
Free for immediate publication

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Sika's 1998-2004 Convertible Bond

Sika AG, headquartered in Baar, Switzerland, is redeeming any as yet unredeemed bonds of its CHF 150 mil. 1 % convertible bond issue of 1998, due in 2004. This convertible bond was placed in 1998 to refinance maturities due and to increase the group's liquidity. The six-year term of the bond expired July 14, 2004.

The bonds, nominally valued at CHF 5,000.- each, could be converted until the date of their maturity without cost into 6.896552 Sika AG bearer shares with a nominal value of CHF 60.- each; thus representing a conversion price of CHF 725.- per bearer share. The conversion is being funded from contingent capital approved by the Annual General Meeting on May 27, 1998.

Bonds not converted are being redeemed at their nominal value. This redemption is being financed by funds drawn on the corporate treasury as well as the syndicated credit facility.

Holders of converted shares will also participate in the July 21, 2004 repayment of the nominal value of CHF 15.- per bearer share as per decision of the 2004 Annual General Meeting.

The effect of the conversion as well as the repayment of the nominal value on the number of shares, bonds and capital is reflected in the table on the following page:



Effect of the conversion and repayment of the nominal value on the number of shares, bonds and capital:

		Prior to conversion	Effect of conversion as of 7/14/04	Following conversion	After repayment of nominal value as of 7/21/04
Bearer shares	units	2.151.021	178	2.151.199	2.151.199
Registered shares	units	2.333.874	0	2.333.874	2.333.874
Bearer shares from contingent capital	units	260.000	-178	259.822	259.822
Number of bonds	units	30.000		0	0
Bonds converted	units		-26		
Bonds redeemed	units		-29.974		
Total capital stock	CHF	152.400.000	10.680	152.410.680	114.308.010
Bearer share capital	CHF	129.061.260	10.680	129.071.940	96.803.955
Registered share capital	CHF	23.338.740	0	23.338.740	17.504.055
Contingent capital	CHF	15.600.000	-10.680	15.589.320	11.691.990
Debenture stock	CHF	150.000.000	-150.000.000	0	0

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Company Profile Sika AG

Sika AG, based in Baar, Switzerland, is a leading global supplier of specialty chemicals. Sika offers process materials for sealing, bonding, damping, reinforcing and protecting of load-bearing structures in construction (buildings and infrastructure) and in industry (transportation, automotive, marine and appliances & equipment).

Sika's product line includes concrete admixtures, speciality mortars, sealants, adhesives, speciality acoustic and reinforcing materials, structural strengthening systems, industrial flooring and membranes.

Locally based operations in 66 countries with over 8'500 employees connect customers directly with Sika and guarantee for the success of all our partners. With this concept Sika achieves annual sales of approximately CHF 2.3 billion.

Visit the Sika website at www.sika.com.

