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## Dynamic Development in Sales and Profit continue

Sika boosted net sales in Swiss francs in the year under review from CHF 3 896 million by CHF 677 million or 17.4% to CHF 4 573 million. Underlying organic growth in local currencies amounted to 13.3%. Acquisitions less divestments contributed 1.6% to sales growth. Exchange rate fluctuations resulted in growth of 2.5%. As in the previous year all regions and customer groups delivered a contribution to this dynamic growth development.

Thanks to greater efficiency particularly in personnel assignment, operating profit before depreciation (EBITDA) rose disproportionately in comparison to net sales from CHF 515 million by 24.3% to CHF 640 million. The EBITDA margin of 14.0% was 0.8 percentage points higher than in the previous year. Sika increased its operating profit (EBIT) from CHF 371 million by 38.2% to CHF 513 million. Consolidated net profit lay 47.6% higher than that of the previous year and amounted to CHF 346 million. The profit margin of 7.6% clearly surpassed the set target of 6.0%.

Cash flow from operating activities rose in the year under review from CHF 317 million by 14.8% to CHF 364 million. The return on capital employed (ROCE), based on EBIT, improved during the year under review from 20% to 26%.

Sika is convinced of growing eight to ten percent yearly on average in the coming years and of increasing the results again with slightly disproportional gain. It is not anticipated, however, that the achieved growth in net profit of some 50% respectively in each of the last two years can be duplicated, because sales growth currently assumes precedence over profit maximization.

The Board of Directors will propose to the Annual General Meeting on April 8, 2008 the payout of a CHF 45.00 (CHF 31.20) gross dividend per bearer share or CHF 7.50 (CHF 5.20) per registered share, representing roughly 33% of consolidated net profit.

See following page for compilation of key data.



Key data on Group financial statements (in CHF mn)	2006	2007	Growth
Net sales	3 896.1	4 573.2	17.4%
Operating profit before depreciation (EBITDA)	514.6	639.9	24.3%
Operating profit (EBIT)	371.2	512.9	38.2%
Consolidated net profit	234.5	346.1	47.6%
Cash flow from operating activities	316.4	362.7	14.6%
Operating free cash flow	190.5	191.4	0.5%
ROCE	20.2	26.1	29.2%
Number of employees	11 309	11 723	3.7%

The Annual Report and the presentations held at the media conference covering business in 2007 may be retrieved at

[www.sika.com](http://www.sika.com).

(Annual Report:

<http://www.sika.com/investors/invest-info-annual-report.htm>

Presentations:

<http://www.sika.com/investors/gen-invest-speeches.htm>)

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## Sika AG – a corporate profile

Sika AG, located in Baar, Switzerland, is a globally active 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 71 countries worldwide and approximately 11 700 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 CHF 4.6 billion. Visit our website at [www.sika.com](http://www.sika.com).

