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Report on the first half of 2004 of Sika AG in Baar, Switzerland

Distinctive increase of net sales and return

Sika kept impetus and growth of the first quarter also in the second and achieved a net profit enhancement of 48.3% to new CHF 60.4mil. in the first half of 2004 (previous year: CHF 40.7 mil.).

Expressed in Swiss francs, net sales improved by 15.7%, from CHF 1 069.8 mil. to CHF 1 238.1 mil. Based on local currencies, sales increased by 14.6%. The Construction and the Industry Division increased sales, denominated in local currencies, by 14.5% and 14.8% respectively.

The less than proportional rate of rise in costs affected operating earnings before depreciation. The EBITDA rose from CHF 127.8 mil. to CHF 163.6 mil.; the EBITDA margin of 11.9% amounts to 13.2%.

Earnings from operations (EBIT) were also up increasing by 30.5%. The corresponding margin rose from 7.5% to 8.5%.

The equity ratio increased from 46.2% to 49.4%. The Board of Directors decided, based on a solid balance sheet, to redeem any as yet unredeemed bonds of its CHF 150 mil. 1% convertible bond issue of 1998 by funds drawn on the corporate treasury as well as the syndicated credit facility so far not used.

By year-end sales are expected to reach about CHF 2.5 bil. The impact of a raw material shortage on prices is difficult to estimate. However, a rise in raw material prices would impact our cost of materials in the fourth quarter at the earliest.

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For details on Sika's performance during the first half of this year, check the company report. The report can be downloaded from www.sika.com as of today, or write to the address shown above for a printed version.

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, specialty mortars, sealants, adhesives, specialty 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.



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