NEEDS

HALF-YEAR REPORT 2010

SOLUTIONS

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INVESTOR INFORMATION

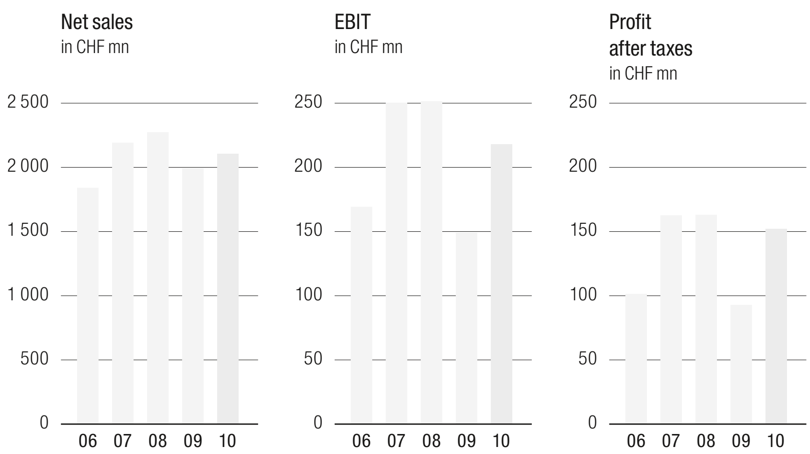
	6/30/2009	6/30/2010
Number of bearer shares (nominal value CHF 9.00)	**2 151 199**	**2 151 199**
Of which entitled to dividend	2 093 199	2 098 609
Of which entitled to vote	2 093 199	2 098 609
Number of registered shares (nominal value CHF 1.50)	**2 333 874**	**2 333 874**
Of which entitled to dividend	2 333 874	2 333 874
Of which entitled to vote	2 333 874	2 333 874
Key data per bearer share		
Half-year earnings (CHF)	37.09	60.42
Equity (CHF)	592	653
Bearer share price as of June 30 (CHF)	1 206	1 920
Market capitalization [1] as of June 30 (CHF mn)	3 063	4 877

[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.

SIKA GROUP

in CHF mn	1/1/2009–6/30/2009	1/1/2010–6/30/2010	Change in %
Net sales	1 982.9	2 094.3	5.6
Operating profit before depreciation (EBITDA)	214.0	284.2	32.8
Depreciation and amortization	-65.7	-67.7	3.0
Operating profit (EBIT)	148.3	216.5	46.0
Net profit after taxes	92.1	150.5	63.4
Earnings per share in CHF [1]	37.09	60.42	62.9
Cash flow from operating activities	83.3	56.0	
Free cash flow	-120.1	-30.5	
Operating free cash flow	6.9	13.2	
Balance sheet total per June 30	3 512.5	3 870.8	10.2
Shareholders' equity	1 469.6	1 624.0	10.5
Equity ratio in % [2]	41.8	42.0	0.5
Return on capital employed (ROCE) in % [3]	14.0	20.6	47.1

[1] Excluding minority interests
[2] Shareholders' equity divided by balance sheet total
[3] Capital employed = operating assets ./. cash and cash equivalents ./. non interest bearing current liabilities (each with average value)



SIKA GROUP.

Sika grew in all Regions in the first half-year of 2010 in terms adjusted for exchange rates. In emerging markets, double-digit growth rates were achieved throughout. With material costs initially still low and those for personnel reduced, operating profit increased considerably. For the second half-year the company anticipates sustained growth with rising material costs.

In the first half-year of 2010, Group sales growth in local currency terms amounted to 6.7%. This includes an acquisition effect of 1.9%. Exchange rate fluctuations bore a negative effect of -1.1%, so that in comparison with the first half-year of the year prior sales in Swiss francs grew by 5.6% from CHF 1982.9 million to CHF 2094.3 million.

In terms adjusted for exchange rates, Sika grew in all Regions, albeit with substantially varying rates. Thus the emerging markets achieved double-digit growth throughout, with the highest rate in Region Asia/Pacific at 23.8%. Within this Region, China excelled with a growth rate of some 40%. In Region Latin America sales rose by 15.4%, followed by IMEA (India, Middle East, Africa) with growth of 12.8%. In the traditionally industrial nations growth rates proved lower: North America 5.6%, Europe North 2.2% and Europe South 1.3%. Sika thereby continued to gain market share.

In the first quarter of this year, lingering snowy winters in Europe and North America strongly hindered building activity, substantially impacting sales of products for outdoor applications. Conditions normalized in the second quarter, and overall sales of products for the building industry rose by over 7%. For the entire reporting period sales growth in terms adjusted for exchange rates amounted to 3.5%, including an acquisition effect of 2.2%. Sales of products for industrial manufacturing accelerated by 20.1% (0.5% due to acquisitions). Contributing to this success were both the considerable number of new vehicle models that Sika won in years 2008 and 2009 and which are now leaving manufacturers' assembly lines, as well as the substantially boosted production figures for automobiles, busses and also commercial vehicles, in comparison with the same period in the previous year.

During the reporting period the effective material costs remained at the reduced level of the second half-year of 2009, so that as a proportion of sales gross profit improved by 0.9 percentage points. As a result of cost reduction programs, personnel costs declined as a proportion of sales from 24.4% to 22.6%. Other operating expenses developed in accordance with sales volume. Operating profit before depreciation, EBITDA, improved by 32.8% to CHF 284.2 million, yielding an EBITDA margin of 13.6%. Operating profit amounted to CHF 216.5 million, so lying 46.0% above the reporting period of the previous year.

Acquisitions. In the period under review Sika rigorously pursued its acquisition strategy, taking over various companies or parts thereof, among others the automotive glass replacement business of ADCO Ltd., USA, Henkel Japan Ltd.'s building sealants business, and Panbex of the Czech Republic. By assuming a majority position in the Japanese Dyflex HD Co., Ltd., which with well established brands and distribution channels is market leader in Japan for waterproofing of structures, Sika substantially improved its market position in Japan. Dyflex's products and technologies complement Sika's offerings, and the merger of product portfolios enables Sika to provide customers in Japan and the entire Region Asia/Pacific with a full palette of waterproofing systems and solutions. With this acquisition Sika tripled its sales in Japan.

Outlook. Sika anticipates continued growth for the second half-year, above all in emerging markets. Even if general economic growth should slacken in individual emerging countries, possibilities for growth through greater market penetration remain unrestricted. The mild recovery in North America should continue. Cyclical development in Europe stands entirely open: the effects of governmental debt policy and respectively of the subsequent national remediation measures are not yet foreseeable. For a number of countries an outlook at present is hardly possible. Raw material prices have risen in recent months and will impact material costs in the second half-year. Whenever possible Sika will transfer this cost increase to sales prices.

SIKA AG.

This year's Annual General Meeting approved a gross dividend payout to shareholders of CHF 45.00 per bearer share (prior year: CHF 45.00) and CHF 7.50 per registered share (prior year: CHF 7.50). The disbursement to shareholders totaling CHF 112.0 million (prior year: CHF 111.7 million) took place on April 27, 2010.

The Annual General Meeting elected Dr Willi K. Leimer, Vice President and Board Delegate of WMPartners Wealth Management Ltd., Zurich, and Chairman of the Board of Schenker-Winkler Holding AG, Baar, as a new member of the Board of Directors. Shareholders furthermore confirmed board members Dr Thomas W. Bechtler, Dr Walter Grüebler and Christoph Tobler to another term of office of three years.

At this opportunity we express our thanks to our customers, our suppliers, our shareholders, and especially our employees.

Sincerely,

Dr Walter Grüebler	Ernst Bärtschi
Chairman of the Board	Chief Executive Officer

EUROPE NORTH.

In Region Europe North Sika achieved net sales of CHF 688.1 million. Sales increased in local currencies by 2.2%, with a currency translation effect of -2.0%.

During the period under review the performance of the building and construction industry in the western part of Europe North persisted at a constant level. Activity in Central and Eastern European countries declined with the exception of Russia, caused primarily by regressive foreign investment. In general private investors were hesitant, and many investments were postponed. Moreover the severe winter strongly hindered building activity in a number of countries. The automobile industry, particularly important for the Region, developed positively during the reporting period, substantially boosting unit quantities.

In Eastern Europe, Sika was impacted by reduced investments mainly in the market areas of roofing systems and industrial flooring. Various infrastructure projects, financed through economic stimulus programs, countered positively for the sale of concrete admixtures. In the industrial manufacturing business, the high sales figures of the automobile industry and the vehicle platforms which have recently entered the market provided for welcome sales growth in comparison with the reporting period of the prior year. In the market area commercial vehicle construction, on the other hand, development proved regressive.

EUROPE SOUTH.

Sika achieved net sales of CHF 456.1 million in Region Europe South. In local currencies, sales rose by 1.3%, while the currency translation effect amounted to -4.3%.

A range of economic stimulus programs had a positive effect on infrastructure projects in the first half-year, through which the continued downward trend in most countries in residential and commercial construction could be compensated in part. In a few countries, such as France and the United Kingdom, tax breaks and low interest rates on the other hand boosted residential construction along with relatively low rates of vacancy. An increasing number of renovation projects having the objective of improving buildings' ecological balance provide for rising demand for environmentally advantageous products.

During the period under review, Sika benefited foremost in the market areas roofing systems and industrial flooring from a great many major projects, whereby the liquid membrane business advanced farther. In addition the company won various major projects in tunnel and road construction. In the customer group Distribution, crucial for Europe South, Sika succeeded in boosting its market share, primarily in Spain, France and the United Kingdom. In Europe South the industrial manufacturing business showed expressly positive development.

NORTH AMERICA.

In Region North America Sika achieved net sales of CHF 291.5 million. Sales rose by 5.6% in local currencies, with a currency translation effect of -3.0%.

Economic growth of some 3% is prognosticated in North America for 2010. The building and construction industry is benefiting from this. Residential construction remains volatile, but in the infrastructure segment economic stimulus programs are delivering additional positive impetus. Commercial construction, in contrast, continues to be impacted by great hesitancy on the part of investors.

Sika continued growing with its building products, above all in connection to major projects in the area of repair, structural protection and reinforcement. Additional market share could be gained in the market area concrete. In roofing systems and industrial flooring, the company made substantial progress in the USA and Canada, and among various large retail chains Sika has now advanced to a preferred supplier. The industrial manufacturing business showed clear improvement, since demand from the automotive and transportation industry has strongly increased, and American manufacturers are also increasingly employing Sika products.

LATIN AMERICA.

Sika achieved net sales of CHF 227.9 million in Region Latin America. In local currencies, sales grew by 15.4%, while the currency translation effect amounted to 6.5%.

In the first half-year economic activity in Latin America gained considerable momentum. The automotive sector made a strong recovery, and also the building and construction industry showed remarkable growth. The southern part of the Region developed more advantageously than the northern sector. Ecuador and Venezuela exhibited structural difficulties as before, associated if nothing else with the political situation in these countries.

Sika achieved double-digit growth in nearly all countries in the Region during the period under review. As in other regions the company benefited here from newly started, large-scale infrastructure projects, the realization of which was initially halted during the past year. In addition the mining industry, an important customer group in Latin America, increased its production again. The industrial manufacturing business similarly developed very well, above all in the areas of automotive glass replacement and transportation.

IMEA.

In Region IMEA Sika achieved net sales of CHF 148.5 million. Sales growth amounted to 12.8% in local currencies, with a currency translation effect of 1.4%.

The countries in the Region developed disparately during the reporting period. Market development in the United Arab Emirates slowed due to the real estate crisis, but economies in the nations of the Gulf Cooperation Council proceeded on a course of growth. Development in Turkey stabilized, while following completion of the infrastructure projects necessary for the World Cup, construction volume in South Africa clearly regressed. In India the government is expending considerable funds to stimulate development within the country, which endeavor has boosted cement consumption by 10%.

Sika continued gaining market share in all major countries in the Region, significantly exceeding market growth. The industrial manufacturing business also showed marked increase, primarily in the market area transportation. During the period under review, Sika began with construction of various production facilities in a number of countries in order to be able to boost capacity in accordance with demand.

ASIA/PACIFIC.

Sika achieved net sales of CHF 277.6 million in Region Asia/Pacific. In local currencies, sales advanced by 23.8%, while the currency translation effect amounted to 3.0%.

Economies in the Region continued to develop at varying speeds. Industrial nations such as Japan or New Zealand further exhibit scant dynamism and battle as before against recession. Solely Australia demonstrates positive tendencies. By contrast, the economies of emerging countries such as China, Vietnam or Indonesia are advancing rapidly, in part boosted by widespread economic stimulus programs. Both the building and construction industry and motor vehicle manufacturing are benefiting from this development.

Sika has expanded its position in the emerging countries with targeted investments, profiting disproportionately from the good economic environment. In China, for example, sales in local currencies rose during the period under review by more than 40%. Contributing to this primarily were the businesses acquired in the previous years. In May, Sika started up a new production facility for concrete admixtures in Kunming, in Southwest China, which will play a crucial role in further.

BALANCE SHEET AS OF JUNE 30, 2010

ASSETS

in CHF mn	Notes		12/31/2009		6/30/2010
Cash and cash equivalents	1		801.6		662.4
Securities			9.4		0.6
Accounts receivable	2		739.4		941.3
Inventories	3		451.4		519.1
Accrued income			60.9		66.7
Other current assets			30.4		45.4
Current assets			**2 093.1**		**2 235.5**
Property, plant and equipment			861.7		865.8
Property		106.0		109.7	
Plant		270.7		267.7	
Plant under construction		60.2		81.2	
Equipment		424.8		407.2	
Financial assets			33.5		34.8
Investments in associated companies		24.0		24.2	
Other financial assets		9.5		10.6	
Intangible assets	4		562.0		646.0
Goodwill		279.3		313.6	
Software		61.0		62.9	
Trademarks		76.7		81.6	
Customer relations		115.4		152.0	
Other intangible assets		29.6		35.9	
Deferred tax assets			69.2		79.3
Employee benefit assets			8.8		8.0
Other non-current assets			1.1		1.4
Non-current assets			**1 536.3**		**1 635.3**
Total assets			**3 629.4**		**3 870.8**

LIABILITIES AND SHAREHOLDERS' EQUITY

in CHF mn	Notes	12/31/2009	6/30/2010
Bank loans		1.7	32.4
Accounts payable	5	355.2	469.6
Taxes payable		38.2	45.8
Accrued expenses		211.8	231.1
Provisions	6	43.5	43.4
Other current liabilities		15.9	15.6
Current liabilities		**666.3**	**837.9**
Bank loans		0.6	15.1
Bonds		1 066.9	1 067.9
Other non-current liabilities		6.6	16.4
Provisions	6	103.1	99.0
Deferred tax liabilities		62.6	75.1
Employee benefit obligation		130.3	135.4
Non-current liabilities		**1 370.1**	**1 408.9**
Liabilities		**2 036.4**	**2 246.8**
Capital stock		22.9	22.9
Capital surplus		256.0	256.0
Treasury shares		-106.3	-104.0
Currency translation differences		-224.2	-237.3
Fluctuations in value of financial instruments		-0.1	-0.4
Retained earnings		1 640.0	1 681.8
Equity attributable to Sika shareholders		**1 588.3**	**1 619.0**
Minority interests		4.7	5.0
Shareholders' equity		**1 593.0**	**1 624.0**
Total liabilities and shareholders' equity		**3 629.4**	**3 870.8**

INCOME STATEMENT FROM JANUARY 1 TO JUNE 30, 2010

INCOME STATEMENT

in CHF mn	Notes	%	1/1/2009–6/30/2009	%	1/1/2010–6/30/2010	Change in %
Net sales	7	**100.0**	**1 982.9**	**100.0**	**2 094.3**	**5.6**
Other operating income		0.2	3.4	0.1	3.1	
Changes in inventory	7	0.3	5.0	1.0	20.6	
Operating revenue		**100.4**	**1 991.3**	**101.1**	**2 118.0**	**6.4**
Material expenses	8	-45.5	-901.3	-45.2	-947.0	
Gross result		**55.0**	**1 090.0**	**55.9**	**1 171.0**	**7.4**
Personnel expenses		-24.4	-484.3	-22.6	-473.3	
Other operating expenses		-19.8	-391.7	-19.7	-413.5	
Operating profit before depreciation (EBITDA)	9	**10.8**	**214.0**	**13.6**	**284.2**	**32.8**
Depreciation		-2.6	-50.7	-2.5	-52.3	
Amortization		-0.8	-15.0	-0.7	-15.4	
Impairment		0.0	0.0	0.0	0.0	
Operating profit (EBIT)		**7.5**	**148.3**	**10.3**	**216.5**	**46.0**
Interest income		0.1	1.3	0.1	2.0	
Interest expenses		-0.6	-12.0	-0.7	-15.4	
Other financial income		0.0	0.3	0.1	2.3	
Other financial expenses		-0.2	-3.4	-0.1	-1.5	
Income from associated companies		0.2	3.0	0.2	3.5	
Profit before taxes		**6.9**	**137.5**	**9.9**	**207.4**	**50.8**
Income taxes		-2.3	-45.4	-2.7	-56.9	
Net profit		**4.6**	**92.1**	**7.2**	**150.5**	**63.4**
Profit attributable to Sika shareholders		4.6	92.0	7.2	150.2	
Profit attributable to minority interests		0.0	0.1	0.0	0.3	
Earnings per bearer share (in CHF)			**37.09**		**60.42**	**62.8**

STATEMENT OF COMPREHENSIVE INCOME AND CHANGES IN EQUITY

STATEMENT OF COMPREHENSIVE INCOME

in CHF mn	%	1/1/2009–6/30/2009	%	1/1/2010–6/30/2010	Change in %
Net profit	**4.6**	**92.1**	**7.2**	**150.5**	**63.4**
Currency translation differences					
Exchange differences taken to equity	1.0	20.8	-0.6	-12.8	
Available-for-sale financial assets					
Valuation gains (+)/losses (–) taken to equity	0.0	0.6	0.0	-0.3	
Other comprehensive income	**1.1**	**21.4**	**-0.6**	**-13.1**	
Comprehensive income	**5.7**	**113.5**	**6.6**	**137.4**	**21.0**
Attributable to Sika shareholders	5.7	113.4	6.5	136.8	
Attributable to minority interests	0.0	0.1	0.0	0.6	

STATEMENT OF CHANGES IN EQUITY

in CHF mn	Capital stock	Capital surplus	Treasury shares [1]	Currency translation differences	Fluctuations in value of financial instruments	Retained earnings	Total Sika shareholders’	Minority interests	Total equity [1]
January 1, 2009	**22.9**	**256.0**	**-117.6**	**-224.6**	**-4.9**	**1 530.3**	**1 462.1**	**2.6**	**1 464.7**
Profit of the year						92.0	92.0	0.1	92.1
Other comprehensive income				20.8	0.6		21.4		21.4
Comprehensive income	**0**	**0**	**0**	**20.8**	**0.6**	**92.0**	**113.4**	**0.1**	**113.5**
Sale / purchase of treasury shares			6.0				6.0		6.0
Gains / losses on treasury shares						-2.9	-2.9		-2.9
Dividends						-111.7	-111.7		-111.7
June 30, 2009	**22.9**	**256.0**	**-111.6**	**-203.8**	**-4.3**	**1 507.7**	**1 466.9**	**2.7**	**1 469.6**
January 1, 2010	**22.9**	**256.0**	**-106.3**	**-224.2**	**-0.1**	**1 640.0**	**1 588.3**	**4.7**	**1 593.0**
Profit of the year						150.2	150.2	0.3	150.5
Other comprehensive income				-13.1	-0.3		-13.4	0.3	-13.1
Comprehensive income	**0**	**0**	**0**	**-13.1**	**-0.3**	**150.2**	**136.8**	**0.6**	**137.4**
Sale / purchase of treasury shares			2.3				2.3		2.3
Gains / losses on treasury shares						-0.2	-0.2		-0.2
Dividends						-112.0	-112.0	-0.3	-112.3
Accounting for hyperinflation [2]						3.8	3.8		3.8
June 30, 2010	**22.9**	**256.0**	**-104.0**	**-237.3**	**-0.4**	**1 681.8**	**1 619.0**	**5.0**	**1 624.0**

[1] At cost
[2] Hyperinflation accounting has been applied since January 1, 2010, for Sika’s subsidiary in Venezuela.

CASH FLOW STATEMENT

in CHF mn	1/1/2009–6/30/2009	1/1/2010–6/30/2010
Profit before taxes	137.5	207.4
Depreciation / amortization / impairment	65.7	67.7
Increase (+) / decrease (–) in provisions	5.2	1.1
Increase (–) / decrease (+) in net working capital	-77.8	-152.0
Other adjustments	0.2	-12.4
Income taxes paid	-47.5	-55.8
Cash flow from operating activities	**83.3**	**56.0**
Property, plant and equipment: capital expenditures	-64.9	-41.7
Property, plant and equipment: disposals	1.9	3.6
Intangible assets: capital expenditures	-13.4	-5.4
Intangible assets: disposals	0.0	0.7
Acquisitions less cash and cash equivalents	-45.3	-46.9
Acquisitions (–) / Disposals (+) of financial assets	-81.7	3.2
Cash flow from investing activities	**-203.4**	**-86.5**
Increase in short-term loans	7.1	5.8
Repayment of short-term loans	-18.3	-6.1
Increase in long-term loans	9.5	2.3
Repayment of long-term loans	-10.6	-0.7
Bond issue	297.2	0.0
Acquisitions (–) / disposals (+) in treasury shares	2.0	3.1
Dividend payment to shareholders of Sika AG	-111.7	-112.0
Dividends related to minorities	0.0	-0.3
Cash flow from financing activities	**175.2**	**-107.9**
Exchange differences on cash and cash equivalents	**2.3**	**-0.8**
Net change in cash and cash equivalents	**57.4**	**-139.2**
Free cash flow [1]	**-120.1**	**-30.5**
Acquisitions less cash and cash equivalents [2]	45.3	46.9
Acquisition (+) / Disposal (–) of financial assets	81.7	-3.2
Operating free cash flow	**6.9**	**13.2**

[1] Cash flow from operating activities + cash flow from investing activities.
[2] incl. purchase of minority interests and share capital increases in associated companies.

PRINCIPLES OF CONSOLIDATION AND VALUATION. The unaudited, interim consolidated financial statements for the first half-year of 2010 have been prepared in accordance with IAS 34 interim financial reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Sika's annual financial statements as at December 31, 2009.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2009, except for the adoption of new Standards and Interpretations as of January 1, 2010, noted below:

- IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations
- IFRS 3 – Business Combinations
- IAS 27 – Consolidated and Separate Financial Statements
- IAS 39 – Financial Instruments: Recognition and Measurement
- IFRIC 17 – Distributions of Non-cash Assets to Owners
- Improvements to IFRSs (2009)

The sole effect resulting from the application of these revised standards and interpretations is the following:

- IFRS 3 – Business Combinations, contains a further development of the acquisition method for business combinations. Essential changes deal with the valuation of minority interests, the recognition of acquisitions in stages and the treatment of contingent considerations as well as additional cost of the purchase. Adoption of this standard did not have any effect on the financial position or performance of Sika. The additional costs of the purchases were recognized in the period's expenses as opposed to capitalization in prior periods.

ACQUISITIONS 2010. In the first half-year of 2010 Sika acquired various companies or parts thereof and consolidated them in the half-year financial statements for the first time.

Company	Type of transaction	Stake in %	Closing Date
Automotive glass replacement business of ADCO Products, Inc., USA	Asset deal	100.0	3/9/2010
Construction sealant business of Henkel Japan Ltd.	Asset deal	100.0	3/12/2010
Panbex Group, Czech Republic	Asset deal	100.0	4/1/2010
Dyflex HD Co., Ltd., Japan	Share deal	75.5	5/31/2010

With the purchase of the automotive replacement glass business of ADCO, Sika acquired the rights to the "Titan" trademark, which signifies auto replacement glass adhesives in the USA and further improves Sika's market position. Along with the building sealants business of Henkel Japan Ltd., Sika acquired the rights to the "Bellace" and "Duribbon" trademarks, which are well established in the Japanese construction industry, thereby complementing the Sikaflex product range and strengthening the market position among building sealants in Japan. Cement-based floor coverings build the focus of the Czech Panbex business, whereby the company has leading market positions in the Czech Republic, in Poland, Romania, Serbia and Slovakia. This acquisition significantly strengthens Sika's market position in Central and Eastern Europe.

Dyflex HD Co., Ltd. has well established brands and distributions channels, and is market leader in Japan for structural waterproofing. Sika substantially fortifies its market position in the Japanese market for building and construction chemicals with this acquisition. Dyflex's customer portfolio and distribution network open great potential for the sale of complementary products. The purchase price of the shareholding acquired amounted to CHF 31.6 million. Regarding the outstanding 24.5% interest in the company, a put and call agreement has been arranged with the seller. The owners of the minority interest can exercise their sales option at any time. Sika can exercise its purchase option as of the end of 2013. The company therefore considers the outstanding company interest of 24.5%, for which a discounted purchase price of CHF 9.9 million has already been established, as practically acquired and consolidates the shareholding at 100%. In addition, a purchase price contingent on the course of business has been agreed upon, for which a market value of CHF 2.5 million has been estimated.

ACQUIRED NET ASSETS AT MARKET VALUES

in CHF mn	Combined acquisitions [1]	Dyflex
Cash and cash equivalents	0.0	6.2
Accounts receivable	0.7	62.9
Inventories	1.4	9.1
Property, plant and equipment	10.3	13.6
Intangible assets	7.7	51.4
Other non-current assets	0.0	2.4
Total assets	**20.1**	**145.6**
Accounts payable and other current liabilities	0.0	52.8
Current bank loans	0.0	32.1
Other current liabilities	0.0	6.6
Provisions	0.0	3.0
Employee benefit obligation	0.7	11.0
Deferred tax liabilities	0.0	9.7
Non-current bank loans and other non-current liabilities	0.0	25.2
Total liabilities	**0.7**	**140.4**
Net assets	**19.4**	**5.2**
Goodwill from acquisition	2.2	38.8
Total purchase price	**21.6**	**44.0**
Cash in acquired assets	0.0	-6.2
Payments still due	-0.1	-12.4
Net cash outflow (per June 30, 2010)	**21.5**	**25.4**

[1] Included are: the automotive glass replacement business of ADCO Products Inc. (USA), the construction sealant business of Henkel Japan Ltd. (Japan) and the Panbex Group (Czech Republic)

The purchase price allocations of all acquisitions are still subject to uncertainties and therefore all balance sheet items except Cash and cash equivalents are provisional. Synergies in production as well as the combined distribution channels and product portfolios justify the goodwill posted. Of the indicated goodwill, CHF 2.2 million is tax deductible. Accounts receivable has a gross value of CHF 70.6 million, and was adjusted because CHF 7.0 million was classified as non-claimable. The directly attributable costs of all acquisitions amounted to CHF 1.9 million, with which other operating expenses were burdened.

Had the acquisition of Dyflex taken place on the first day of the business year, its contribution to consolidated net sales would have been CHF 69.0 million and consolidated net profit attributable to shareholders would have been higher by CHF 1.2 million. For the three asset deals presented there is no information available regarding sales and profit which accrued during the current reporting year before the respective dates on which the transactions were closed. In total, creditable sales and consolidated net profit since purchase amounted to CHF 18.8 million and CHF -1.5 million respectively.

In the first half-year of 2009 Sika acquired the British Iotech Group Ltd. The net cash outflow amounted to CHF 45.3 million.

NOTES TO THE FINANCIAL STATEMENT.

Balance sheet data as of June 30, 2010 (December 31, 2009)
Income statement from January 1 to June 30, 2010 (from January 1 to June 30, 2009)

1 CASH AND CASH EQUIVALENTS. CHF 662.4 mn (CHF 801.6 mn)

The position "cash and cash equivalents" contains payment instruments with a duration of less than three months. The change in this position can be seen in detail in the Cash Flow Statement.

2 ACCOUNTS RECEIVABLE. CHF 941.3 mn (CHF 739.4 mn)

Accounts receivable are higher at the half-year than at the end of 2009 due both to increased sales as well as to seasonal influences. Moreover, receivables rose by CHF 63.6 million due to acquisitions. At the half-year 2009 accounts receivable amounted to CHF 896.0 million.

3 INVENTORIES. CHF 519.1 mn (CHF 451.4 mn)

Inventories increased during the reporting period as stock levels were adapted to higher anticipated sales volumes. At the half-year 2009 inventories amounted to CHF 495.3 million.

4 INTANGIBLE ASSETS. CHF 646.0 mn (CHF 562.0 mn)

Intangible assets increased due to acquisitions.

5 ACCOUNTS PAYABLE. CHF 469.6 mn (CHF 355.2 mn)

Accounts payable are higher at the half-year than at the end of 2009 due to seasonal and to sales influences. Similarly to accounts receivable, acquisitions instigated an additional increase by CHF 52.8 million. At the half-year 2009 current liabilities amounted to CHF 362.7 million.

6 PROVISIONS. CHF 142.4 mn (CHF 146.6 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 43.4 mn (CHF 43.5 mn) an outflow of funds is expected during the next twelve months. These amounts are shown as current provisions.

7 NET SALES. CHF 2 094.3 mn (CHF 1 982.9 mn)

Sale of goods accounts for nearly all net sales. Net sales increased in comparison with the prior year period by 6.7% in local currencies. Included therein was an acquisition effect of 1.9%. Exchange rate fluctuations bore a negative effect of -1.1%. Segment details can be found under Note 10. Stock levels of own produced finished and semi-finished products rose according to the anticipated increase in sales, leading to changes in inventory of CHF 20.6 million.

8 MATERIAL EXPENSES. CHF 947.0 mn (CHF 901.3 mn)

Effective material costs in the period under review remained at the reduced level of the second half-year of 2009, so that material expenses as a proportion of sales declined.

9 OPERATING PROFIT BEFORE DEPRECIATION (EBITDA). CHF 284.2 mn (CHF 214.0 mn)

As a consequence of cost reduction programs, personnel costs declined as a proportion of sales from 24.4% to 22.6%. Other operating expenses developed in accordance with sales volume. Operating profit before depreciation, EBITDA, rose by 32.8% to CHF 284.2 million, yielding an EBITDA margin of 13.6%.

Personnel expenses include a portion of the salaries paid to top executives in the form of Sika AG stock. The shares are posted at market prices and subject to selling restrictions. All shares were acquired on the market place. As a result the income statement was encumbered by a charge of CHF 2.7 million (CHF 1.1 million) in the first half of 2010. Expenses for research and development are included in other operating expenses because they do not meet the criteria for capitalization costs.

10 SEGMENTATION BY REGION.

Sika conducts worldwide activities according to Regions, to each of which a certain number of countries belongs. Regional Managers are members of Group Management. Group Management is the highest operative executive body, measuring the performance of the segments and allocating resources. The composition of the Regions is not carried out according to commonly effectual geographical assignment of countries to continents. Rather this is an expression of various organizational, commercial and cultural factors. So for example in the Region IMEA (India, Middle East, Africa), the countries of the Middle East and India are combined among other reasons because in construction business these countries are strongly interdependent. The exact composition of the Regions can be found on page 19.

Products and services of all product groups are distributed in all Regions. Customers stem from the construction industry or from the area of industrial manufacturing. Sales are allocated according to legal entity locations.

Central Services include expenditures for Group headquarters and its proceeds from services and delivery of goods to Group companies. They furthermore also contain expenses and income that cannot be allocated to any Region. Mainly these are expenses for research and development.

NET SALES FROM JANUARY 1 TO JUNE 30

in CHF mn			2009			2010
	With third parties	With other segments	Total	With third parties	With other segments	Total
Europe North	686.5	39.5	726.0	688.1	51.5	739.6
Europe South	470.2	18.2	488.4	456.1	15.5	471.6
North America	284.2	6.1	290.3	291.5	12.8	304.3
Latin America	186.9	0.0	186.9	227.9	0.1	228.0
IMEA	130.0	0.6	130.6	148.5	0.3	148.8
Asia / Pacific	219.0	2.3	221.3	277.6	2.7	280.3
Central Services	6.1	–	6.1	4.6	–	4.6
Eliminations	–	-66.7	-66.7	–	-82.9	-82.9
Consolidated net sales	**1 982.9**	**–**	**1 982.9**	**2 094.3**	**–**	**2 094.3**
Products for construction industry	1 607.6			1 650.1		
Products for industrial manufacturing	375.3			444.2		

The various companies purchased in the acquisition of Iotech Group Ltd. in the first half-year of 2009 were assigned to the Regions Europe North, Europe South and North America.

NET SALES WITH THIRD PARTIES

in CHF mn	1/1/2009–6/30/2009	1/1/2010–6/30/2010	Change compared to prior year (+/- in %)		
			In Swiss francs	In local currencies [1]	Currency impact
By region					
Europe North	686.5	688.1	0.2	2.2	-2.0
Europe South	470.2	456.1	-3.0	1.3	-4.3
North America	284.2	291.5	2.6	5.6	-3.0
Latin America	186.9	227.9	21.9	15.4	6.5
IMEA	130.0	148.5	14.2	12.8	1.4
Asia/Pacific	219.0	277.6	26.8	23.8	3.0
Central Services	6.1	4.6	-24.6	-24.6	0.0
Consolidated net sales	**1 982.9**	**2 094.3**	**5.6**	**6.7**	**-1.1**
Products for construction industry	1 607.6	1 650.1	2.6	3.5	-0.9
Products for industrial manufacturing	375.3	444.2	18.4	20.1	-1.7

[1] Iincluding acquisitions

OPERATING PROFIT (EBIT)

in CHF mn	1/1/2009–6/30/2009	1/1/2010–6/30/2010	Change compared to prior year	
			(+/-)	(+/- in %)
By region				
Europe North	49.3	64.6	15.3	31.0
Europe South	67.2	72.1	4.9	7.3
North America	24.2	26.8	2.6	10.7
Latin America	22.5	41.4	18.9	84.0
IMEA	18.2	28.3	10.1	55.5
Asia/Pacific	18.8	40.6	21.8	116.0
Central services	-51.9	-57.3	-5.4	na
EBIT of the Group	**148.3**	**216.5**	**68.2**	**46.0**

11 EVENTS AFTER THE BALANCE SHEET DATE.

On July 1, 2010, Sika AG acquired the North American company Greenstreak Group, Inc. Located in St. Louis, Missouri, the company holds a leading position in engineered waterproofing of building structures, achieving annual sales of roughly USD 30 million. The transaction was concluded on July 1, 2010.

The Greenstreak products complement those of Sika Corporation in the USA in an ideal manner; Sika's leading market position is expanded with this acquisition. With some 100 employees, efficient production plants and modern manufacturing processes, Greenstreak possesses high engineering and innovation potential. The company will be managed further by its existing management team as a subsidiary of Sika Corporation.

The purchase price allocation has not yet been possible in the brief period since the acquisition. The values indicated represent approximations; an apportionment of intangible assets could not yet be carried out.

ACQUIRED NET ASSETS AT MARKET VALUES

in CHF mn	
Accounts receivable	3.0
Inventories	2.9
Property, plant and equipment	5.9
Intangible assets and Goodwill	30.8
Total assets	**42.6**
Accounts payable and other current liabilities	1.9
Provisions	0.8
Employee benefit obligation	1.6
Total liabilities	**4.3**
Net assets including goodwill	**38.3**
Total purchase price	**38.3**

FINANCIAL CALENDAR

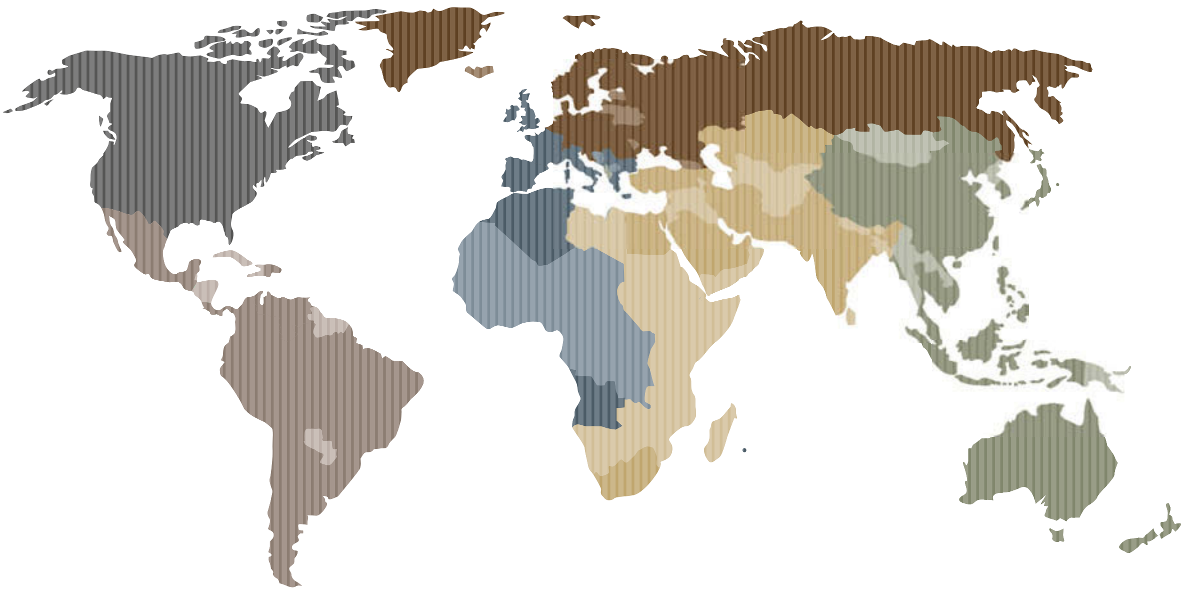
FRIDAY, NOVEMBER 5, 2010
Shareholder letter (interim report nine months)

TUESDAY, JANUARY 11, 2011
Net sales 2010

TUESDAY, MARCH 1, 2011
Full-year results 2010: media conference and analyst meeting

TUESDAY, APRIL 12, 2011
Shareholder letter (net sales three months)
Annual General Meeting

WORLDWIDE MARKET PRESENCE



North America
Sales in CHF mn 291.5

Europe North
Sales in CHF mn 688.1

IMEA
Sales in CHF mn 148.5

Latin America
Sales in CHF mn 227.9

Europe South
Sales in CHF mn 456.1

Asia/Pacific
Sales in CHF mn 277.6

Countries with Sika subsidiary
Countries with sales representative

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