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Sika and sia Abrasives establish joint venture in sales

sia Abrasives and Sika are intensifying their cooperation in supplying the automotive aftermarket business. To serve this market in Germany they have founded a sales joint venture operating under the name of part GmbH. part is to strengthen the competitiveness of both companies.

The establishment of part GmbH, the joint venture headquartered in Bad Urach, Germany, is to further the cooperation in sales with sia Abrasives, a globe-spanning supplier of flexible abrasives located in Frauenfeld, Switzerland. The business model for part (Premium Automotive Repair Technologies) combines sia Abrasives' and Sika's automotive repair product lines. To be marketed through existing and new sales channels, these lines consist of adhesives and sealing materials from Sika and abrasives and surface treatment systems from sia Abrasives as well as safety products for the workplace. As a result the partners will be positioned to supply a range of top quality products from a single source through a denser sales network. In addition to realizing marketing, sales and logistics synergies, the partners expect to capture market shares and thus also strengthen their competitive position.

part GmbH is to become operational on November 1, 2006. In September of this year the new company was already represented at the Automechanika fair in Frankfurt, Germany. *-END-*

Sika AG – a corporate profile

Sika AG, located in Baar, Switzerland, is a globally integrated company supplying the specialty chemicals markets. It is a leader in processing materials used in sealing, bonding, damping, reinforcing and protecting load-bearing structures in construction (buildings and infrastructure construction) and in industry (vehicle, building component and equipment production).

Sika's product lines feature high-quality concrete admixtures, specialty mortars, sealants and adhesives, damping and reinforcing materials, structural strengthening systems, industrial flooring and membranes. Subsidiaries in more than 70 countries worldwide and approximately 12,000 employees link customers directly to Sika and guarantee the success of all of its business relationships. With this business structure Sika generates annual sales of more than CHF 3.5 billion. Visit our website at <u>www.sika.com</u>.

