

SIKA FINANZ AG



EXTRAORDINARY FACTORS INFLUENCE THE 2001 FISCAL YEAR

LETTER TO SHAREHOLDERS
Business performance 4th Quarter 2001

February 2002

Dear Shareholders
Dear Employees

We would like to inform you about the performance of our business during the year 2001 as follows:

Sika Group

In the year 2001 the Sika Group recorded net sales of CHF 2 103 m (previous year CHF 1 998 m). In Swiss franc terms, this corresponds to a rise of + 5.3 %, while in local currencies the increase was + 10.7 %. Excluding the influence of acquisitions from the year 2000, the increase in local currencies amounted to + 5.7 %.

Towards the end of the year, the global economy moved increasingly into recession. In local currencies, fourth quarter sales growth reached + 4.9 %; in Swiss francs this corresponds to a decline of - 2.0 %.

Strong competitive pressures reduced margins in certain key markets. Increases in raw material costs could only be passed on to customers to a limited extent. As expected, the companies acquired in the year 2000 have not yet reached the profitability of the other Group companies. The rigorous cost-cutting measures, introduced during the first half of the year, did not completely offset these factors. In particular, there were significant negative year-on-year currency effects. Despite these factors, the operating results (EBITDA and EBIT) lie within our forecast issued in autumn.

Net profit was also impacted by extraordinary events such as the incident of fraud in the Far East and securities write offs.

The net profit of the Group will be significantly below the figure recorded in the previous year.

Business Divisions (in local currencies)

Both the Construction and the Industry Division increased their net sales by + 11.1 % and + 9.5 % respectively. Sales volume increased about + 13 %, reflecting the companies' strong market position. As a result, both business divisions were able to gain additional market share.

Regions (in local currencies)

Sales growth in Europe reached + 13.3 %, which is attributable to acquisitions. The difficult market in Germany and the restructuring measures, initiated in Spring, had a negative effect on results. Southern and Eastern Europe, by contrast, reported strong results.

In North America, despite the slowdown in the automobile and transport industry, Sika was able to extend its position by + 3.2 %, as a result of strong growth in construction chemicals. In Latin American, despite the precarious economic and political situation in certain countries, Sika was able to increase sales by + 10.5 %.

Growth in the Asia/Pacific region reached + 10.6 %.

Sika Finanz AG

Subsidiary earnings lay slightly above the figure recorded in the previous year. However, participation and securities write offs caused the holding result to decline slightly in relation to the previous year.

Outlook for the year 2002

In the year 2002, the comprehensive revision of the product range and the subdued economic environment will lead to a moderate rise in sales. The market presence is being expanded in South-Eastern Europe and Central America. In addition, the launch of new products and process improvements on the production side and in the fields of distribution and sales are planned. This should lead to an improvement in operating results. We are expecting raw material prices to remain stable.

We thank our employees, who have shown extraordinary commitment to realising our ambitious goals and who have worked continuously towards improving our efficiency. In addition, we owe particular thanks to our customers for their appreciation of our products and services.

We offer special thanks to our shareholders for the trust they have shown in us.

Yours sincerely
Sika Finanz AG



Dr. Hans Peter Ming
Chairman of the
Board



Dr. Walter Gruebler
Chief Executive
Officer

Segment information Sika Group

Net sales

	1/1-31/12/2001		1/1-31/12/2000		Change towards previous year	
	CHF m		CHF m	CHF m	in local currencies	+/- in % currency impact
By region						
Europe	1 308	(106) ¹	1 208	+ 8.3	+ 13.3	- 5.0
North America	351		342	+ 2.8	+ 3.2	- 0.4
Latin America	184		184	+ 0.1	+ 10.5	- 10.4
Asia / Pacific	222		220	+ 0.9	+ 10.6	- 9.7
Africa	38		44	- 13.8	- 2.3	- 11.5
Consolidated net sales	2 103	(106)¹	1 998	+ 5.3	+ 10.7	- 5.4
By business division						
Construction	1 540	(70) ¹	1 464	+ 5.2	+ 11.1	- 5.9
Industry	563	(36) ¹	534	+ 5.4	+ 9.5	- 4.1
Consolidated net sales	2 103	(106)¹	1 998	+ 5.3	+ 10.7	- 5.4

Net sales in fourth quarter

	1/10-31/12/2001		1/10-31/12/2000		Change towards previous year	
	CHF m		CHF m	CHF m	in local currencies	+/- in % currency impact
By region						
Europe	308		310	- 0.3	+ 4.1	- 4.4
North America	79		80	- 1.6	+ 4.5	- 6.1
Latin America	47		50	- 5.6	+ 9.8	- 15.4
Asia / Pacific	58		61	- 5.4	+ 6.8	- 12.2
Africa	8		10	- 18.3	- 2.9	- 15.4
Consolidated net sales	500	(nil)¹	511	- 2.0	+ 4.9	- 6.9
By business division						
Construction	369		372	- 0.5	+ 5.9	- 6.4
Industry	131		139	- 6.0	+ 2.2	- 8.2
Consolidated net sales	500	(nil)¹	511	- 2.0	+ 4.9	- 6.9

¹ Growth fuelled by acquisitions compared with previous year

Important dates in 2002:

Media conference / meeting with financial analysts, Zurich
 Letter to shareholders: Business performance 1st quarter 2002
 Annual General Meeting, Cham, 3 p.m.

Tuesday, 16 April 2002
 Tuesday, 7 May 2002
 Wednesday, 8 May 2002



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