



Quarterly report for Auriga Industries A/S for the period January 1, 2004 – September 30, 2004

The strong growth characterising the first six months continued in the third quarter of 2004. Revenue for the first three quarters increased to DKK 4,104 million, up 15 per cent relative to 2003. Profit before tax was DKK 505 million against DKK 223 million in the first three quarters of 2003.

- The increase in both revenue and profit in the third quarter was again attributable to a strong development for Cheminova, while Hardi as well as Skamol also saw increases in both revenue and profit relative to the same period in 2003.
- Cheminova and Hardi have taken advantage of the favourable market conditions within the agricultural sector to boost revenue in several of the most important markets.
- Cheminova has seen unexpectedly large sales of malathion for the eradication of boll weevil in the USA.
- EBITDA for the first three quarters of 2004 amounted to DKK 803 million or 20 per cent of revenue against 14 per cent in 2003. The profit margin (EBIT) for the period was 14 per cent against 9 per cent in 2003.
- Available cash flow increased over the first nine months to DKK 254 million against DKK 137 million in 2003, while cash flow from operating activities was DKK 320 million.

Outlook 2004

Expectations are of a revenue of approx. DKK 5.2 billion and a profit before tax of approx. DKK 470 million for 2004 as a whole. After the first six months, expectations were of a profit before tax of approx. DKK 380 million. Cash flow from operating activities is expected to be on the same level as 2003. On account of low investments in 2004, available cash flow is expected to increase to approx. 250 million.

AURIGA INDUSTRIES A/S

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KEY FIGURES FOR THE AURIGA GROUP

Income Statement (DKKm)	Q3 2004	Q3 2003	Q1-Q3 2004	Q1-Q3 2003	2003
Revenue	1,384	1,156	4,104	3,578	4,471
Cost of goods sold	931	868	2,688	2,518	3,106
Other costs	260	209	822	775	1,087
Other operating income	3	21	8	39	41
Amortisation and write-down of consolidated goodwill	7	5	21	20	33
Operating profit (EBIT)	189	95	581	304	286
Income from investments in associates	2	1	7	4	8
Net financials etc.	(30)	(21)	(57)	(73)	(97)
Profit-sharing	(11)	(4)	(26)	(12)	(15)
Profit before tax	150	71	505	223	182
Tax	53	33	177	77	87
Minority interests' share of the profit	1	3	12	7	6
Profit	96	35	316	139	89

Balance Sheet (DKKm)	30.09.2004	30.09.2003	31.12.2003
Assets			
Property, plant and equipment	1,671	1,771	1,814
Inventories	1,258	1,070	1,205
Receivables *	1,824	1,664	1,607
Cash	397	443	271
Total assets	5,150	4,948	4,897
Liabilities and equity			
Equity	2,243	2,204	2,156
Minority interests	33	28	29
Provisions	190	153	180
Interest-bearing debt	1,650	1,717	1,714
Other debt (not interest-bearing)	1,034	846	818
Total liabilities and equity	5,150	4,948	4,897
* Of which unrealised value of financial instruments recognised at end-of-period price	126	328	255

Cash-flow Statement (DKKm)	30.09.2004	30.09.2003	31.12.2003
Cash flow from operating activities	320	382	306
Cash flow from investing activities	(66)	(245)	(372)
Available cash flow	254	137	(66)

Key figures	30.09.2004	30.09.2003	31.12.2003
Operating profit before depreciation and amortisation of goodwill (EBITDA)	803	509	573
Profit margin (EBITDA)	20%	14%	13%
Profit margin (EBIT)	14%	9%	6%
Solvency ratio	34%	35%	38%
Earnings per share of DKK 10 (EPS)	12.9	5.7	3.6
Quoted price/equity value	0.91	0.73	0.70

The quarterly financial statements include estimated tax of 35 per cent. Accounting policies are in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) and the guidelines laid down by the Copenhagen Stock Exchange for listed companies. The accounting policies applied are unchanged compared to 2003. The quarterly financial statements have not been audited.



Comments on the quarterly financial statements

AURIGA INDUSTRIES A/S

Group revenue for the third quarter was DKK 1,384 million, up 20 per cent on revenue for the same period in 2003. Profit before tax was DKK 150 million against DKK 71 million in the third quarter of 2003. Revenue and profit exceed expectations after the first six months.

Cheminova saw continued positive developments in the third quarter with strong demand in several markets. For the first three quarters of the year, revenue was DKK 3,190 million, up 15 per cent on 2003.

For the first three quarters, Hardi generated revenue of DKK 753 million, up 16 per cent on 2003. Increasing world-market prices for a number of crops have meant that farmers this year have been keener to invest and had more scope for investing in new equipment, including sprayers.

Skamol's revenue increased in the first three quarters by 10 per cent to DKK 162 million. The increase is primarily attributable to increasing sales of calcium silicate slabs and insulation bricks.

Cash flow from operating activities was DKK 320 million in the first nine months of 2004 against DKK 382 million in 2003. Investments in the first three quarters of 2004 were DKK 66 million against DKK 245 million in 2003. Available cash flow was thus DKK 254 million or DKK 117 million higher than the year before.

Outlook 2004

Results by both Hardi and Skamol will improve considerably relative to 2003.

Sales of Cheminova's new products will see an increase of approx. 25 per cent in 2004, which is in line with expectations. At the same time, good climatic conditions and high levels of infestations have resulted in higher sales of Cheminova's old organophosphorous products in 2004 than expected. Moreover, on account of favourable forward exchange contracts, Cheminova will be able to settle sales of USD at an exchange rate of approx. DKK 7 in 2004.

For 2004 as a whole, expectations are of revenue of approx. DKK 5.2 billion against DKK 4.5 billion in 2003 and a profit before tax of approx. DKK 470 million. Available cash flow is expected to be DKK 250 million this year against a cash flow of DKK -66 million in 2003.

Outlook 2005

Both Hardi and Skamol are expected to develop positively in 2005, while growth in sales of Cheminova's new products will continue. As for Cheminova, the outlook for 2005 must be based on normal climatic conditions and normal levels of infestations, for which reason Cheminova is expecting a fall in sales of organophosphorous insecticides in 2005. Furthermore, group earnings will be affected by increasing prices of raw materials and energy as well as the low USD exchange rate in 2005.



Calculated according to the current accounting policies and with a USD exchange rate on current level, Auriga expects a profit before tax of approx. DKK 300 million in 2005. In 2003, the profit before tax was DKK 182 million.

CHEMINOVA A/S

Cheminova's revenue for third quarter of 2004 was DKK 1,148 million against DKK 961 million in 2003, an increase of 19 per cent. The increase was higher than expected after the first six months.

The positive trends seen in first half of 2004 continued in third quarter in most markets. Moreover, Cheminova saw unexpectedly large sales of malathion to the US boll weevil eradication programme for cotton. Deliveries for this programme are concentrated in August and September. Although the programme is currently approaching a successful completion, fluctuations are still seen in the levels of infestation from one year to the next and thus in the consumption of malathion.

Cheminova's revenue for the first three quarters was DKK 3,190 million, up 15 per cent on the same period in 2003.

So far in 2004, the market for agrochemicals has been favoured by good world market prices for a number of crops, high levels of infestations in many markets and good climatic conditions in most places. With its wide product programme, Cheminova and its subsidiaries have been able to fully exploit the high levels of activity within the sector.

Cheminova has in recent years extended the product programme to include several new products including acquired products, all of which have largely done well in 2004. Contrary to expectations, sales of the old organophosphorous products have not fallen this year, among others on account of sales to the boll weevil programme.

The season in the northern hemisphere ended around mid-October. Cheminova is expecting the revenue for fourth quarter to be slightly up on last year. This is based on expectations of good sales to South America and, especially, Brazil, where sales of the fungicide flutriafol are expected to be good in the coming months. Flutriafol has proved effective in the eradication of soya rust, a disease posing a serious threat to the Brazilian soya production at the moment. In the fourth quarter, Cheminova is also expecting to supply products for the eradication of grasshoppers in Africa.

For 2004 as a whole, Cheminova is expecting a revenue of approx. DKK 4.0 billion, 17 per cent more than in 2003.

HARDI INTERNATIONAL A/S

Hardi's revenue for third quarter was DKK 183 million against DKK 148 million in 2003, an increase of 24 per cent. This increase matches expectations after the first six months.

In terms of revenue, third quarter is traditionally the weakest for Hardi. Revenue for third quarter of 2003 was significantly higher than in 2003, which is primarily due to the fact that 2003 was characterised by production difficulties in connection with the closing-down of the factory in Taastrup.



Hardi's revenue for the first three quarters was DKK 753 million, up 16 per cent on the same period in 2003. Sales in Hardi's three major markets – France, USA and Australia – are continuing to develop satisfactorily.

Hardi's order intake is satisfactory at the end of the third quarter.

Efforts to improve supply and production economy progressed according to plan in the third quarter.

For 2004 as a whole, Hardi is expecting a revenue of approx. DKK 960 million, 13 per cent more than in 2003.

SKAMOL A/S

Skamol's revenue for the third quarter was DKK 53 million against DKK 47 million in 2003, which is in line with expectations.

Sales to the aluminium industry and the rest of the high-temperature industry have developed positively. Particular growth has been seen for sales of calcium silicate for the cement industry and insulation bricks for the aluminium industry.

In September, Skamol obtained approval of a 90-minute fire door based on calcium silicate slabs. The approval was obtained under the new European CEN-1634 standard. Production and marketing of the new fire doors are expected to commence at the beginning of 2005.

For 2004 as a whole, Skamol is expecting revenue of approx. DKK 210 million, which is in line with expectations after the first six months.

AURIGA GROUP

Changes in equity (DKKm)	30.09.2004	30.09.2003	31.12.2003
Equity, January 1	2,156	2,163	2,163
Dividend paid for the past financial year	(59)	(59)	(59)
Profit for the period after tax	316	139	89
Price adjustments, subsidiaries	2	(6)	(29)
Change in fair value of financial instruments after tax	(172)	(33)	(8)
Equity, end of period	2,243	2,204	2,156

Financial calendar for 2005

- 11.03.2005: Notification concerning Financial statements for 2004.
- 26.04.2005: General meeting and quarterly report for the 1st quarter of 2005.
- 22.08.2005: Interim report for the 1st half of 2005.
- 08.11.2005: Quarterly report for the 3rd quarter of 2005.