AURIGA INDUSTRIES A/S

Stock Exchange Notification No. 16/2005

August 22, 2005

Interim report for Auriga Industries A/S for the period January 1, 2005 – June 30, 2005

The interim report has been presented in accordance with the new international accounting standards (IFRS). Figures in brackets are 2004 figures in accordance with IFRS.

Despite difficult market conditions, Auriga returned satisfactory results for the first half of 2005, and for 2005 as a whole profit before tax forecast is up DKK 40 million. Taking account of the low USD exchange rate relative to last year, Auriga's operating profit is in line with the record profit for the first half of 2004.

- Revenue in the first half of 2005 was DKK 2,636 million (DKK 2,720 million), while profit before tax was DKK 246 million (DKK 369 million). EBITDA for the first half of 2005 was DKK 408 million (DKK 518 million), corresponding to 15 per cent (19 per cent). EBIT was DKK 291 million (DKK 393 million) corresponding to 11 per cent (14 per cent).

- The lower USD exchange rate for the first half of 2005 relative to 2004 resulted in a decline in operating profit of approx. DKK 105 million.

- Unlike the first half of 2004, the first half of 2005 was characterised by difficult market conditions with declining crop prices and unfavourable climatic conditions in several countries.

- Cheminova starts marketing imidacloprid, the world's largest insecticide, and establishes sales subsidiaries in Poland and Bulgaria.

Outlook 2005

For 2005 as a whole, Auriga expects revenue of approx. DKK 5.2 billion and profit before tax of approx. DKK 375 million. By the beginning of the year, expectations were of revenue of approx. DKK 5.0 billion and profit before tax of approx. DKK 335 million.

For 2005 as a whole, cash flow from ordinary activities is expected to total approx. DKK 350 million against DKK 641 million in 2004. As well as being affected by the results, cash flow for 2005 will be influenced by increasing receivables.

AURIGA INDUSTRIES A/S

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

Enquiries concerning this notification should be addressed to President Mogens Nehen-Hansen on tel. +45 7010 7030.

Postboks 9
7620 Lemvig
Telefon: 7010 7030
Telefax: 7010 7031
E-mail: investor@auriga.dk
Internet: www.auriga.dk

CVR No. 34629218
Reg.kontor:
Gustav Wieds Vej 10
DK-8000 Århus C.

Key figures for the Auriga group

Income statement, DKKm	1st half 2005	1st half 2004	2004
Revenue	2,636	2,720	5,310
Cost of sales	1,811	1,764	3,387
Other costs	542	568	1,243
Other operating income	8	5	22
Write-down, consolidated goodwill	-	-	2
Operating profit (EBIT)	291	393	700
Income from investments in associates	1	3	7
Net financials etc.	(46)	(27)	(78)
Profit before tax	246	369	629
Tax	80	120	195
Minority interests' share	7	11	9
Net profit	159	238	425

Balance sheet, DKKm	30.6.2005	30.6.2004	31.12.2004
Assets			
Fixed assets	1,626	1,736	1,676
Inventories	1,578	1,246	1,383
Receivables	2,056	1,916	1,746
Cash	323	300	551
Total assets	5,583	5,198	5,356
Liabilities			
Equity	2,501	2,221	2,383
Provisions	144	207	119
Interest-bearing debt	1,711	1,763	1,708
Other debt (not interest-bearing)	1,227	1,007	1,146
Total liabilities	5,583	5,198	5,356

Cash flow statement, DKKm	30.6.2005	30.6.2004	31.12.2004
Cash flows from ordinary activities	201	158	641
Cash flows from operating activities	26	66	462
Cash flows from investing activities	(56)	(40)	(110)
Available cash flow	(30)	26	352

Key figures	30.6.2005	30.6.2004	31.12.2004
Profit/loss on ordinary operations before depreciation, amortisation and write-downs (EBITDA)	408	518	954
Profit margin (EBITDA)	15%	19%	18%
Profit margin (EBIT)	11%	14%	13%
Debt ratio	36%	38%	32%
Profit in DKK per share of DKK 10 (EPS)	6.5	9.7	17.3
Quoted price/equity value	1.78	0.71	1.19

In the interim financial statements, tax has been estimated at 32.5 per cent. The accounting policies are in accordance with the IFRS standards and the accounting provisions applicable to companies listed on the Copenhagen Stock Exchange. The interim financial statements have not been audited.

Change in equity, DKKm	30.6.2005	30.6.2004	31.12.2004
Equity as at January 1	2,383	2,156	2,156
Change of accounting policies	23	48	59
Dividend paid in respect of last financial year	(102)	(61)	(61)
Sale, treasury shares	9	2	2
Profit/loss for the period after tax	159	* 220	* 393
Price adjustments subsidiaries	113	(5)	(12)
Change in fair value of financial instruments after tax	(84)	(139)	(154)
Equity end of period	2,501	2,221	2,383

* 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.

Comments on the interim financial statements

AURIGA INDUSTRIES A/S

The interim report has been prepared in accordance with 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 returned a satisfactory profit for the first half although both revenue and earnings were lower than in the record year 2004. This was in line with expectations.

The satisfactory results were achieved despite difficult market conditions and despite a USD exchange rate which meant a decline in earnings in the first half of 2005 of approx. DKK 105 million relative to the same period in 2004.

Revenue declined by 3 per cent to DKK 2,636 million and profit before tax by DKK 123 million to DKK 246 million.

EBITDA was DKK 408 million (DKK 518 million) corresponding to an EBITDA margin of 15 per cent (19 per cent). EBIT was DKK 291 million (DKK 393 million) corresponding to an EBIT margin of 11 per cent (14 per cent).

Cash flow from ordinary activities was DKK 201 million (DKK 158 million) in first half 2005. The large profit in 2004 has resulted in a considerable increase in tax paid in first half 2005 relative to first half 2004. Consequently, available cash flow for the first six months of the year are negative at DKK 30 million (DKK 26 million).

A large share of the revenue of the Group and of Cheminova in particular is generated in USD. Cheminova has by forward exchange and option contracts secured an exchange rate for 2005 of approx. DKK 6.00 against approx. DKK 7.00 in 2004.

Based on the satisfactory results for the first half of the year and in anticipation of normal market conditions in the second half, Auriga has made an upward adjustment of the outlook for 2005 as a whole.

Calculated in accordance with the new IFRS rules, Auriga expects revenue for 2005 as a whole of approx. DKK 5.2 billion and a profit before tax of approx. DKK 375 million. At the beginning of the year, expectations were of revenue of approx. DKK 5.0 billion and profit before tax of approx. DKK 335 million.

For 2005 as a whole, cash flow from ordinary activities is expected to total approx. DKK 350 million against DKK 641 million in 2004. As well as being affected by the results, cash flow for 2005 will be influenced by increasing receivables.

CHEMINOVA A/S

DKKm	1st half 2005	1st half 2004
Revenue	1,964	2,042
Profit/loss on ordinary operations before depreciation, amortisation and write-downs (EBITDA)	340	435
Operating profit (EBIT)	253	339
Net financials	(31)	(8)
Profit before tax	222	331
Cash flows from ordinary activities	162	75
Cash flows from operating activities	19	17
Cash flows from investing activities	(33)	(25)
Available cash flow	(14)	(8)
Investments in property, plant and equipment	33	18
Depreciation and amortisation	87	95
Profit margin (EBITDA)	17%	21%
Profit margin (EBIT)	13%	17%

Despite difficult market conditions, Cheminova returned a profit before tax for the first six months of DKK 222 million (DKK 331 million). The results exceed expectations at the beginning of the year.

In the first half of the year, Cheminova has settled its net revenue in USD at a considerably lower exchange rate than in 2004. The lower USD exchange rate in first half 2005 has meant a reduction in operating profit of approx. DKK 90 million relative to the same period last year.

Translated into Danish kroner, revenue totalled DKK 1,964 million (DKK 2,042 million). Operating profit was DKK 253 million (DKK 339 million) and is virtually unchanged relative to first half 2004 when taking account of the lower USD exchange rate.

Net financials amounted to DKK 31 million (DKK 8 million). The increase is attributable to price adjustments in the parent company as well as lower interest income from trade receivables in Brazil.

Cash flow from ordinary activities increased by DKK 87 million to DKK 162 million. The extraordinarily strong results for 2004 have resulted in a considerable increase in taxes paid, which means that available cash flow for first half 2005 was in line with last year.

Market development

Except in North America, first half of 2005 was, unlike first half of 2004, characterised by unfavourable climatic conditions. Spring arrived late in the northern parts of the EU and Eastern Europe, while the southern EU member states, Brazil and Australia has suffered from drought.

Prices of virtually all crops, with exception of soya, were lower than in 2004, which meant that farmers have not had the same incentive to protect their crops as in 2004.

So far in 2005, the Brazilian currency has been strengthened considerably relative to the USD. For exporting Brazilian farmers, this has meant a loss of income relative to last year.

It is believed that the global market for pesticides in first half 2005 was slightly down relative to first half 2004.

Sales

Cheminova's revenue for first half was satisfactory and largely in line with expectations by the beginning of the year. However, climatic conditions meant that individual markets developed quite differently.

Revenue in Europe generally did not live up to expectations, with Russia and France being notable exceptions. Increase in revenue in France is attributable in particular to good sales of the herbicide glyphosate.

Satisfactory development in revenue in the first quarter in the USA continued in the second quarter. Contributing factors were strong sales of glyphosate and an early start of the boll weevil eradication programme in cotton.

In Latin America, Cheminova Mexico saw a considerable increase in revenue. In Brazil, revenue was affected by the drought with lower sales of glyphosate than expected.

Despite the delayed arrival of the monsoon, Cheminova India had a satisfactory half-year with an increase in revenue relative to the year before.

Cheminova has decided to set up sales subsidiaries in Poland and Bulgaria. This means that Cheminova will be represented by its own sales subsidiaries in fourteen countries.

New products

Sales of Cheminova's new products, including the insecticide gamma-cyhalothrin, have developed satisfactorily and in line with expectations.

In April, Cheminova entered into a collaboration agreement with Bayer AgroScience concerning the insecticide Imidacloprid. Under the agreement, Cheminova has acquired global rights to sell its own formulations based on Bayer's active ingredient. Imidacloprid is the world's leading insecticide with annual sales of approx. EUR 650 million. This new product will in the coming years contribute significantly to Cheminova's revenue and earnings.

Outlook 2005

The season in Europe is largely over by the end of the first half. The revenue and results for second half are therefore largely dependent on market developments in Latin America and on the progress of the US boll weevil eradication programme.

Cheminova's expected net position in USD has been hedged by means of forward exchange contracts for 2005 as a whole at an average exchange rate of DKK 6.00 against DKK 7.00 in 2004.

Assuming that market conditions will be normal in second half, Cheminova is expecting revenue of approx. DKK 4.0 billion for 2005 as a whole and a profit before tax of approx. DKK 370 million. At the beginning of the year, the outlook for 2005 was a profit before tax of approx. DKK 320 million calculated in accordance with the new IFRS rules.

HARDI INTERNATIONAL A/S

DKKm	1st half 2005	1st half 2004
Revenue	577	570
Profit/loss on ordinary operations before depreciation, amortisation and write-downs (EBITDA)	68	75
Operating profit (EBIT)	46	55
Net financials	(14)	(14)
Profit before tax	33	42
Cash flows from ordinary activities	34	81
Cash flows from operating activities	25	79
Cash flows from investing activities	(17)	(15)
Available cash flow	8	64
Investments in property, plant and equipment	17	15
Depreciation and amortisation	21	20
Profit margin (EBITDA)	12%	13%
Profit margin (EBIT)	8%	10%

Revenue in first half 2005 was DKK 577 million (DKK 570 million), while profit before tax was DKK 33 million (DKK 42 million). Available cash flow was DKK 8 million (DKK 64 million). The change in available cash flow is attributable in particular to increasing inventories in Hardi USA where sales of sprayers are expected to be considerable in the second half of the year.

The lower USD exchange rate in the first half of 2005 has had a negative impact on Hardi's operating profit of approx. DKK 10 million relative to the first half of 2004.

Market development

In the first half of 2005, the European market for agricultural machinery, including sprayers, is believed to have been in line with the first half of 2004. The old EU member states have recorded a slight decline in sales, partly on account of climatic conditions and partly due to uncertainty following changes to the EU subsidy schemes. On the other hand, the market for agricultural machinery in the new EU member states and in the CIS countries has been characterised by growth.

With the exception of Spain and Sweden, all Hardi's European companies generated increases in revenue in first half 2005 relative to the same period last year. The greatest increase was seen in France, Hardi's main market.

Australia has since autumn 2004 and up until June 2005 been characterised by drought and consequently by low crop yields in 2004/2005. The unfortunate development has been reinforced by falling world market prices for a number of important crops. Australian farmers have therefore to a very large extent been forced to postpone planned investments.

This development has meant that Hardi's sales in Australia in the first half of 2005 fell by more than 40 per cent relative to the first half of 2004. In 2004, Australia was Hardi's second-largest market.

In the USA, favourable climatic conditions and fears of the spread of the Asian rust fungal disease to the Mid West have resulted in an increasing demand for sprayers, an increase which is expected to continue in the second half of the year.

On account of the weak US dollar and competition from US manufacturers, price levels in the USA are lower than in Australia. This shift in the country mix is the reason why Hardi's results for the first half of 2005 did not live up to expectations at the beginning of the year.

Development and production

In the first half of 2005, Hardi introduced a new trailer sprayer, the New Commander. This new sprayer will in the coming years contribute to boosting Hardi's sales and earnings.

Production was satisfactory in the first half of 2005 with considerable improvements to the reliability of deliveries.

Outlook 2005

For 2005 as a whole, Hardi expects revenue of approx. DKK 1.0 billion and a profit before tax of approx. DKK 20-25 million. At the beginning of the year, the outlook for 2005 was a profit before tax of approx. DKK 30 million calculated in accordance with the new IFRS rules.

SKAMOL A/S

DKKm	1st half 2005	1st half 2004
Revenue	95	109
Profit/loss on ordinary operations before depreciation, amortisation and write-downs (EBITDA)	6	17
Operating profit (EBIT)	(2)	6
Income from investments in associates	1	3
Net financials	(3)	(4)
Profit before tax	(4)	5
Cash flows from ordinary activities	(23)	16
Cash flows from operating activities	(24)	15
Cash flows from investing activities	(8)	(1)
Available cash flow	(32)	14
Investments in property, plant and equipment	8	1
Depreciation and amortisation	8	11
Profit margin (EBITDA)	7%	16%
Profit margin (EBIT)	neg.	6%

Skamol generated revenue in the first half of 2005 of DKK 95 million (DKK 109 million) with a loss before tax of DKK -4 million (DKK 5 million). Available cash flow in the first six months was DKK -32 million (DKK 14 million). The revenue lives up to expectations at the beginning of the year, while neither the results nor the cash flow meet expectations.

The lower USD exchange rate in first half 2005 has had a negative impact on Skamol's operating profit of approx. DKK 5 million relative to first half 2004.

Market trends, sales and production

Sales to the aluminium industry, Skamol's largest business area, were down 20 per cent in the first half of 2005 relative to the first half of 2004. This is due to the fact that a number of new aluminium projects will not be implemented until 2006.

Within the other high-temperature industries, demand for Skamol's products has been good, especially from the steel and cement industries.

Sales of fire doors have developed satisfactorily in North America, while introduction of fire doors and marine panels in Europe has been considerably slower than expected.

Production at Skamol's factories has been according to plan, while production economy has been affected by increasing energy prices.

Outlook 2005

Skamol expects the second half of 2005 to be better than first half. For 2005 as a whole, the outlook is for revenue of DKK 205 million and a profit before tax of between DKK 0 and 5 million. At the beginning of the year, the outlook for 2005 was a profit before tax of approx. DKK 5 million calculated in accordance with the new IFRS rules.

Financial calendar

8.11.2005: Quarterly report for the 3rd quarter of 2005.

Statement by the Boards

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

The interim report has been presented in accordance with IFRS and other provisions governing the presentation of financial statements by companies listed on the Copenhagen Stock Exchange. In our opinion, the accounting policies chosen are expedient, so that the interim report gives a true and fair view of the group's assets and liabilities and financial position and result as well as the cash flows of the group.

Harboøre, August 22, 2005

Board of Executives:

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

Board of Directors:

Povl U. Skifter Ole Steen Andersen Johannes Jacobsen Povl Krogsgaard-Larsen

Ernst Lunding Jan Stranges Helle Krøll Bjarne Damgaard Jørn Sand Madsen

Annex 1

General comments

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

The accounting policies according to the IFRS rules will be described in detail in the annual report for 2005.

Change of accounting policies

The accounting policies in the interim report have, as a consequence of the transition to IFRS, been changed in the following areas (figures in brackets are comparative figures for first half 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 16.0 million (DKK 15.6 million) on the profit before tax for the first half. Equity as at June 30, 2005 is increased by DKK 16.0 million (DKK 15.6 million).

2. **Share-based payment** established after November 7, 2002, with the time of acquisition of the right being after January 1, 2005, must in accordance with IFRS 2 be recognised in the income statement. Up until 2005, share-based payment has not been recognised in the income statement. The change has an effect of DKK -0.1 million (DKK -0.2 million) on the profit before tax for the first half. As the share-based payment is an equity scheme, the net equity is not affected by the recognition of these in the income statement.

3. According to IFRS, **income from investments in associates** must be included after tax. The change has an effect of DKK -0.7 million (DKK -1.5 million) on the profit before tax for the first half. The net profit for the year is not affected by the change.

4. **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 (anniversary bonuses). 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 half of 2004 and 2005 is insignificant.

5. **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 half of 2005 is DKK 7.0 million (DKK 11.0 million).

   In the income statement for 2004, profit-sharing of DKK 23.9 million is entered as a separate item. In accordance with the IFRS rules, profit-sharing must be included in the income statement. The change results in an increase in the cost groups: production costs of DKK 11.5 million, sales and distribution costs of DKK 1.1 million, administration costs of DKK 9.6 million and R&D costs of DKK 1.7 million. The profit for the year is not affected by the change.

Income statement 2004 under IFRS

Income statement 2004			
	Group		
(DKKm)	2004 ÅRL	2004 IFRS	Effect of transition to IFRS
Revenue	5,310	5,310	-
Cost of sales	3,376	3,387	11
Gross margin	**1,934**	**1,923**	**(11)**
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)
Operating profit	**692**	**700**	**8**
Share of profit/loss in associates	11	7	(4)
Financial income	63	63	-
Financial expenses	(142)	(142)	-
Profit-sharing	(24)	-	24
Profit before tax	**601**	**629**	**28**
Tax on profit for the year	200	195	(4)
Net profit for the year	**401**	**434**	**32**
Appropriation of the profit for the year			
Auriga Industries A/S	393	425	32
Minority interests	9	9	-
Total	401	434	32

Reconciliation of equity as at June 30, 2005

Reconciliation of equity as at June 30, 2005			
(DKKm)	ÅRL	IFRS	Effect of transition to IFRS
Equity as at January 1, 2004	**2,156**	**2,156**	**-**
Change in equity in 2004	168	168	-
Change of accounting policies			-
Minority interests	-	32	32
Amortisation of goodwill	-	32	32
Staff payments	-	(5)	(5)
Equity as at December 31, 2004	**2,324**	**2,383**	**59**
Change in equity, 1st half 2005	95	95	-
Change of accounting policies			-
Minority interests	-	7	7
Amortisation of goodwill	-	16	16
Equity as at June 30, 2005	**2,419**	**2,501**	**82**