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Capitalizing on opportunities

Sika Group

In the 1st quarter of 2003 the net sales of Sika, the specialty chemicals company, totaled CHF 476 m (prior year: CHF 464 m). Compared to the corresponding period a year earlier sales, expressed in local currency, were 11.7 % higher. The strength of the Swiss francs led to a currency exchange factor of –9.1 %. As a result net sales expressed in Swiss Francs rose by 2.6%.

Divisions and Regions

Denominated in local currencies, both operating divisions registered higher net sales and were on budget. Net sales of the Construction Division grew by 15.5 %, of the Industry Division by 11.6 %.

In the 1st quarter Sika continued to expand its market position in all regions. Two-digit gains were realized in the European and Asia/Pacific Regions. Sales In South America, expressed in local currencies, achieved above-average growth rates; the result is however somewhat distorted due to high inflation besetting some currencies. In North America net sales stabilized at the year-ago level.

Adhering to plan, the EBIT was higher than in the corresponding three months a year earlier.

Sika established new companies to serve Russia and the Baltic countries. These additions reinforce the company's position in Eastern Europe and close a major geographic gap. Moreover, Sika acquired HeidelbergCement's 50 % share in the Addiment Italia joint venture. As a result Buzzi – one of the largest cement and concrete manufacturers – and Sika became joint venture partners.



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Outlook

There is no recovery in sight worldwide. Business prospects for the year are difficult to assess in the face of a listless global economy, the SARS epidemic and the weakness of the dollar. On the strength of its innovative products, Sika believes that the company will enhance its position despite the volatility of the markets.

Programs targeting increased efficiencies, already underway, will continue to be pursued and pay special attention of the worldwide sales organization.

Market developments are laced with challenges and opportunities. Sika is focused on capitalizing on the opportunities.

Company Profile Sika AG

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

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

With annual sales of approximately CHF 2.1 billion, Sika has over 8'500 employees and operations in more than 60 companies.

Visit the Sika website at www.sika.com.

