



**Sika Finanz AG**  
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August 22, 2000

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## Media Release

*Released for immediate publication*

### **Sika is growing profitably in all markets**

Sika has increased net sales in the first half year 2000 by 16.7% to CHF 923 m or by 12.7% in local currencies. Cash flow increased from CHF 78.8 m to CHF 98.1 m, i.e. by 24.3% and the cash flow margin was therefore running at 10.6% (previous year 10.0%) of net sales.

All regions and divisions have made a contribution towards this very pleasant growth:

- Europe increased sales by 12.3% (in local currencies); Switzerland contributed 16.4%. Among the other regions Latin America achieved the greatest rate of growth at 16.8%, followed by North America at 14.7%, Asia/Pacific at 9.1% and Africa at 6.7%.
- In local currencies, the Industry Division increased its turnover by 15.0%, and in the Construction Chemicals Division the increase was 11.8%.

Cost of goods sold have risen by one percentage point due to the increased price of raw materials which cannot be fully offset by raising prices. However by only slightly increasing expenses in production, sales and administration, Sika was able to increase sales, so that it was possible to offset the margin reduction almost completely - the result being an EBITDA of 13.9% (compared with 14.0% the previous year). Depreciation increased at above-average rate, due to higher investments in tangible fixed assets. The EBIT increased from CHF 70.3 m to CHF 75.3 m. Profit after tax was CHF 44.4 m compared with CHF 41.2 m for the comparable period of the previous year.

For the end of the year the Sika Group forecasts to reach the CHF 2 bn target in net sales, of which some CHF 100 m will be due to the consolidation of Tivoli and Sika-Trocac (for the second half year). The Group is expecting a net profit within a range of CHF 100 m to CHF 105 m (previous year CHF 93 m) and a cash flow (net profit plus depreciation, and changes to provisions) of between CHF 220 m and CHF 230 m (previous year 187 m).

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#### **Important dates:**

Letter to the shareholders on results of the first three quarters 2000

November 14, 2000

