

AURIGA INDUSTRIES A/S



Annual report 2008 – Business Plan "Five-in-Fifteen"

March 20, 2009

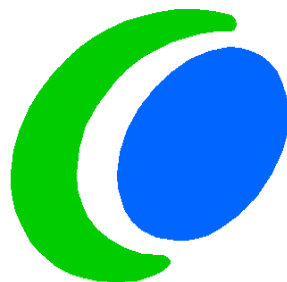
Agenda

- Annual report 2008:
 - Highlights and key figures
 - Financial results
 - Regional and product performance
 - CSR
- Business Plan “Five-in-Fifteen”
- Outlook 2009

Corporate structure



AURIGA INDUSTRIES A/S



CHEMINOVA

Highlights 2008

- **Strong market growth exceeding 20% due to "food crisis" caused by population growth, changed diets in growth economies, and increased use of crops for biofuels.**
- **Cheminova sales up 30% (35% at constant exchange rates) leading to further market share gains.**
- **Growth in all regions but led by Europe in part due to Stähler acquisition.**
- **Sales of new products almost doubled.**
- **Credit situation tightened in emerging markets in Q4.**
- **Negative cash flow due to acquisitions and inventory build-up.**
- **Strong balance sheet: Low debt ratios and high equity ratio.**
- **Year-end share price unchanged.**
- **Proposed dividend increase to DKK 5,75 (+44%).**

Strategic achievements 2008

- Growth through broader product portfolio:
 - Sales of new products almost doubled.
 - 7 new products introduced in 2008.
 - Development & Registration expenses below 5% of sales.
- Improved operational efficiency:
 - LEAN projects in manufacturing, filling and maintenance:
 - Increased output, lower costs, improved performance management.
 - Implementation of further streamlining measures in 2009 and 2010 with improvements expected to reach DKK 100 million per year.
- Add-on acquisitions:
 - 50% of Stähler Group, Germany.
 - 100% ownership of Pytech, Switzerland.
 - 100% ownership of CropTech, now Cheminova Colombia.
 - Formulation and filling plant, Australia.

Strong performance – Key figures 2008

- Revenue: DKKm 5,664 (+30%)*
- EBITDA: DKKm 712 (DKKm 327)
- EBITDA margin: 13% (7%)
- EBIT: DKKm 515 (DKKm 145)
- EBIT margin: 9% (3%)
- Equity ratio: 43% (48%)
- NIBD/EBITDA: 2.1 (2.1)
- Financial gearing: 0.7 (0.3)
(NIBD/Equity)

* +35% at constant exchange rates

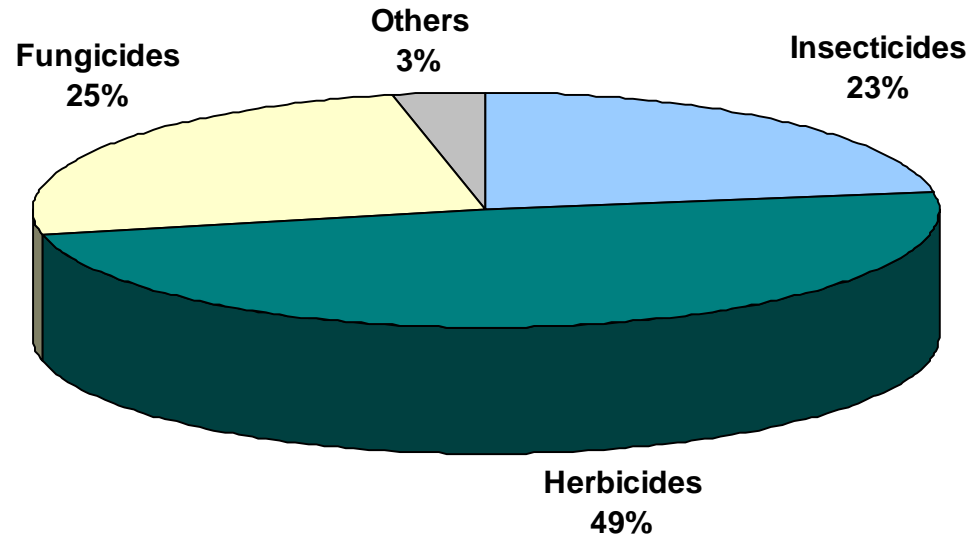
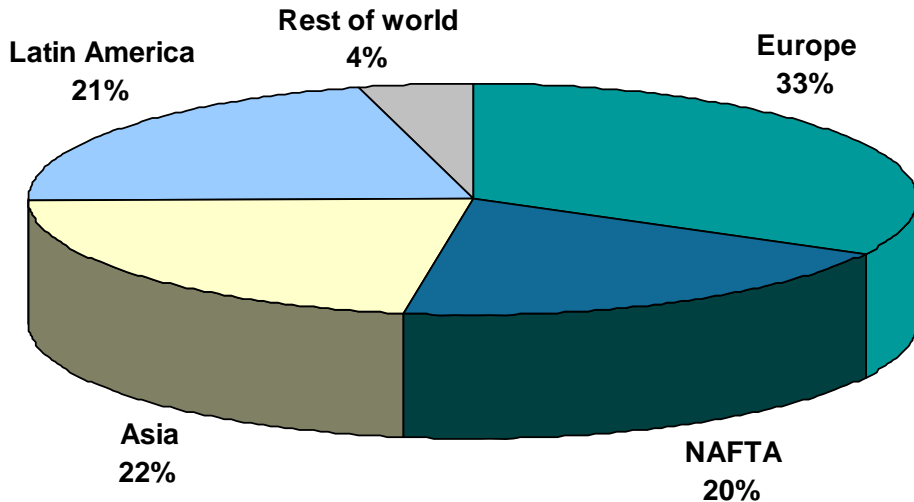
Crop protection market

Growth in 2008:
just over 20%

Estimated market value USD 47 billion
(including non crop application)

2008 - Regions

2008 – Products



Income statement

DKKm	Auriga		Cheminova	
	2008	2007	2008	2007
Revenue	5,664	4,368	5,651	4,361
EBITDA	712	327	715	338
EBIT (operating profit)	515	145	541	160
Profit before tax	402	83	401	91
EBITDA margin	13%	7%	13%	8%
EBIT margin	9%	3%	10%	4%

Balance sheet: Assets

DKKm	2008	%	2007	%
Non-current assets	1,294	25%	1,178	27%
Inventory	1,803	35%	1,120	25%
Receivables	1,811	35%	1,614	36%
Cash	224	5%	510	12%
Total assets	5,132		4,422	

Balance sheet: Equity and liabilities

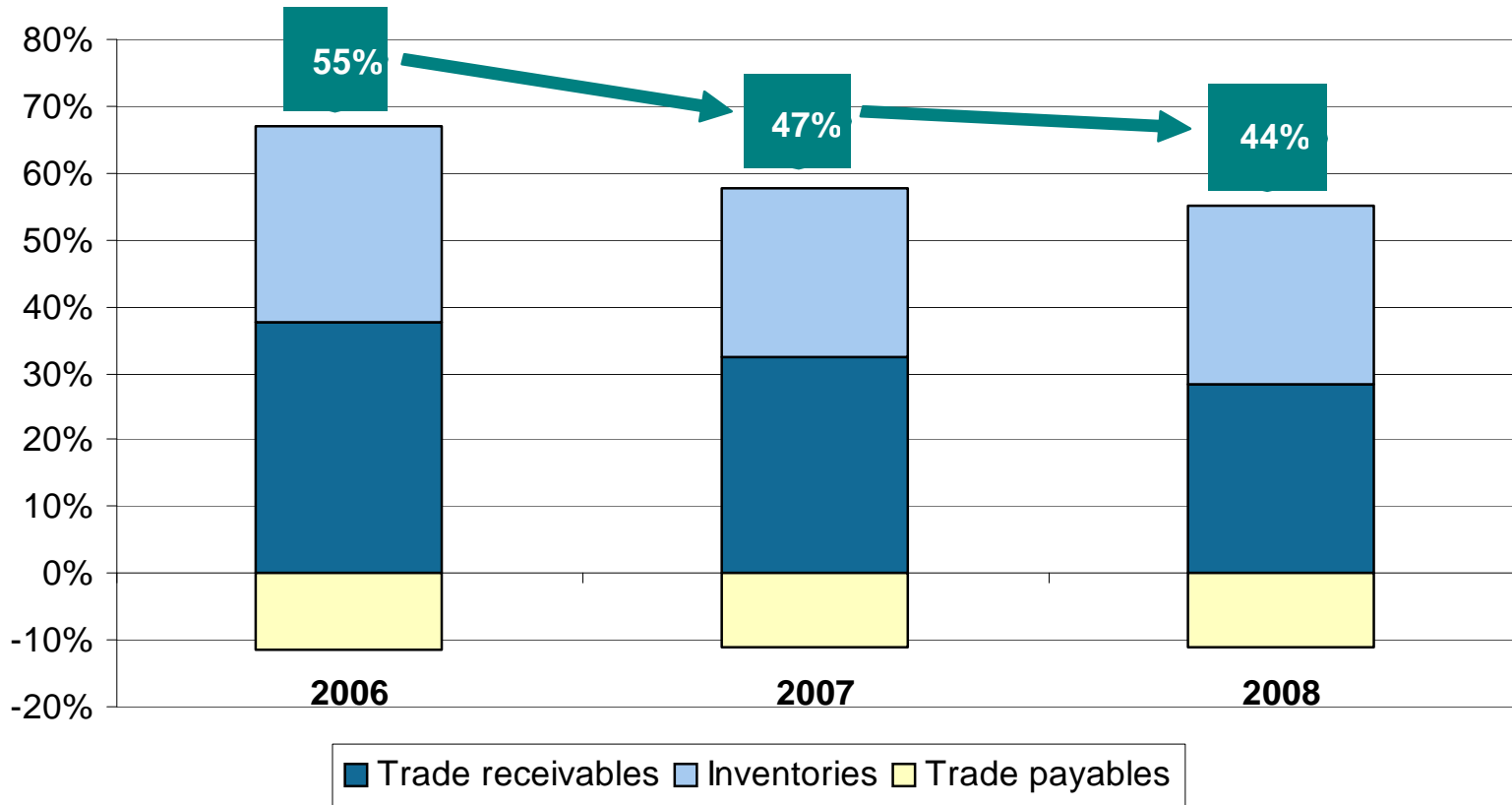
DKKm	2008	%	2007	%
Equity	2,210	43%	2,142	48%
Interest-bearing debt	1,710	33%	1,211	28%
Trade payables	652	13%	535	12%
Other payables	560	11%	534	12%
Total liabilities	5,132		4,422	
Equity ratio	43%			

Cash flow

DKKm	2008	2007
Cash flow from operating activities	(342)	274
Investments	(378)	369
Available cash flow	(720)	642

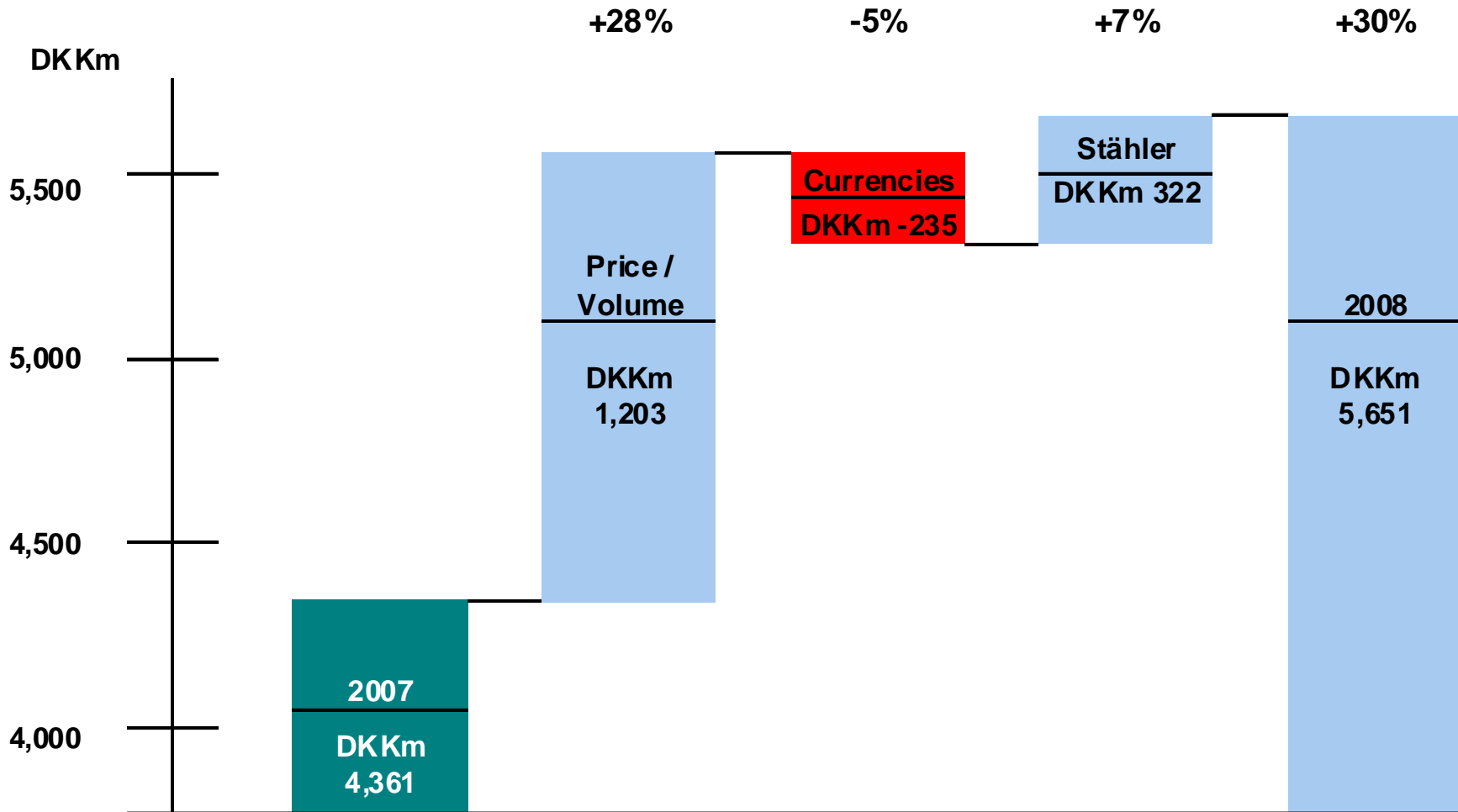
Average trade working capital

Average trade working capital improved from 55% to 44% of revenue



Strong organic growth - Cheminova

Sales development 2007-2008

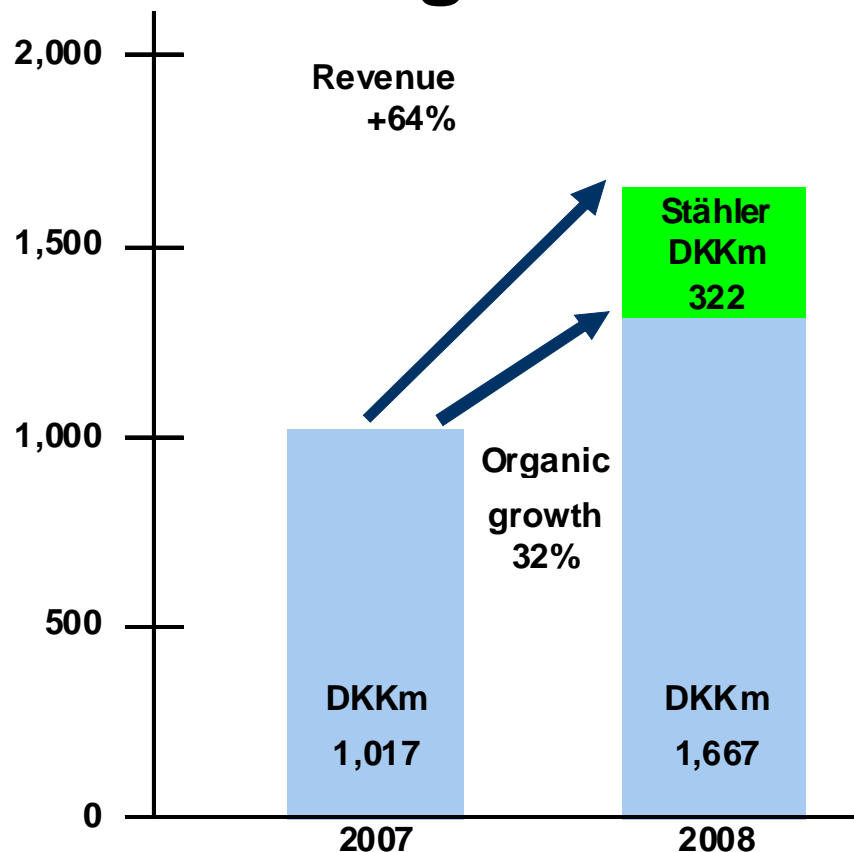


Sales by region

DKKm	2008	2007	Growth
Europe	1,667	1,017	64%
ANZAC	1,223	846	44%
LATAM	1,387	1,145	21%
International	355	298	19%
Other activities	1,020	1,055	-4%
Group total	5,651	4,361	30%*

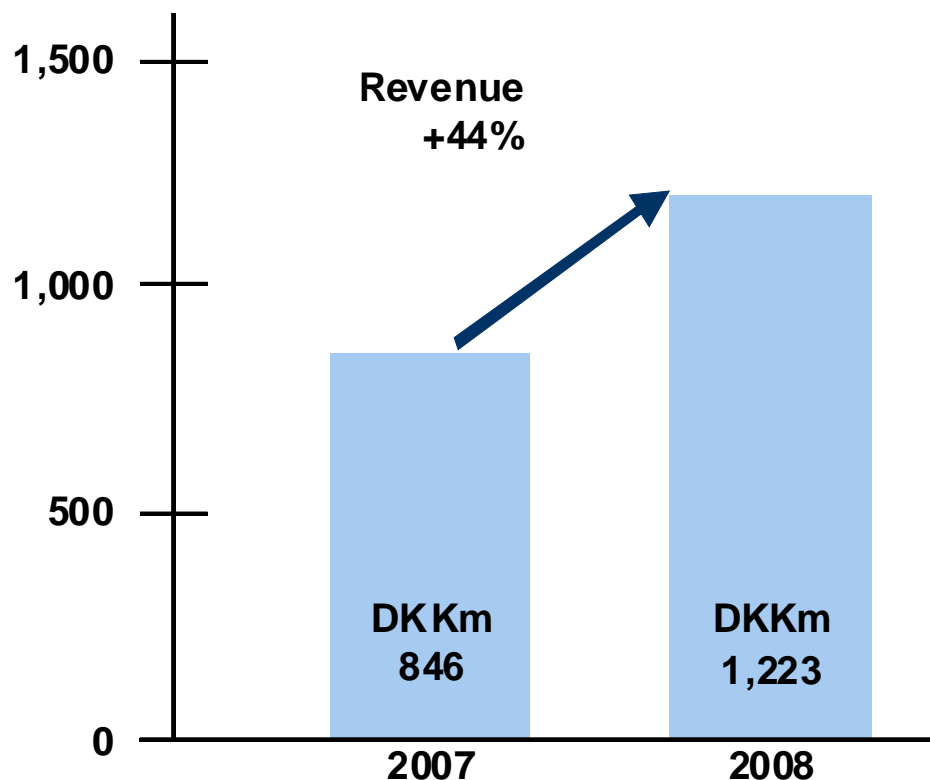
* At constant exchange rates +35%

Europe – Revenue growth



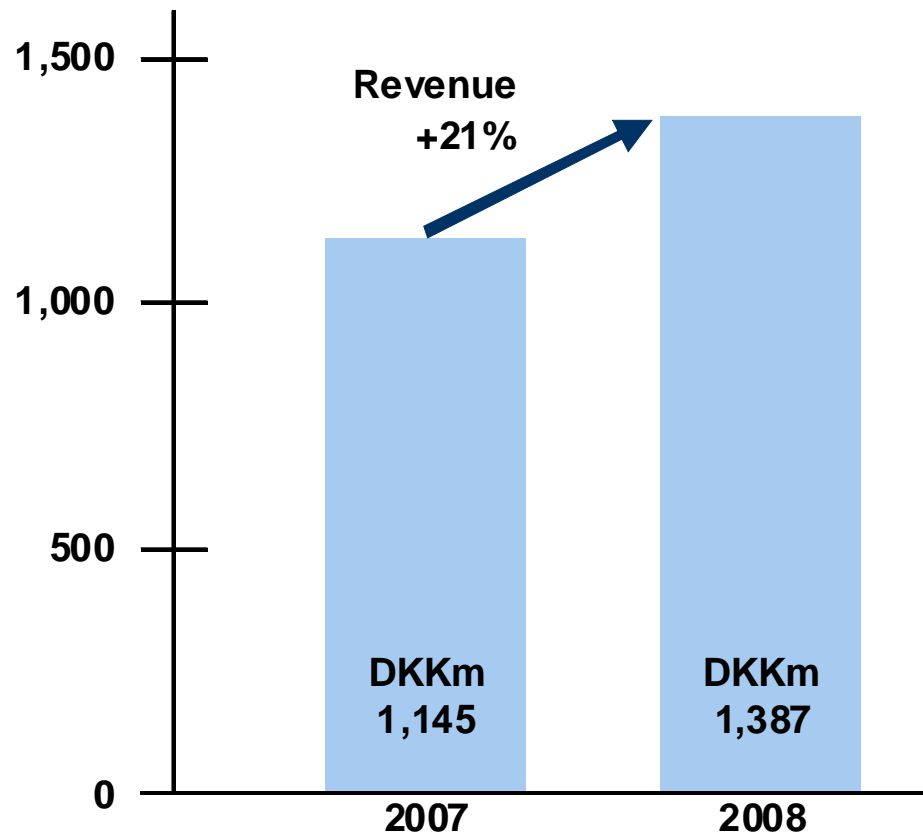
- Major growth through acquisition of 50% of the Stähler group.
- Strong growth for glyphosate and dimethoate.
- New product introductions included the fungicides fluazinam and epoxiconazole and the herbicides nicosulfuron and sulcotrione.

ANZAC – Revenue growth



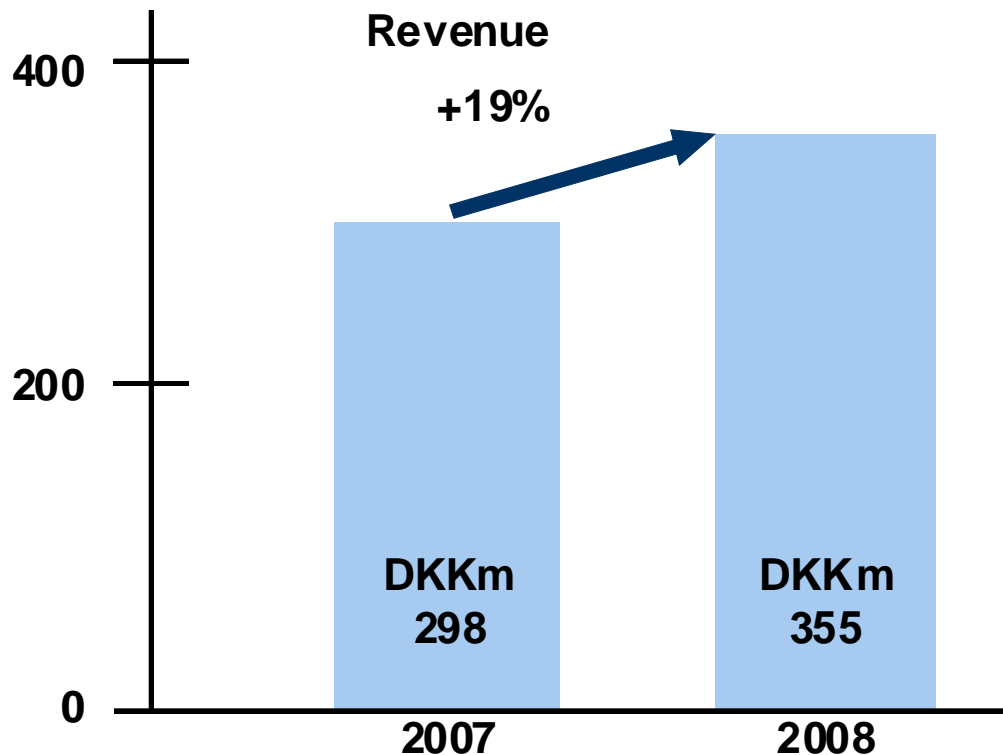
- Strong demand for most products, but glyphosate major growth driver.
- Sales in Australia more than doubled and position strengthened by investment in formulation plant.
- New herbicides introduced in cereals and maize in USA.

LATAM – Revenue growth



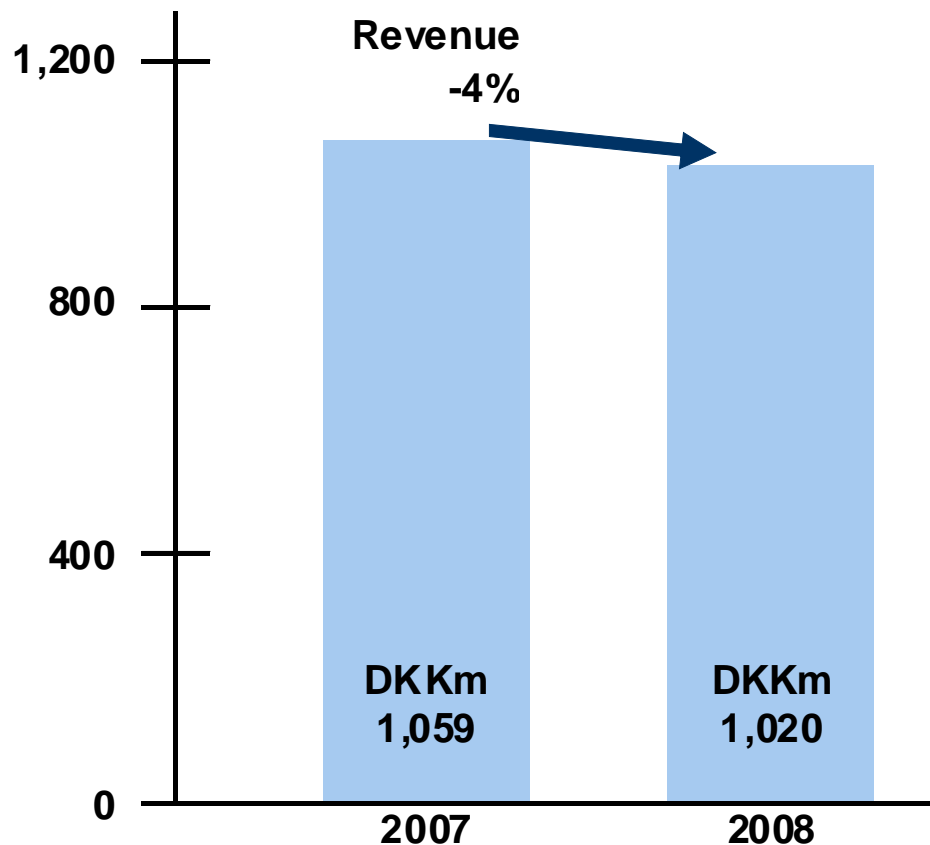
- Positive value creation in Brazil in spite of glyphosate shortage, and high financial costs.
- Cheminova acquired full ownership of CropTech, now Cheminova Colombia.
- Financial crisis increases risks in emerging markets.

International – Revenue growth



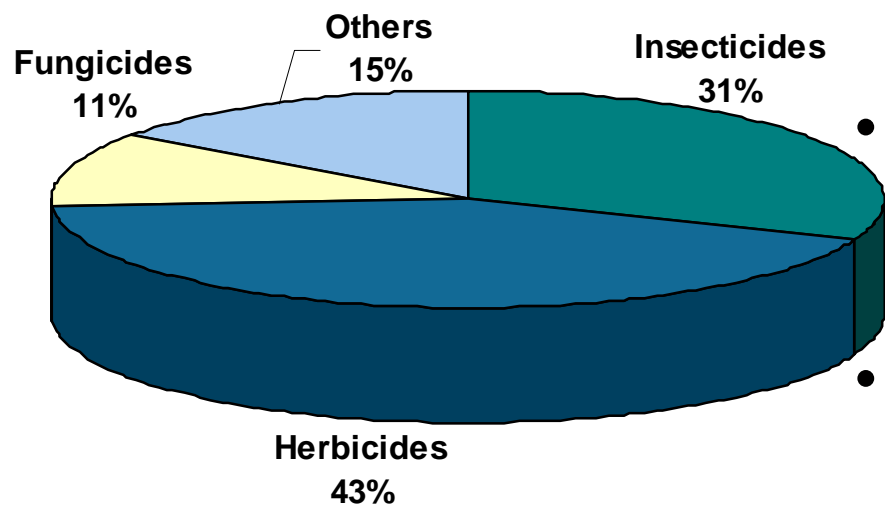
- Strong performance in CIS countries (Russia, the Ukraine etc.).
- Sales of new products exceeded expectations.
- Financial crisis increases risks in emerging markets.

Other activities



- Strong performance in India.
- Fine chemicals margins under pressure due to higher energy and raw material costs.
- Fine chemicals constitute a declining share of sales and account for less than 10 per cent of total revenues in 2008.

Product performance - Cheminova



- **Herbicides:**
 - Strong glyphosate price development in 1H.
 - Glyphosate shortage in Latin America in 2H.
 - Glyphosate price deterioration in Q4.
 - Growth from new products.
 - New product introductions in 2008.
- **Insecticides:**
 - Gamma-cyhalothrin growth opportunities identified after full control of Pytech.
 - Growth in new products.
- **Fungicides:**
 - Continued domination by flutriafol.
 - New product introductions in 2008 including epoxiconazole and fluazinam.
- **Others:**
 - Fine chemicals now less than 10% of sales.
 - Growth in micronutrients and growth stimulants.

CSR – Status 2008

- Product stewardship:
 - Phase-out plan accelerated - 4 early phase-outs:
 - Methyl parathion in Cuba.
 - Phorate in India.
 - Methamidophos in Colombia (and Argentina).
 - Development and introduction of less toxic alternatives.
- Production:
 - Incineration plant for chemical waste in India.
 - Energy-saving plant in Denmark using surplus hydrogen, reducing emission of CO₂ considerably.
- Human Resources.
 - Integration of CSR in new regional structure.
- Supplier code of conduct.
 - Supplier audits and Supply Chain training.

CSR targets 2009

- **Product stewardship:**
 - Phase-out of class I products:
 - Methyl parathion in Mexico, Colombia and Brazil.
 - Methamidophos in Brazil and Mexico.
 - Monocrotophos in Colombia and India.
 - Improved end-user safety information.
 - Global labelling policy implementation in 2009 and 2010.
 - End-use plastic packaging with embossed warning against re-use.
- **Production:**
 - Reduction of energy and water consumption in India.
 - Campaigns to improve safety culture in India and Denmark.
 - Reduction of energy consumption in glyphosate production.
- **Development and innovation:**
 - Development and introduction of new benign formulations.
 - Code of conduct for external development activities.
- **Supplier management:**
 - Continue CSR audits at suppliers.
- **Human Resources:**
 - Roll-out of Mission, Vision and Values in the entire global organization.

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Mission

We help improve quality of life for the world's population by supplying products that help farmers increase yields and quality of crops to satisfy the global demand for food, feed, fibre and energy.



Values

- We achieve ambitious goals.
- We are innovative.
- We decide and act.
- We recognize results.
- We are good corporate citizens.

Vision

We create results for our customers by being a sustainable and innovative world-class supplier of a broad range of quality crop protection products. Value creation shall match the best among peer companies to the benefit of all stakeholders.



The competitive landscape

Tier I companies:

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:

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

- Focus primarily on off-patent products.
- Increasing market share through organic growth and acquisitions.
- Economies of scale in development, sales and distribution.

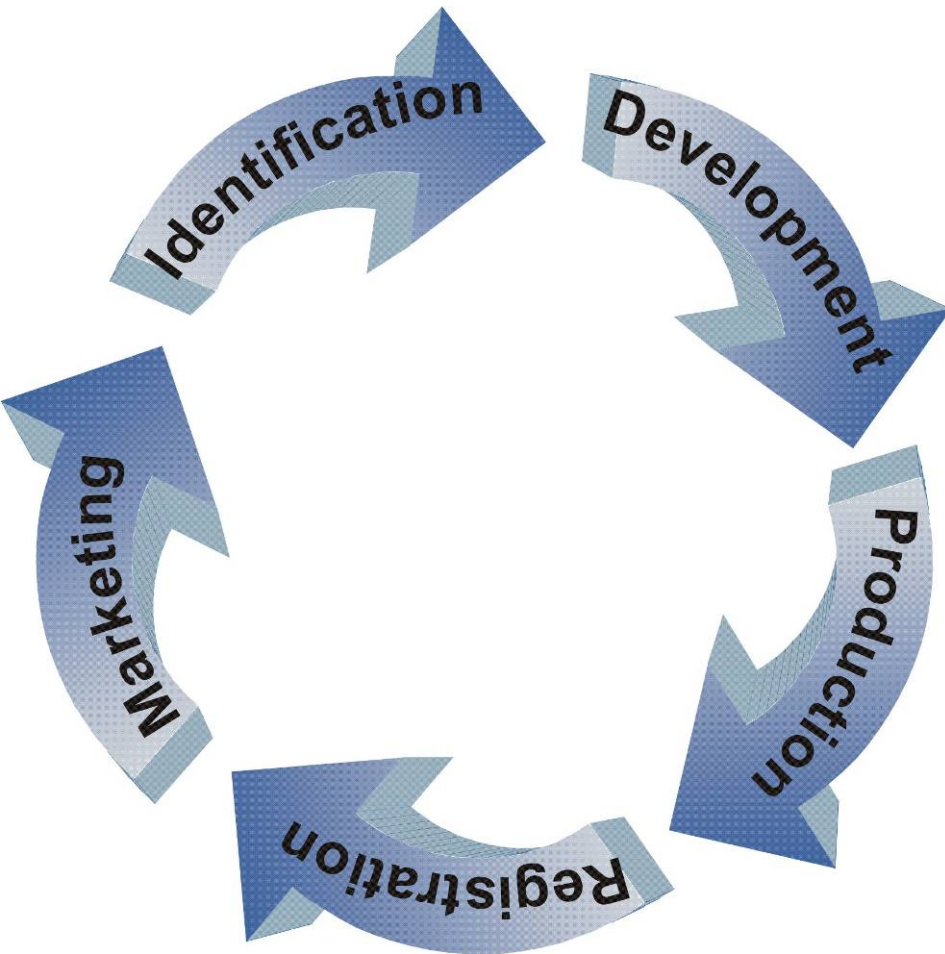
Tier III companies:

- Local and regional companies.
- Narrow product portfolio companies.
- Acquisition targets for Tier II companies.

Market & industry development

- Increased demand for farm commodities:
 - Population growth ➡ need for food.
 - Change in diets ➡ need for feed.
 - Increase in biofuels ➡ need for land.
- Renewed market growth:
 - Mature industry with low growth (1%) last 10 years.
 - Strong growth in 2008 (>20%).
 - Higher average growth (3 - 4%) from 2007.
- Lower share of patented products:
 - Fewer new block-busters introduced in recent years.
 - Several large products currently coming off-patent.
- Further industry consolidation:
 - Consolidation among Tier-I companies.
 - Continued acquisitions of Tier-III companies by Tier-II companies.
 - Potential consolidation in Tier-II.

Core competences



- Identification of new product opportunities satisfying farmer needs by value-added products.
- Development of competitive manufacturing processes and proprietary formulations and mixtures.
- Manufacturing in own facilities or with third parties having competitive infrastructure.
- Data development and registration competence for global introduction and defense of products.
- Marketing, sales and distribution of own branded products in all key markets.

Employees in more than 30 countries



Business Plan "Five-in-Fifteen"

Objectives:

- Double market share to 5 per cent in 2015.
- EBITDA matching the best among peer companies.
- Increased value creation for the benefit of all stakeholders.

Strategy:

- Organic growth through development and sales of new products.
- Acquisitions of complementary products and companies.
- Margin improvement, economies of scale and improved efficiency in all functions.



Objectives – Growth to 5% market share

Organic growth (two-thirds of growth):

- Very limited growth in traditional product range.
- Strong growth in newly introduced products.
- Continued introductions of new products.

Acquisitions (one-third of growth):

- Products and activities from Tier-I companies.
- Local sales companies in new and established markets.
- Product portfolios from Tier-III companies.

Product portfolio development

Plant protection products / pesticides			Fine Chemicals
Insecticides	Herbicides	Fungicides	
Organophosphates	Glyphosate		<ul style="list-style-type: none"> - Intermediates - Flotation agents for the mining industry
<ul style="list-style-type: none"> - Gamma-cyhalothrin - Acrinathrin - Imidacloprid - Abamectin 	<ul style="list-style-type: none"> - Imazethapyr - Chlorimuron - Diflufenican - Fenoxaprop - Metsulfuron - Nicosulfuron - Sulcotrione 	<ul style="list-style-type: none"> - Flutriafol - Fosetyl - Tebuconazole - Fluazinam - Epoxiconazole 	

 = Introduced before 2000

 = Introduced after 2000

Product pipeline

Type	2008	2009	2010	2011	2012	Total	Market value (\$ million)
Herbicides	5	2	1	2	2	12	1,780
Fungicides	2	1	1	1	1	6	1,205
Insecticides		1		1		2	500
Other		1				1	100
Total	7	5	2	4	3	21	3,585

* Global sales value 2007 ex. manuf. (Phillips McDougall)

Continued product development and introductions after 2012

Objectives – Margin Improvement

Market & portfolio:

- More differentiated, valuable products.
- Lower weight of glyphosate in portfolio.
- Lower weight of third party distribution business.

Costs of goods:

- Efficiency improvements in manufacturing.
- Lower costs of formulation and packaging.
- Global supply chain for sourcing.

Objectives – Economies of scale and efficiency improvements

- Lower Sales, General and Administrative costs to sales ratio.
- Lower Development and Registration costs to sales ratio.
- Improved manufacturing and supply chain efficiency.
- Improved efficiency in all functions and companies.

Objectives – Growth, margin, EBITDA and value creation

- Sales increase to double market share by 2015.
- Higher gross margins.
- Improved efficiency in manufacturing and all functions.
- Lower costs-to-sales ratios.
- EBITDA-margin “best among peers”.
- Improved average trade working capital ratio.
- Acquisitions funded by cash generation.
- Increased EVA (Economic Value Added) annually.

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Outlook 2009

- Favourable long-term prospects for the industry.
- Considerable short-term uncertainty due to financial crisis and falling crop prices.
- Slow start in Q1 for the industry as customers hesitate to place orders.
- The industry is still expecting positive growth for the year as a whole.

Auriga/Cheminova:

Revenue: Approx. DKK 6,250 millions

EBIT margin: Approx. 9%

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.

