



Sika AG

Sika – steadfast and profitable

Letter to Shareholders:
Business performance 3rd quarter 2002

November 2002

Moment (kNm)

250

200

150

100

50

0

-50

-100

-150

-200

100

200

300

400

500

600

700

800

900

1000

1100

1200

Displacement

m

$\frac{M_{Ro}}{\gamma_R} : \gamma_R = 1.0$

$M_d(\gamma_R = 1.0)$



Dear Shareholders
Dear Employees

Sika continued to record a positive development in the third quarter.

Sika Group

Sales results

During the first 9 months of the fiscal year 2002 the Sika Group recorded net sales of CHF 1613 m (previous year CHF 1 603 m), of which CHF 17 m was attributable to acquisitions.

Net sales in local currencies increased by +7.5%, illustrating stable internal growth. During the period reported, negative currency effects reduced net sales by -6.9% or CHF -111 m. However, sales volumes increased by +9.2% (+5.6% adjusted for acquisitions).

As customary for the third quarter, net sales were particularly strong slightly increasing to CHF 579 m (CHF 565 m). This corresponds to an increase of +2.5% in Swiss francs, or +10.8% in local currency terms.

Improved profitability

For the first time, key income statement data for the third quarter is published.

The measures introduced last year to improve efficiency are showing the desired effect:

- Operating results before depreciation (EBITDA) increased by +12.1% in the first nine months to CHF 222.7 m (CHF 198.7 m). Operating profit (EBIT) also rose by +21.8% to reach CHF 140.3 m (CHF 115.2 m).
- Group net profit reached CHF 73.4 m (CHF 52.2 m), corresponding to a +40.6% increase relative to the same period of the previous year.
- Cash flow (net profit plus depreciation), increased by +14.8% to CHF 155.8 m (CHF 135.7 m).

Divisions

In spite of the adverse economic conditions, both the Construction as well as the Industry Division were able to increase net sales in local currency terms relative to the same period of the previous year. The Construction Division saw sales rise +8.1%, while the Industry Division recorded a +6.0% increase.

Regions

All regions increased their net sales substantially in local currencies:

- Europe recorded an increase of +6.7%. About one quarter of this is attributable to acquisitions.
- With a +2.7% increase in sales, Sika successfully upheld its position in North America.
- In a precarious environment, Latin America saw sales rise +12.6%, however, inflationary pressures need to be taken into account.
- Asia/Pacific also grew significantly, achieving sales growth of +14.1%.

Forecast until the end of 2002

Based on the performance of the business during the first nine months of the fiscal year 2002, we expect to be in line with our forecast.

We are not expecting the pace of growth to pick up any further before the end of the year. The fourth quarter is traditionally weak. Sales and earnings contribution during this period tends to be below-average.

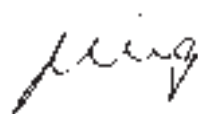
Sika AG

The earnings recorded by the Holding proved to be in line with forecasts.

We thank our customers for their loyalty, and our employees for their commitment to Sika.

We thank our shareholders for the confidence they have shown in us.

Yours sincerely
Sika AG



Dr. Hans Peter Ming
Chairman



Dr. Walter Gruebler
Chief Executive
Officer

Key Data of the Consolidated Income Statement

Key data for the first nine months

in CHF m	1/1 – 30/9/2002		1/1 – 30/9/2001	
	in % of net sales		in % of net sales	
Net sales		1 613.4		1 602.7
Operating profit before depreciation (EBITDA)	13.8	222.7	12.4	198.7
Operating profit (EBIT)	8.7	140.3	7.2	115.2
Consolidated net profit after taxes	4.5	73.4	3.3	52.2
Cash flow	9.7	155.8	8.5	135.7

Key data for the third quarter

in CHF m	1/7 – 30/9/2002		1/7 – 30/9/2001	
	in % of net sales		in % of net sales	
Net sales		578.5		565.4
Operating profit before depreciation (EBITDA)	15.6	90.0	13.3	75.3
Operating profit (EBIT)	10.9	62.9	8.6	48.6
Consolidated net profit after taxes	6.6	37.9	3.5	20.0
Cash flow	11.2	64.9	8.5	47.8

Segment Information Sika Group

Net sales for the first nine months

	1/1 – 30/9/2002		1/1 – 30/9/2001	change towards previous year +/- in %		
	in CHF m (whereof acquisitions)		in CHF m	in CHF	in local currencies	currency impact
By region						
Europe	1 026	(13)	1 000	+2.6	+6.7	-4.1
North America	261		273	-4.4	+2.7	-7.1
Latin America	124		137	-9.5	+12.6	-22.1
Asia/Pacific	173	(4)	164	+5.5	+14.1	-8.6
Africa	29		29	0.0	+20.6	-20.6
Consolidated net sales	1 613	(17)	1 603	+0.6	+7.5	-6.9
By business division						
Construction	1 183	(17)	1 171	+1.0	+8.1	-7.1
Industry	430		432	-0.5	+6.0	-6.5
Consolidated net sales	1 613	(17)	1 603	+0.6	+7.5	-6.9

Net sales in the third quarter

	1/7 – 30/9/2002		1/7 – 30/9/2001	change towards previous year +/- in %		
	in CHF m (whereof acquisitions)		in CHF m	in CHF	in local currencies	currency impact
By region						
Europe	383		358	+7.0	+10.2	-3.2
North America	88		96	-8.3	+4.3	-12.6
Latin America	38		44	-13.6	+21.9	-35.5
Asia/Pacific	61		57	+7.0	+16.9	-9.9
Africa	9		10	-10.0	+12.4	-22.4
Consolidated net sales	579	(15)	565	+2.5	+10.8	-8.3
By business division						
Construction	439	(15)	426	+3.1	+11.3	-8.2
Industry	140		139	+0.7	+9.4	-8.7
Consolidated net sales	579	(15)	565	+2.5	+10.8	-8.3

Important Dates 2003

Media conference / financial analysts' meeting in Zurich
Annual General Meeting 2003, Cham, 3 p.m.

Wednesday, March 19, 2003

Wednesday, April 23, 2003

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