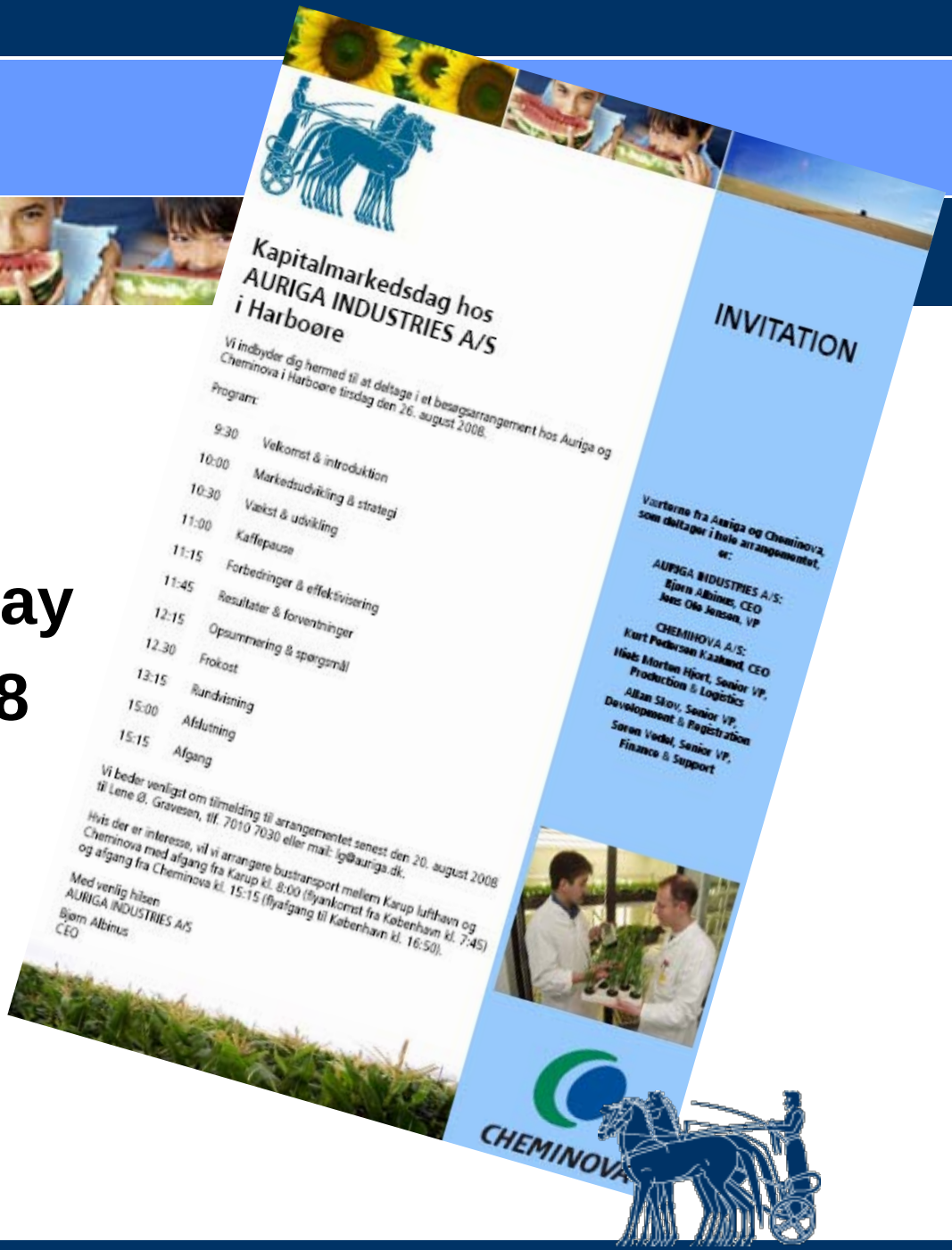
Capital Market Day



Kapitalmarkedsdag hos AURIGA INDUSTRIES A/S i Harboøre

Vi indbyder dig hermed til at deltage i et besøgsarrangement hos Auriga og Cheminova i Harboøre tirsdag den 26. august 2008.

Program:

9:30	Velkomst & introduktion
10:00	Markedsudvikling & strategi
10:30	Vækst & udvikling
11:00	Kaffepause
11:15	Forbedringer & effektivisering
11:45	Resultater & forventninger
12:15	Opsummering & spørgsmål
12:30	Frokost
13:15	Rundvisning
15:00	Afslutning
15:15	Afgang

Vi beder venligst om tilmelding til arrangementet senest den 20. august 2008 til Lene Ø. Gravesen, tlf. 7010 7030 eller mail: lg@auriga.dk.

Hvis der er interesse, vil vi arrangere bustransport mellem Karup lufthavn og Cheminova med afgang fra Karup kl. 8:00 (flyankomst fra København kl. 7:45) og afgang fra Cheminova kl. 15:15 (flyafgang til København kl. 16:50).

Med venlig hilsen
AURIGA INDUSTRIES A/S
Bjørn Albinus
CEO

INVITATION

Værterne fra Auriga og Cheminova, som deltager i hele arrangementet, er:

AURIGA INDUSTRIES A/S:
Bjørn Albinus, CEO
Jørgen Ole Jensen, VP

CHEMINOVA A/S:
Kurt Pedersen Kaalund, CEO
Niels Morten Hjort, Senior VP, Production & Logistics
Allan Skov, Senior VP, Development & Registration
Søren Vedel, Senior VP, Finance & Support

CHEMINOVA

Capital Market Day

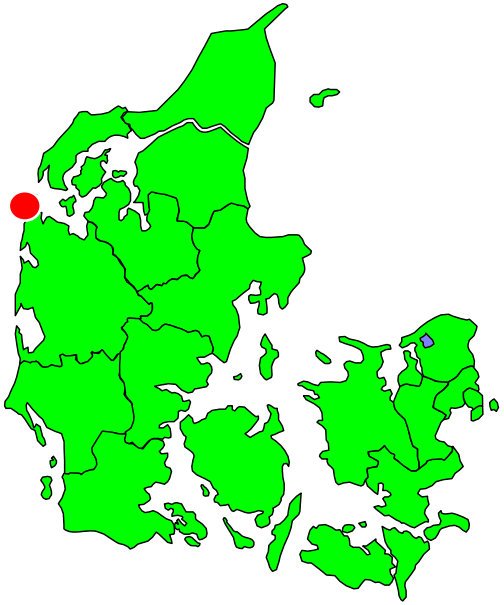
August 26, 2008

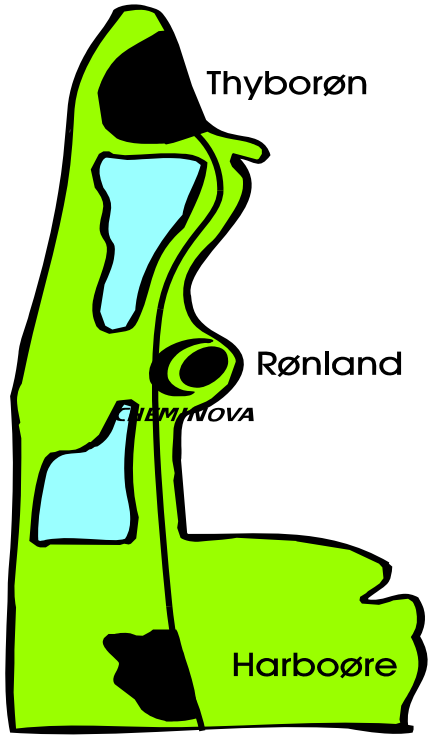
Introduction

Bjørn Albinus

President & CEO
Auriga Industries A/S

Cheminova in Denmark (at Rønland)





Rønland	**1.30 km²**
Factory area	**0.63 km²**
Built-up area	**114,000 m²**

AGENDA

9:30	Introduction
10:00	Market opportunities & strategy
10:30	Growth & development
11:00	Coffee break
11:15	Operational improvements
11:45	Results & outlook
12:15	Summary
12:30	Lunch
13:15	Site tour
15:00	Closing

Corporate structure

AURIGA INDUSTRIES A/S

HARDI

Divested 2007

CHEMINOVA

skamol

Divested 2007

Back to basics!

Cheminova's history

1938	Established in Copenhagen.
1944	All shares donated to the Aarhus University Research Foundation.
1953/60	Rønland (Lemvig).
1986	Listed on the Copenhagen Stock Exchange.
1987	Acquisition of Skamol.
1990	Holding company - later Auriga Industries A/S.
1995	Acquisition of Hardi International A/S.
1997	Acquisition of Lupin, India (Cheminova India Ltd.).
1990/2007	Sales subsidiaries and representative offices in more than 20 countries.
2007	Divestment of Skamol and Hardi International. Acquisition of 50% of the Stähler group in Germany.

Cheminova's mission og vision

Mission:

Cheminovas mission is to help secure adequate food and fibre production in the world and to improve the living conditions of the world's population by supplying products that control unwanted insects, weeds and fungi.

Vision:

Cheminovas vision is to be the world's best innovative global supplier of generic agrochemicals.

Corporate Social Responsibility

Code of business principles:

- 12 business principles.
- Translated into 13 languages.
- Distributed to all employees in the group.

Corporate Social Responsibility

Cheminova's phase-out plan		
Country	Product	Phase-out year
Mexico	Methyl parathion EC (class I)	2009
	Methomyl SP (class I)	2007
	Methamidophos EC (class I)	2009
Brazil	Methyl parathion EC (class I)	2010
	Methamidophos EC (class I)	2009
Colombia	Methyl parathion EC (class I)	2009
	Monocrotophos SL (class I)	2009
	Methamidophos EC (class I)	2009
	Carbofuran SC (class I)	2007
Taiwan	Methyl parathion EC (class I)	2007
Cuba	Methyl parathion EC (class I)	2009
Argentina	Methamidophos EC (class I)	2009
India	Monocrotophos SL (class I)	2009
	DDVP EC (class I)	2010
	Phorate granulate (class I)	2009

Corporate Social Responsibility

Efforts to fulfill CSR objectives for 2008 progressing according to plan.

Product stewardship:

- According to phasing-out plan for class I products, methyl parathion was to be phased out in Cuba in 2009 – this has been effected already.

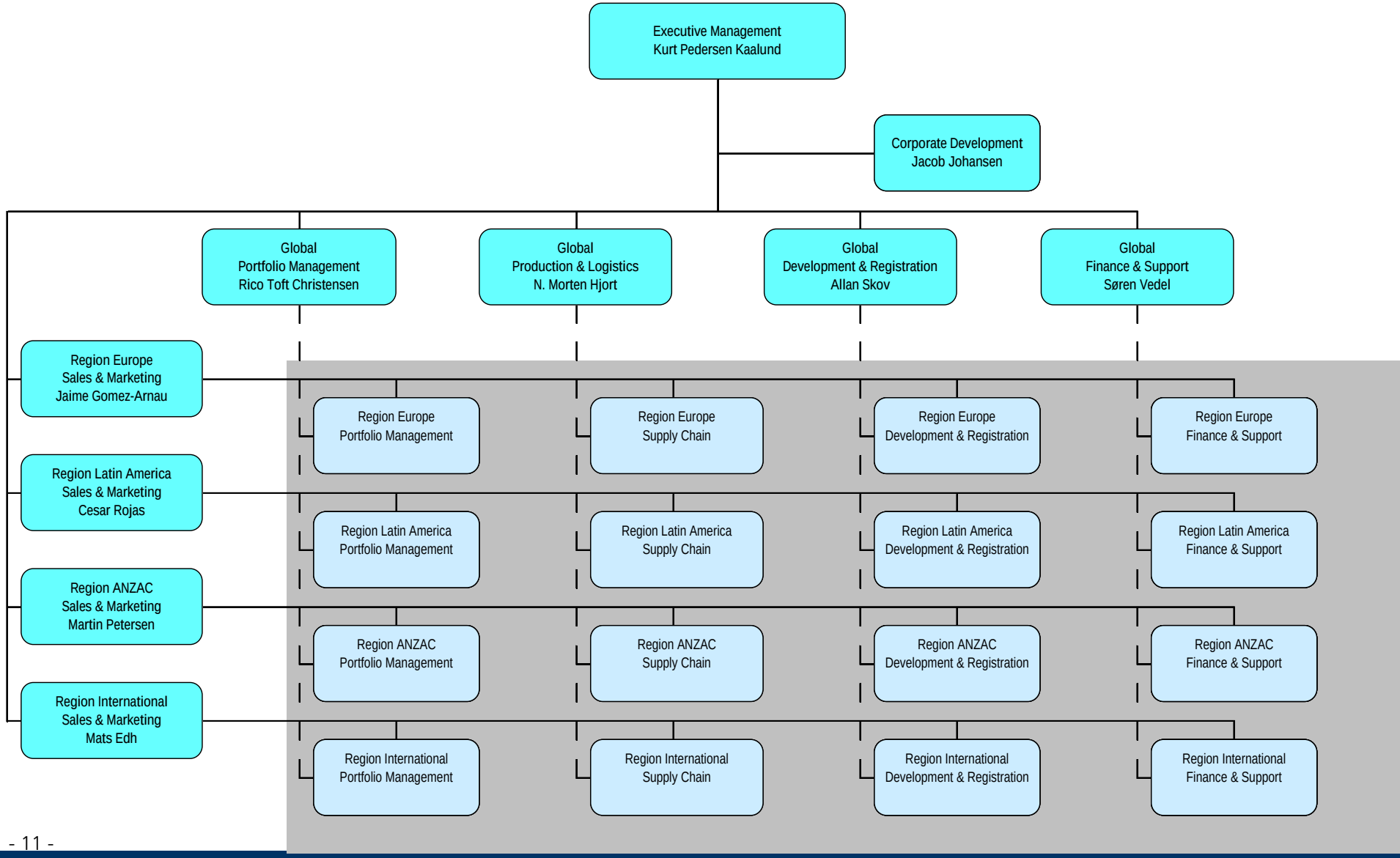
Production:

- A new incineration plant for chemical waste at the factory in India will be commissioned in September.
- Discharge of waste water from the factory in India reduced in line with targets.

REACH:

- Cheminova has registered three new substances which could not be preregistered (substances which are considered as new in relation to the regulation).

Matrix organization



Highlights H1 2008

- **High crop prices improved market conditions for plant protection products.**
  - Increased wealth in developing countries, e.g. China and India.
  - Global increase in demand of biofuel based on corn and sugar cane.
  - Many major markets have experienced favourable weather conditions.
- **Agchem-market growth is estimated just over 20%.**

Highlights H1 2008

- **Cheminova gained market share with growth of 47%*.**
- **Strong improvement in revenue and profit of Cheminova.**
  - Continued high demand and increasing prices for the herbicide glyphosate.
  - Stähler contributes to strong performance in Europe.
  - Sales of new generic products almost doubled.
  - Increased average selling prices more than offset increased prices of raw materials and energy.

* At constant exchange rates +54%.

Strong performance continued

H1/2008 Highlights

- Revenue: DKKm 3,076 (+ 47%).
- EBITDA: DKKm 462 (H1 2007: DKK 158).
- EBIT: DKKm 347 (H1 2007: DKK 68).

Outlook 2008 confirmed

- Revenue: DKKm 5,500.
- Profit before tax: DKKm 440-490.

Market opportunities & strategy

Kurt Pedersen Kaalund

CEO

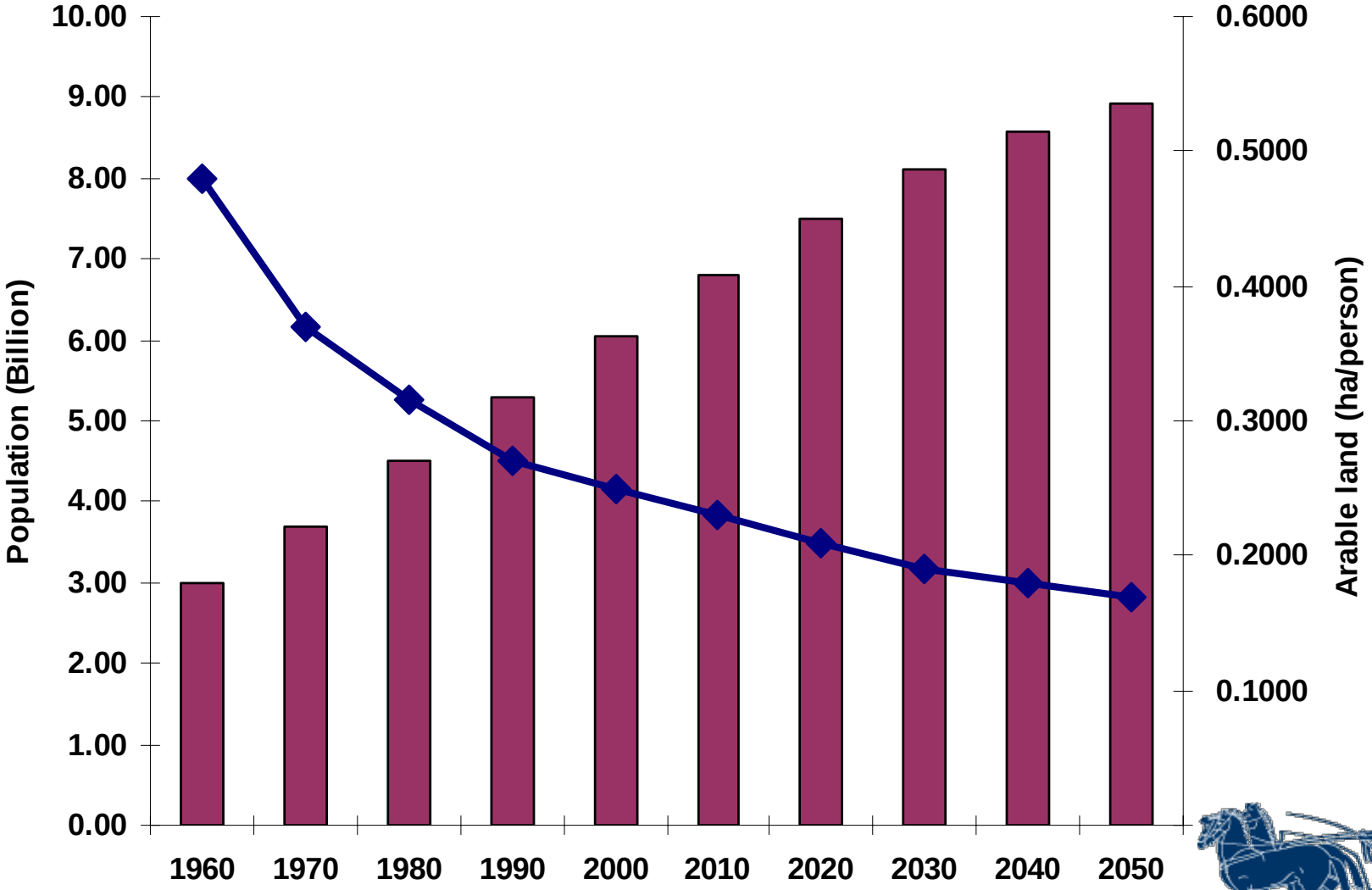
Cheminova A/S

Growth drivers

CHEMINOVA

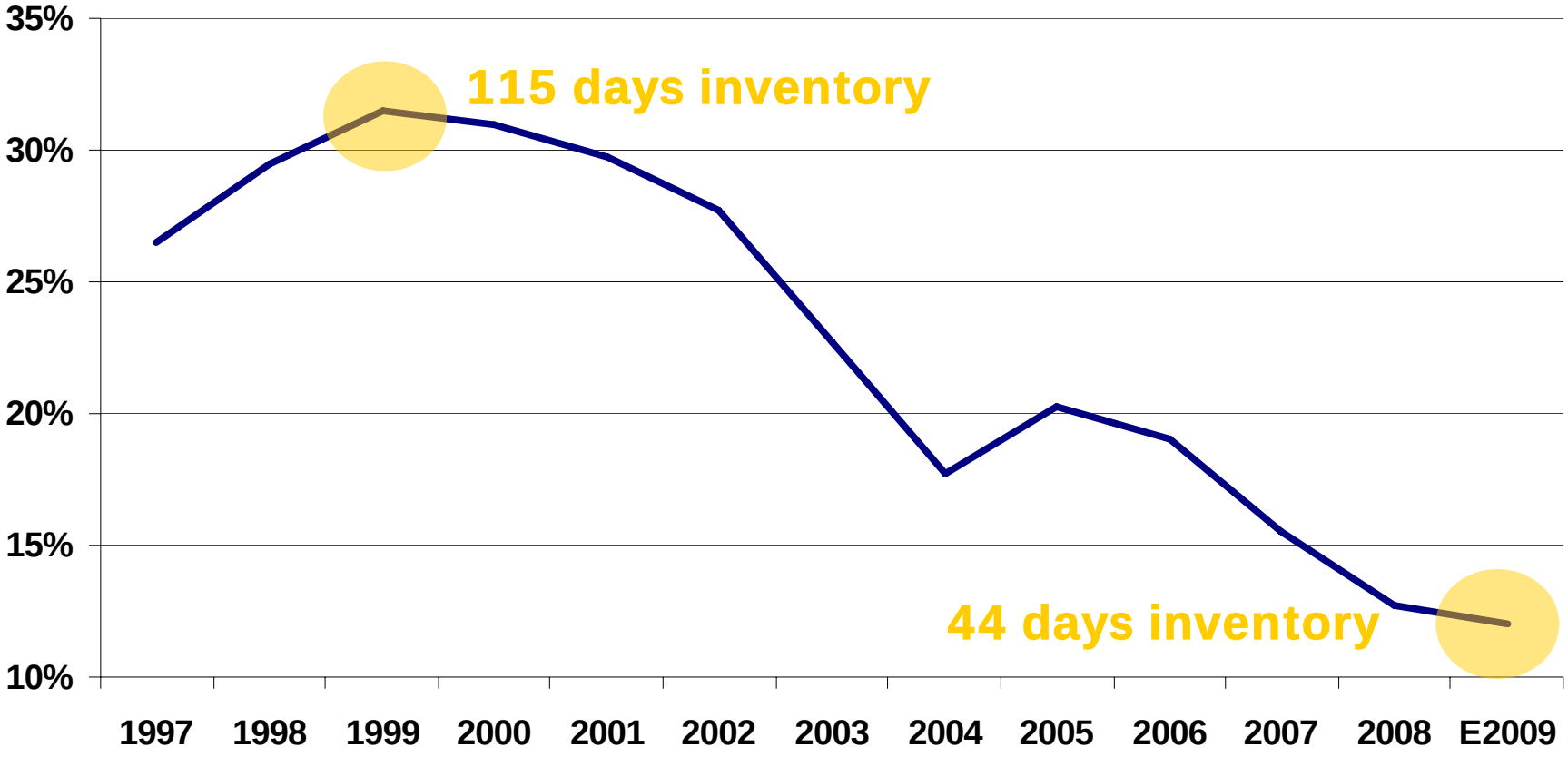
- **Food.**
- **Feed.**
- **Fuel.**

Arable land per cap vs. population



Source: DESA (United Nations), Cheminova estimates

Global grain inventories

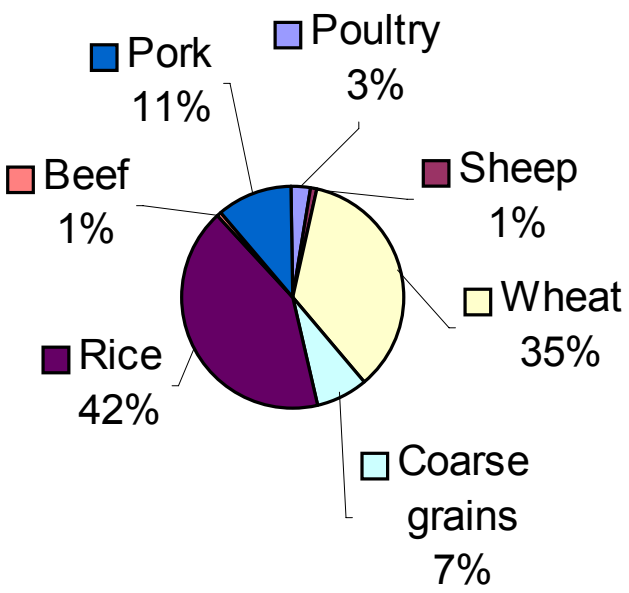


Source: USDA, Cheminova estimates

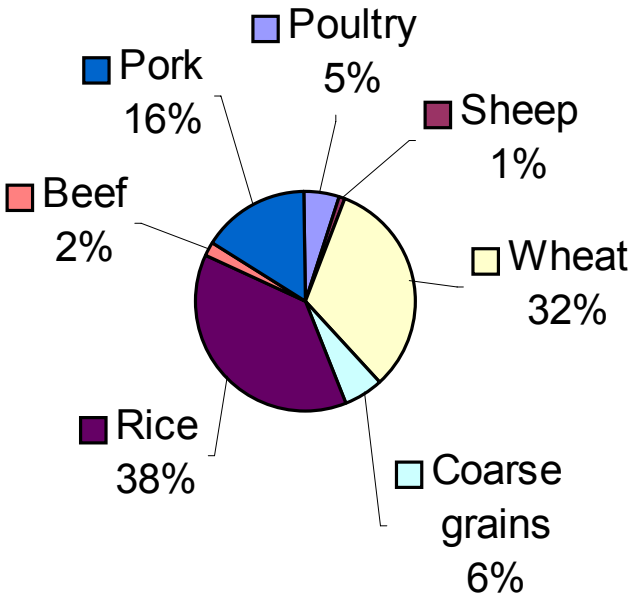
Chinese diets are shifting

CHEMINOVA

1997



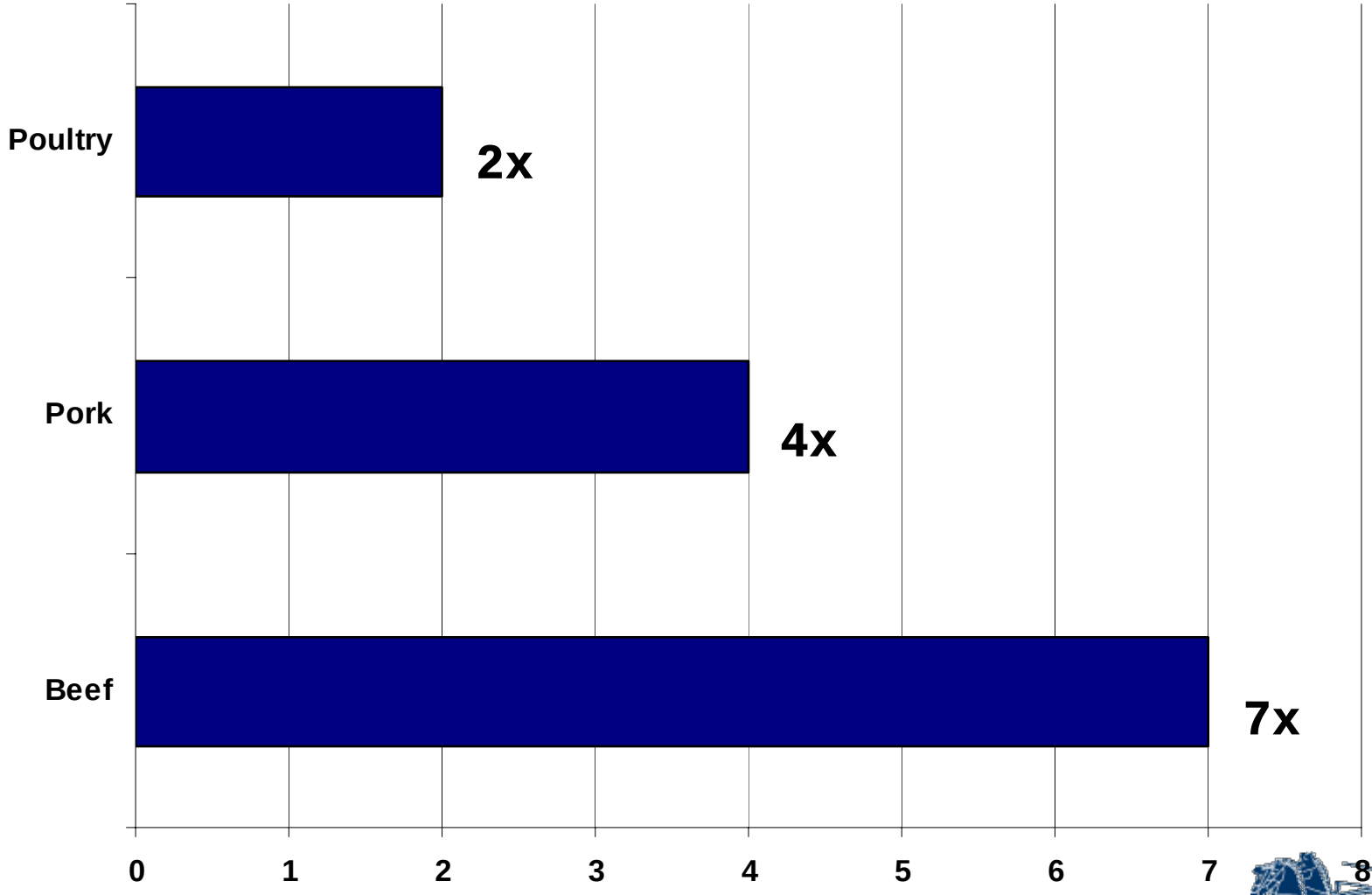
2008



- As incomes increase in China and other developing countries, diets shift towards more meat consumption.
- Meat is energy-inefficient, meaning that more feed is required to produce the same amount of calories.
- Feed growth has been primarily in Brazil and China recently, which feed their herd with domestically produced grain.
- However, China cannot produce enough soybeans to sate demand and has relied increasingly on imports.

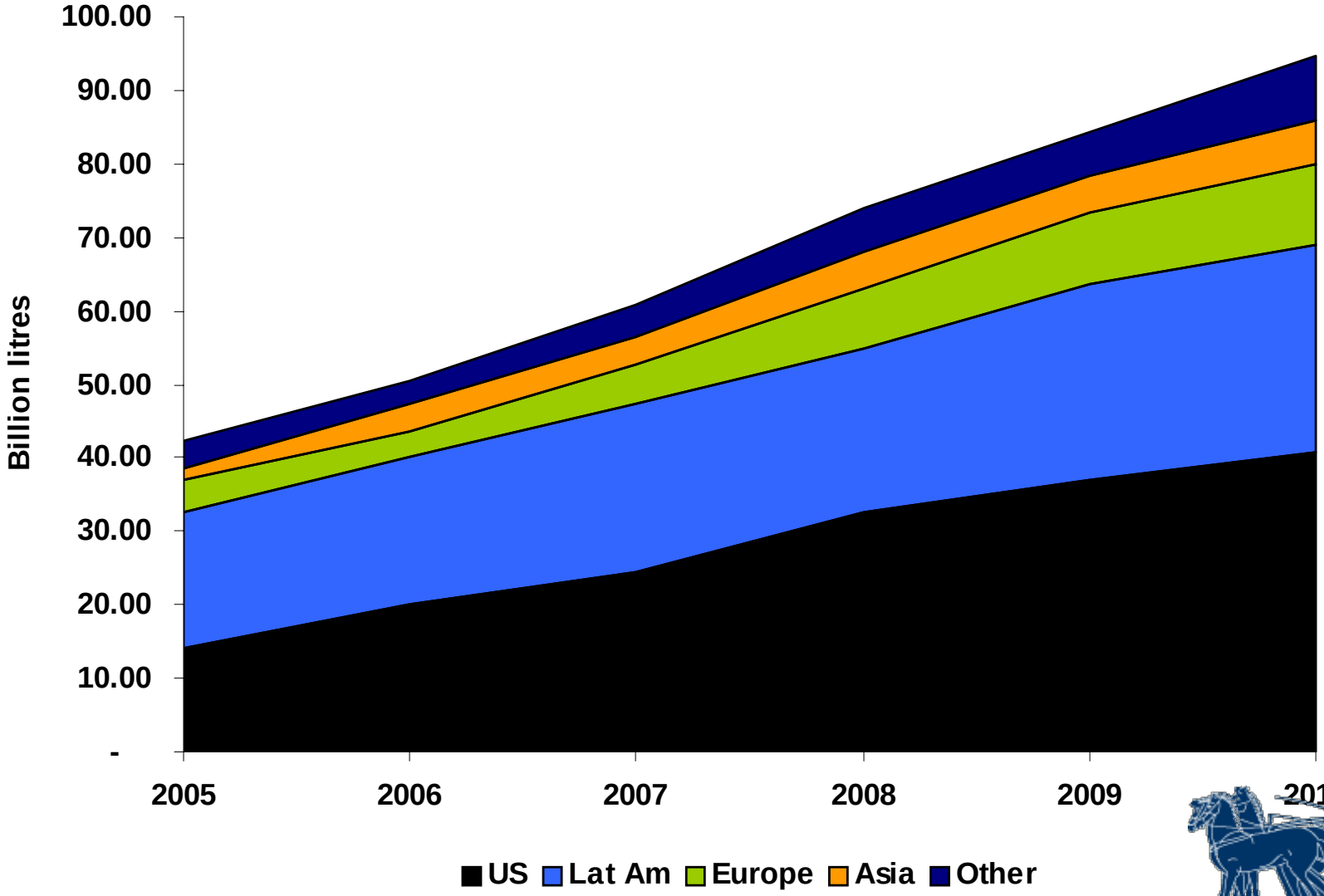
Source: USDA, Cheminova estimates

Feed grain multipliers for meat production



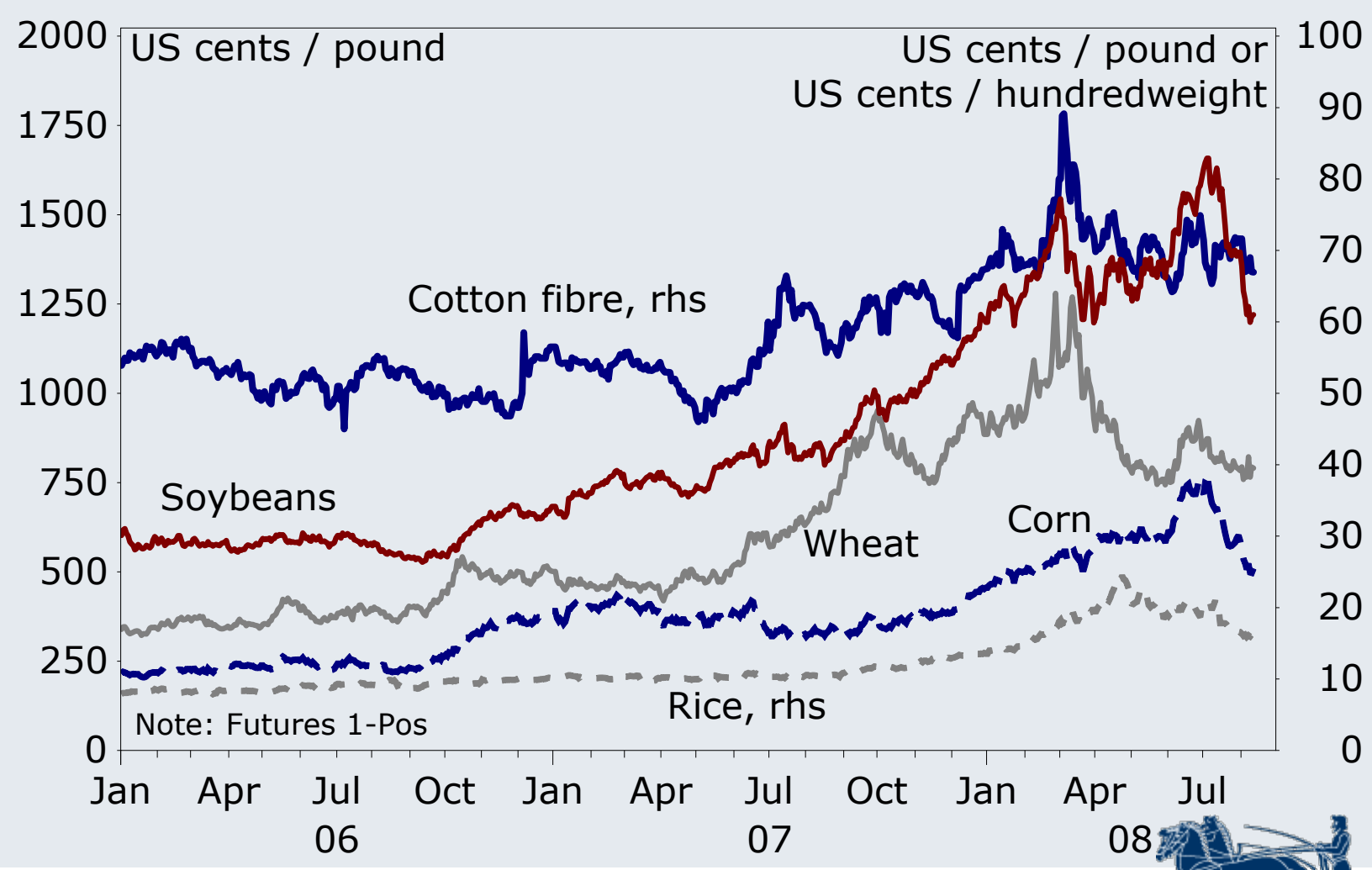
Source: FAO

Biofuel production outlook



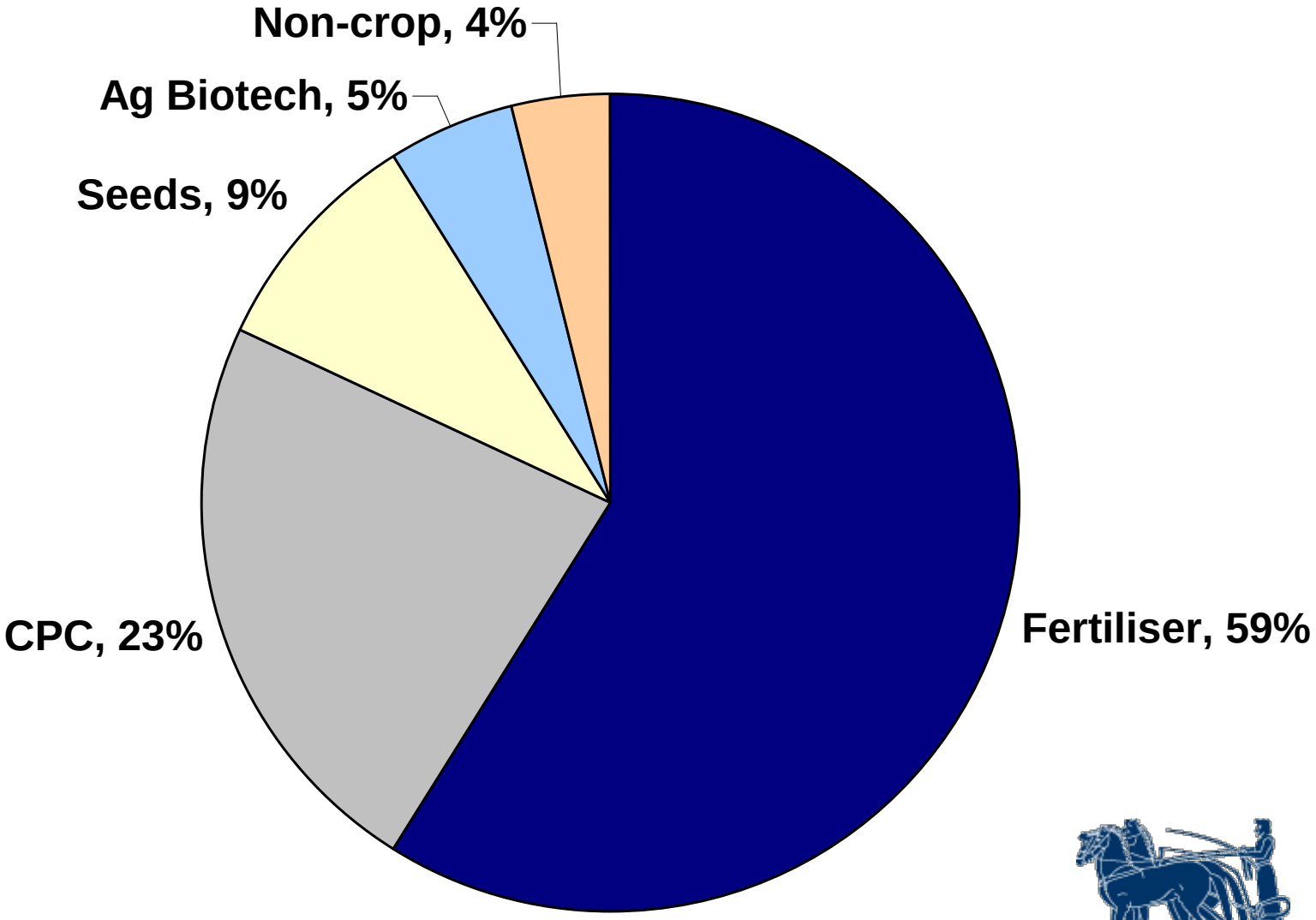
Source: USDA, Cheminova estimates

Crop prices



Source: Nordea Markets – August 2008

Global ag inputs by segment



Source: Philips McDougall

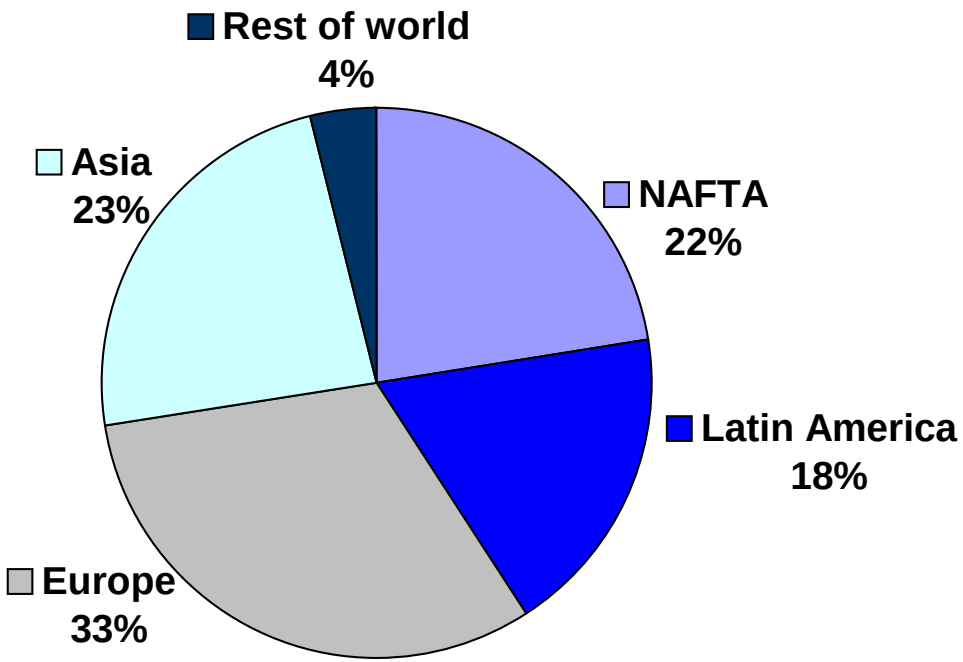
Global Agchem market

CHEMINOVA

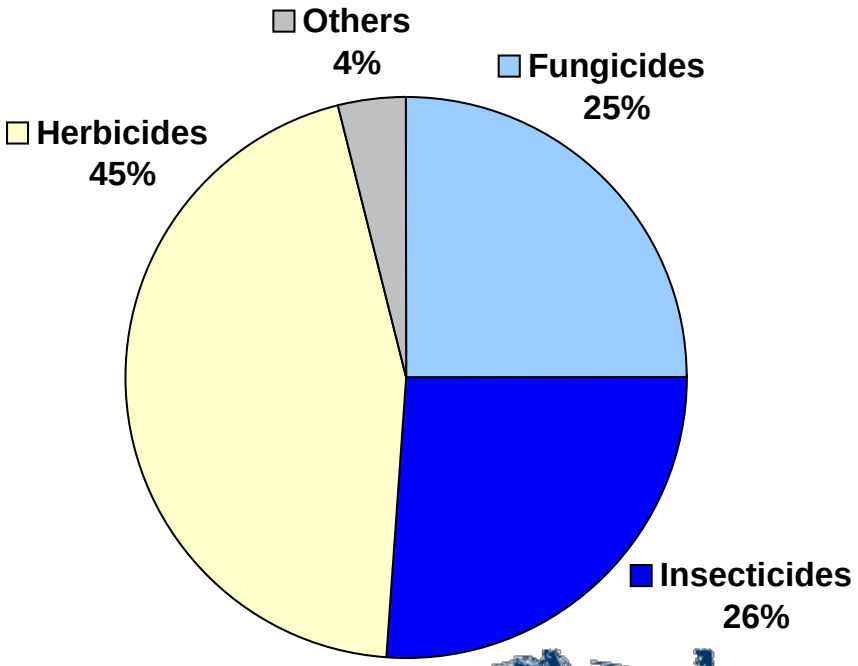
Market value USD 39 billion

(including non crop application)

2007 - Regions

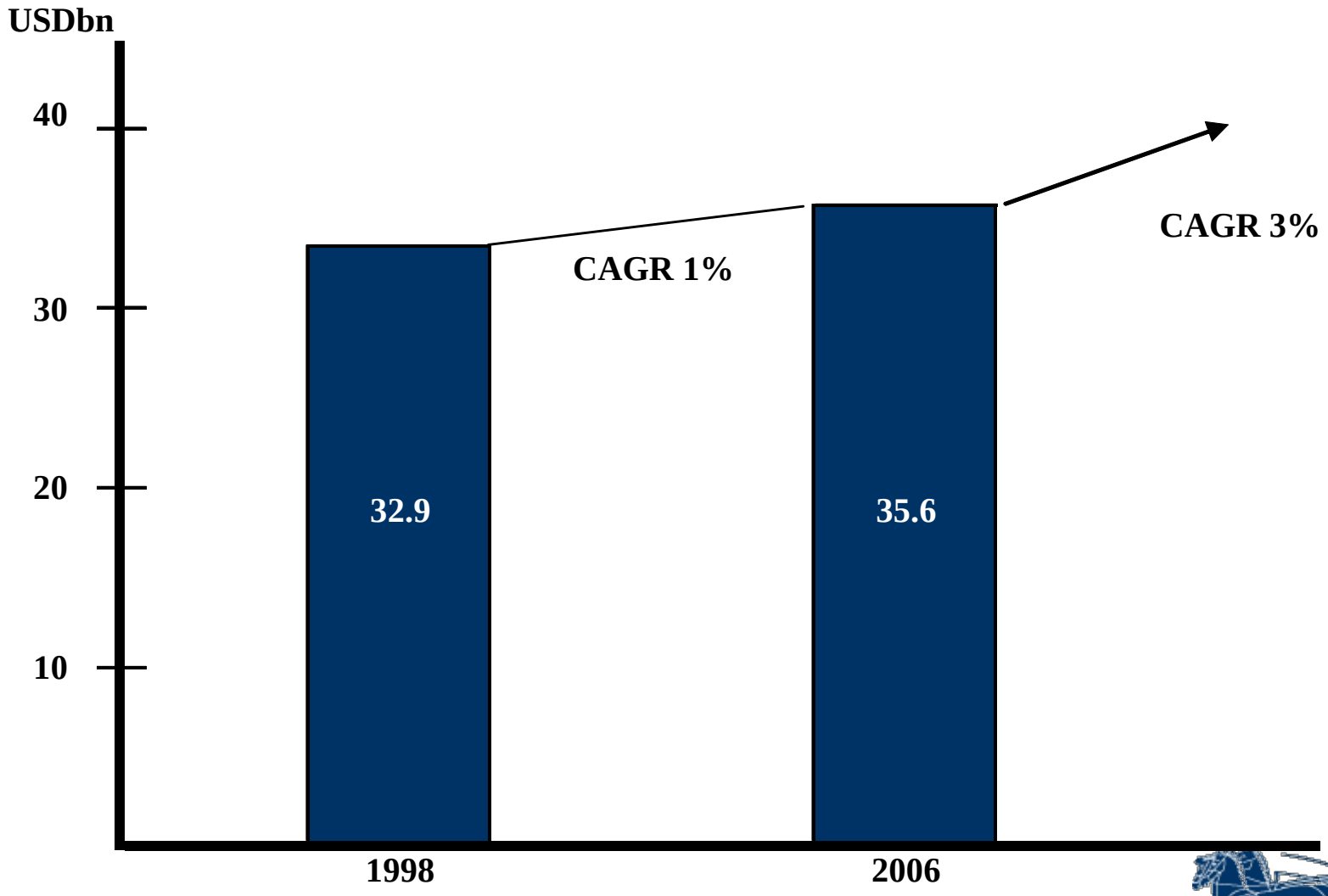


2007 – Products



Source: PhillipsMcDougall, March 2008/Cheminova estimates

Global agrochemical growth rates



The competitive landscape

CHEMINOVA

Tier I companies: (revenue > USD 2 bn)

Bayer, Syngenta, BASF, Monsanto, Dow, DuPont

- Large R&D based multinational companies.
- Diminishing returns of R&D.
- Increasing R&D effects in biotech.
- Consolidation to be expected.

Tier II companies: (revenue > USDm 500)

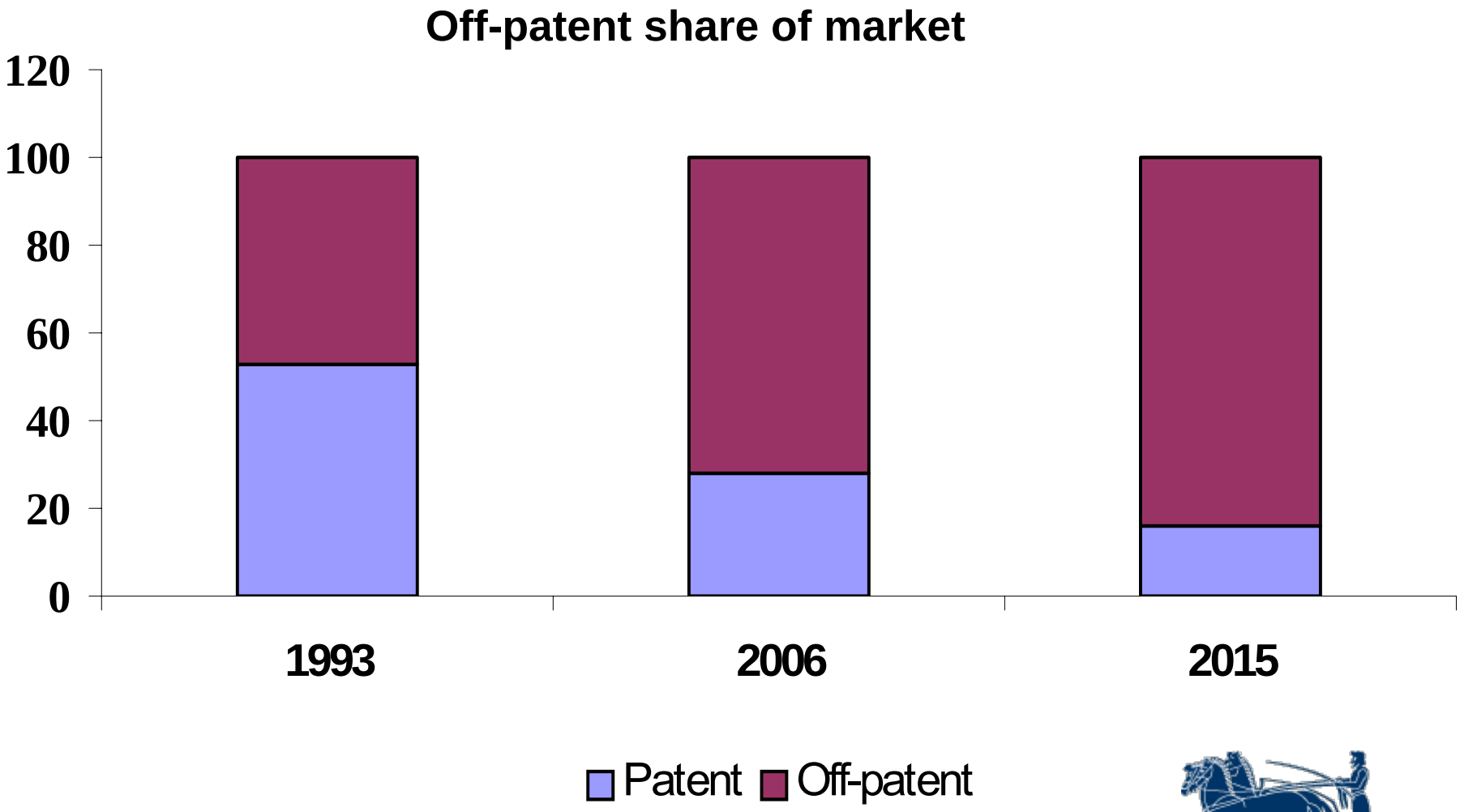
Makhteshim, Nufarm, United Phosphorous, Arysta, FMC, Sumitomo, Albaugh, Cheminova

- Heterogeneous group of companies.
- Increasing market share.
- Consolidation to be expected.

Tier III companies: (Revenue < USD 500m)

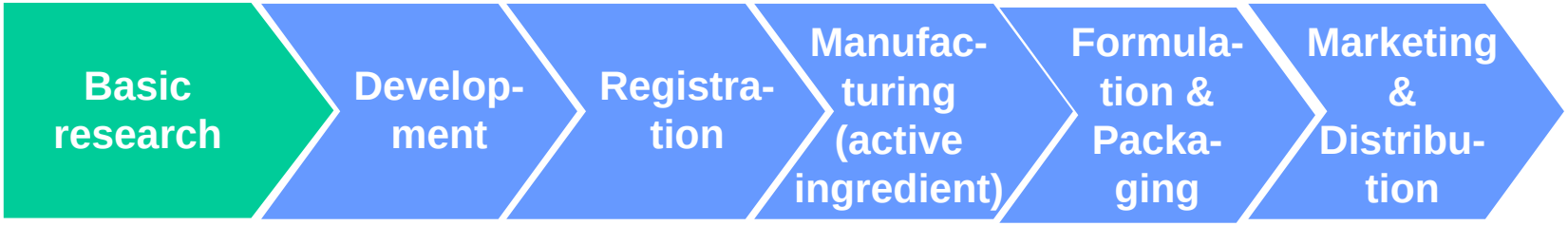
- Local and regional companies.
- Acquisition targets for Tier II companies.

Strong growth potential for generics



Value chain

CHEMINOVA



Key focus areas for Cheminova

Not a focus area for Cheminova

Global presence

Main products

CHEMINOVA

Plant protection products / pesticides			Fine Chemicals
Insecticides	Herbicides	Fungicides	
Organophosfates	**Glyphosate**		
– Gamma-cyhalothrin – Acrinathrin – Imidacloprid – Abamectin	– Imazethapyr – Chlorimuron – Diflufenican – Fenoxaprop – Metsulfuron	– Flutriafol – Fosethyl – Tebuconazole – Fluazinam – Epoxiconazole	- Intermediates - Flotation agents for the mining industry

= Old products (Introduced before 2000)

= new products (introduced after 2000)

Objectives & strategy

CHEMINOVA

Objective:

- Worlds best innovative generic company.
- Better financial results than peers.

Strategy:

- Growth through development of larger portfolio of generic products.
- Improved operational efficiency.
- Add-on acquisitions of products and companies.

Historic acquisitions and targets

CHEMINOVA

Companies:

- Spain ☺
- India ☺
- Argentina ☺
- England ☺
- Mexico 😐
- France 😐
- Australia ☺
- Columbia 😐
- Hungary ☺
- Stähler ☺

Products:

- Flutriafol ☺
- Acrinathrin ☺
- Phosalone 😐

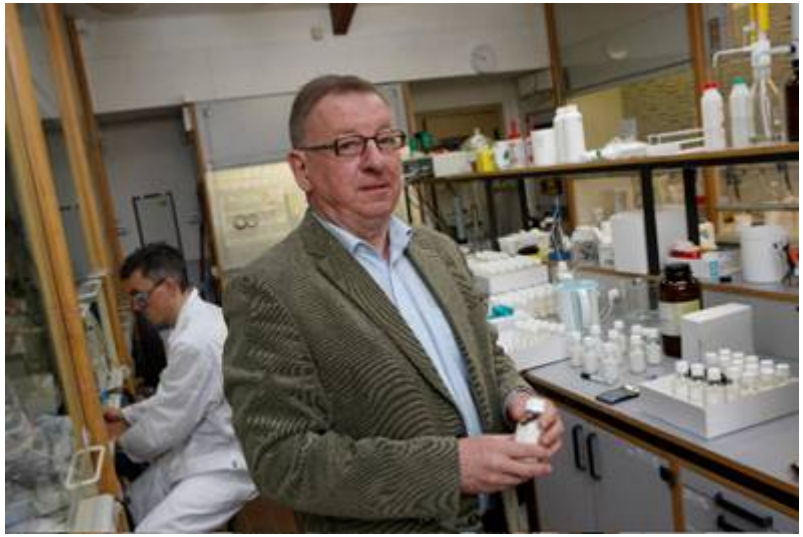
Target acquisitions:

- Product portfolio expansion.
- Improve market presence:
  - Existing markets.
  - New markets.
- Other business improvement.

Growth & development

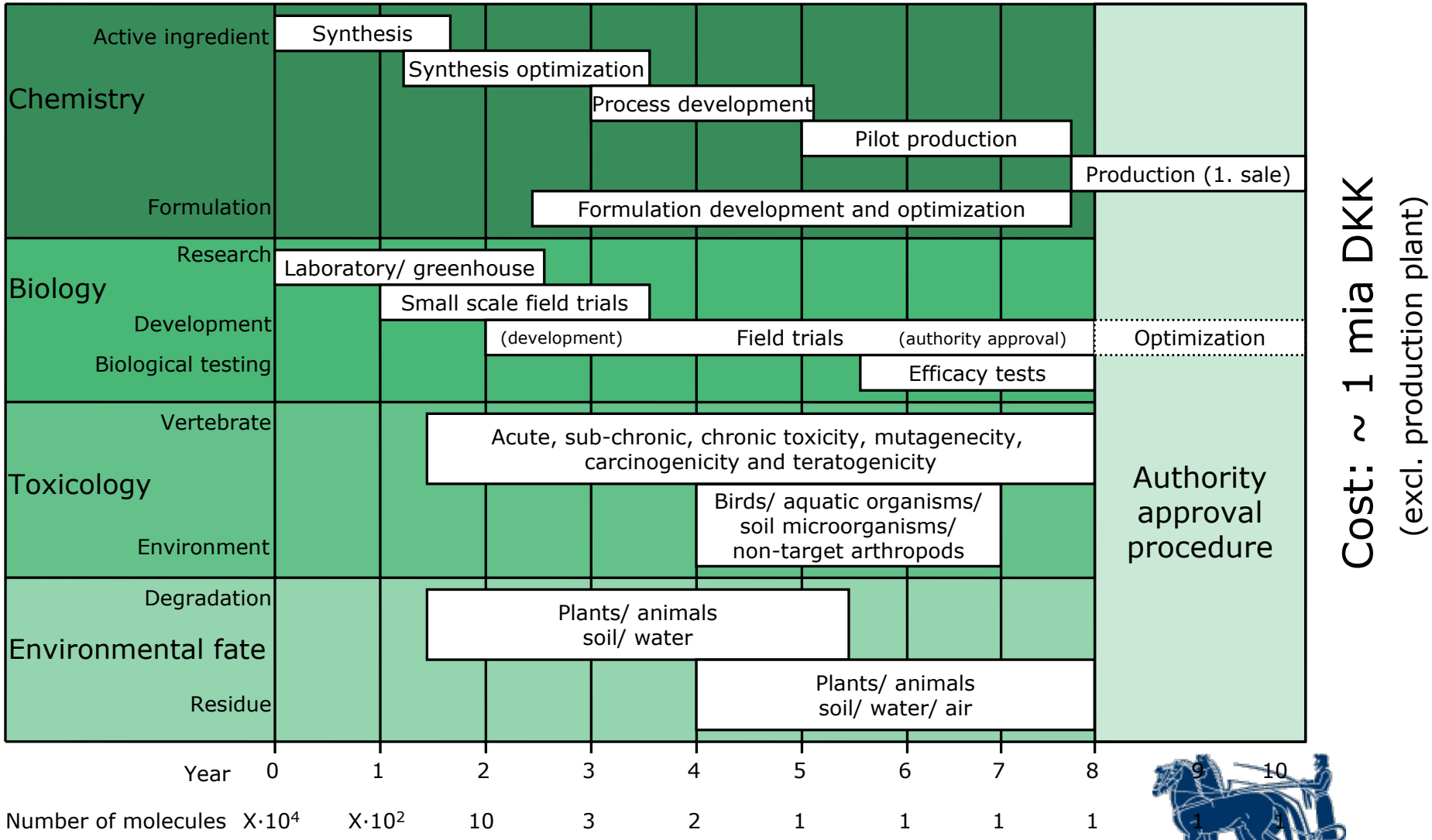
Allan Skov

Senior VP,
Development & Registration
Cheminova A/S

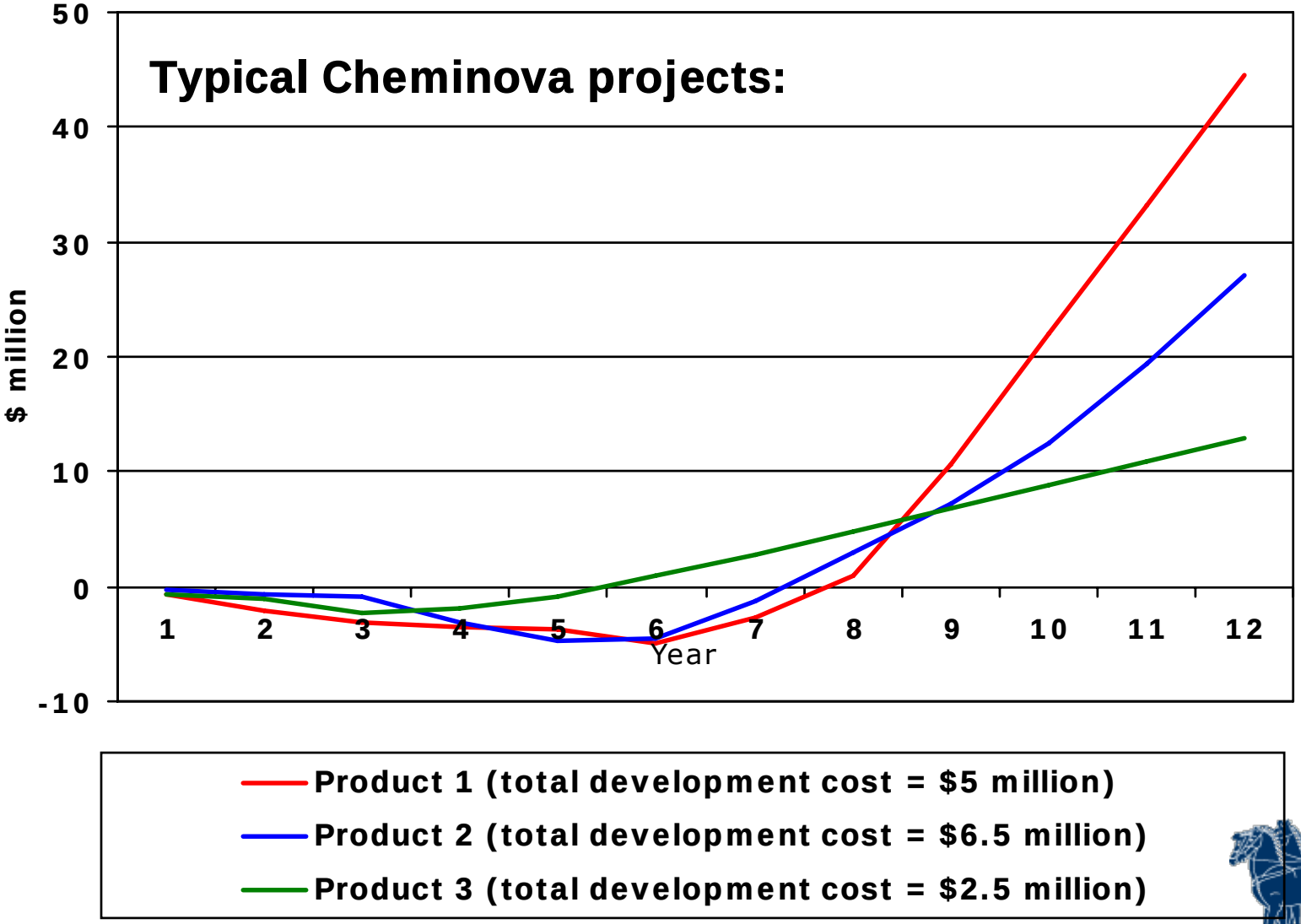


Development process for a new product

CHEMINOVA



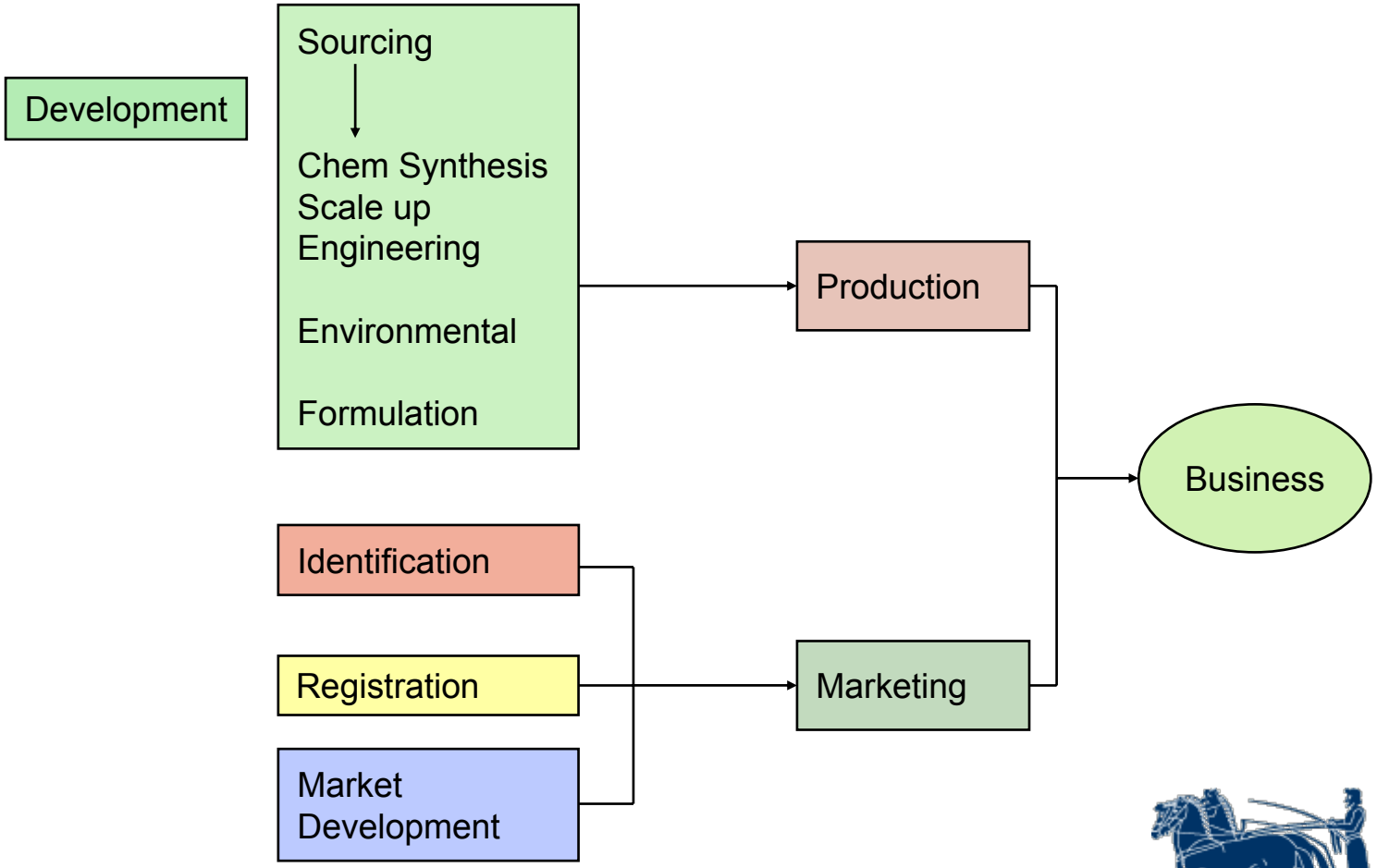
Accumulated cash flow development



Balanced core competences

CHEMINOVA

The integrated product development process:

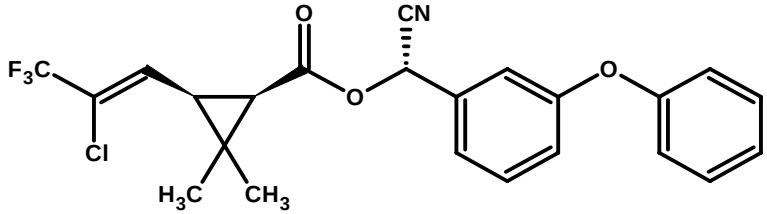


Active ingredient development

CHEMINOVA

From advanced chemistry to factory.

Example: γ-Cyhalothrin



- 7-step synthesis.
- Stereo specific reactions.
- Catalyzed reactions (both homogeneous and heterogeneous).
- Ozonolysis and oxidation with O_2.
- Quality critical unit operations (crystallization, distillation).

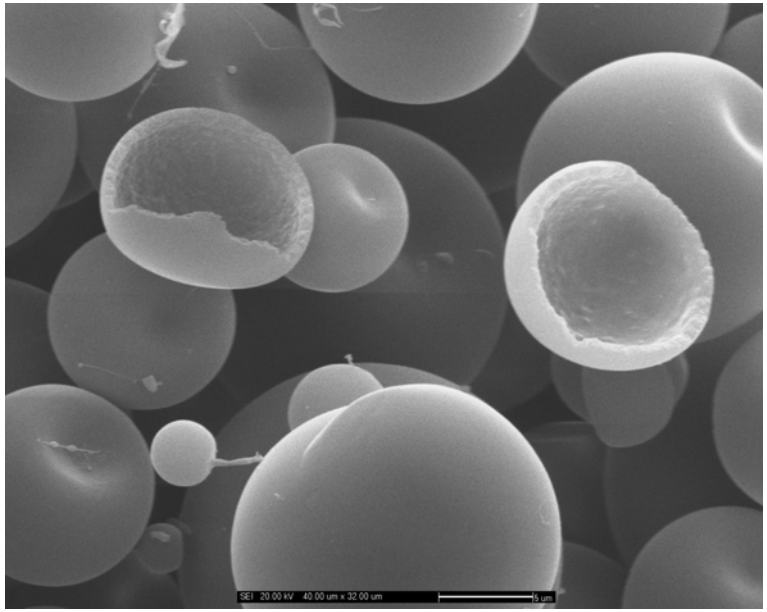
Σ Developed and patented by Cheminova.

Formulation development

CHEMINOVA

From active ingredient to differentiated sales product.

Microcapsule



- Applicator safety
- Controlled release

Dispersible granule

- Applicator safety
- Easy handling

High tech formulation technique is a core competence at Cheminova.

Registration

CHEMINOVA

Data generation and regulatory affairs.

Main expertise areas:

- Data generation project management.
- Dossier preparation.
- Registration process know-how.

The main purpose is to register new products and to maintain registrations for existing products.

Registrations for Cheminova products are managed on global basis from Rønland but implemented on regional basis.

Development & Registration

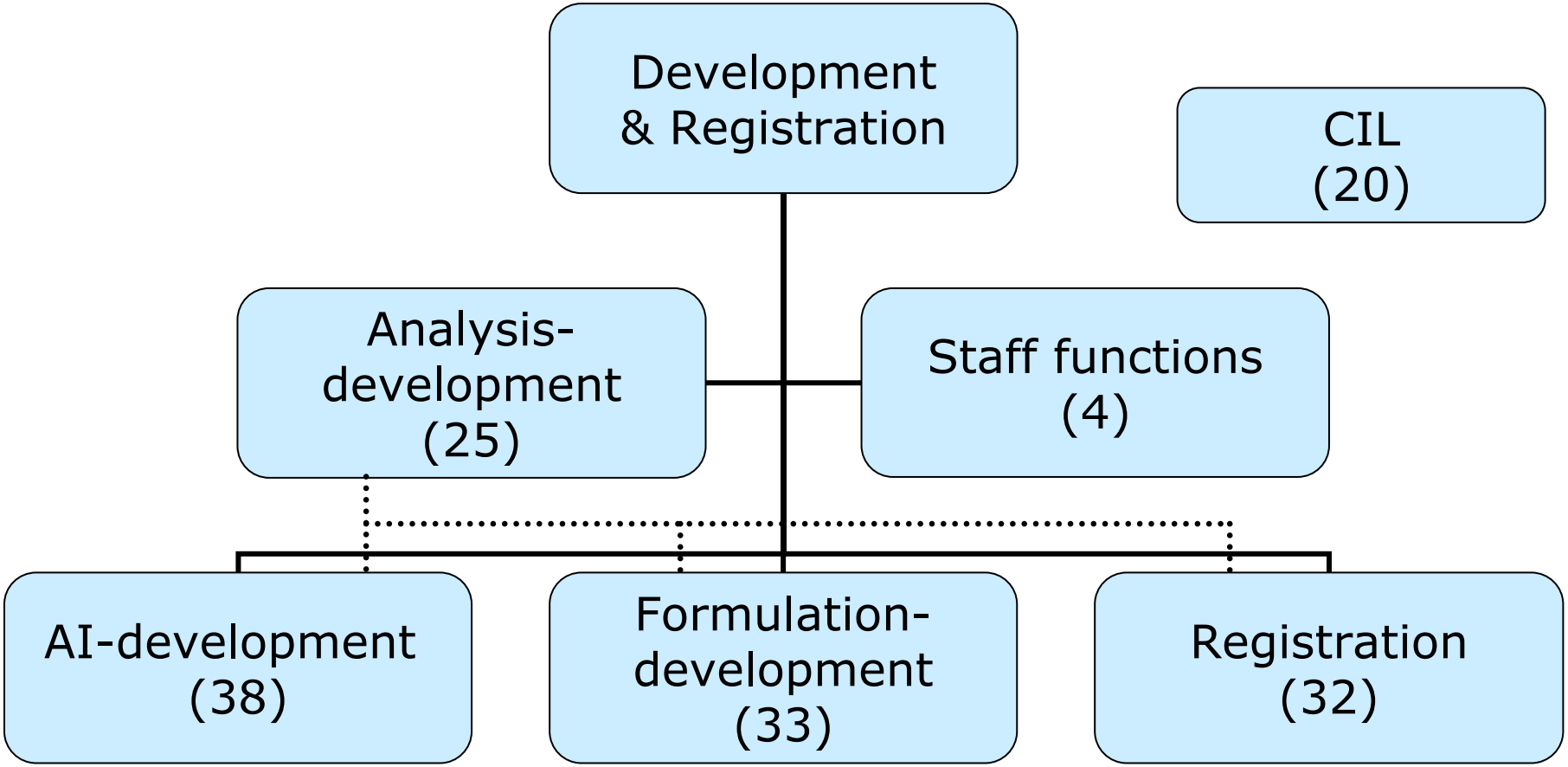
CHEMINOVA

Processes

	AI development	Formulation	Registration
Competences	Synthesis Dev.	Formulation Dev.	Registration Dev.
	Analysis Dev.	Support	Registration management
	Pilot Plant	Biolab	Agronomy
	Process Dev.	Analysis Dev.	
		Pilot Plant	
	Patents		
	Project Management		

Development & Registration

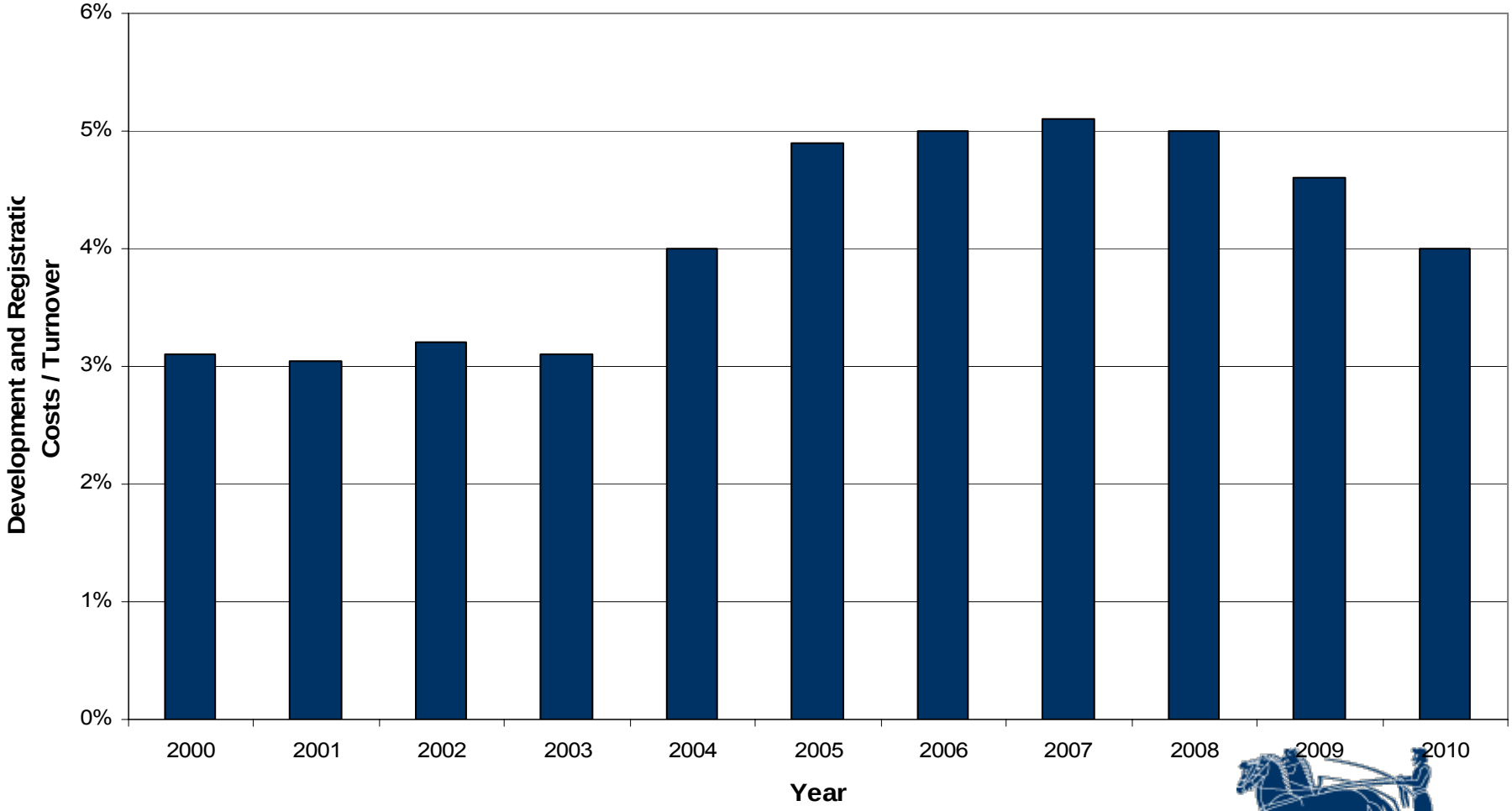
CHEMINOVA



HQ Total Staff 130

University degrees 70

Development and registration costs



Cheminova's development pipeline

Type	2008	2009	2010	2011	2012	Total	Market value ($ million)
Herbicides	5	1	2	2	1	11	1.475
Fungicides	3		1	1	1	6	975
Insecticides			1			1	350
Other	1					1	100
Total	9	1	4	3	2	19	2.900

* Global sales value 2006 ex. manuf. (Phillips McDougall)

Operational improvements

Niels Morten Hjort

Senior VP,
Production & Logistics
Cheminova A/S

Cheminova Global Supply – Value chain

CHEMINOVA

Purchasing / sourcing	Manufacturing	Formulation / packaging	Warehousing / distribution
Cheminova DK	Cheminova DK	DK	DK
Cheminova China	Cheminova Ind	India	India
Subsidiaries	Headland UK	UK	UK
		Stähler	Stähler
	Toll Manufacturing	Toll formulation	Third party warehousing
	Third party sourcing	Europe South A. North A. India Asia Australia	Europe South A. North A. India Asia Australia

Cheminova Global Supply – Improvement plan

Target:
DKKm 100 by end 2010 – base 2007.

- Operational improvements across site Rønland.
- Synergies through global supply chain.
- Continous improvements in all other functions.

Cheminova Global Supply – Improvement plan

CHEMINOVA

Rønland restructuring plan.

Site-wide improvement accross all plants and functions.

- Glyphosate plant.
- Maintenance.
- Packaging/filling plant.
- Management system.
  - New organisation.
  - Continous improvement function.
  - KPI system and performance management process.
- Site improvement projects.

Cheminova Global Supply – Improvement plan

CHEMINOVA

Synergies through global supply chain management:

- Global purchasing function.
- Global tolling function.
- Global warehousing and logistics.
- Global supply chain planning.

Cheminova Global Supply – Improvement plan

CHEMINOVA

Operational improvement in other functions:

- Administration.
- Development & Registration.
- Sales & Marketing.

Results & outlook

Søren Vedel

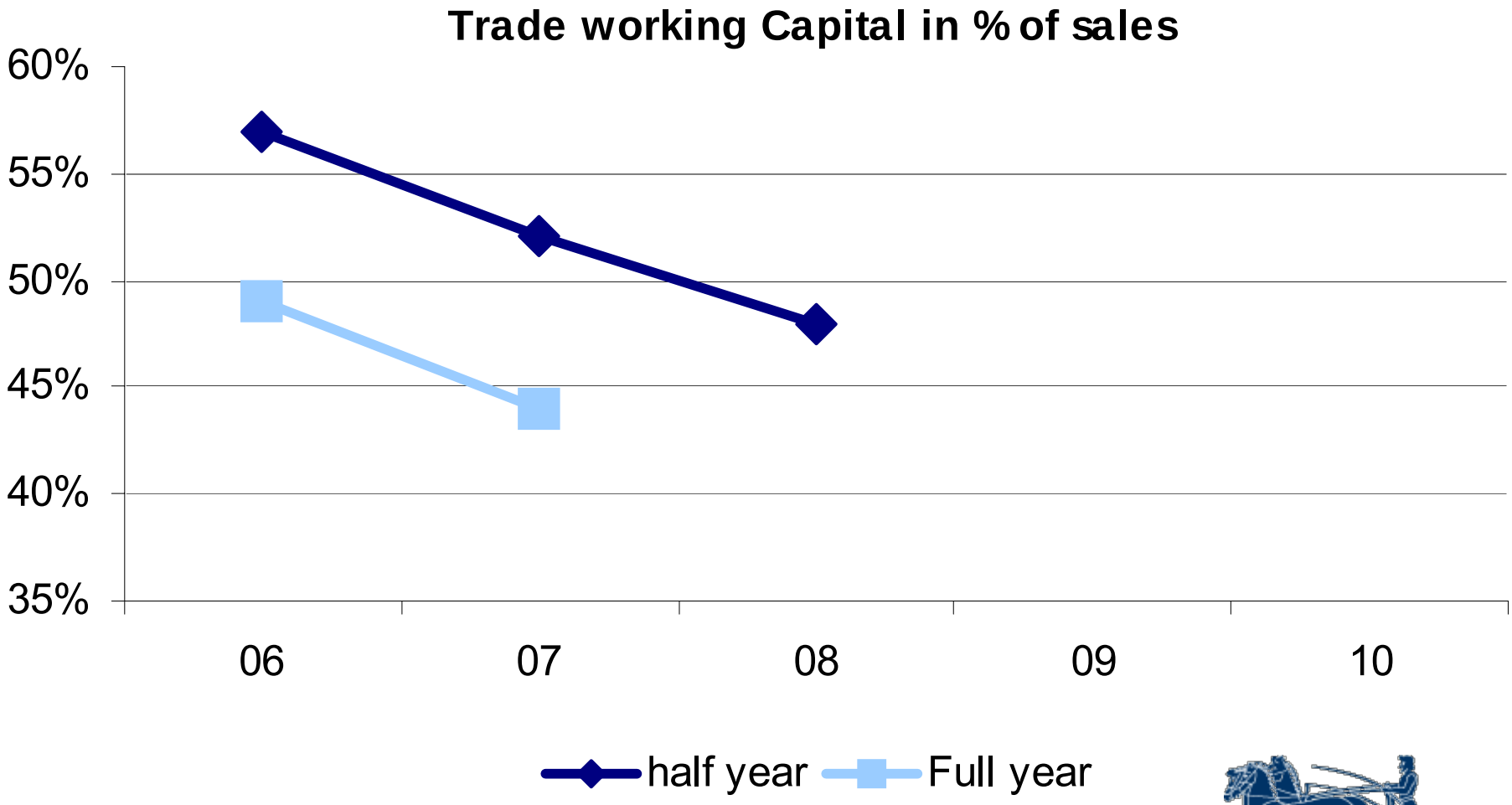
Senior VP,
Finance & Support
Cheminova A/S

Key figures

	1st half					
	Cheminova A/S			Auriga Industries A/S		
(DKKm)	2008	2007	Change	2008	2007	Change
Turnover	3,070	2,089	47.0%	3,076	2,094	46.9%
EBITDA	467	162	305	462	158	304
EBITDA-ratio	15.2%	7.8%		15.0%	7.5%	
EBIT	373	74	299	347	68	279
EBIT-ratio	12.2%	3.6%		11.3%	3.2%	
Profit before tax	332	48	284	319	45	274
Working Capital	2,565 *	2,086 *	479	2,358	2,340	18
WC in % of Turnover	48.0%	52.0%		44.1%	58.2%	
Cash flow from ope. activities	(203)	(9)	(195)	(215)	(9)	(206)
Available cash flow	(527)	(87)	(440)	(539)	(95)	(444)
Total Assets	5,169	4,324	845	5,321	5,886	(565)

* Cheminova: Trade Working Capital

Trade working capital improved



Estimate 2008 and beyond

CHEMINOVA

Outlook 2008

- Turnover 5,500 DKKm.
- Profit before tax 450 – 500 DKKm.

Outlook 2009

- Financial target 2010 moved to 2009.
  - Turnover 5,900 DKKm.
  - EBIT-margin approx. 10 percent.

Expectations thereafter

- Growth > Industry.
- EBIT-margin improvement:
  - Lower development & registration costs.
  - Operational efficiency.
- Continous improvement in trade working capital.

Disclaimer

This presentation may contain 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.

Auriga is only obliged to update and adjust the specifically stated expectations in as far as this is required by law, including the Securities Trading Act.

Summary

Summary

Favourable business climate

CHEMINOVA

- Industry growth.
- Many products coming off-patent.

Cheminova is in an ideal position to benefit

CHEMINOVA

Core competences fit market opportunity:

- Strong development efforts to exploit window of opportunity.
- Global market presence.
- Strong manufacturing base with lean projects planned for entire operations.

Q&A session

Q&A session

Cheminova in Denmark

CHEMINOVA