



Stock Exchange Notification No. 17/2007

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Cheminova's position in Europe strengthened through 50% acquisition of Stähler

Auriga Industries A/S has chosen to focus on the development of the activities in its largest company, Cheminova A/S, and has divested Skamol A/S and Hardi International A/S this year. The divestments resulted in substantial improvements in the balance sheet and key ratios for the company, and the objective is for Cheminova to play an active role in the expected consolidation within Cheminova's main business area, plant protection products.

Cheminova has today entered an agreement to acquire 50% ownership participation in the German Stähler group of companies for EUR 30 mio. The transaction will substantially improve Cheminova's position in Europe.

Stähler enjoys a strong, direct access to the markets in Germany, Austria and Switzerland and has a portfolio of own proprietary products for the entire European market. The group has sales of EUR 75 mio. and employs 190 people. The company is managed by the Stähler family, and three sons will continue, together with a person designated by Cheminova, managing the company.

Germany is the second largest plant protection market in Europe with sales of EUR 1,200 mio. Cheminova has not had direct access to this important market, but has distributed through Stähler. Through Stähler a strong position in Austria and Switzerland is achieved as well. The strengthening of the market access in Europe will be very important for the future introduction of a range of new products from Cheminova's development pipeline, while the access to Cheminova's products will further improve the Stähler market position the coming years.

Stähler owns rights and licenses to a portfolio of active ingredients for the European market and has invested substantial sums in the development and registration of these products in recent years. The Cheminova companies in other important European markets such as France, Spain, Italy, England, Poland and Hungary will secure a successful introduction of these products and thereby improve the position of the companies in these markets.

Besides a number of market synergies, a number of costs synergies will be realized over the coming years by for instance utilizing the Stähler formulation and packaging plants in Stade, Germany, and Milan, Italy, for Cheminova's European markets. In five years time, the total synergies will amount to more than EUR 10 mio. annually, but already in 2008 the first synergies will be harvested. The introduction of new products from both companies during the coming years will lead to substantial higher sales and profitability in the jointly owned Stähler group.

Closing on the deal awaits competition authority approvals expected in January 2008. The Stähler business shall be pro rata consolidated into Cheminova's accounts.

AURIGA INDUSTRIES A/S

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