



## Market development for glyphosate reduces revenue and earnings outlook for 2009

**Preliminary accounting figures for Auriga's subsidiary, Cheminova A/S, show that the company did not achieve the expected sales and results in 1H 2009. Sales of Cheminova's largest product glyphosate have disappointed, while other products saw growth. Through 1H 2009, market conditions for glyphosate gradually deteriorated, and towards the end of Q2, a major price decline was seen, and the company is therefore downgrading the revenue and earnings outlook. In 2009, revenue is expected to amount to approx. DKK 5,800 million against an earlier outlook of approx. DKK 6,250 million, whereas the EBIT margin is reduced to the level of 6-7% from approx. 9%. Despite the reduced earnings outlook, a positive cash flow from operating activities is still expected. The long-term targets set out in Cheminova's Business Plan "Five-in-Fifteen" are maintained.**

### Changed market conditions for glyphosate

The global market for glyphosate has changed significantly following the considerable increase in supply from China. In addition, demand has been reduced primarily in the USA resulting from late planting with soybean and maize as well as a reduction of stocks in the distribution channel. Towards the end of Q2, developments in the market for glyphosate resulted in considerable price declines in the USA and several other markets. Like other glyphosate suppliers, Cheminova is negatively affected by this development resulting in lower quantities and prices than expected for glyphosate. Glyphosate is the world's largest crop protection product and is expected to account for approx. 25% of Cheminova's 2009 revenue and a somewhat lower share of earnings.

### Growth in other products and targets in Business Plan maintained

Cheminova's other products, including the many new products introduced over the past few years, are showing continued growth and improved earnings as expected. With growth of more than 10%, excl. glyphosate, Cheminova expects to increase its market share again in 2009. Cheminova's Business Plan "Five-in-Fifteen" is based on growth from new products and acquisitions, while Cheminova's traditional products, including glyphosate, are expected to show a continued drop in sales and earnings. The developments in the market for glyphosate therefore do not change the long-term targets set out in the Business Plan "Five-in-Fifteen".

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### **Interim report for 1H 2009**

Auriga's interim report for H1 2009 will be released in the morning of August 27, 2009, after completing the financial statements. The financial statements will be presented via audiocast followed by a teleconference at 3.00 pm the same day and can be viewed via a link at Auriga's website. Detailed information about conduct of the teleconference will be available at the website approx. two weeks before the release date.

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#### *FORWARD-LOOKING STATEMENTS*

*This company announcement contains forward-looking statements such as revenue and financial results outlook. Forward-looking statements are, by their very nature, associated with risks and uncertainties that may cause actual results to differ materially from expectations.*

*To the extent that legislation so requires (e.g. the Danish Securities Trading Act), Auriga shall be obliged to update and adjust specifically stated expectations.*

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