

SIKA
HALF-YEAR REPORT

2015

WWW.SIKA.COM

HALF-YEAR RESULTS AT A GLANCE

+5.6%
SALES GROWTH
(-1.2% IN
SWISS FRANCS)

GROWTH
IN ALL
REGIONS

5
ACQUISITIONS

+11.1%
INCREASE
IN NET PROFIT

4
NEW
FACTORIES

PORTRAIT

Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing and protecting in the building sector and the motor vehicle industry. Sika has subsidiaries in 91 countries around the world and manufactures in over 160 factories. Its approximately 17,000 employees generated annual sales of CHF 5.6 billion in 2014.

KEY FIGURES

SIKA GROUP

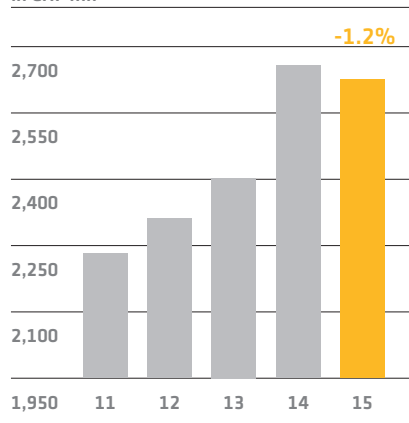
in CHF mn	1/1/2014 – 6/30/2014	as % of net sales	1/1/2015 – 6/30/2015	as % of net sales
Net sales	2,656.9		2,625.2	
Gross result	1,417.4	53.3	1,428.0	54.4
Operating profit before depreciation (EBITDA)	347.7	13.1	370.2	14.1
Operating profit (EBIT)	266.4	10.0	288.6	11.0
Net profit	177.6	6.7	197.3	7.5
Operating free cash flow	36.6	1.4	43.0	1.6
Capital expenditures	-66.3	-2.5	-59.0	-2.2
Balance sheet total ¹	4,817.9		4,671.4	
Shareholders' equity ¹	2,383.3		2,223.4	
Equity ratio in % ^{1, 2}	49.5		47.6	
Return on capital employed (ROCE) in % ³	20.9		22.8	
Earnings per share (EPS) in CHF	69.39		76.53	
Number of employees	16,877		17,543	

1 As of December 31, 2014/June 30, 2015.

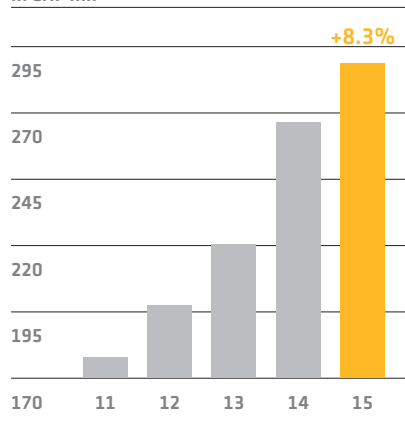
2 Shareholders' equity divided by balance sheet total.

3 Capital employed = current assets, PPE, intangible assets less cash and cash equivalents, current securities, current liabilities (excluding bank loans and bond).

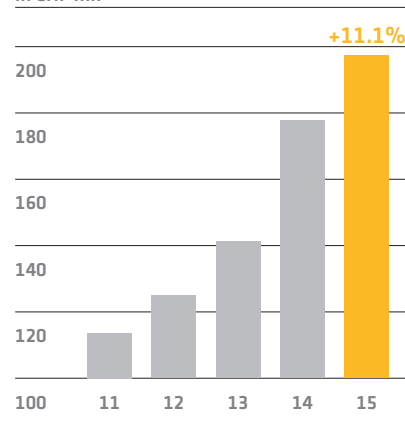
NET SALES
in CHF mn



EBIT
in CHF mn



NET PROFIT
in CHF mn



INVESTOR INFORMATION

	6/30/2014	6/30/2015
Number of bearer shares with a nominal value of CHF 0.60	2,151,199	2,151,199
of which entitled to dividend and to vote	2,147,328	2,150,382
Number of registered shares with a nominal value of CHF 0.10	2,333,874	2,333,874
Bearer share price as of June 30 (CHF)	3,626	3,298
Market capitalization ¹ as of June 30 (CHF mn)	9,211	8,378

1 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.

LETTER TO SHAREHOLDERS

Dear Shareholders,

Significant volume increases and gains in market share were achieved in all regions despite a very strong prior-year period (sales growth of 18.1%). At constant exchange rates, sales rose by 5.6% to CHF 2.625 billion. The strong Swiss franc produced negative currency effects of 6.8%, leading to a sales result of -1.2%. The strength of the Swiss franc was more than compensated by volume growth, ongoing efficiency improvements and lower commodity prices which lead to margins increasing by an above-average amount. Operating profit rose by 8.3% to CHF 288.6 million (previous year: CHF 266.4 million) while net profit increased by 11.1% to CHF 197.3 million (previous year: CHF 177.6 million).

Sika CEO Jan Jenisch: "Once again, the successful first half shows that the rigorous implementation of our growth model is delivering outstanding results. Despite the challenging environment, our 17,000 employees have demonstrated their competence and commitment and achieved a record result. An increase in net profit of 11.1% is a very convincing result, given the appreciation of the Swiss franc. Double-digit sales growth in the core markets of the USA, Latin America, Africa, the Middle East, Eastern Europe, Southeast Asia and the Pacific underlines the strength of our growth model and allows us to face the future and the second half of 2015 with confidence."

GROWTH IN ALL REGIONS

In the region EMEA (Europe, Middle East, Africa), sales grew by 3.8% in the first half of 2015. Growth accelerated in the second quarter thanks to good performance in Eastern Europe, Africa and the Middle East. Sales in Western Europe did not quite match the extremely strong prior-year result. The expansion of production capacity resulting from the opening of new factories in Dubai and La Réunion will generate additional growth momentum in the region in the future.

Latin America and North America recorded the strongest sales growth. Despite a difficult market environment in Brazil, gains in market share led to a 13.1% increase in sales in Latin America. Investment in a new factory in Paraguay and the launch of new products are paving the way for future growth. In North America, the healthy US construction sector resulted in an 8.2% increase in sales. Expansion of our production capacities is in line with the positive outlook and is a significant growth driver for the future.

Growth in the region Asia/Pacific slowed to 1.7% owing to the negative market development in China. On the other hand, double-digit sales increases were achieved in Southeast Asia and the Pacific. Sika opened its first factory in Sri Lanka and founded its 91st national subsidiary in Myanmar.

GROWTH DRIVEN BY EMERGING MARKETS AND MORTAR BUSINESS

Despite the negative market trends in China, accelerated expansion in the emerging markets continued to generate strong results, with sales up by 8.7%. The high-margin mortar business – a core component of Sika's Strategy 2018 – put in an above-average performance, with sales growth of 12.4%. Sika has further expanded its fast-growing mortar business in recent months by making three acquisitions – BMI in the USA, CTA in Australia and Duro-Moza in Mozambique.

ABOVE-AVERAGE PROFIT GROWTH

Both operating result and net profit reached record highs in the first half. The strength of the Swiss franc was more than compensated by volume growth, ongoing efficiency improvements and lower commodity prices which lead to margins increasing by an above-average amount. The gross result rose to 54.4% (previous year: 53.3%). Operating profit increased by 8.3% to CHF 288.6 million (previous year: CHF 266.4 million). There was a substantial rise in operating profit margin, to 11.0% (previous year: 10.0%). Net profit climbed by 11.1% to CHF 197.3 million (previous year: CHF 177.6 million).

OUTLOOK FOR 2015

The accelerated development of the growth markets will continue. It is planned to open between seven and nine factories in 2015. In line with Strategy 2018, Sika expects sales growth of 6% to 8% at constant exchange rates. Margins for the year as a whole are expected to rise at above-average rates thanks to continued volume growth, efficiency improvements and lower commodity prices. The unknown outcome of Saint-Gobain's hostile takeover bid means that this forecast must be regarded as uncertain.

VOTE OF THANKS

We wish to thank our employees for their outstanding commitment, great dedication and the results achieved. We also wish to express our gratitude to our customers, business partners and suppliers for their trust and excellent cooperation. A special vote of thanks goes to our shareholders for their loyalty.

Sincerely,



DR. PAUL HÄLG
Chairman of the Board



JAN JENISCH
Chief Executive Officer

MARKET EXPANSION IN ALL REGIONS

In the first half of 2015, Sika increased sales in local currencies by 5.6% globally and further expanded its presence in all regions.

EMEA

In the eurozone, the economy continued to improve in the first half of 2015, despite the uncertainty over Greece.

In Western Europe, Sika did not quite match its extremely strong prior-year result. Most Eastern Europe countries produced positive performance, with the exception of Russia. Both the Middle East and Africa remain strong growth markets for Sika, generating double-digit growth.

In the first quarter of 2015, Sika acquired Duro-Moza, a manufacturer of mortar and tile adhesives in Mozambique, and Axson Technologies, a world leader in the development of high-performance resins, based in France. Sika further expanded its mortar production capacity in Damville, France, at the beginning of the year.

NORTH AMERICA

While the first half of 2015 saw a significant year-on-year increase in new construction projects in the USA, the Canadian construction industry was sluggish owing to the low oil price and the devaluation of the currency against the US dollar.

Overall, Sika achieved a strong rise in sales in the region North America and an above-average improvement in operating profit in the USA. The Roofing, Refurbishment, Concrete and Industry segments made the strongest contributions to this increase. Sika launched a comprehensive range of new products which contributed significantly to the positive business result in North America and have established themselves firmly in the market.

In March 2015, Sika acquired BMI Products of Northern California Inc., which is active in the manufacture and distribution of mortar products and systems for the construction industry. Sika is currently building new factories for mortar and concrete admixtures in Philadelphia, USA, and Vancouver, Canada.

LATIN AMERICA

The region Latin America saw moderately good economic performance in the first half of 2015. In Brazil, the difficult economic situation led to greater competition. Oil-producing countries, particularly Venezuela and Ecuador, were hard hit by low oil prices. The economies of Venezuela and Argentina experienced recession accompanied by high inflation rates. Colombia proved to be the exception, continuing to show solid economic growth. Most local currencies depreciated strongly against the US dollar.

In the challenging economic conditions, Sika was able to achieve good sales growth while continuing to expand its market share. Sika's strongest growth was in Mexico, Paraguay, Bolivia and Argentina. Sika opened a new mortar factory in Paraguay and began production of sealants and adhesives in Argentina and Mexico.

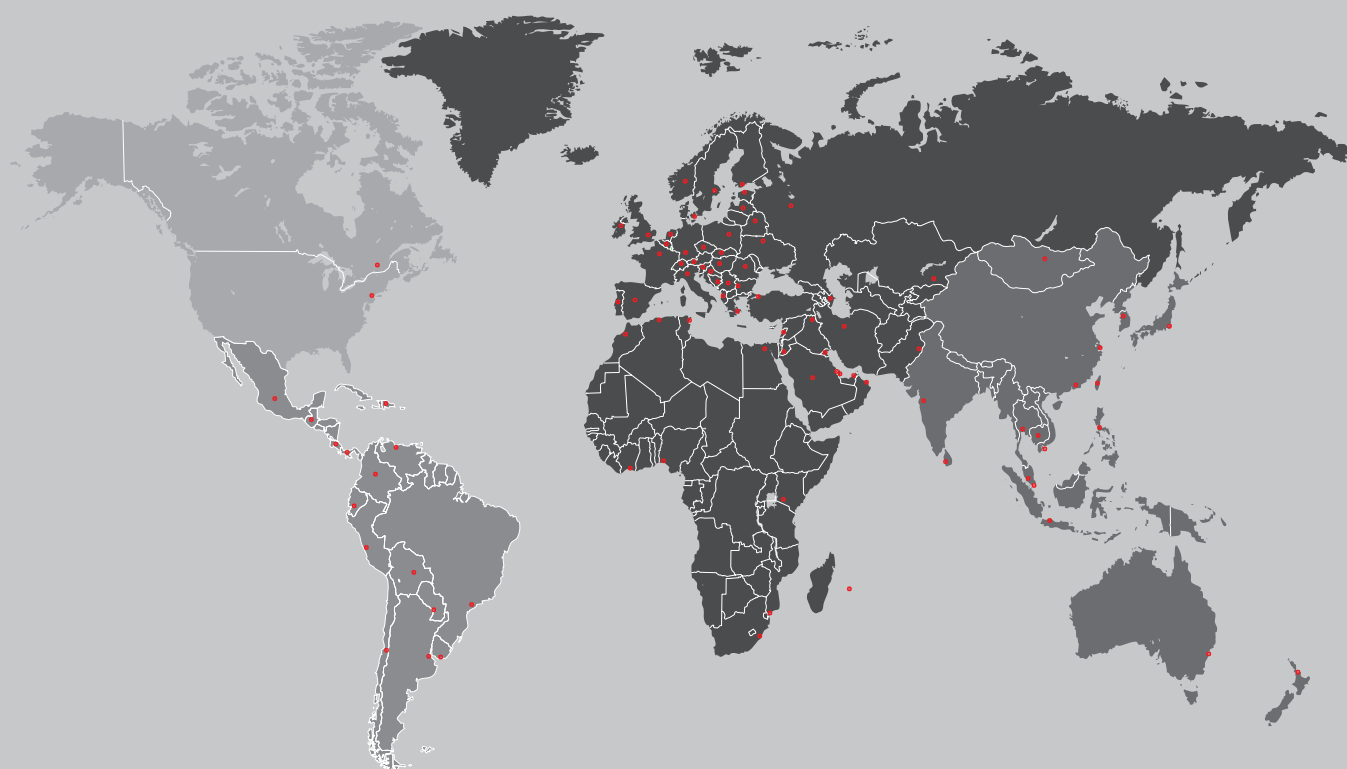
ASIA/PACIFIC

Whereas economic growth in China fell to a record low in the first half of 2015, Japan was recovering after a long period of deflation.

With the exception of China, Sika's emerging markets generated double-digit growth. In the period under review, Sika acquired Construction Technologies Australia Pty Ltd (CTA), a leading manufacturer of tile adhesives and mortar products. The Group successfully integrated LCS Optiroc Pte Ltd. in Singapore and LCS Optiroc SDN. BHD in Malaysia, two leading companies in the manufacture of cementitious powder products, into the organization. Work began on constructing a new factory in Thailand, Sika invested in expanding its existing plant in Japan, and a new factory came on line in Sri Lanka. In addition, Sika founded a new national subsidiary in Myanmar.

The results of the individual regions are shown in note 10.

WORLDWIDE MARKET PRESENCE



● SIKA SUBSIDIARIES

THE REGIONS IN BRIEF

	EMEA	North America	Latin America	Asia/Pacific	Other Segments and Activities
Net sales in CHF mn (previous year)	1,242.0 (1,335.8)	380.9 (335.2)	303.7 (295.6)	483.9 (485.0)	214.7 (205.3)
Growth in local currencies	3.8%	8.2%	13.1%	1.7%	11.0%
Currency impact	-10.8%	5.4%	-10.4%	-1.9%	-6.4%
Acquisition effect	2.3%	0.7%	3.1%	1.8%	0.0%

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in CHF mn	Notes	12/31/2014	6/30/2015
Cash and cash equivalents	1	898.8	679.7
Accounts receivable	2	1,006.0	1,097.1
Inventories	3	591.3	624.6
Prepaid expenses and accrued income		92.3	108.5
Other current assets		7.7	52.8
Current assets		2,596.1	2,562.7
Property, plant, and equipment		958.3	897.3
Intangible assets	4	1,074.6	1,035.6
Investments in associated companies		14.3	6.0
Deferred tax assets		130.6	124.3
Other non-current assets		44.0	45.5
Non-current assets		2,221.8	2,108.7
ASSETS		4,817.9	4,671.4
Accounts payable	5	605.4	607.1
Accrued expenses and deferred income		214.3	217.4
Bond		0.0	249.7
Income tax liabilities		77.4	84.6
Current provisions	6	19.2	18.5
Other current liabilities		34.8	28.4
Current liabilities		951.1	1,205.7
Bonds		947.6	698.3
Non-current provisions	6	96.9	94.4
Deferred tax liabilities		118.5	101.1
Employee benefit obligation		303.8	331.4
Other non-current liabilities		16.7	17.1
Non-current liabilities		1,483.5	1,242.3
LIABILITIES		2,434.6	2,448.0
Capital stock		1.5	1.5
Treasury shares		-10.8	-2.4
Reserves		2,376.4	2,205.8
Equity attributable to Sika shareholders		2,367.1	2,204.9
Non-controlling interests		16.2	18.5
SHAREHOLDERS' EQUITY		2,383.3	2,223.4
LIABILITIES AND SHAREHOLDERS' EQUITY		4,817.9	4,671.4

CONSOLIDATED INCOME STATEMENT FROM JANUARY 1 TO JUNE 30

in CHF mn	Notes	%	2014	%	2015	Change in %
Net sales	7	100.0	2,656.9	100.0	2,625.2	-1.2
Material expenses	8	-46.7	-1,239.5	-45.6	-1,197.2	
Gross result		53.3	1,417.4	54.4	1,428.0	0.7
Personnel expenses		-20.7	-550.6	-21.1	-552.8	
Other operating expenses		-19.5	-519.1	-19.2	-505.0	
Operating profit before depreciation	9	13.1	347.7	14.1	370.2	6.5
Depreciation and amortization expenses		-3.1	-81.3	-3.1	-81.6	
Operating profit		10.0	266.4	11.0	288.6	8.3
Interest income		0.1	1.2	0.1	1.5	
Interest expenses		-0.7	-18.3	-0.5	-13.4	
Other financial income		0.1	3.2	0.2	4.8	
Other financial expenses		-0.2	-4.9	-0.7	-15.9	
Income from associated companies		0.0	0.5	0.1	2.5	
Profit before taxes		9.3	248.1	10.2	268.1	8.1
Income taxes		-2.6	-70.5	-2.7	-70.8	
Net profit		6.7	177.6	7.5	197.3	11.1
Profit attributable to Sika shareholders		6.6	175.9	7.4	194.2	
Profit attributable to non-controlling interests		0.1	1.7	0.1	3.1	
Undiluted/diluted earnings per bearer share (in CHF)			69.39		76.53	10.3
Undiluted/diluted earnings per registered share (in CHF)			11.56		12.75	10.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF mn	%	1/1/2014 - 6/30/2014	%	1/1/2015 - 6/30/2015	Change in %
Net profit	6.7	177.6	7.5	197.3	11.1
Actuarial gains/(losses) on post employment benefit obligations	-0.8	-22.2	-1.5	-39.7	
Income tax effect	0.1	4.7	0.3	7.4	
Items that will not be reclassified to profit or loss	-0.7	-17.5	-1.2	-32.3	
Exchange differences taken to equity	-0.1	-3.2	-5.5	-144.6	
Items that may be reclassified subsequently to profit or loss	-0.1	-3.2	-5.5	-144.6	
Other comprehensive income	-0.8	-20.7	-6.7	-176.9	
Comprehensive income	5.9	156.9	0.8	20.4	-87.0
Attributable to Sika shareholders	5.8	155.3	0.7	18.1	
Attributable to non-controlling interests	0.1	1.6	0.1	2.3	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital stock	Capital surplus	Treasury shares	Currency trans- lation differ- ences	Retained earnings	Total Sika share- holders' equity	Non- control- ling interests	Total equity
in CHF mn								
January 1, 2014	1.5	203.1	-13.7	-425.4	2,354.6	2,120.1	16.1	2,136.2
Profit for the period					175.9	175.9	1.7	177.6
Other comprehensive income				-3.1	-17.5	-20.6	-0.1	-20.7
Comprehensive income	-	-	-	-3.1	158.4	155.3	1.6	156.9
Transactions with treasury shares ¹			3.2		-3.2	-		-
Share based payments					3.7	3.7		3.7
Dividends					-144.6	-144.6	-0.9	-145.5
Inflation adjustment ²					0.5	0.5		0.5
Purchase of non-controlling interests					-1.8	-1.8	-2.9	-4.7
June 30, 2014	1.5	203.1	-10.5	-428.5	2,367.6	2,133.2	13.9	2,147.1
January 1, 2015	1.5	203.1	-10.8	-415.4	2,588.7	2,367.1	16.2	2,383.3
Profit for the period					194.2	194.2	3.1	197.3
Other comprehensive income				-143.8	-32.3	-176.1	-0.8	-176.9
Comprehensive income	-	-	-	-143.8	161.9	18.1	2.3	20.4
Transactions with treasury shares ¹			8.4		-9.7	-1.3		-1.3
Share based payments					3.5	3.5		3.5
Dividends					-182.8	-182.8		-182.8
Inflation adjustment ²					0.3	0.3		0.3
June 30, 2015	1.5	203.1	-2.4	-559.2	2,561.9	2,204.9	18.5	2,223.4

1 Including income tax of CHF 0.2 mn (CHF 0.1 mn).

2 Hyperinflation accounting concerns the subsidiary in Venezuela.

CONSOLIDATED STATEMENT OF CASH FLOWS

in CHF mn

	1/1/2014 – 6/30/2014	1/1/2015 – 6/30/2015
Operating activities		
Profit before taxes	248.1	268.1
Depreciation and amortization expenses	81.3	81.6
Increase (+)/decrease (-) in provisions/employee benefit assets and obligations	12.7	4.1
Increase (-)/decrease (+) in net working capital	-191.2	-176.6
Other adjustments	9.1	8.2
Income taxes paid	-73.1	-87.0
Cash flow from operating activities	86.9	98.4
Investing activities		
Property, plant, and equipment: capital expenditures	-63.7	-55.8
Property, plant, and equipment: disposals	16.0	3.6
Intangible assets: capital expenditures	-2.6	-3.2
Acquisitions less cash and cash equivalents	-67.0	-65.8
Acquisitions (-)/disposals (+) of financial assets	0.4	0.1
Cash flow from investing activities	-116.9	-121.1
Financing activities		
Increase in financial liabilities	4.1	4.8
Repayment of financial liabilities	-22.8	-6.2
Repayment of a bond	-300.0	0.0
Acquisitions of treasury shares	-10.3	-12.0
Disposals of treasury shares	9.0	13.5
Dividend payment to shareholders of Sika AG	-144.6	-182.8
Dividends related to non-controlling interests	-0.9	0.0
Purchase of non-controlling interests	-4.7	0.0
Cash flow from financing activities	-470.2	-182.7
Exchange differences on cash and cash equivalents	-1.3	-13.7
Net change in cash and cash equivalents	-501.5	-219.1
Cash and cash equivalents at the beginning of the period	1,028.3	898.8
Cash and cash equivalents at the end of the period	526.8	679.7
Cash flow from operating activities contains:		
Dividends from associated companies	0.6	1.6
Interest received	1.1	1.4
Interest paid	-14.8	-8.3

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES OF CONSOLIDATION AND VALUATION

The unaudited, interim Consolidated Financial Statements for the first half of 2015 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, 2014.

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, 2015, were taken into account. The financial statements are prepared according to the going-concern principle. The Consolidated Financial Statements have been prepared under the historical cost principle with the exception of financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

The accounting standards applied conform to those standards that were valid in the previous year. Exceptions are the following revised and new standards, which Sika applied since January 1, 2015. They have had no significant effect on the Consolidated Financial Statements of the Group:

- Amendments to IAS 19 - Employee benefits entitled defined benefit plans: Employee contributions
- Annual improvements to IFRS (December 2013) - Collective standard with amendments to various IFRS standards with the primary goal of eliminating inconsistencies and clarifying terminology

ACQUISITIONS 2015

In 2015 Sika acquired the following companies:

Company	Type of transaction	Stake in %	Closing Date
Duro-Moza, Mozambique	Asset deal		2/2/2015
BMI Products of Northern California Inc., USA	Share deal	100.0	3/2/2015
Axson Technologies (USA/Mexico/France/Slovakia/China/Japan/Germany/Italy/Spain/UK/India/UAE)	Share deal	100.0	3/31/2015
Construction Technologies Australia Pty Ltd (CTA), Australia	Share deal	100.0	3/31/2015
Addiment Italia S.r.l.	Share deal	100.0	6/30/2015

In January Sika has agreed to acquire the assets of Duro-Moza, a Mozambique based company active in production and sales of specialized mortars and tile adhesives. The transaction will accelerate Sika Mozambique's development and market penetration.

In March, Sika acquired mortar producer BMI Products of Northern California Inc., a US-based company active in production and sales of a full range mortar products and systems for the construction industry. The acquisition will accelerate Sika's global expansion in the fast growing mortar business with an extended new supply chain in the Western US.

In March Sika acquired Axson Technologies, a leader in the field of epoxy and polyurethane polymer formulations for design, prototyping and tooling, structural adhesives, composite materials and encapsulation products for the automotive, aeronautical, nautical, renewable energy, sports and leisure and construction markets. This acquisition will significantly broaden Sika's product range in the global Tooling and Composites business.

Since the purchase, Axson Technologies has contributed sales of CHF 25.9 million and net loss of CHF 0.2 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 21.9 million. Consolidated net profit would have been CHF 0.1 million lower.

In March Sika has further agreed to acquire Construction Technologies Australia Pty Ltd (CTA), one of the leading suppliers of tile adhesives and associated mortar products in Australia.

Sika further acquired the remaining 50% of Addiment Italia from its joint venture partner and consolidated for the first time as of June 30, 2015. Addiment is active in the production and sales of concrete admixtures and cement grinding aids. The transaction will strengthen Sika's operating activities in Italy and increase its market presence.

The other acquisitions have contributed sales of CHF 8.6 million and net loss of CHF 0.3 million. If the acquisitions had taken place on the first day of the business year, its additional contribution to consolidated net sales would have been CHF 13.4 million. Consolidated net profit would have been CHF 0.4 million higher.

Since the purchase prices and the purchase price allocations for all acquisitions still entail some uncertainty, all positions with the exception of «Cash and cash equivalents» are provisional. Product synergies and combined distribution channels and product portfolios justify the goodwill posted. Goodwill of CHF 1.4 million is tax deductible. Accounts receivables of Axson Technologies have a gross value of CHF 20.1 million and were adjusted since CHF 1.2 million were classified as non-recoverable. For all other acquisitions accounts receivable have a gross value of CHF 10.6 million and were adjusted since CHF 0.7 million were classified as non-recoverable.

The directly attributable transaction costs of all acquisitions amounted to CHF 2.7 million and were charged to other operating expenses.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn

	Axson Technologies	Other acquisitions 2015 ¹
Cash and cash equivalents	9.9	6.7
Accounts receivable	18.9	9.9
Inventories	13.2	3.6
Other current assets	4.4	0.2
Property, plant, and equipment	10.1	6.6
Intangible assets	17.3	6.1
Deferred tax assets	1.0	0.2
Other non-current assets	0.7	
Total assets	75.5	33.3
Current bank loans	2.0	0.8
Accounts payable	10.5	10.2
Other current liabilities	7.6	1.0
Provisions	2.3	0.4
Employee benefit obligation	1.7	0.5
Deferred tax liabilities	5.4	2.3
Other non-current liabilities		1.4
Total liabilities	29.5	16.6
Acquired net assets	46.0	16.7
Goodwill	18.6	21.3
Fair value of initial investment		-7.8
Total purchase price	64.6	30.2
Cash in acquired assets	-9.9	-6.7
Payments still due (per June 30, 2015)	-2.3	-10.1
Net cash outflow	52.4	13.4

1 Duro-Moza, BMI, CTA and Addiment Italia; individually not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet data as of June 30, 2015 (December 31, 2014).

Income statement from January 1 to June 30, 2015 (January 1 to June 30, 2014).

1. CASH AND CASH EQUIVALENTS CHF 679.7 MN (CHF 898.8 MN)

The cash management of the Group includes cash pooling, in which cash and cash equivalents available within the Group are pooled. The item "Cash and cash equivalents" includes cash and cash equivalents with a maturity of less than three months, bearing interest at a respectively valid rate. This position is lower than at the end of 2014 due to seasonal influences. The change in this position can be seen in detail in the statement of cash flows.

2. ACCOUNTS RECEIVABLE CHF 1,097.1 MN (CHF 1,006.0 MN)

Accounts receivables are higher at mid-year than at the end of 2014 as a result of seasonal influences. At the half-year 2014 accounts receivables amounted to CHF 1,101.5 million.

3. INVENTORIES CHF 624.6 MN (CHF 591.3 MN)

The rise in inventories is due to seasonal distribution of sales. At mid-year 2014 inventories amounted to CHF 641.5 million.

4. INTANGIBLE ASSETS CHF 1,035.6 MN (CHF 1,074.6 MN)

The decline in intangible assets despite the acquisitions is mainly based on the current amortization expenses and the currency valuation effects.

5. ACCOUNTS PAYABLE CHF 607.1 MN (CHF 605.4 MN)

Accounts payables are slightly higher at mid-year than at the end of 2014 as a result of seasonal influences. Accounts payable do not bear interest and will usually become due within 30 to 60 days.

6. PROVISIONS CHF 112.9 MN (CHF 116.1 MN)

Provisions for guarantees reflect all known or anticipated claims in the near future. 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 and tax cases with a probability of above 50%. For provisions of CHF 18.5 million (CHF 19.2 million) an outflow of funds is expected during the next twelve months. These amounts are shown as current provisions.

7. NET SALES CHF 2,625.2 MN (CHF 2,656.9 MN)

Sales of goods account for nearly all net sales. In comparison with the previous year, net sales denominated in Swiss francs decreased by 1.2%. Taking currency effects amounting to -6.8% into consideration, sales increased in local currencies by 5.6%, including a growth from acquisitions of 1.9%. Details to segments can be found in note 10.

8. MATERIAL EXPENSES CHF 1,197.2 MN (CHF 1,239.5 MN)

Material expenses decreased as a percentage of net sales by 1.1 percentage points mainly due to lower raw material costs.

9. OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) CHF 370.2 MN (CHF 347.7 MN)

In the period under review the operative costs approximate sales growth rates. Thereof, the personnel costs as a proportion of sales increased from 20.7% to 21.1, mainly due to changes in the currency weights. Other operating expenses developed largely in line with volume, while the expense ratio improved slightly from 19.5% to 19.2%. As a result of increasing gross result, operating profit before depreciation (EBITDA) rose by 6.5% to CHF 370.2 million, yielding an EBITDA margin of 14.1% (13.1%).

Personnel expenses include a portion of 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 2015 amounted to CHF 12.1 million (CHF 12.0 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 6.

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.

"Other segments and activities" include the automotive segment, expenditures for Group head quarter, and its proceeds from services to subsidiaries. In addition they contain expenses and income that cannot be allocated to an individual region.

NET SALES FROM JANUARY 1 TO JUNE 30

in CHF mn	2014			2015		
	With third parties	With other segments	Total	With third parties	With other segments	Total
EMEA	1,335.8	59.4	1,395.2	1,242.0	48.4	1,290.4
North America	335.2	10.1	345.3	380.9	10.4	391.3
Latin America	295.6	0.1	295.7	303.7	0.1	303.8
Asia/Pacific	485.0	2.7	487.7	483.9	2.1	486.0
Other segments and activities	205.3		205.3	214.7		214.7
Eliminations	-	-72.3	-72.3	-	-61.0	-61.0
Net sales	2,656.9	-	2,656.9	2,625.2	-	2,625.2
Products for construction industry	2,124.5			2,072.1		
Products for industrial manufacturing	532.4			553.1		

CHANGES IN NET SALES/CURRENCY IMPACT

in CHF mn	1/1/2014 – 6/30/2014	1/1/2015 – 6/30/2015	Change compared to prior period (+/- in %)		
			In Swiss francs	In local currencies	Currency impact
By region					
EMEA	1,335.8	1,242.0	-7.0	3.8	-10.8
North America	335.2	380.9	13.6	8.2	5.4
Latin America	295.6	303.7	2.7	13.1	-10.4
Asia/Pacific	485.0	483.9	-0.2	1.7	-1.9
Other segments and activities	205.3	214.7	4.6	11.0	-6.4
Net sales	2,656.9	2,625.2	-1.2	5.6	-6.8
Products for construction industry	2,124.5	2,072.1	-2.5	4.2	-6.7
Products for industrial manufacturing	532.4	553.1	3.9	11.1	-7.2

OPERATING PROFIT

in CHF mn	1/1/2014 – 6/30/2014	1/1/2015 – 6/30/2015	Change compared to prior period	
			(+/-)	(+/- in %)
By region				
EMEA	170.5	168.0	-2.5	-1.5
North America	40.3	55.4	15.1	37.5
Latin America	49.1	54.5	5.4	11.0
Asia/Pacific	64.0	74.0	10.0	15.6
Other segments and activities	-57.5	-63.3	-5.8	n.a.
Operating profit	266.4	288.6	22.2	8.3

11. EVENTS AFTER THE BALANCE SHEET DATE

No relevant events occurred between June 30, 2015, and the release of these Consolidated Financial Statements.

FINANCIAL CALENDAR

RESULTS FIRST NINE MONTHS 2015

Thursday, October 29, 2015

NET SALES 2015

Tuesday, January 12, 2016

**MEDIA CONFERENCE/ANALYST PRESENTATION
ON FULL-YEAR RESULTS 2015**

Friday, February 26, 2016

NET SALES FIRST QUARTER 2016

Tuesday, April 12, 2016

48TH ANNUAL GENERAL MEETING

Tuesday, April 12, 2016

HALF-YEAR REPORT 2016

Friday, July 22, 2016

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