financial report have, as a consequence of the transition to IFRS, been changed in the following areas (figures in parenthesis are comparative figures for the first quarter of 2004):

1. **Goodwill** is not amortised in the income statement. Instead impairment testing in accordance with the provisions in IAS 36 is performed. So far, goodwill has been amortised in accordance with the straight-line method over its expected useful life, the maximum period, however, being 20 years. The change has a positive effect of DKK 8.1 million (DKK 8.0 million) on the profit before tax for the first quarter. Equity as at March 31, 2005 is increased by DKK 8.1 million (DKK 8.0 million).
2. **Share-based payment** established after November 7, 2002 and vested after January 1, 2005 must in accordance with IFRS 2 be recognised in the income statement. Up until now, share-based payment has not been recognised in the income statement. The change has a negative effect of DKK 0.1 million (DKK -0.2 million) on the profit before tax for the first quarter. As share-based payment is an equity-settled scheme, the net equity is not affected by the recognition of these in the income statement.
3. **Employee benefits:** Holidays not yet finally earned must in accordance with IAS 19 be recognised proportionately over the earning period. So far, only holidays not taken on the balance sheet date, have been recognised. In accordance with the rules in IAS 19, provisions are also made for other long-term employee benefits. Equity as at January 1, 2004 is reduced by DKK 5.3 million net after tax as a consequence of these changes. The effect on the first quarter of 2004 and 2005 is insignificant.
4. **Major regroupings:** In accordance with IAS 1, minority interests must be included as a part of equity. Under the Danish Financial Statements Act (*Årsregnskabsloven (ÅRL)*), minority interests are not part of equity. The change results in an increase in equity of DKK 32.5 million as at December 31, 2004. The effect on equity in the first quarter of 2005 is DKK 2.9 million (DKK 3.2 million).

In the income statement for 2004, profit-sharing of DKK 23.9 million is indicated as a separate item. In accordance with the IFRS rules, profit-sharing must be included in the cost classifications. The change results in an increase in the cost classifications cost of sales of DKK 11.5 million, sales and distribution costs of DKK 1.1 million, administration costs of DKK 9.6 million and research and development costs of DKK 1.7 million. The net profit for the year is not affected by the change.



## Income statement for 2004 under IFRS

(DKKm)	2004 ÅRL	2004 IFRS	Effect of transition to IFRS
Revenue	5,310	5,310	-
Cost of sales	3,376	3,387	11
<b>Gross margin</b>	<b>1,934</b>	<b>1,923</b>	<b>(11)</b>
Other operating income	22	22	-
Sales and distribution costs	692	693	1
Administrative expenses	380	386	6
Research and development costs	162	164	2
Amortisation and write-down, consolidated goodwill	30	2	(28)
<b>Operating profit/loss</b>	<b>692</b>	<b>700</b>	<b>8</b>
Share of profit or loss in associates after tax	11	11	-
Financial income	63	63	-
Financial expenses	(141)	(141)	-
Profit-sharing	(24)	-	24
<b>Profit before tax</b>	<b>601</b>	<b>633</b>	<b>32</b>
Tax on profit for the year	199	199	-
<b>Net profit for the year</b>	<b>402</b>	<b>434</b>	<b>32</b>
<b>Appropriation of the profit for the year</b>			
Auriga Industries A/S	393	425	32
Minority interests	9	9	-
<b>Total</b>	<b>402</b>	<b>434</b>	<b>32</b>

## Reconciliation of equity as at March 31, 2005

(DKKm)	ÅRL	IFRS	Effect of transition to IFRS
<b>Equity as at January 1, 2004</b>	<b>2,156</b>	<b>2,156</b>	-
Change in equity in 2004	168	168	-
Change of accounting policies	-	-	-
Minority interests	-	32	32
Amortisation of goodwill	-	32	32
Staff payments	-	(5)	(5)
<b>Equity as at December 31, 2004</b>	<b>2,324</b>	<b>2,383</b>	<b>59</b>
Change in equity, 1st quarter 2005	73	73	-
Change of accounting policies	-	-	-
Minority interests	-	3	3
Amortisation of goodwill	-	8	8
<b>Equity as at March 31, 2005</b>	<b>2,397</b>	<b>2,467</b>	<b>70</b>