

For immediate publication

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Sika capitalizes on invigorated markets

With gains in first-quarter sales of 38.6% (+32.5% expressed in local currencies), Sika was off to a lightning-fast start in fiscal 2006. Net sales rose from CHF 598 mil. to CHF 829 mil. Adjusted for acquisitions, the sales gain, denominated in Swiss francs, amounted to 23.7%. All acquisitions relate to the company's Construction Division. In addition to favorable currency effects (+6.1 percentage points), the sales increase benefited from the Sarnafil, Fosroc New Zealand and Polymert Germany acquisitions (+14.9 percentage points) and broadly-supported internal growth (+17.6 percentage points) in all regions and both divisions.

Performance by Divisions

Expressed in Swiss francs, Construction Division net sales climbed 46.2%, from CHF 422 mil. in the first quarter of 2005 to CHF 617 mil. in the corresponding period this year. Of this gain, CHF 106 mil. (+25.1 percentage points) is due to organic growth, and CHF 89 mil. (+21.1 percentage points) to acquisitions. While all Construction Division markets contributed to the upturn, it was especially spurred by sales to distributors, manufacturers of ready-mix concrete and precast concrete elements. The cooperative Sika Sarnafil process is moving ahead according to plan.

Industry Division sales rose from CHF 176 mil. to CHF 212 mil. or 20.5%. Like Construction, the Industry Division achieved two-digit growth rates in all markets. Gains were most pronounced in the fenestration market.

Our Sikaflex® and Sika® ViscoCrete® product groups are foremost pillars of our business expansion.

Regions

Two-digit growth prevailed in all regions.

Expressed in Swiss francs, North America led with an advance of up 90.7% of which the Sarnafil acquisition accounts for +48.0 percentage points.

Sales in Latin America were up 51.1%. At about 20% the positive currency effects in Latin America as well as North America were significant.

In the Europe North and Europe South regions, sales, denominated in Swiss francs, increased by 28.2% and 30.7% respectively. In Europe North acquisitions contributed 12.7 percentage points to the expansion and 10.4 percentage points in Europe South.

The Asia Pacific region achieved 28.2% higher sales of which 9.0 percentage points were provided by the Sarnafil and Fosroc New Zealand acquisitions.

Outlook

Sika is benefiting from invigorated markets. Should this dynamic persist, this year's sales growth, exclusive of the Sarnafil acquisition effect, is likely to exceed 10%. Sika net sales will surpass the CHF 3.5 billion level in 2006. Raw material prices are increasing again. Sika will attempt to pass the higher



costs to customers, although this will only be possible with a certain time lag. In 2006 we anticipate a slightly disproportional gain in EBIT and consolidated net profit. The launch of 2006 may be described as a success; it prompts our optimism. Yet before year-end, there will be uncertainties respecting raw material prices to face and to be managed.

Segment Information Sika Group

	1/1-3/31, 2005	1/1-3/31, 2006	Changes against prior year in %		
	in CHF mil.	in CHF mil.	in CHF	in local currency	Currency impact
By region¹					
Europe North	206	264	28.2	26.6	1.6
Europe South, incl. Africa & Near East	192	251	30.7	28.2	2.5
North America	75	143	90.7	72.7	18.0
Latin America	47	71	51.1	30.2	20.9
Asia/Pacific	78	100	28.2	21.4	6.8
Consolidated net sales	598	829	38.6	32.5	6.1
By division					
Construction	422	617	46.2	39.7	6.5
Industry	176	212	20.5	15.3	5.2
Consolidated net sales	598	829	38.6	32.5	6.1

¹ Within the regions Europe North and Europe South net sales of a few subsidiaries was reallocated according to management responsibility. Previous year's figures were adapted in order to allow for comparability.

Acquisition effect Sarnafil

Sika	598	745	24.6
Sika Sarnafil	0	84	
Consolidated net sales	598	829	38.6

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 70 countries worldwide and 10,000 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 approximately CHF 2.9 billion.

Visit our website at www.sika.com.

