

Copenhagen Stock Exchange
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Stock Exchange Notification No. 12/2006

October 25, 2006

Profit warning

The difficult market conditions which characterised the first half of 2006 have deteriorated further in the third quarter. Virtually everywhere, unfavourable climatic conditions have reduced the demand for plant protection products. Moreover, Cheminova is facing a difficult situation in Brazil. As regards Hardi, the market conditions have led to a decline in investments in new machinery in the agricultural sector.

Auriga has consequently recorded a decline in revenue as well as earnings in the third quarter of 2006 relative to the third quarter of 2005 and relative to the outlook after the first six months of the year. Revenue for the third quarter totals approx. DKK 1,200 million, against DKK 1,324 million for the same period last year. For third quarter 2006, a loss before tax of approx. DKK 35 million is expected against a profit before tax of approx. DKK 50 million last year.

The season is now over in the northern hemisphere. The results for the fourth quarter will therefore largely depend on the situation in Brazil, and as far as Hardi is concerned, especially on sales in Australia.

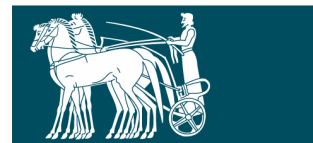
In addition to unfavourable climatic conditions, Brazilian farmers are being hit by the Brazilian real's strength against the USD. This is resulting in substantial declines in earnings for Brazilian farmers, and many are facing serious cash flow problems. The situation in Brazil has led to intensified price competition within plant protection products, especially fungicides. Moreover, Cheminova does not want to increase its receivables in Brazil, which means that Cheminova is cautious about further sales.

For 2006 as a whole, Cheminova is now expecting revenue of approx. DKK 4.1 billion against DKK 4.2 billion after the first six months, and a profit before tax of approx. DKK 60-110 million against DKK 260 million after the first six months. Of the downward adjustment relative to the outlook after the first six months, approx. 75% are attributable to developments in Brazil.

Despite the outlook for 2006, Cheminova will continue to pursue its Business Plan and will in 2006 increase its investments in marketing and development by approx. DKK 70 million relative to 2005.

For the first time ever, Hardi has been hit by declining sales in all three of its main markets: France, USA and especially Australia, which again this year is experiencing serious drought, leading to falling harvest yields. For 2006 as a whole, Hardi is expecting revenue of approx. DKK 930 million against DKK 980 million after the first six months of the year. A loss before tax of approx. DKK 15-20 million is expected, while expectations after the first six months were of a profit before tax of approx. DKK 5 million.

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For 2006 as a whole, Skamol still expects revenue of approx. DKK 230 million and a profit before tax of approx. DKK 15 million.

Considerable uncertainty continues to characterize Auriga's results for 2006. Profit before tax for 2006 as a whole is expected to be in the range of DKK 50-100 million. This estimate does not include any potential impact from acquisitions or divestments.

Auriga's interim financial report for the third quarter of 2006 will be published on November 8, 2006.

Both Cheminova and Hardi are dependent on climatic conditions and on the financial situation of farmers, for which reason revenue and earnings can fluctuate from year to year. Thus, 2004 was a record year for Cheminova with growth in all areas. The fluctuations caused by external factors do not affect the long-term outlook for the two companies.

Auriga's strategy

At the beginning of 2006 the Board of Directors of Auriga considered and approved Cheminova's Business Plan for the coming five years.

The agrochemical industry is currently undergoing significant changes which will provide an innovative generic company like Cheminova with good opportunities for growth in an otherwise stagnating market. The plan is for Cheminova to increase sales by approx. 50 per cent over the next five years to DKK 6 billion, while at the same time increasing its EBIT margin to approx. 14 per cent.

The management has subsequently considered the strategy for the entire Auriga group. In the opinion of the Board of Directors and the Board of Executives, the best way to create long-term value is through focused resource allocation to Cheminova, which is the group's core business. Consequently, a decision has been made to investigate the possible divestment of Hardi and Skamol.

Management changes

Mogens Nehen-Hansen, President and CEO of Auriga, will be retiring at the end of 2006.

From January 1, 2007, the new President and CEO of Auriga will be Bjørn Albinus, who has been President and CEO of Cheminova since 1993, a position which he will maintain after January 1, 2007.

On January 1, 2007, the President and CEO of Skamol, Kurt Pedersen Kaalund, will be appointed Deputy Managing Director of Cheminova. For the time being, Kurt Pedersen Kaalund, who was Commercial Manager of Cheminova from 1998 to 2003, will continue to act as President and CEO of Skamol.

AURIGA INDUSTRIES A/S

Povl U. Skifter
Chairman of the Board of Directors

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President and CEO

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