



Stock Exchange Notification No. 12/2007
August 22, 2007

Interim financial report for Auriga Industries A/S for the period January 1, 2007 – June 30, 2007

Figures in brackets are the figures for 2006.

Revenue increased by DKK 30 million to DKK 2,645 million in the first half of 2007. Cheminova's earnings meet expectations. Hardi had a good half year with increasing revenue and earnings. The divestment of Skamol will have a positive impact on Auriga's outlook for the financial year as a whole. However, due to uncertainty concerning the coming season for Cheminova in Brazil and non-recurring costs in connection with the implementation of restructuring initiatives in Cheminova, Auriga is announcing a downward adjustment of the profit forecast for the year.

- Revenue for the first half totalled DKK 2,645 million (DKK 2,615 million) with an operating profit of DKK 121 million (DKK 168 million) corresponding to an EBIT margin of 5 per cent (6 per cent). Profit before tax amounted to DKK 95 million (DKK 137 million), of which DKK 13 million is the operating profit realised by Skamol in the first half. The net profit was DKK 61 million (DKK 85 million).
- Despite the 12-day strike at Cheminova's factory in Denmark, which resulted in lower revenue than expected, the profit generated by Cheminova for the first half was in line with expectations. Uncertainty concerning developments during the season in Brazil in the second half of the year has made Cheminova reduce its profit forecast for the year.
- Hardi has experienced positive market trends with growth in many markets. Revenue and earnings have clearly improved, while the order book is up 40 per cent relative to last year.
- Revenue in USD for the first half was settled at an exchange rate of just under DKK 6. Virtually all the expected USD revenue for the remainder of 2007 has been hedged, while a minor share of the revenue for 2008 has also been hedged.
- Skamol A/S was sold to the Danish equity fund Polaris under an agreement signed on July 2, 2007. The estimated net proceeds from the sale amount to approx. DKK 75 million, which will be recognised as income in Q3. To this should be added an operating profit of DKK 13 million in Skamol, which is recognised as income in the first half.
- Due to substantial changes in market conditions, the financial targets in Cheminova's Business Plan have been modified. While targets were revenue of DKK 6 billion and an EBIT margin of 14 per cent in 2010, expectations are now of revenue of DKK 5.5 billion and an EBIT margin of 10 per cent. These results are conditional upon the implementation of a number of improvement initiatives which are estimated to lead to non-recurring costs which will negatively affect results by DKK 20 million in 2007.

Outlook 2007

For 2007 as a whole, Auriga expects revenue of approx. DKK 5.3 billion and a profit before tax of approx. DKK 100 million. To this should be added the profit from discontinuing operations, i.e. Skamol, of approx. DKK 88 million, which means that the total profit before tax is expected to be approx. DKK 190 million. At the beginning of the year and after Q1, Auriga's expectations were of revenue of approx. DKK 5,550 and a profit before tax of approx. DKK 200 million. Less the expected revenue for Skamol, this corresponds to expected revenue of approx. DKK 5,290 million and a profit before tax of approx. DKK 180 million.

AURIGA INDUSTRIES A/S

Ole Steen Andersen
Chairman of the Board of Directors

Bjørn Albinus
President and CEO

P.O. Box 9
7620 Lemvig, Denmark
Tel.: +45 7010 7030
Fax: +45 7010 7031
investor@auriga.dk
www.auriga-industries.com

Enquiries concerning this notification should be addressed to President and CEO, Bjørn Albinus on tel. +45 7010 7030.



Key figures for the Auriga group

Income statement, DKKm	H1 2007	H1 2006	FY 2006
Revenue	2,645	2,615	4,938
Cost of sales	1,981	1,864	3,672
Other costs	560	591	1,288
Other operating income	17	8	32
Operating profit (EBIT)	121	168	10
Income from investments in associates	3	2	5
Net financials	(42)	(40)	(119)
Profit/loss before tax	82	130	(104)
Tax	23	39	70
Minority interests' share	9	11	8
Profit/loss from continuing operations	50	80	(182)
Profit/loss from discontinuing operations (Note 1)	11	5	11
Profit/loss	61	85	(171)

Balance sheet, DKKm	30.6.2007	30.6.2006	31.12.2006
Assets			
Non-current assets	1,653	1,734	1,810
Inventories	1,458	1,615	1,603
Receivables	2,150	2,383	1,965
Cash	392	337	255
Assets intended for sale	233	-	9
Total assets	5,886	6,069	5,642
Equity and liabilities			
Equity	2,183	2,605	2,304
Provisions	100	139	117
Interest-bearing debt	2,263	2,137	2,012
Other debt (not interest-bearing)	1,217	1,188	1,209
Liabilities in respect of assets intended for sale	123	-	-
Total equity and liabilities	5,886	6,069	5,642

Cash flow statement, DKKm	30.6.2007	30.6.2006	31.12.2006
Cash flows from continuing operating activities	57	(128)	106
Cash flows from discontinuing operating activities	4	9	18
Cash flows from continuing investing activities	(94)	(43)	(236)
Cash flows from discontinuing investing activities	(5)	(3)	(8)
Available cash flow	(38)	(165)	(120)



Ratios	30.6.2007	30.6.2006	31.12.2006
Operating profit before depreciation and amortisation of goodwill (EBITDA) in DKKm	231	268	220
Profit margin (EBITDA)	9%	10%	4%
Profit margin (EBIT)	5%	6%	0.2%
Debt ratio	46%	40%	42%
Quoted price/equity value	2.00	1.32	1.70
Profit in DKK per share of DKK 10 (EPS):			
Continuing operations	2.03	3.24	(7.37)
Continuing and discontinuing operations	2.47	3.44	(6.93)

Change in equity, DKKm	30.6.2007	30.6.2006	31.12.2006
Equity as at 1 January	2,304	2,587	2,587
Dividend paid	(102)	(102)	(106)
Sale of treasury shares	-	6	2
Profit/loss for the period after tax	61	85	(171)
Translation adjustments, subsidiaries	(26)	(18)	(36)
Other changes in equity	(28)	8	(18)
Change in fair value of financial instruments after tax	(26)	39	46
Equity, end of period	2,183	2,605	2,304

Note 1

Profit/loss from discontinuing operations	H1 2007	H1 2006	FY 2006
Revenue	134	124	246
Costs	(121)	(117)	(234)
Profit/loss before tax	13	7	12
Tax	(2)	(2)	(1)
Net profit/loss	11	5	11

In the interim financial statements, tax has been estimated at 28 per cent. The interim financial statements have not been audited.



Comments on the interim financial statements

AURIGA INDUSTRIES A/S

As announced in the stock exchange notification of July 2, 2007, Skamol was sold to the Danish equity fund Polaris with closing on July 13, 2007. Pursuant to IFRS, the profit for the first half of 2007 has been recognised as profit from discontinuing operations. The proceeds from the sale of Skamol will be recognised in Auriga's results for Q3. Auriga has taken over Skamol's shareholding in Damolin A/S, which is reported under associates.

Cheminova's sales have been negatively affected by the strike at the Danish production site, while developments in important markets such as the USA, Brazil and India have not been satisfactory. Hardi has seen positive market trends with high levels of investment in agricultural machinery.

Consolidated revenue increased by DKK 30 million to DKK 2,645 million (DKK 2,615 million), which is due to the positive developments in Hardi.

Operating profit was DKK 121 million (DKK 168 million), corresponding to an EBIT margin of 5 per cent (6 per cent). Profit before tax from continuing operations declined to DKK 82 million (DKK 130 million). Hardi had a good half year with increasing revenue and earnings, while Cheminova despite a decline in revenue met expectations.

In the first half of 2007, the discontinuing operation, Skamol A/S, returned a profit before tax of DKK 13 million (DKK 7 million). The profit includes proceeds of DKK 3 million from sale of moler rights to Damolin A/S.

Available cash flow in the first half was DKK -38 million (DKK -165 million). Cash flows are positively affected by improved working capital, especially following a considerable decline in Cheminova's outstanding balances in Brazil.

The downward trend for the group's main currency (USD) continues in 2007. After a decline of just over 10 per cent in 2006, the USD exchange rate has declined by another just under 3 per cent in the first half of 2007. In the first half, Auriga's revenue in USD was settled at an exchange rate of just under DKK 6, while the average quoted exchange rate during the period was DKK 5.61. The expected revenue in USD for the remainder of 2007 has largely been hedged, while a minor share of revenue in USD for 2008 has also been hedged.

The reduction in the Danish corporate tax rate from 28 per cent to 25 per cent reduces the calculated deferred tax by DKK 9 million.

Activities relating to the possible divestment of Hardi are proceeding according to plan and are expected to be finalised during the second half of the year.

In the light of the results for the first half and the uncertainty concerning the coming season for Cheminova in Brazil and non-recurring costs in connection with the implementation of improvement initiatives in Cheminova, Auriga is revising the outlook for 2007 as a whole. Revenue is now expected to be approx. DKK 5.3 billion with a profit before tax of approx. DKK 100 million. To this should be added the profit from discontinuing operations, i.e. Skamol A/S, of approx. DKK 88 million, which means that the total profit before tax is expected to be approx. DKK 190 million.



At the beginning of the year and after Q1, Auriga's expectations were of revenue of approx. DKK 5,550 million and a profit before tax of approx. DKK 200 million. However, these figures also include the expectations for Skamol. Less the expected revenue for Skamol, this corresponds to expected revenue of approx. DKK 5,290 million and a profit before tax of approx. DKK 180 million.

For 2007 as a whole, available cash flow is expected to improve relative to 2006.

CHEMINOVA A/S

DKKm	H1 2007	H1 2006
Revenue	2,089	2,108
Operating profit before depreciation, amortisation and write-downs (EBITDA)	162	242
Operating profit (EBIT)	74	163
Net financials	(26)	(24)
Profit/loss before tax	48	139
Cash flows from ordinary activities	11	(146)
Cash flows from operating activities	(9)	(175)
Cash flows from investing activities	(78)	(27)
Available cash flow	(87)	(202)
Investments in property, plant and equipment	78	27
Depreciation and amortisation	88	79
Profit margin (EBITDA)	8%	11%
Profit margin (EBIT)	4%	8%

Cheminova's revenue for the first half of 2007 of DKK 2,089 million (DKK 2,108 million) did not live up to expectations and was DKK 19 million lower than in the first half of 2006. Following a good start in Q1, revenue in Q2 2007 was both lower than expected and lower than last year.

Revenue was negatively affected, in particular by the strike at Cheminova's Danish production facilities and negative developments in several markets.

Operating profit was DKK 74 million (DKK 163 million), corresponding to an EBIT margin of 4 per cent (8 per cent). After financial expenses of DKK 26 million (DKK 24 million), profit before tax amounted to DKK 48 million (DKK 139 million), which is as expected.

Available cash flow in the first half was negative at DKK -87 million (DKK -202 million). Working capital has developed better than expected and better than last year, especially because of a considerable decline in receivables in Brazil, while paid income tax of DKK 20 million (29 million) has had a positive impact on cash flows relative to last year.

Market developments

The demand for biofuels based on maize, sugar cane and rape in the USA, Brazil and Europe, respectively, is seeing a strong increase. This translates into increasing crop prices for farmers and thereby a stronger incentive to protect the crops. The global market for plant protection products is thus expected to have grown relative to the first half of 2006.



In the USA the strong focus on maize for production of bioethanol means that the acreage planted with maize has been increased by 19 per cent, while the acreage planted with soya and cotton have been reduced. Similarly, the market in Brazil has been positively affected by increased production of sugar cane.

The first half of the year was characterised by a very early and warm spring in Europe and a cold and late spring in the USA. This has meant a good year for sales of fungicides in Europe, while the US market for insecticides has been smaller than expected on account of low levels of insect infestation.

Sales and distribution

All else being equal, the positive developments in agriculture will entail improved market opportunities for Cheminova as registrations are being obtained for new products for use in maize and sugar cane. Short term, the change in use of farmland primarily in the USA will, however, not have a positive impact for Cheminova as the existing product programme is used less in maize than in cotton and to some extent soya. Cheminova's insecticides have an important market in cotton.

The strike at the Danish factory affected all production plants for twelve days and resulted in a considerable loss of production during a very important period in relation to a number of key markets. This has translated into a loss of sales in the market, especially for glyphosate as this facility is normally running at full capacity. The continued growth in the global use of glyphosate means that several markets have experienced shortages and slight price increases for the product, but the market remains strongly competitive.

Sales of fungicides were disappointing, especially as a result of the difficult situation in Brazil where the product flutriafol is used to control Asian rust, a fungal disease. Many farmers continue to use products containing flutriafol, but the competition has changed following the introduction of several new products. In the USA there was no need to control Asian rust in the first half, while Eastern Europe has seen strong sales of fungicides.

Sales of organophosphorous insecticides declined and amounted to just under 22 per cent of total revenue against 24 per cent in the first half of 2006. The decline is, among other things, attributable to a late start to the season and low rates of insect infestation in the USA. Sales of new insecticides and pyrethroids have grown, but more slowly than expected.

Sales of new generic products and third-party products have shown satisfactory growth. The registration authorities in several countries are burdened by a heavy workload, which leads to delays in the handling of applications for registration. This often results in a later market introduction of new products than expected.

Within fine chemicals, intermediates and flotation agents etc. results were in line with last year.

Developments in important markets such as the USA, Brazil and India were not satisfactory in the first half. On the other hand, several European markets such as Spain, the UK and Russia recorded satisfactory growth. The new sales companies have largely developed as expected. Several of Cheminova's new subsidiaries are in the process of obtaining registrations for Cheminova's own products, and sales are consequently primarily consisting of third-party products with lower contribution margins.



In Brazil, the strong crop prices are positive for the agricultural sector, but a strong exchange rate is to some extent countering this effect. The government is expected to introduce a financing package soon, and many farmers have consequently been hesitant when it comes to settling old debt. Cheminova Brazil has, however, succeeded in reducing receivables by more than DKK 200 million relative to 2006. The overdue share of the receivables is also lower than at the same time last year. The product liability cases have still not been settled with Cheminova's insurance company.

In accordance with the new Business Plan, there has been an increase in marketing, development and registration costs relative to first half of 2006.

Corporate Social Responsibility (CSR)

First half of 2007 saw the ISO 14001 environmental certification of the production plant in Denmark and the OHSAS 18001 certification of the occupational health and safety organisation.

Fundamental principles for Cheminova's Supplier Code have been laid down and communicated to all relevant suppliers. Product Stewardship principles have been approved and are being formally implemented in all Cheminova's subsidiaries.

Business Plan 2010

Cheminova's Business Plan for the 2005-2010 period sets a revenue target of DKK 6 billion and an EBIT margin target of 14 per cent in 2010.

These targets are now being revised on account of changing conditions:

- The USD exchange rate of DKK 6.50 for 2010 on which the Business Plan was based can no longer be considered realistic. All else being equal, today's exchange rate level would lead to a reduction in revenue of approx. DKK 200 million and a reduction in the EBIT margin of 2.5 per cent. In future, Cheminova will continue to reduce its dependence on the USD exchange rate, among other things through increasing sourcing of products in USD.
- Owing to intensifying competition and changing patterns in the demand for fungicides in Brazil, this market and, in particular, the fungicide flutriafol, cannot be expected to play the important role for Cheminova's future earnings as originally planned.
- The registrations necessary for the introduction of new generic products developed by Cheminova are delayed, primarily due to bottlenecks at the registration authorities in the EU countries.

Nevertheless, Cheminova is maintaining its strategy of developing, registering and introducing several new products with a view to creating a sustainable global market position. In parallel, efforts aiming at operational improvements through streamlining, rationalisations and organisational changes are increased. The revised Business Plan and the improvements are to ensure that by 2010, Cheminova will generate revenue of DKK 5.5 billion with an EBIT margin of 10 per cent followed by improved key figures in subsequent years. The improvement initiatives are expected to lead to non-recurring costs of DKK 20 million in 2007.

Following the divestment of Skamol and the decision to look into the possible divestment of Hardi, Auriga will be able to concentrate on developing Cheminova. The financial targets in the revised Business Plan are expected to be achieved through organic growth alone. In addition, Cheminova aims to pursue relevant potential acquisitions and to play an active role in the structural rationalisations which are expected to sweep the industry.



Outlook 2007

It is very uncertain how second half of the year will develop, primarily on account of Brazil. Revenue for 2007 as a whole is still expected to total approx. DKK 4.3 billion. However, it will not be possible to achieve the earnings results for the year which have been announced earlier. An EBIT margin of 3-4 per cent and a profit before tax of approx. DKK 80 million after non-recurring costs of DKK 20 million are now expected. At the beginning of the year and after Q1, expectations were of an EBIT margin of 5-6 per cent and a profit before tax of approx. DKK 165 million.

HARDI INTERNATIONAL A/S

DKKm	H1 2007	H1 2006
Revenue	551	507
Operating profit before depreciation, amortisation and write-downs (EBITDA)	73	34
Operating profit (EBIT)	53	12
Net financials	(15)	(18)
Profit/loss before tax	38	(6)
Cash flows from ordinary activities	68	72
Cash flows from operating activities	64	67
Cash flows from investing activities	(8)	(15)
Available cash flow	56	52
Investments in property, plant and equipment	8	15
Depreciation and amortisation	20	21
Profit margin (EBITDA)	13%	7%
Profit margin (EBIT)	10%	2%

In the light of positive market developments, Hardi saw an increase in revenue for H1 of 9 per cent to DKK 551 million (DKK 507 million). Moreover, the order book is up 40 per cent relative to last year. As expected, earnings improved significantly with an operating profit of DKK 53 million (DKK 12 million), corresponding to an EBIT margin of just under 10 per cent (2 per cent). Profit before tax totalled DKK 38 million (DKK -6 million).

Available cash flow was DKK 56 million (DKK 52 million) following a slight improvement in working capital.

Market trends and sales

Conditions have been difficult for farmers in several EU member states in the first half. In Northern Europe, the beginning of the season was characterised by drought, but was followed by a period of heavy precipitation. In Southern Europe and also in the CIS region, the weather has been very hot and dry. The season in North America and Australia has been satisfactory.

However, the strong demand for energy crops translates into high prices of agricultural crops, which is having a positive impact on investments within the agricultural machinery business.

As expected, sales in Western Europe developed strong with growth in most markets. France, which is Hardi's single most important market, and Scandinavia have done particularly well in the first half, with higher-than-expected increases in revenue.

Despite a hot and dry season, sales in the new member states and in the CIS region remain positive. Especially in Russia, increasing crop prices and increasing local demand for grain are ensuring a high level of investments in the region.



Hardi's sales in North America meet expectations, but on account of a low USD exchange rate, among other things, sales were lower in DKK than in the first half of 2006. Increasing investments have led to a reduction in the high levels of stocks held by distributors at the beginning of the season.

In Australia Hardi saw an increase in revenue which was lower than expected. A good start to the season increases confidence in a good harvest at the end of the year. After several years of low investment levels, growing optimism is now seen within the agricultural sector.

Production and development

At the Danish factory, production in the first half has been characterised by shortage of labour. This situation has resulted in lower efficiency and a backlog which has only been reduced towards the end of the first half of the year.

The outsourcing projects and the projects aimed at improving production economy at the factory are being implemented with slight delays.

The Ranger trailed series for the economy segment has been introduced in North America and Europe, with the Australian introduction following over the autumn months. The Navigator trailed series for the middle segment is now ready for marketing in Europe and Australia, while North America is to follow in Q2 2008. In the top segment the optimisation of the "intelligent" functions of the Commander trailed series has almost been completed.

Outlook 2007

On the basis of a large order book and improved market conditions in most of Hardi's main markets, revenue for the second half of the year is expected to be considerably higher than last year. For 2007 as a whole, the outlook is of revenue of approx. DKK 1,020 million and a profit before tax of approx. DKK 30 million. The positive development in available cash flow of the first half is expected to continue.

Financial calendar

08.11.2007: Interim financial report for Q3 2007.



Management's statement

The Board of Directors and the Board of Executives have today reviewed and approved the interim report for the first half of 2007 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 OMX. In our opinion, the accounting policies applied are expedient, so that the interim report gives a true and fair view of the group's assets and liabilities, financial position and results as well as the cash flows of the group.

The interim financial statements have not been audited.

Harboøre, August 22, 2007

Board of Executives:

Bjørn Albinus Kurt Pedersen Kaalund

Board of Directors:

Ole Steen Andersen Povl Krogsgaard-Larsen Johannes Jacobsen Ernst Lunding

Jan Stranges Karl Anker Jørgensen Jørn Sand Tofting Kenneth Bro Allan Oskar Jakobsen

Forward-looking statements

This stock exchange notification contains forward-looking statements such as forecasts of sales and financial results. 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 Securities Trading Act), Auriga shall be obliged to update and adjust specifically stated expectations.