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Half Year Report of Sika AG, Baar, Switzerland

Gratifyingly resistant to economic climate

Despite the adverse business climate, Sika succeeded in increasing its sales. In Swiss Francs, net sales in the first half of 2003, totaling CHF 1,069.8 m (previous year: CHF 1,034.9 m), were 3.4% higher than in the corresponding period last year. Expressed in local currencies, sales were 10.2% higher. Both operating divisions of the specialty chemicals company contributed to the gain: Construction 8.4%, Industry 14.8%. The improvements reflect renewed gains in Sika's market position.

The operating profit (EBIT) rose from CHF 77.4 m to CHF 80.2 m, an increase in terms of Swiss francs of 3.7%. The development of the EBIT for the Construction and Industry Divisions varied. Construction matched the level achieved in the first half last year, while the Industry Division posted a 9.4% gain. But the operating profit before depreciation (EBITDA) of the Sika Group declined 3.7% to CHF 127.8 m compared to the corresponding half last year.

Sika Group net profits were up 14.6%. For the comparable half-year period they advanced from CHF 35.5 m to CHF 40.7 m

The global management of liquid funds resulted in a reduction of indebtedness by about CHF 100 m. The Debt/Equity-Ratio rose to 46.2%

Given the lack of any signs of economic recovery, Sika continues to expect restrained growth in Swiss franc sales and earnings. However, thanks to new product introductions Sika will continue to bolster its market share.

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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, speciality mortars, sealants, adhesives, speciality acoustic and reinforcing materials, structural strengthening systems, industrial flooring and membranes.

Locally based operations in 64 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 2.1 billion.

Visit the Sika website at www.sika.com.



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