2013

SIKA HALF-YEAR REPORT

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BUILDING TRUST

THE MOST IMPORTANT RESULTS
OF THE HALF-YEAR REPORT 2013 AT A GLANCE:

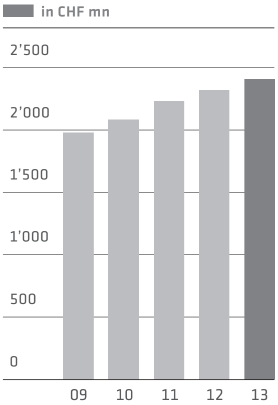
- → SALES GROWTH OF 4.4% (4.0% IN CHF)
- → SALES UP 15.3% IN EMERGING MARKETS
- → 11.4% RISE IN EBIT
- → ABOVE-AVERAGE INCREASE IN NET PROFIT OF 13.2%

	6/30/2012 Restated[1]	6/30/2013
Number of bearer shares with a nominal value of CHF 0.60 (CHF 0.60)	2,151,199	2,151,199
of which entitled to dividend and to vote	2,128,624	2,143,089
Number of registered shares with a nominal value of CHF 0.10 (CHF 0.10)	2,333,874	2,333,874
of which entitled to dividend and to vote	2,333,874	2,333,874
Key data per bearer share		
Half-year earnings (CHF)	49.17	54.94
Equity (CHF)	760	763
Bearer share price as of June 30 (CHF)	1,828	2,446
Market capitalization[2] as of June 30 (CHF mn)	4,643	6,220

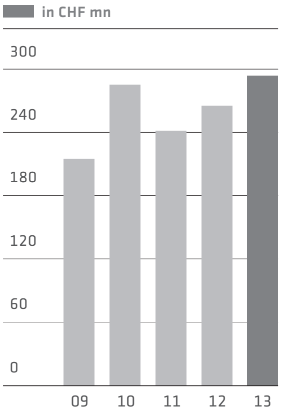
1 Restated due to application of IAS 19 amended (see principles of consolidation).
2 Since 2003, registered shares have been delisted from the Swiss stock exchange. Our calculation includes the registered shares with 1/6 of the bearer share price on June 30.

KEY FIGURES

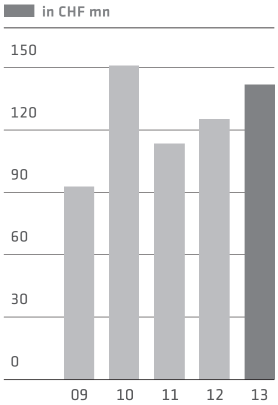
Net sales (consolidated)



Operating profit before depreciation (EBITDA)



Net profit after taxes



SIKA GROUP

in CHF mn	1/1/2012 – 6/30/2012 Restated[1]	1/1/2013 – 6/30/2013	Change in %
Net sales	2,310.7	2,402.5	4.0
Gross result	1,225.5	1,277.4	4.2
Operating profit before depreciation (EBITDA)	265.4	293.4	10.6
Operating profit (EBIT)	197.6	220.2	11.4
Net profit after taxes	124.8	141.3	13.2
Earnings per share in CHF[2]	49.17	54.94	11.7
Operating free cash flow	-13.8	15.3	
Balance sheet total[3]	4,282.8	4,138.7	
Shareholders' equity[3]	1,912.4	1,932.3	
Equity ratio in %[3, 4]	44.7	46.7	
Return on capital employed (ROCE) in %[5]	15.6	18.0	

1 Restated due to application of IAS 19 amended (see principles of consolidation).
2 Calculated on the basis of net profit after non-controlling interests and the average number of shares entitled to dividend.
3 As of December 31, 2012/June 30, 2013.
4 Shareholders' equity divided by balance sheet total.
5 Capital employed = current assets, PPE, intangible assets less cash and cash equivalents, current securities, current liabilities (excluding bank loans and bond).

SIKA WITH STRONG GROWTH IN EMERGING MARKETS

→ Sales growth of 4.4% (4.0% in CHF)
→ Sales up 15.3% in emerging markets
→ 11.4% rise in EBIT
→ Above-average increase in net profit of 13.2%

Following a slow first quarter in which the construction sector was hit by bad weather conditions, in the second quarter Sika made good the delays encountered in building projects. Sika posted growth in all regions and achieved an 8.3% increase in second-quarter sales. Net sales for the first half of 2013 came to CHF 2,402.5 million, corresponding to an increase of 4.4% in local currencies and 4.0% in CHF respectively. Driven by the opening of ten new factories in the last twelve months, the accelerated pace of expansion in the emerging markets resulted in a 15.3% sales growth.

PROFITABILITY UP

At 53.2%, the gross result for the first half of 2013 revealed a year-on-year rise (first half of 2012: 53.0%). Sales growth, a solid gross result and selective efficiency improvements led to an above-average increase in profitability. Sika achieved operating profit of CHF 220.2 million, representing an increase of 11.4% (first half of 2012: CHF 197.6 million). Net profit after taxes grew by 13.2% to CHF 141.3 million (first half of 2012: CHF 124.8 million).

ALL REGIONS SHOWING GROWTH IN THE SECOND QUARTER

With net sales of CHF 1,128.5 million, Sika reported 0.8% local currency growth in the region EMEA (Europe, Middle East, Africa) in the first half of 2013 (first half of 2012: CHF 1,108.5 million). Sika realized significant growth in Middle Eastern and African emerging markets as well as in Russia. In key Sika markets such as Germany and the Northern European countries, the sentiment was rather cautious in the first half of 2013 and numerous new infrastructure projects were postponed. There is still no trend reversal in sight in Southern Europe. Sika reported a further improvement in profitability in the region EMEA, with the EBIT margin at 10.0% or around 20% higher than in the first half of 2012.

After a severe winter with a substantial decrease in sales in the roofing segment, Sika's markets in the region North America improved slightly. Various building projects which had been delayed owing to the weather were started in the second quarter of 2013. There is still some catching up to do, though. While stricter budget restrictions imposed by the US government and the individual federal states slowed Sika's business to some extent, the recovery in the housing market had a positive impact on the construction climate.

Maintaining the momentum seen in previous periods in the region Latin America, Sika recorded 11.8% growth in the first half of 2013. Sika reported a substantial increase in sales in all target markets throughout the entire region, with growth especially strong in Brazil and Argentina. Inflation trends in South America had a negative effect in individual states.

In the region Asia/Pacific, Sika saw further strong growth and lifted net sales by 11.2% in local currencies. While volumes were stable in the OECD countries, China and Southeast Asia achieved high double-digit growth. The systematic growth strategy is paying off here, in particular geographic expansion, investments in production capacity, and the focus on project business.

Although the automotive market witnessed only moderate growth of 1% overall, Sika recorded a significant increase in sales in the automotive business area in the first half of 2013. Thanks to new technologies, the Group profited in particular from the launch of new models in the premium segment. Overall, Sika achieved a high single-digit percentage increase year-on-year in local currencies in this area.

OUTLOOK

For the second half of 2013, Sika expects to see a continuation of the dynamic development in the emerging markets. Demand from Asia will remain strong, and Sika is projecting double-digit growth rates for Latin America. On the other hand, developments in Europe are still uncertain.

Based on its half-year results and with the acquisitions in the UK, India, Mexico, and Australia, Sika confirms the local currency growth targets of 4.0% to 6.0% communicated in the 2012 Annual Report as well as the slight improvement in profitability for 2013.

VOTE OF THANKS

We would like to thank our customers, suppliers, and business partners for their valuable cooperation, our employees for their strong engagement, and our shareholders for their loyalty.

Sincerely,

DR PAUL HÄLG
Chairman of the Board

JAN JENISCH
Chief Executive Officer

ABOVE-AVERAGE INCREASE IN SALES IN EMERGING MARKETS. Sika expanded in all regions in the second quarter. The company was able to partly offset the impact of the bad weather on the construction sector in North America and Europe in the first quarter of 2013. In the regions Latin America and Asia/Pacific, Sika saw strong growth in the second quarter. Sika's automotive business area grew faster than the market.

EMEA

Sika recorded net sales of CHF 1,128.5 million in the region EMEA (Europe, Middle East, Africa) (previous year: CHF 1,108.5 million). Measured in local currencies, this is equivalent to a rise of 0.8% (currency effect: 1.0%, acquisition effect: 2.1%).

Economic growth in the emerging markets of the region EMEA remained robust in the first half of the year, in particular in the Middle East, Eastern Europe, and Africa. With the exception of the UK and Germany, most countries in the European Union witnessed a further contraction in economic growth. The situation has not yet improved in the Southern European countries.

Europe's construction industry was hit by severe weather in the first quarter. Budget cuts and deficit controls imposed by customers in both the public and private sectors squeezed demand. The ongoing economic crisis in Southern Europe posed a headache for the construction industry and a number of customers faced liquidity problems. Northern Europe's construction sector remained stable, major infrastructure projects are available, but some had to be postponed. Sika also made very good headway in individual Eastern European countries, in particular in Russia. The company achieved further growth in Turkey, the Middle East, and Africa.

In virtually all countries in the region EMEA, Sika completed its reorganization program geared to target markets. The new structure allows the individual national subsidiaries to identify market potential better and positions them even closer to their customers. In June, Sika acquired Everbuild Building Products Ltd, the leading manufacturer of sealants, adhesives, and building chemicals in the UK.

NORTH AMERICA

Sika recorded net sales of CHF 335.3 million in the region North America (previous year: CHF 332.2 million). Measured in local currencies, this is equivalent to a decrease of -0.2% (currency effect: 1.1%, acquisition effect: 0.0%).

The Canadian and US economies and construction markets experienced moderate recoveries. The strongest growth was seen in the housing construction sector, where investment activity is increasingly picking up. The commercial building market also posted growth, but to a lesser extent. By contrast, public sector infrastructure spending was somewhat lower owing to government-imposed savings programs.

Severe weather conditions in the first quarter caused a year-on-year fall-off in sales in most target markets. External applications such as roof coverings, façade engineering, and renovation and refurbishment work were delayed. On the other hand, concrete business was good; the launch of new products and the acquisition of Axim paid off.

The industrial sector was solid. Aftermarket business in particular profited from the bad weather: Sika replaced more windshields than it has done in years.

LATIN AMERICA

Sika recorded net sales of CHF 303.0 million in the region Latin America (previous year: CHF 280.7 million). Measured in local currencies, this is equivalent to a rise of 11.8% (currency effect: -3.9%, acquisition effect: 1.2%).

In the first half of 2013, economic growth slowed slightly in all countries in the region Latin America, with the exception of Brazil and Mexico. Argentina and Venezuela in particular suffered under high inflation rates.

Sika reported a substantial increase in sales in all target markets throughout the entire region, with growth especially strong in Brazil and Argentina. Inflation trends and local currency devaluations had a negative impact in individual countries.

Investments in new production capacity in the region are paying off. Sika set up a new factory in Colombia and began construction on new production sites in Brazil and Mexico. Sika acquired the Paraguayan construction chemicals market leader at the beginning of the year, and Mexico's leading manufacturer of bituminous water-proofing membranes in July.

ASIA/PACIFIC

Sika recorded net sales of CHF 455.2 million in the region Asia/Pacific (previous year: CHF 422.3 million). Measured in local currencies, this is equivalent to a rise of 11.2% (currency effect: -3.4%, acquisition effect: 0.3%).

Economic activity in the region Asia/Pacific remained positive on the whole, although growth in China tended to slow. Despite steps by the Chinese government to curb the economy and tighten the monetary reins, China's construction industry enjoyed strong growth in the first half of the year. Southeast Asia in particular was bolstered by increasing domestic demand and infrastructure programs rolled out by individual governments.

The significant expansion of production capacity in recent years had a positive effect on Sika's business in the Asia/Pacific region. In the first half of the year, Sika achieved double-digit growth in China, thanks mainly to large orders in the infrastructure sector. Sika recorded substantial double-digit growth in the countries of Southeast Asia. Major infrastructure projects and government economic stimulus programs accelerated this development. The OECD countries in the region also contributed to its growth. Japan posted moderate growth in the low single-digit range, but the large public-sector spending budgets have not yet fed through to the construction industry.

In July, Sika acquired a local manufacturer of water-proofing membranes in India and a leading supplier of structural fibers for shotcrete for the mining industry in Australia.

OTHER SEGMENTS AND ACTIVITIES

"Other segments and activities" generated net sales of CHF 180.5 million (previous year: CHF 167.0 million). Measured in local currencies, this is equivalent to a rise of 7.8% (currency effect: 0.3%, acquisition effect: 0.0%).

The automotive business area is a key component of "Other segments and activities". Global sales in the automotive market stagnated at a growth rate of 1% in the first half. While automotive markets in China and South America posted double-digit growth, the declining production rate in Europe stabilized at -5.0%. The North American market did see growth, but at 3.1% it was lower than in previous years.

Sika clearly outpaced the market, recording high single-digit organic growth in the automotive business area. Sika achieved further growth on the back of new model launches and strong sales in the premium automotive segment. In China, Sika again profited from a strong presence in local automotive manufacturing markets.

The results of the individual regions are shown in note 10. For an exact overview of the regions see page 22.

Consolidated Balance Sheet

in CHF mn	Notes	12/31/2012 Restated[1]	6/30/2013
Cash and cash equivalents	1	994.2	544.3
Accounts receivable	2	871.5	1,044.6
Inventories	3	521.6	593.1
Prepaid expenses and accrued income		83.9	89.2
Other current assets		26.5	7.5
Current assets		**2,497.7**	**2,278.7**
Property, plant, and equipment		873.3	891.0
Intangible assets	4	742.3	795.8
Investments in associated companies		15.3	13.8
Deferred tax assets		112.1	117.5
Other non-current assets		42.1	41.9
Non-current assets		**1,785.1**	**1,860.0**
ASSETS		**4,282.8**	**4,138.7**
Accounts payable	5	492.1	554.6
Accrued expenses and deferred income		197.6	213.1
Bond		249.9	299.4
Income tax liabilities		57.4	56.4
Current provisions	6	15.5	21.3
Other current liabilities		31.0	28.0
Current liabilities		**1,043.5**	**1,172.8**
Bonds		847.1	548.3
Non-current provisions	6	81.9	81.1
Deferred tax liabilities		96.2	93.7
Employee benefit obligation		269.7	278.3
Other non-current liabilities		32.0	32.2
Non-current liabilities		**1,326.9**	**1,033.6**
LIABILITIES		**2,370.4**	**2,206.4**
Capital stock		1.5	1.5
Treasury shares		-27.6	-16.8
Reserves		1,923.6	1,930.1
Equity attributable to Sika shareholders		1,897.5	1,914.8
Non-controlling interests		14.9	17.5
Shareholders' equity		**1,912.4**	**1,932.3**
LIABILITIES AND SHAREHOLDERS' EQUITY		**4,282.8**	**4,138.7**

1 Restated due to application of IAS 19 amended (see principles of consolidation).

Consolidated Income Statement

in CHF mn	Notes	%	1/1/2012 – 6/30/2012 Restated[1]	%	1/1/2013 – 6/30/2013	Change in %
Net sales	7	100.0	2,310.7	100.0	2,402.5	4.0
Material expenses	8	-47.0	-1,085.2	-46.8	-1,125.1	
Gross result		53.0	1,225.5	53.2	1,277.4	4.2
Personnel expenses		-22.2	-512.9	-21.8	-523.4	
Other operating expenses		-19.3	-447.2	-19.2	-460.6	
Operating profit before depreciation	9	11.5	265.4	12.2	293.4	10.6
Depreciation and amortization expenses		-2.9	-67.8	-3.0	-73.2	
Operating profit		8.6	197.6	9.2	220.2	11.4
Interest income		0.1	3.2	0.1	1.5	
Interest expenses		-0.7	-17.9	-0.7	-15.9	
Other financial income		0.1	2.9	0.1	2.3	
Other financial expenses		-0.5	-10.7	-0.5	-12.4	
Income from associated companies		0.1	2.4	0.0	0.7	
Profit before taxes		7.7	177.5	8.2	196.4	10.6
Income taxes		-2.3	-52.7	-2.3	-55.1	
Net profit		**5.4**	**124.8**	**5.9**	**141.3**	**13.2**
Profit attributable to Sika shareholders		5.4	123.8	5.8	139.1	
Profit attributable to non-controlling interests		0.0	1.0	0.1	2.2	
Undiluted/diluted earings per bearer share (in CHF)			49.17		54.94	11.7
Undiluted/diluted earings per registered share (in CHF)			8.20		9.16	11.7

1 Restated due to application of IAS 19 amended (see principles of consolidation).

Consolidated Statement of Comprehensive Income

in CHF mn	%	1/1/2012 – 6/30/2012 Restated[1]	%	1/1/2013 – 6/30/2013	Change in %
Net profit	**5.4**	124.8	**5.9**	**141.3**	13.2
Actuarial gains/(losses) on post employment benefit obligations	-0.5	-11.7	0.1	1.3	
Income tax effect	0.2	3.6	0.0	0.4	
Items that will not be reclassified to profit or loss	**-0.3**	-8.1	**0.1**	**1.7**	
Exchange differences taken to equity	0.1	3.2	-0.3	-6.9	
Items that may be reclassified subsequently to profit or loss	**0.1**	3.2	**-0.3**	**-6.9**	
Other comprehensive income	**-0.2**	-4.9	**-0.2**	**-5.2**	
Comprehensive income	**5.2**	119.9	**5.7**	**136.1**	13.5
Attributable to Sika shareholders	5.1	118.7	5.6	133.5	
Attributable to non-controlling interests	0.1	1.2	0.1	2.6	

1 Restated due to application of IAS 19 amended (see principles of consolidation).

Consolidated Statement of Changes in Equity

in CHF mn	Capital stock	Capital surplus	Treasury shares	Currency translation differences	Retained earnings	Equity attributable to Sika shareholders	Non-controlling interests	Total equity[1]
January 1, 2012 (audited)	**1.5**	**256.0**	**-55.7**	**-338.6**	**1,962.9**	**1,826.1**	**13.0**	**1,839.1**
Restatement[1]					-95.8	-95.8		-95.8
January 1, 2012 (restated)	1.5	256.0	-55.7	-338.6	1,867.1	1,730.3	13.0	1,743.3
Profit for the period[1]					123.8	123.8	1.0	124.8
Other comprehensive income[1]				3.0	-8.1	-5.1	0.2	-4.9
Comprehensive income	**–**	**–**	**–**	**3.0**	**115.7**	**118.7**	**1.2**	**119.9**
Transactions with treasury shares[2]			12.0		-8.1	3.9		3.9
Share-based payments					3.5	3.5		3.5
Dividends					-113.4	-113.4	-0.5	-113.9
Inflation adjustment[3]					0.6	0.6		0.6
Purchase of non-controlling interests					-1.9	-1.9	-2.5	-4.4
June 30, 2012 (restated)	**1.5**	**256.0**	**-43.7**	**-335.6**	**1,863.5**	**1,741.7**	**11.2**	**1,752.9**
December 31, 2012 (audited)	**1.5**	**203.1**	**-27.6**	**-364.4**	**2,179.9**	**1,992.5**	**14.9**	**2,007.4**
Restatement[1]					-95.0	-95.0		-95.0
January 1, 2013 (restated)	1.5	203.1	-27.6	-364.4	2,084.9	1,897.5	14.9	1,912.4
Profit for the period					139.1	139.1	2.2	141.3
Other comprehensive income				-7.3	1.7	-5.6	0.4	-5.2
Comprehensive income				**-7.3**	**140.8**	**133.5**	**2.6**	**136.1**
Transactions with treasury shares[2]			10.8		-3.6	7.2		7.2
Share-based payments					4.7	4.7		4.7
Dividends					-129.2	-129.2		-129.2
Inflation adjustment[3]					1.1	1.1		1.1
June 30, 2013	**1.5**	**203.1**	**-16.8**	**-371.7**	**2,098.7**	**1,914.8**	**17.5**	**1,932.3**

1 Restated due to application of IAS 19 amended (see principles of consolidation).
2 Including income tax of CHF 0.2 mn (CHF 0.7 mn).
3 Hyperinflation accounting concerns the subsidiary in Venezuela.

Consolidated Statement of Cash Flows

in CHF mn	1/1/2012 – 6/30/2012 Restated[1]	1/1/2013 – 6/30/2013
Operating activities		
Profit before taxes	177.5	196.4
Depreciation and amortization expenses	67.8	73.2
Increase (+)/decrease (–) in provisions/employee benefit assets and obligations	10.5	13.4
Increase (–)/decrease (+) in net working capital	-157.9	-143.1
Other adjustments	-1.8	-4.2
Income taxes paid	-56.5	-56.0
Cash flow from operating activities	**39.6**	**79.7**
Investing activities		
Property, plant, and equipment: capital expenditures	-53.2	-60.5
Property, plant, and equipment: disposals	0.9	0.8
Intangible assets: capital expenditures	-1.5	-4.7
Intangible assets: disposals	0.4	0.0
Acquisitions less cash and cash equivalents	-7.3	-84.6
Acquisitions (–)/disposals (+) of financial assets	-4.4	-3.7
Cash flow from investing activities	**-65.1**	**-152.7**
Financing activities		
Increase in financial liablities	4.0	0.0
Repayment of financial liabilities	-12.3	-6.8
Repayment of a bond	0.0	-250.0
Acquisitions (–)/disposals (+) of treasury shares	5.0	8.7
Dividend payment to shareholders of Sika AG	-113.4	-129.2
Dividends related to non-controlling interests	-0.5	0.0
Purchase of non-controlling interests	-4.3	0.0
Cash flow from financing activities	**-121.5**	**-377.3**
Exchange differences on cash and cash equivalents	2.1	0.4
Net change in cash and cash equivalents	-144.9	-449.9
Cash and cash equivalents at the beginning of the period	536.0	994.2
Cash and cash equivalents at the end of the period	391.1	544.3
Cash flow from operating activities contains:		
Dividends from associated companies	2.3	2.0
Interest received	3.2	1.6
Interest paid	-26.4	-24.8

1 Restated due to application of IAS 19 amended (see principles of consolidation).

Principles of Consolidation and Valuation

The unaudited, interim consolidated financial statements for the first half of 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These condensed interim financial statements do not include all information and disclosures as would be required in the annual financial statements, and should therefore be read in conjunction with Sika's annual consolidated financial statements for the year ended December 31, 2012.

The financial statements of the Sika Group are prepared in conformity with the provisions of the International Accounting Standards Board (IASB). All standards (IAS/IFRS) and interpretations (IFRIC/SIC) applicable as of June 30, 2013, were taken into account. The financial statements are prepared according to the going-concern principle. The financial statements have been prepared under the historical cost principle with the exception of financial assets and liabilities (including derivate instruments) at fair value through profit and loss.

The revised standard IAS 19 – Employee Benefits has been adopted by Sika as of January 1, 2013. The standard has faced two key changes. First, the same interest rates for plan assets as for plan liabilities have to be applied. Second, the deficit/surplus is recognized immediately in other comprehensive income and therefore recognized in the balance sheet. Using the corridor method and defer the recognition of actuarial gains and losses is no longer applicable. Sika has applied the standard retrospectively for 2012. The impact on the Group (restatement) is shown in the table on page 15.

A number of new standards, amendments to standards, and interpretations are effective for the financial year 2013. They have no significant effect on the consolidated financial statements of the group.

– IFRS 7	Financial instruments: disclosures – offsetting
– IFRS 10	Consolidated financial statements
– IFRS 11	Joint arrangements
– IFRS 12	Disclosure of interests in other entities
– IFRS 13	Fair value measurements
– IAS 1 (revised)	Presentation of financial statements
– IAS 27 (revised)	Separate financial statements
– IAS 28 (revised)	Investments in associates and joint ventures
– Various standards	Collective standard with amendments to various IFRS standards with the primary goal of eliminating inconsistencies and clarifying terminology

The table below shows the effect on the financial positions due to the application of the revised standard IAS 19 – Employee Benefits.

IMPACT OF IAS 19 (REVISED) ON PREVIOUS YEAR FIGURES

in CHF mn	1/1/2012	12/31/2012
Balance sheet		
Other non-current assets (before IAS 19R)	43.5	48.0
Restatement due to IAS 19R	-13.0	-5.9
Other non-current assets (restated)	**30.5**	**42.1**
Deferred tax assets (before IAS 19R)	82.4	85.7
Restatement due to IAS 19R	23.1	26.4
Deferred tax assets (restated)	**105.5**	**112.1**
Employee benefit obligation (before IAS 19R)	-142.9	-152.9
Restatement due to IAS 19R	-108.8	-116.8
Employee benefit obligation (restated)	**-251.7**	**-269.7**
Deferred tax liabilities (before IAS 19R)	-100.9	-97.5
Restatement due to IAS 19R	2.9	1.3
Deferred tax liabilities (restated)	**-98.0**	**-96.2**
Impact on retained earnings	**-95.8**	**-95.0**

in CHF mn	1/1 – 6/30/2012
Income statement	
Personnel expenses (before IAS 19R)	-515.0
Restatement due to IAS 19R	2.1
Personnel expense (restated)	**-512.9**
Interest expenses (before IAS 19R)	-14.2
Restatement due to IAS 19R	-3.7
Interest expenses (restated)	**-17.9**
Income taxes (before IAS 19R)	-53.0
Restatement due to IAS 19R	0.3
Income taxes (restated)	**-52.7**
Impact on net profit	**-1.3**
Statement of comprehensive income	
Other comprehensive income (before IAS 19R)	3.2
Restatement due to IAS 19R	-8.1
Other comprehensive income (restated)	**-4.9**
Earnings per bearer share/CHF (before IAS 19R)	49.75
Restated due to IAS 19	-0.58
Earnings per bearer share (restated)/CHF	**49.17**

ACQUISITIONS 2013

In 2013 Sika acquired the following companies.

Company	Type of transaction	Stake in %	Closing date
Inatec SRL, Paraguay	Share deal	100.0	1/31/2013
Everbuild Building Products Ltd, UK	Share deal	100.0	6/14/2013

In December 2012, Sika agreed to acquire Inatec SRL, Paraguay, the market leader in Paraguay in the area of construction chemicals. The transaction was completed on January 31, 2013. The purchase price of the shareholding acquired amounts to CHF 8.2 million and includes a component contingent which depends on the course of business, for which a market value of CHF 1.3 million has been estimated.

Since the purchase, Inatec has contributed sales of CHF 3.4 million and net profit of CHF 0.1 million. If the acquisition had taken place on the first day of the business year, its additional contribution to consolidated net sales would have been CHF 0.7 million. Consolidated net profit had remained unchanged.

In June, Sika has acquired Everbuild Building Products Ltd, UK, the largest independent manufacturer of sealants, adhesives, and construction chemicals in the UK. Everbuild is a highly reputed brand in the UK building market and the leader in professional distribution channels. Based in Leeds, the company runs a manufacturing facility for the full range of construction chemical products with laboratories and a logistic hub. The acquisition will strengthen Sika's position in the construction chemical market and in the professional distribution and do-it-yourself channels.

Since the purchase, Everbuild has contributed sales of CHF 3.3 million and net profit of CHF 0.3 million. If the acquisition had taken place on the first day of the business year, its additional contribution to consolidated net sales would have been CHF 46.2 million. Consolidated net profit would have been CHF 3.1 million higher.

Since the purchase prices and the purchase price allocations for both acquisitions still entail some uncertainty, all positions with the exception of "Cash and cash equivalents" are provisional. Production synergies and combined distribution channels and product portfolios justify the goodwill posted. Goodwill is not tax deductible. Accounts receivables of Everbuild have a gross value of CHF 19.6 million and were adjusted since CHF 0.1 million were classified as non-recoverable. For Inatec a gross value of CHF 0.8 million and an impairment of CHF 0.1 million result.

The directly attributable transaction costs of all acquisitions amounted to CHF 0.7 million and were charged to other operating expenses.

The net outflow of assets in the first half of 2013 amounted to CHF 84.6 million.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn	Everbuild	Inatec
Cash and cash equivalents	2.6	0.9
Accounts receivable	19.5	0.8
Inventories	8.5	1.7
Other current assets	0.5	0.0
Property, plant, and equipment	14.4	0.7
Intangible assets	12.7	2.6
Total assets	**58.2**	**6.7**
Accounts payable	10.8	0.3
Current bank loans	1.9	0.0
Other current liabilities	6.2	0.1
Provisions	1.0	0.0
Deferred tax liabilities	2.2	0.3
Total liabilities	**22.1**	**0.7**
Acquired net assets	**36.1**	**6.0**
Goodwill	48.0	2.2
Total purchase price	**84.1**	**8.2**
Cash in acquired assets	-2.6	-0.9
Payments still due (per June 30, 2013)	-2.7	-1.5
Net cash outflow	**78.8**	**5.8**

Notes to the Consolidated Financial Statements

Balance sheet data as of June 30, 2013 (December 31, 2012).
Income statement from January 1 to June 30, 2013 (from January 1 to June 30, 2012).

1. CASH AND CASH EQUIVALENTS CHF 544.3 MN (CHF 994.2 MN)
"Cash and cash equivalents" includes cash and cash equivalents with a maturity of less than three months. This position is lower than at the end of 2012 due to seasonal influences and the repayment of the bond in the amount of CHF 250.0 million as of February 15, 2013. The change in this position can be seen in detail in the cash flow statement.

2. ACCOUNTS RECEIVABLE CHF 1,044.6 MN (CHF 871.5 MN)
Accounts receivables are higher at mid-year than at the end of 2012 as a result of seasonal influences. At the half-year 2012 accounts receivables amounted to CHF 1,036.1 million.

3. INVENTORIES CHF 593.1 MN (CHF 521.6 MN)
The rise in inventories is due to seasonal distribution of sales. At mid-year 2012 inventories amounted to CHF 613.4 million.

4. INTANGIBLE ASSETS CHF 795.8 MN (CHF 742.3 MN)
Intangible assets increased due to the acquisition of Everbuild and Inatec.

5. ACCOUNTS PAYABLE CHF 554.6 MN (CHF 492.1 MN)
Accounts payables are higher at mid-year than at the end of 2012 as a result of seasonal influences. At the half-year 2012 accounts payables amounted to CHF 568.8 million.

6. PROVISIONS CHF 102.4 MN (CHF 97.4 MN)
Provisions for guarantees reflect all known or anticipated claims in the near future which are not covered by insurance. The provision amounts are determined on the basis of experience and are therefore subject to a degree of uncertainty. The outflow of funds depends on the timing of the filing and conclusion of warranty claims. Provisions for sundry risks include loan guarantees as well as open and anticipated legal cases with a probability of above 50%. For provisions of CHF 21.3 million (CHF 15.5 million) an outflow of funds is expected during the next twelve months. These amounts are shown as current provisions.

7. NET SALES CHF 2,402.5 MN (CHF 2,310.7 MN)
Sales of goods account for nearly all net sales. Net sales increased in comparison with the prior period by 4.4% in local currencies, including an acquisition effect of 1.2%. Exchange rate fluctuations negatively impacted sales by -0.4%. Details to segments can be found in note 10.

8. MATERIAL EXPENSES CHF 1,125.1 MN (CHF 1,085.2 MN)
Material costs remained stable at high level. The CHF 18.2 million (CHF 28.5 million) change in inventory is contained in material expenses.

9. OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) CHF 293.4 MN (CHF 265.4 MN)
Personnel costs as a proportion of sales declined from 22.2% to 21.8%. This is mainly due to increased efficiency. Other operating expenses developed largely in line with volume, while the expense ratio improved moderately from 19.3% to 19.2%. As a result of increasing gross result, operating profit before depreciation (EBITDA) rose by 10.6% to CHF 293.4 million, yielding an EBITDA margin of 12.2% (11.5%).

Personnel expenses include a portion of the salaries paid to senior managers and Group Management in the form of Sika AG stock. The shares are granted at the average market price of February of the subsequent business year. The allocated shares are subject to a blocking period of four years. Related personnel expenses in the first half of 2013 amounted to CHF 10.1 million (CHF 10.0 million). Provided employees are entitled to the option of drawing shares of Sika AG, this portion will be recognized as liabilities as at balance sheet date. In the event that shares are drawn, this portion will be taken to equity in the subsequent year. Expenses for research and development are included in other operating expenses because they do not meet the recognition criteria.

10. SEGMENTATION BY REGION

Sika conducts its worldwide activities according to regions. Region heads are members of Group Management. Group Management is the highest operative execution body measuring profit and loss of segments and allocating resources. The key figure of profit by which the segments are directed is that of operating profit, which stands in correlation with the consolidated financial statements. The financing (including financial expenditures and revenues) as well as income taxes are managed uniformly across the Group and are not assigned to the individual segments. The precise composition of the regions is shown on page 22.

Products and services from all product groups are sold in all regions. Customers derive from the building and construction industry or from the area of industrial manufacturing. Sales are assigned according to company locations. Taxes and any effects of financing are allocated to "Other segments and activities". Transfer prices between segments are calculated according to generally recognized principles.

In 2013 the regions were adjusted. The previous six geographical regions have been reduced to four. The new regional breakdown is based on unified economic areas and supply chain structures. The new region EMEA covers the previous regions Europe North and Europe South together with the Middle East and Africa. With the former region IMEA dissolved, India has been reallocated to the region Asia/Pacific due to its close association with this economic area. North America and Latin America remain independent regions on account of their differing market structures.

"Other segments and activities" include the automotive segment, expenditures for Group head quarter, and its proceeds from services. In addition they contain expenses and income that cannot be allocated to an individual region. These are mainly expenses for research and development. The supply chain activities previously included in "Other segments and activities" are now included in the region EMEA.

NET SALES FROM JANUARY 1 TO JUNE 30

			2012[1]			2013
in CHF mn	With third parties	With other segments	Total	With third parties	With other segments	Total
EMEA	1,108.5	49.2	1,157.7	1,128.5	55.4	1,183.9
North America	332.2	13.6	345.8	335.3	9.6	344.9
Latin America	280.7	0.1	280.8	303.0	0.1	303.1
Asia/Pacific	422.3	3.7	426.0	455.2	3.1	458.3
Other segments and activities	167.0	–	167.0	180.5		180.5
Eliminations	–	-66.6	-66.6	–	-68.2	-68.2
Net sales	**2,310.7**	**–**	**2,310.7**	**2,402.5**	**–**	**2,402.5**
Products for construction industry	1,829.6			1,903.1		
Products for industrial manufacturing	481.1			499.4		

1 Restated due to amendments in segment structure.

NET SALES WITH THIRD PARTIES/TRANSLATION IMPACTS

in CHF mn	1/1/2012 – 6/30/2012[1]	1/1/2013 – 6/30/2013	Change compared to prior year (+/- in %) In Swiss francs	In local currencies[2]	Currency impact
By region					
EMEA	1,108.5	1,128.5	1.8	0.8	1.0
North America	332.2	335.3	0.9	-0.2	1.1
Latin America	280.7	303.0	7.9	11.8	-3.9
Asia/Pacific	422.3	455.2	7.8	11.2	-3.4
Other segments and activities	167.0	180.5	8.1	7.8	0.3
Net sales	**2,310.7**	**2,402.5**	**4.0**	**4.4**	**-0.4**
Products for construction industry	1,829.6	1,903.1	4.0	4.6	-0.6
Products for industrial manufacturing	481.1	499.4	3.8	3.5	0.3

1 Restated due to amendments in segment structure.
2 Including acquisitions.

OPERATING PROFIT

in CHF mn	1/1/2012 – 6/30/2012[1]	1/1/2013 – 6/30/2013	Change compared to prior year (+/-)	(+/- in %)
By region				
EMEA	93.6	112.4	18.8	20.1
North America	31.4	34.1	2.7	8.6
Latin America	52.5	50.0	-2.5	-4.8
Asia/Pacific	49.6	58.2	8.6	17.3
Other segments and activities	-29.5	-34.5	-5.0	n.a.
Operating profit	**197.6**	**220.2**	**22.6**	**11.4**

1 Restated due to amendments in segment structure and due to application of IAS 19 amended (see principles of consolidation).

11. EVENTS AFTER THE BALANCE SHEET DATE

The following events occurred between June 30, 2013 and the release of these consolidated financial statements:

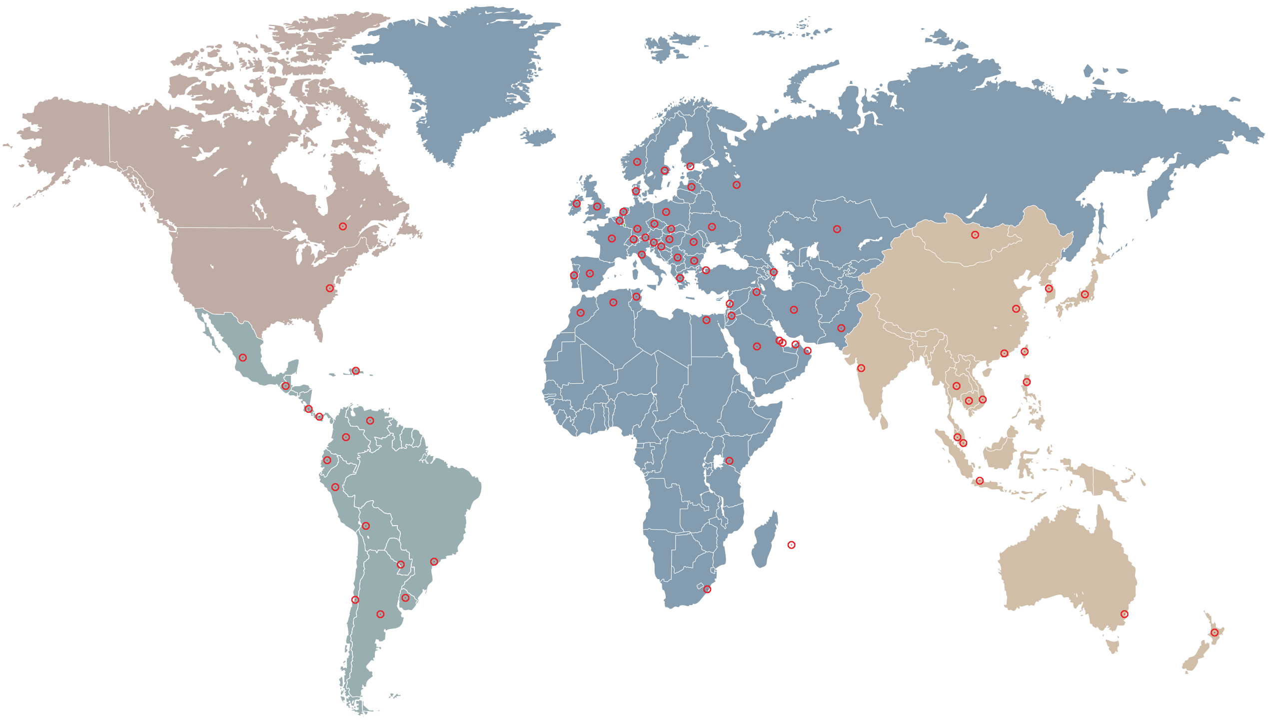
On July 15, 2013, Sika has agreed to acquire JMTexsa, S.A. de C.V., Mexico, and Texsa India Ltd, India, two leading manufacturers of waterproofing membranes. An agreement to this effect with the French industrial group Soprema has been signed. The companies being acquired generated annual sales of CHF 23 million in 2012.

On July 18, 2013, Sika has announced to acquire Radmix Resources Pty Ltd, Australia, and its manufacturing partner ASF (Australian Synthetic Fibres) Pty Ltd, Australia. Radmix is the leading supplier of structural fibres for shotcrete in Australia's mining industry. Last year Radmix and ASF generated sales of CHF 8 million.

The transactions will close only after publication of the consolidated financial statements and the precise details of the size and breakdown of assets are still not known. From a Group perspective the amounts are immaterial. For this reason, Sika has decided against a provisional purchase price allocation.

WORLDWIDE MARKET PRESENCE

EMEA ASIA/PACIFIC NORTH AMERICA LATIN AMERICA



● SIKA SUBSIDIARIES

FINANCIAL CALENDAR

WEDNESDAY, OCTOBER 30, 2013
Shareholder letter (nine months 2013)

TUESDAY, JANUARY 14, 2014
Net sales 2013

TUESDAY, MARCH 4, 2014
Full-year results 2013; media conference/analysts' presentation

TUESDAY, APRIL 15, 2014
Shareholder letter (first quarter 2014)
46. Annual General Meeting at Lorzensaal, Cham, 4 p.m.

TUESDAY, JULY 29, 2014
Shareholder letter (half-year report 2014)

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