



2010 Financial Results

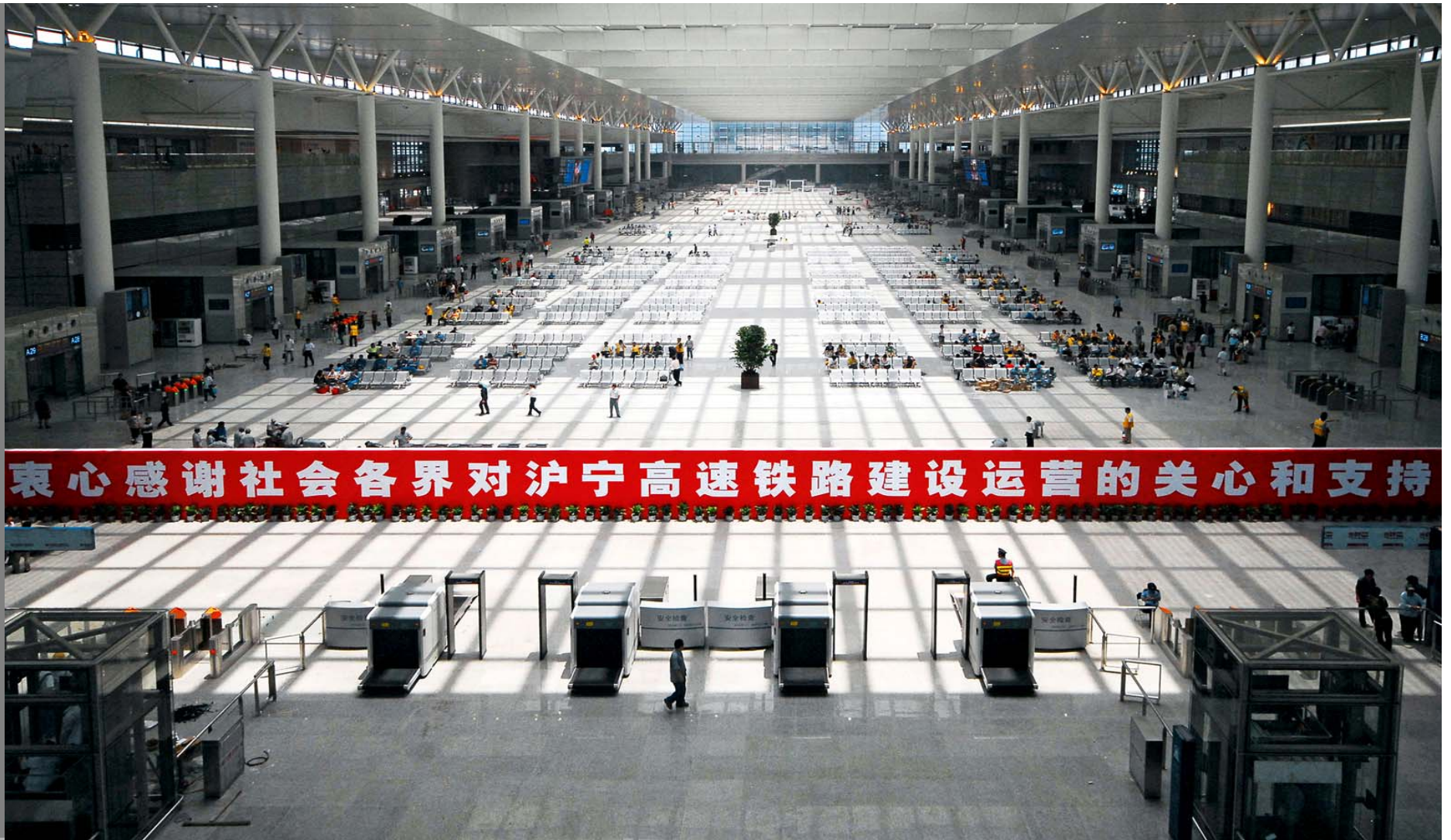
Zurich, March 1, 2011

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Itinerary

- Welcome (Dr. Walter Gruebler)
- 2010 Financial Statements (Ronald Trächsel)
- Trends, Strategy, Outlook (Ernst Bärtschi)
- Questions and Answers





衷心感谢社会各界对沪宁高速铁路建设运营的关心和支持



Welcome

Dr. Walter Gruebler, Chairman of the Board

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Result 2010

(in CHF mn)

	2009	2010	Δ %
Net sales	4'154.9	4'416.0	6.3
Gross margin	2'295.3	2'384.9	3.9
EBITDA	539.9	577.0	6.9
EBIT	344.0	439.5	27.9
Net profit	225.7	310.9	37.7
ROCE	19.3%	21.3%	



Proposals to the Annual General Meeting

Dividend

CHF 45.00 per bearer share

CHF 7.50 per registered share

Reduction in Nominal Value

CHF 8.40 per bearer share

(CHF 9.00 nominal value reduced to CHF 0.60)

CHF 1.40 per registered share

(CHF 1.50 nominal value reduced to CHF 0.10)

Election:

New

Monika Ribar, CEO Panalpina

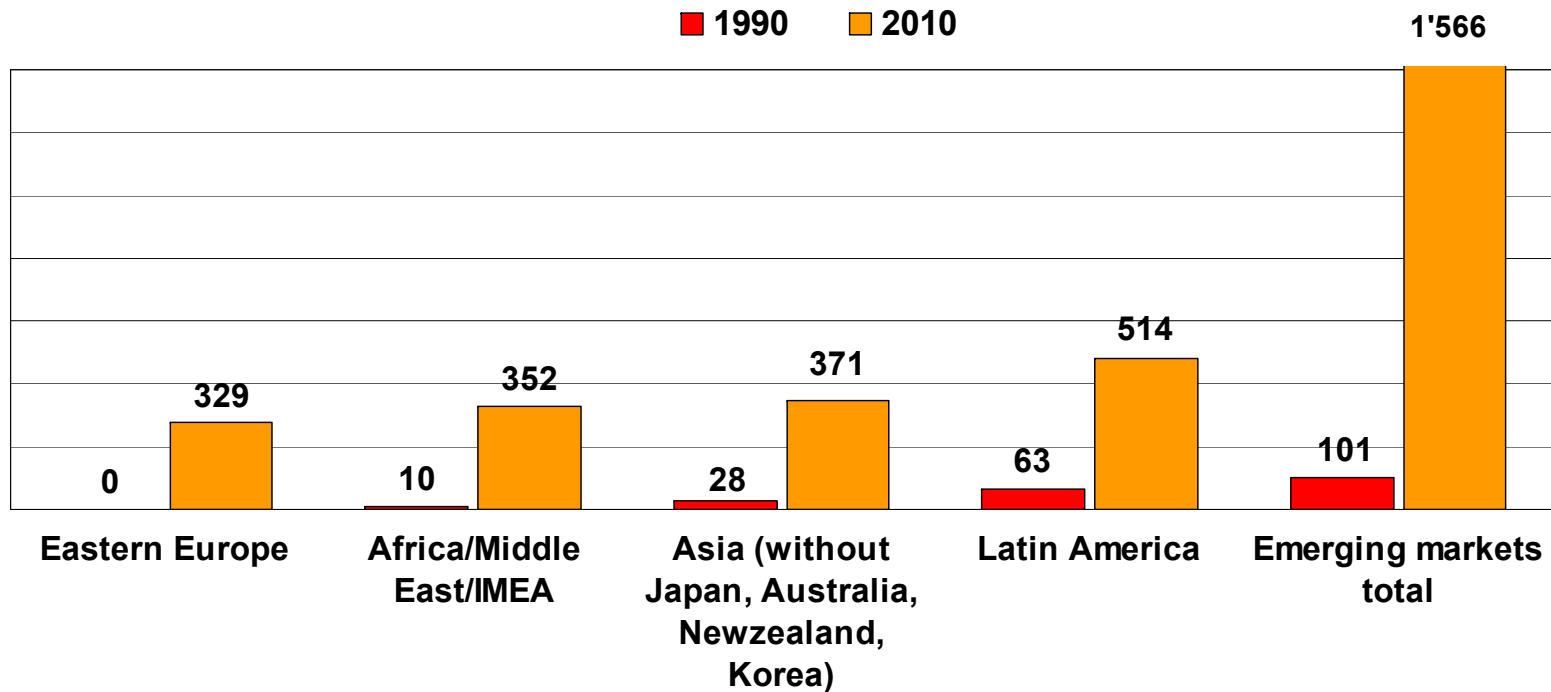
Re-election

Urs F. Burkard



Sika Net Sales in Emerging Markets

(in CHF mn)



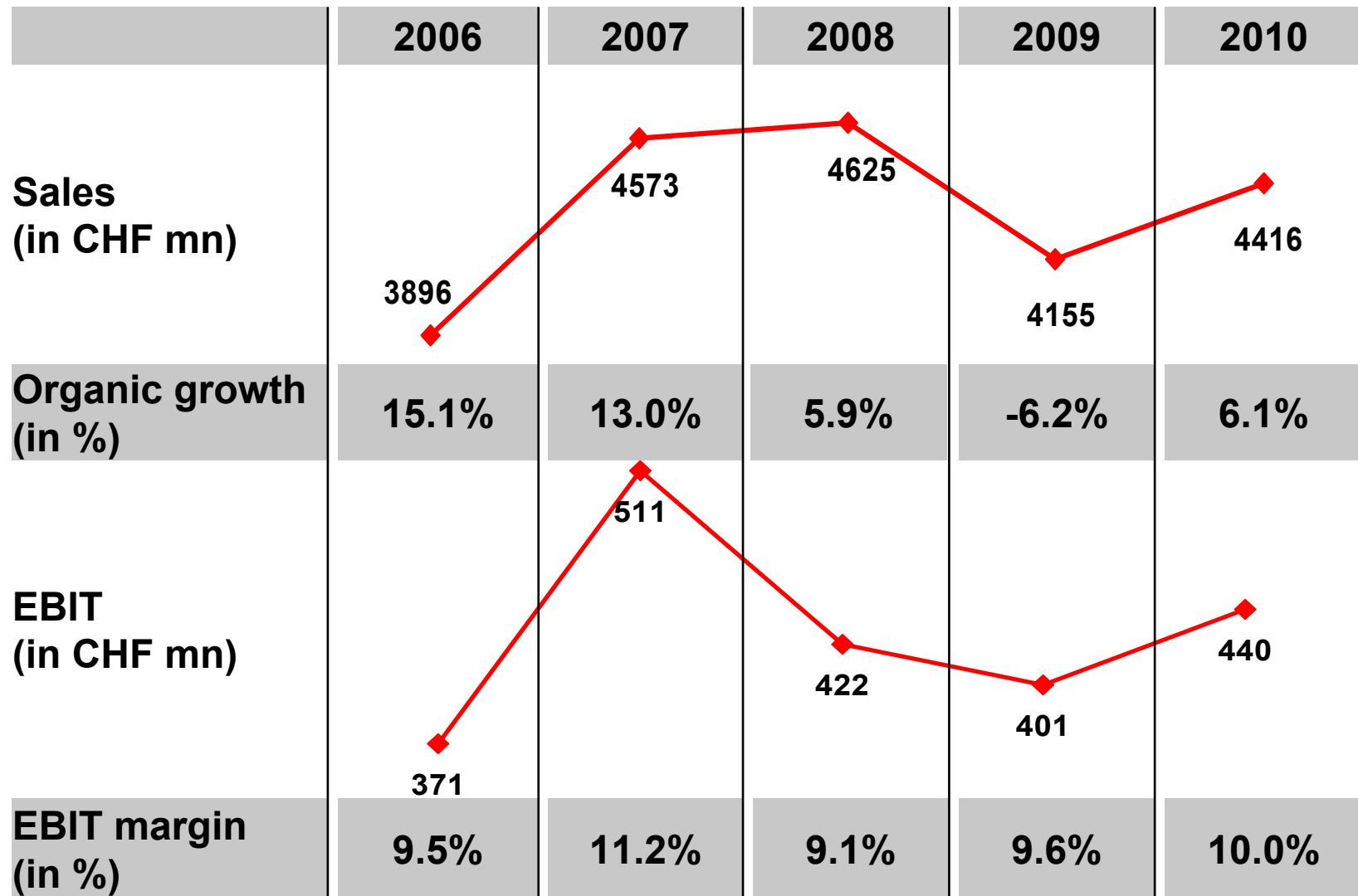


2010 Financial Statements

Ronald Trächsel, CFO

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Sales and EBIT Development



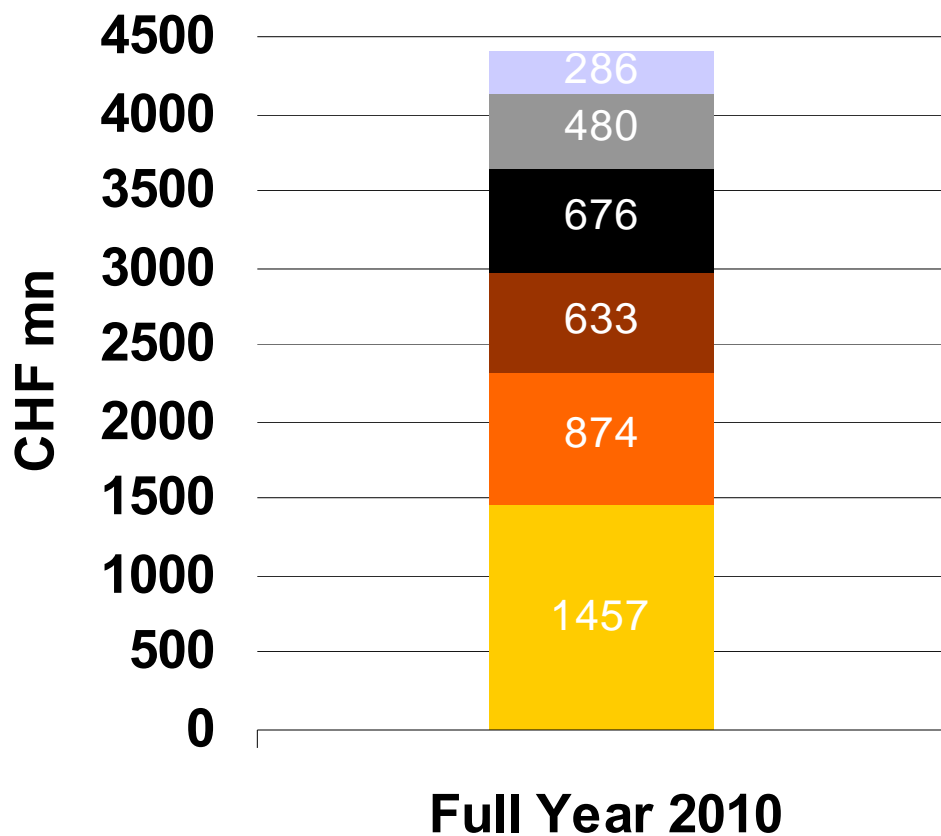
Sales Growth 2010 *(in CHF mn)*

	2009	2010	Δ	%
Net sales	4 154.9	4 416.0	+ 261.1	6.3
- Organic growth			+ 253.3	6.1
- Acquisition effect			+ 170.7	+4.1
- Currency effect			-162.8	-3.9

Acquisitions in 2010: Carglass Adco, Red J Henkel, Panbex, Dyflex, Greenstreak, May National



Net Sales by Regions

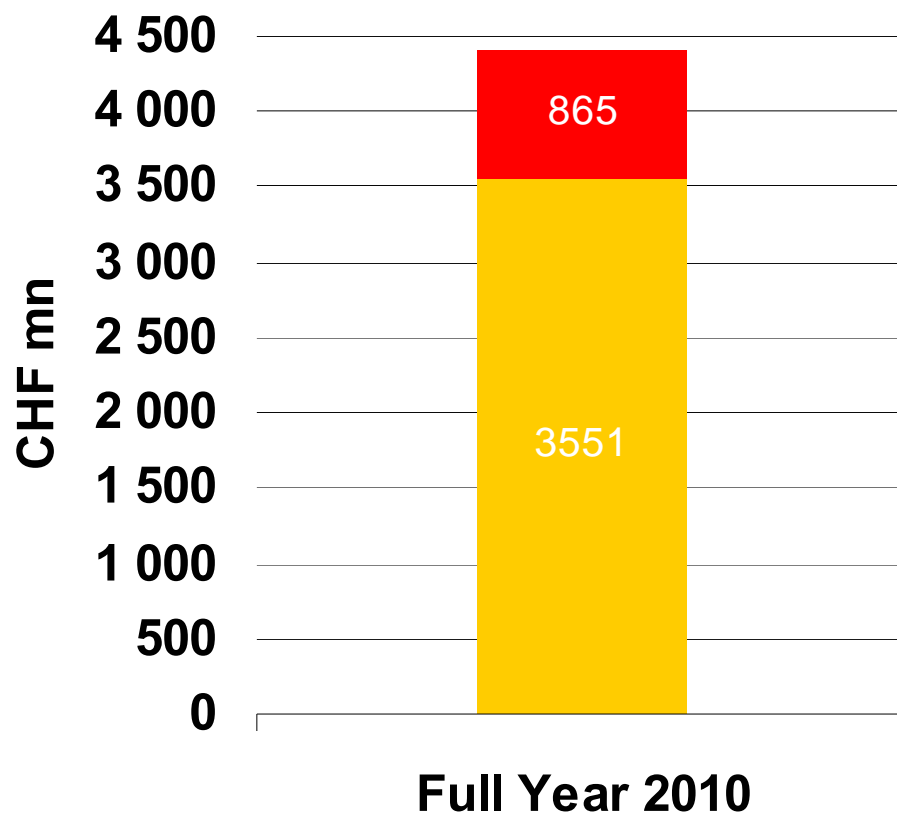


Growth in Local Currencies

IMEA	9.5%
Latin America	18.0%
Asia/Pacific	41.4%
North America	8.5%
Europe South	1.7%
Europe North	4.5%



Net Sales by Markets



Growth in Local Currencies

■ Industry 16.7%

■ Construction 8.7%



Consolidated Income Statement

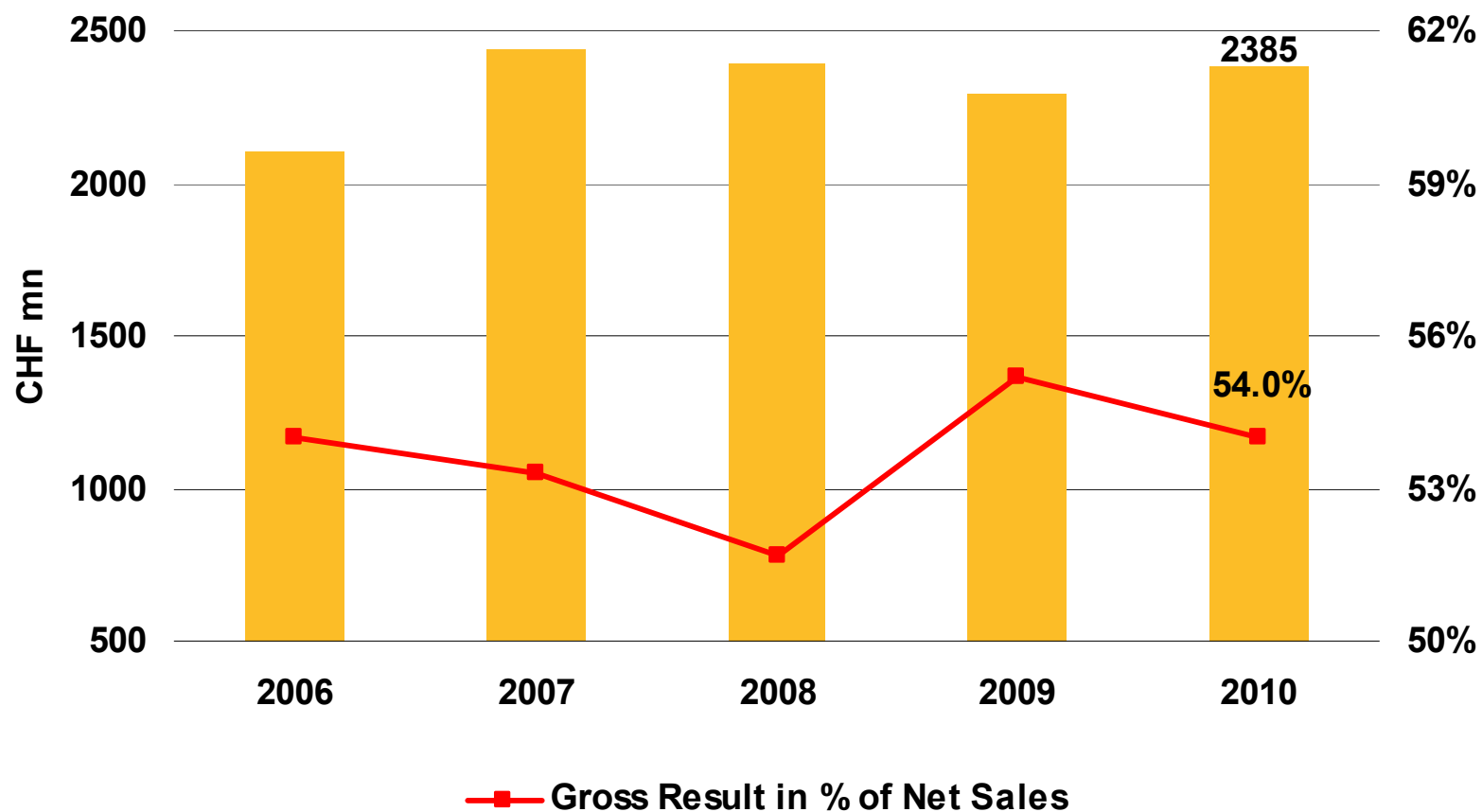
(in CHF mn)

	Actual 2009 FY	% NS	Actual 2010 FY	% NS	Growth
Net Sales	4'154.9	100.0%	4'416.0	100.0%	6.3%
Material / Subcontracting	-1'859.6		-2'031.1		
Gross result	2'295.3	55.2%	2'384.9	54.0%	
Personnel expenses	-954.3	-23.0%	-953.4	-21.6%	
Other operating expenses	-801.1	-19.3%	-854.5	-19.3%	
EBITDA before Restr.Cost	539.9	13.0%	577.0	13.1%	
Depreciation / Amortization / Impairment	-139.3		-137.5		
Oper. Profit before Restr. Cost	400.6	9.6%	439.5	10.0%	
Restructuring Cost	-56.6				
EBIT	344.0	8.3%	439.5	10.0%	
Financial expense	-28.4		-35.8		
Income taxes	-89.9		-92.8		
Net profit	225.7	5.4%	310.9	7.0%	37.8%
Tax rate		28.5%		23.0%	
Op. Free Cash Flow	368.7		332.2		



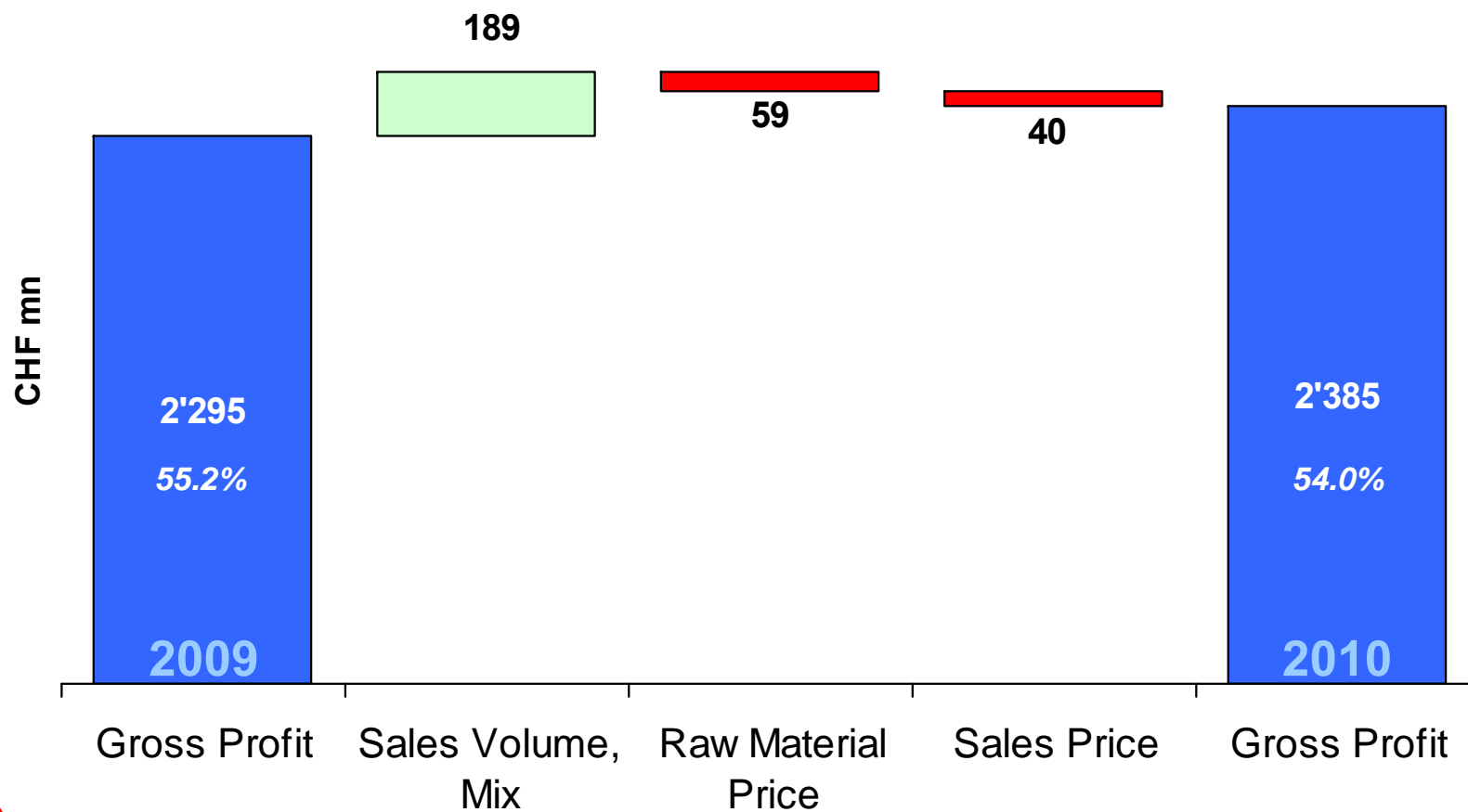
Gross Result

Negatively impacted by increasing raw material prices.



Margin Development 2010

Higher volumes / increasing raw material prices



Non Material Cost Development

2010 adjusted by one offs and acquisitions

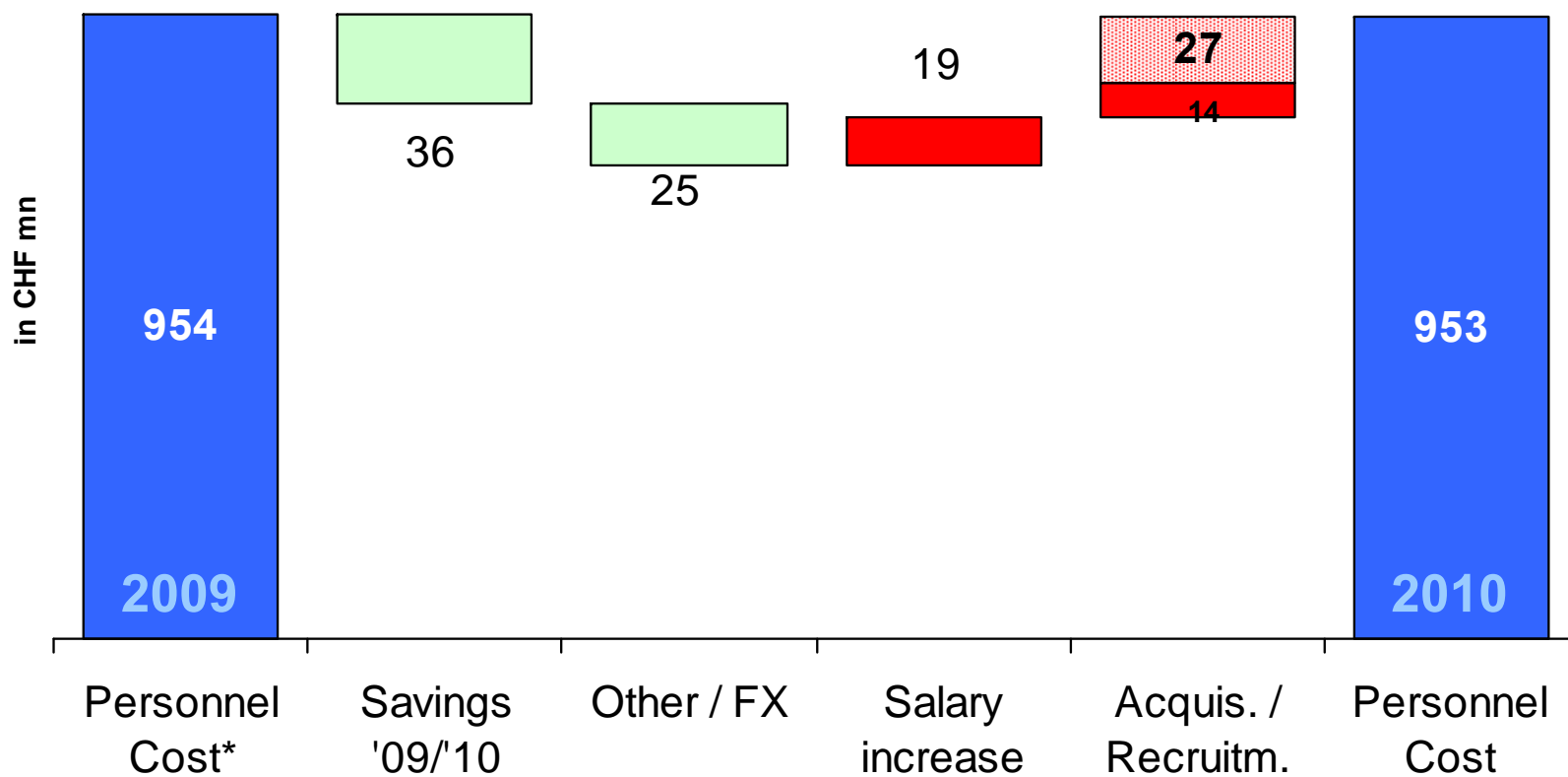
Cost Analysis 2010 (in CHF mn)	Actual 2009	Actual 2010	Variance absolute	in %
Net Sales	4'154.9	4'245.3		2.2%
Total non Material Cost	1'755.4	1'730.0	-25.4	-1.4%
whereof:				
Personnel Expenses Comparable	954.3	921.1	-33.2	-3.5%
Other OPEX Comparable	801.1	809.0	7.9	1.0%

Acquisitions in 2010: Carglass ADCO, Red J, Panbex, Dyflex, Greenstreak, May National



Personnel Cost Development

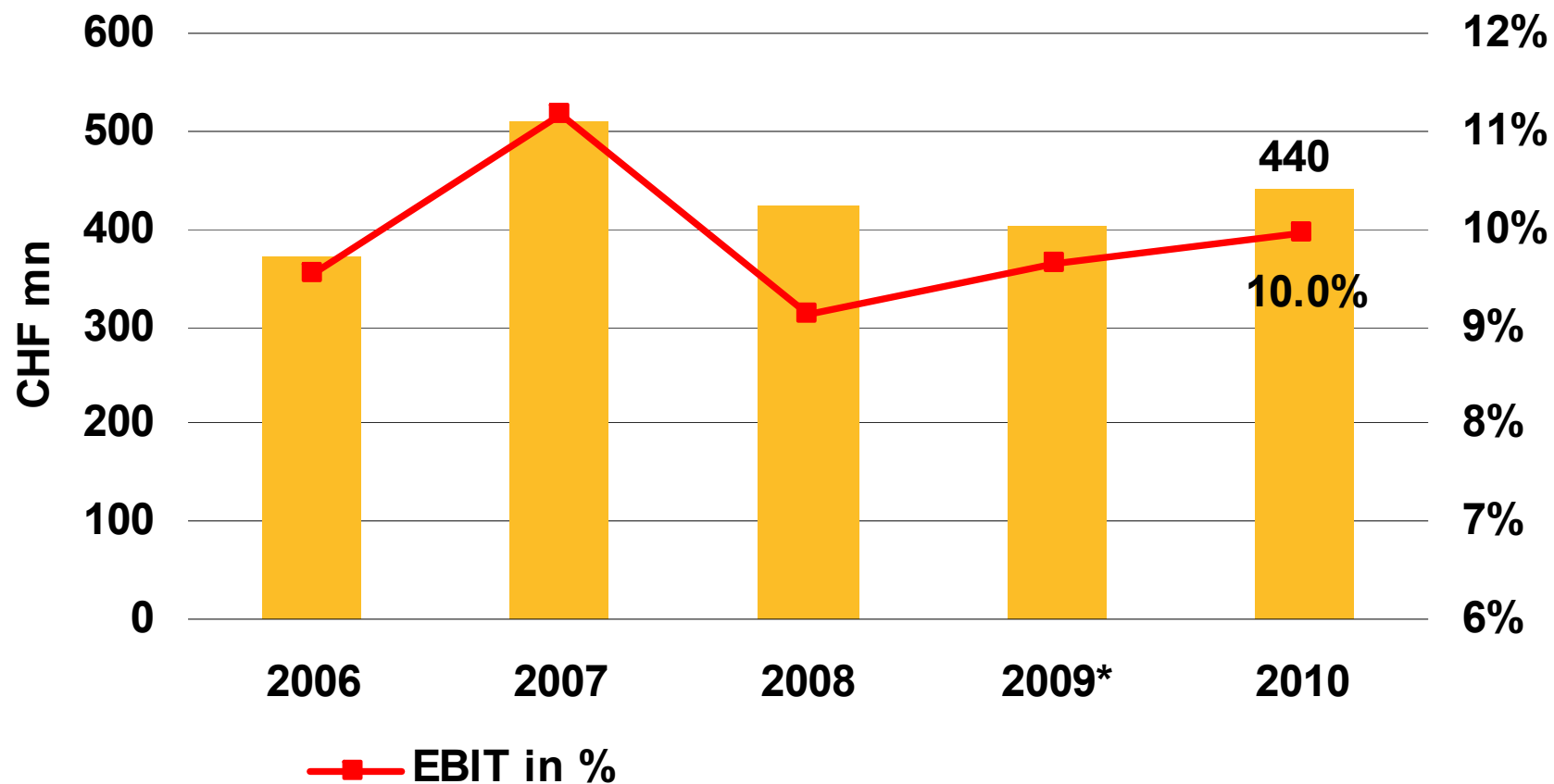
Efficiency gains based on PY restructuring activities



*excl. Restructuring Cost

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EBIT



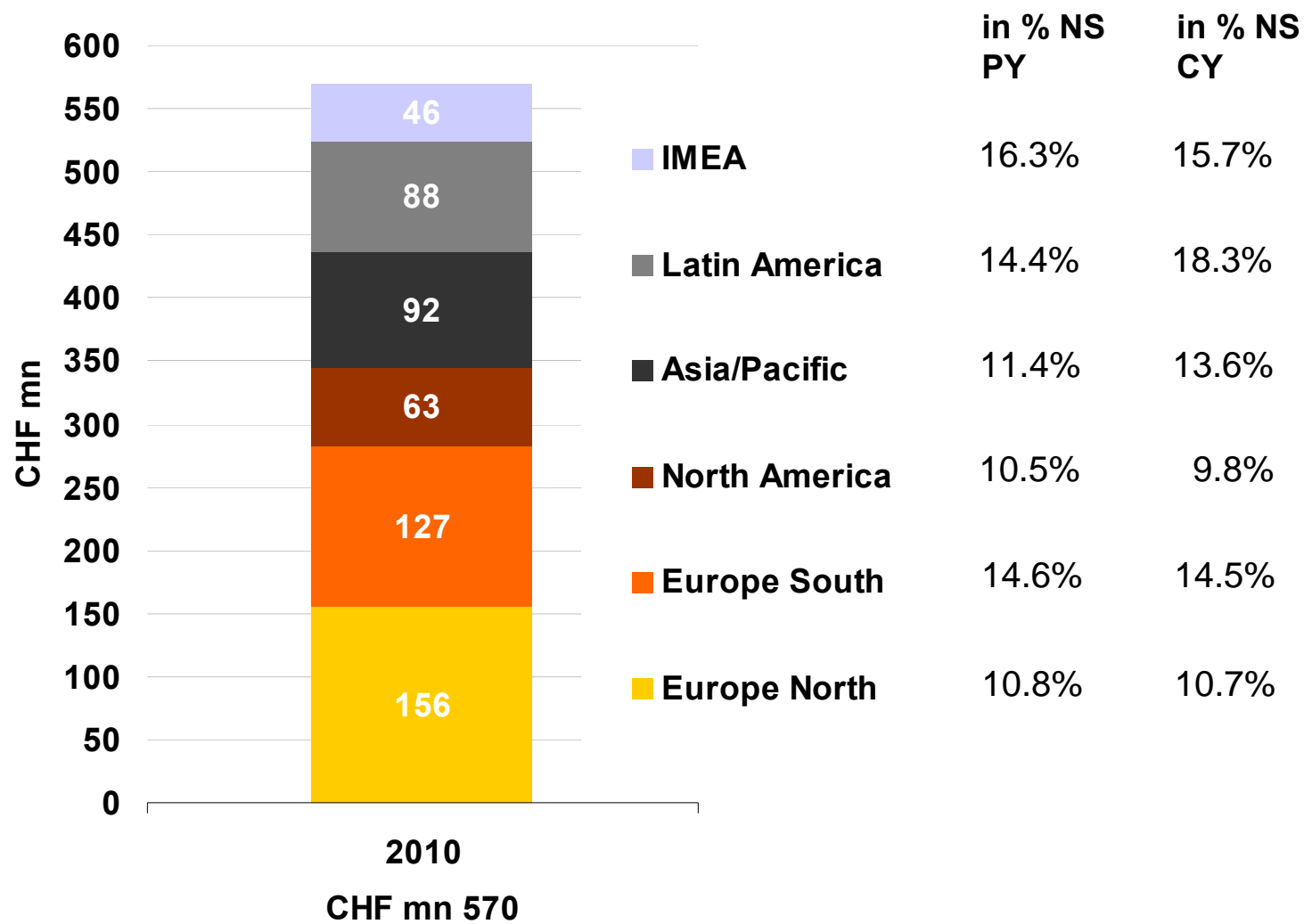
*2009 excl. Restructuring Cost



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EBIT Growth by Region

(in CHF mn)



EBIT w/o Central Functions
w/o PY Restructuring Cost



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EBIT Development Central Services

(in CHF mn)

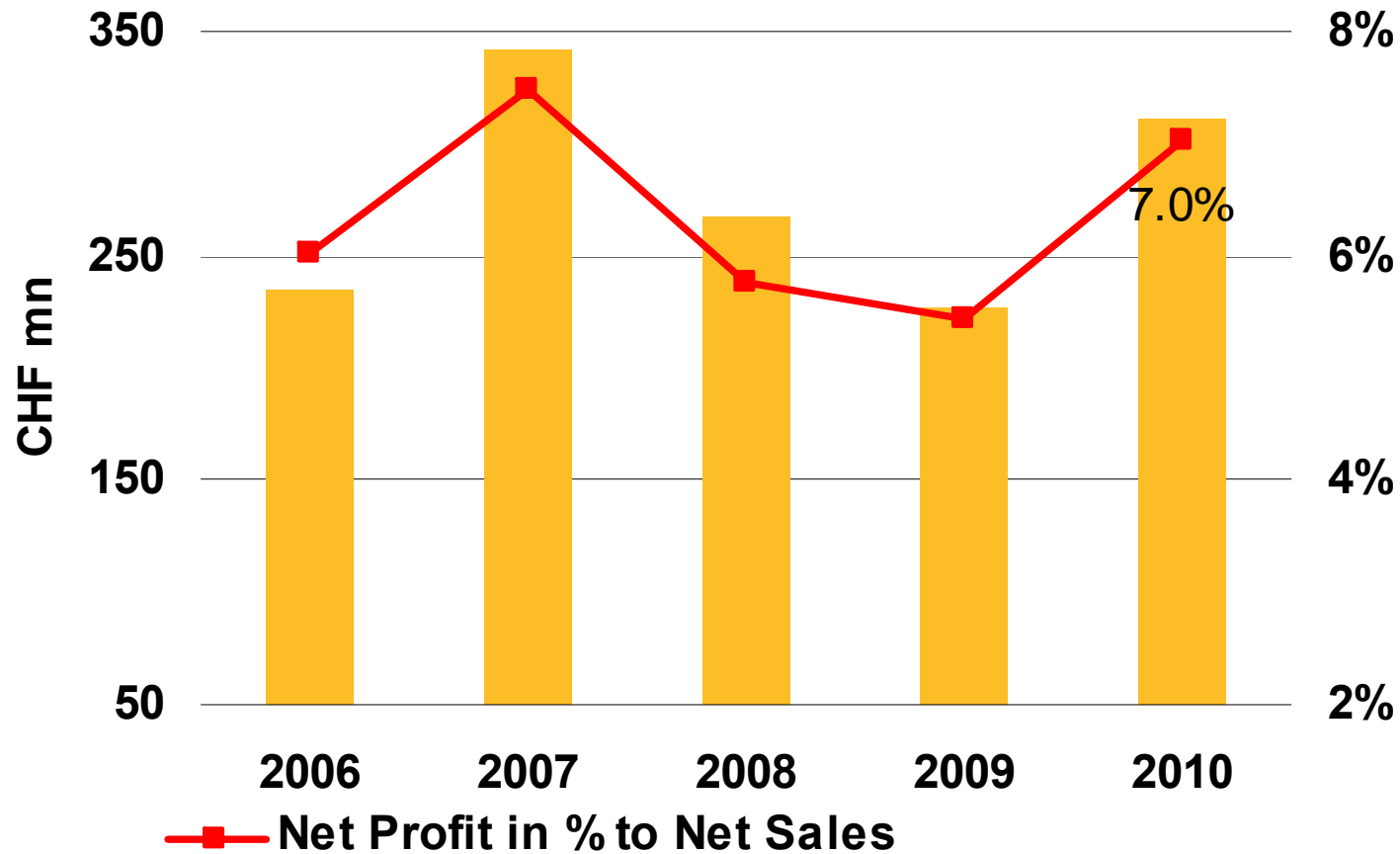
	Actual 2009 MCHF	Actual 2010 MCHF	deviation 10 vs. 09
	EBIT	EBIT	
Operations	513	570	57
Central Services	-112	-130	-18
Group	401	440	39

Special effects:
 - Acquisition cost
 - Jubilee
 - SAP Alliance



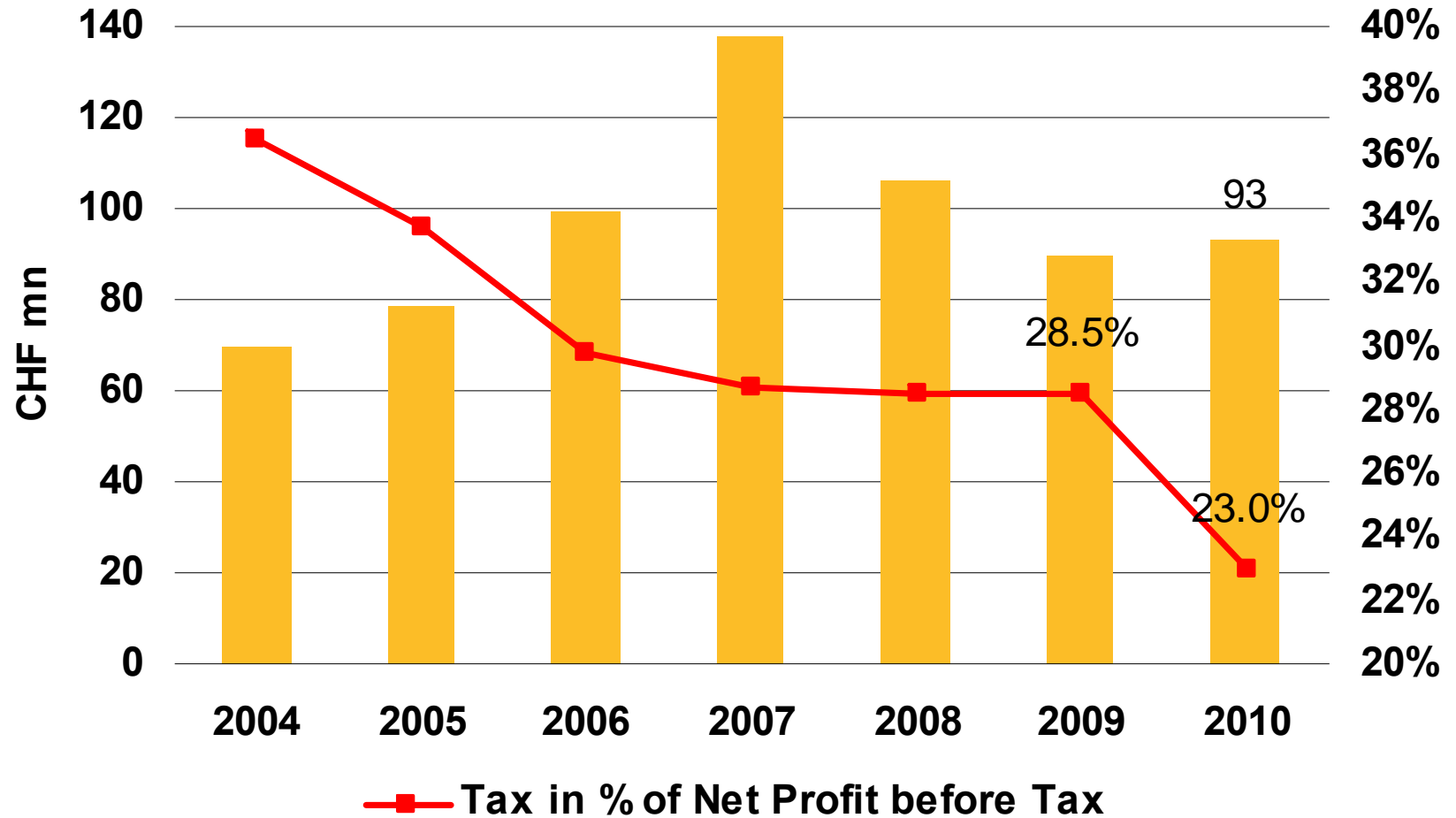
Net Profit after Taxes to Net Sales

Increased Net Profit (2009 excluding restructuring cost impact)



Taxes

Decreasing Tax Rate 2010 affected by one off impact



Consolidated Balance Sheet

(in CHF mn)

	Actual 31.12.2009	Actual 31.12.2010	var.
<i>Cash and cash equivalents</i>	801.6	938.4	136.8
<i>Other current assets</i>	1'291.5	1'412.6	121.1
Current assets	2'093.1	2'351.0	257.9
Non-current assets	1'536.3	1'580.7	44.4
Total assets	3'629.4	3'931.7	302.3
Current liabilities	666.3	1'056.7	390.4
Non-current liabilities	1'370.1	1'122.8	-247.3
Equity incl. minorities	1'593.0	1'752.2	159.2
Total liabilities and equity	3'629.4	3'931.7	302.3



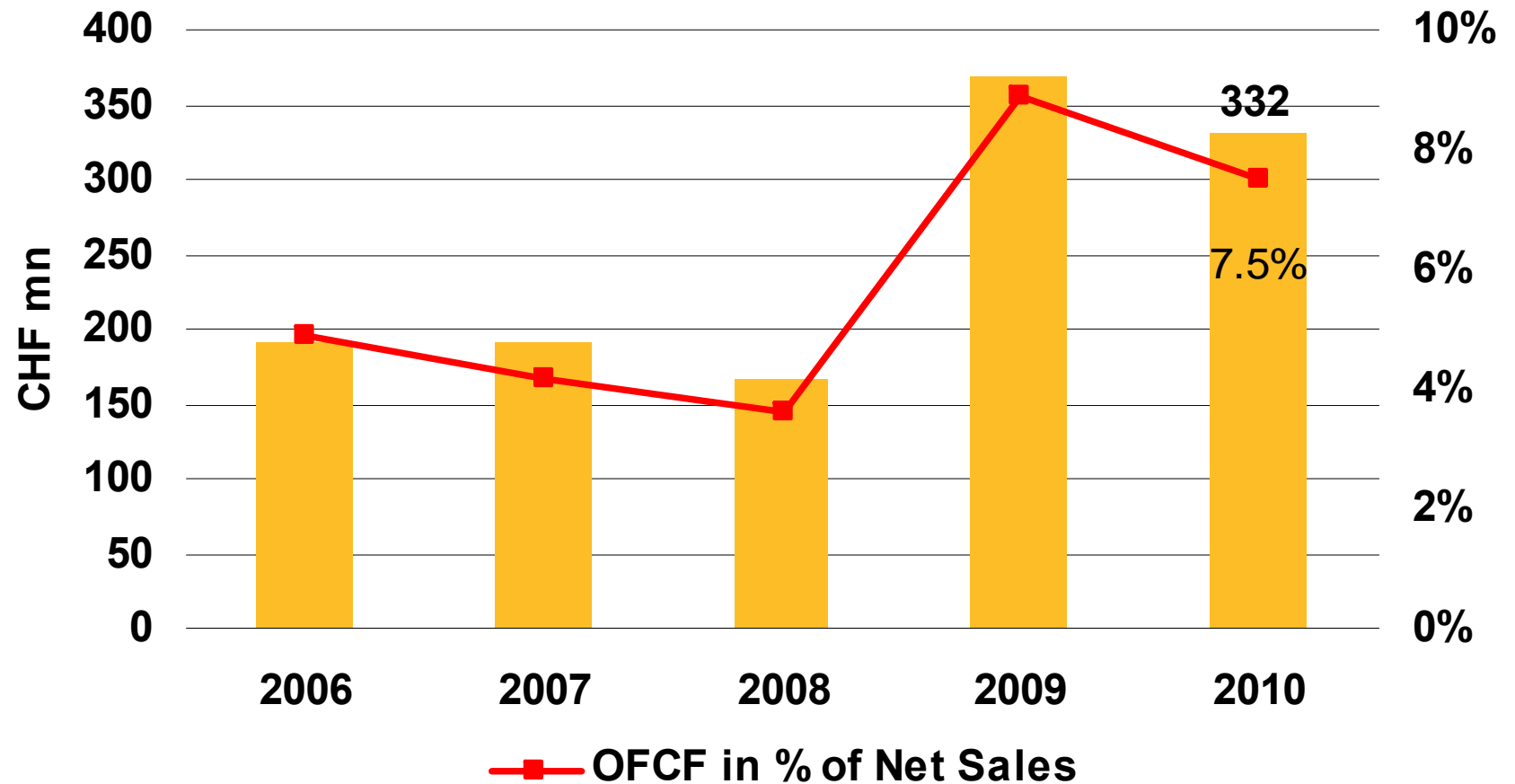
Cash Flow Statement

(in CHF mn)

	Actual 2009	Actual 2010
Cash Flow from Operating Activities	526.3	424.8
Cashflow from Investing Activities	-213.8	-180.9
Free Cash Flow	312.5	243.9
Acquisitions / Divestment	56.2	88.3
Operating Free Cash Flow	368.7	332.2



Operating Free Cash Flow



Key Ratios *(in CHF mn)*

	Actual 31.12.2009	Actual 31.12.2010
Equity ratio	43.9%	44.6%
Net Debt	265	165
NWC	836	802
NWC (in % of NS)	20.1%	18.2%
Gearing (Net Debt/Total Equity)	16.6%	9.4%
ROCE (EBIT / av. capital employed) *	19.3%	21.3%

*2009 excl. Restructuring Cost



Financial Targets

	Targets	2006	2007	2008	2009	2010	5 Year average
Net sales growth (in LC)	8-10%	16.9%	13.0%	5.9%	-6.2%	6.1%	7.1%
EBITDA in % Net sales	12-14%	13.2%	13.9%	12.0%	13.0%	13.1%	13.0%
Profit in % Net sales	>6%	6.0%	7.5%	5.8%	6.5%	7.0%	6.6%
OpFCF in % Net sales	4-6%	4.9%	4.2%	3.6%	8.9%	7.5%	5.8%
ROCE in % (EBIT based)	20-25%	20.2%	26.0%	20.3%	19.3%	21.3%	21.4%



Proposed Appropriation of Retained Earnings

(in CHF mn)

	2009	2010
Group Profit (after minorities)	225.9	310.8
Dividend	111.5	112.7
<i>Dividend Ratio</i>	49.4%	36.3%
Nominal value reduction		21.3
Total Payout		134.0
<i>Total Payout Ratio</i>		43.1%

Dividend payment CHF 45.00 per bearer share
CHF 7.50 per registered share

Nominal value reduction CHF 8.40 per bearer share
CHF 1.40 per registered share





Trends, Strategy, Outlook

Ernst Bärtschi, CEO

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Highlights 2010

- Sales up 10.2% in local currencies, net profit up 37.7%
- Growth in local currencies Asia/Pacific: 41.4%
- Growth in local currencies Latin America: 18.0%
- Strong recovery/expansion of the automotive related business
- Successful acquisitions/integrations
- Sika again succeeded in gaining market share



Lowlights 2010

- High raw material costs
- Low supplier capacity
- Strong winter
- Peripheral countries of Europe still fragile



Markets Develop at Two Different Speeds

- Double-digit growth in Emerging Markets
- Low single-digit growth in Mature Markets



Potential Emerging Markets

- Close the gap to known western standards
- Urbanization and housing standards
- Infrastructure for economic growth
- State of the art sustainability regulations to avoid environmental crisis coming along with economic growth



High Infrastructure Build Up Until 2020

India			
			
	Airports	Railway Tkm	Nuclear Plant
Number of projects	100	60	15

China			
			
	Airports	Railway Tkm	Nuclear Plant
Number of projects	100	100	30




- 20 trillion dollars spent till 2030 only in China
- 50% concrete consumption worldwide, only 30% treated

Source: UKTI, Xinhua, China Daily, WNA



Increasing Transportation Needs

- Car sales increase from 2011 to 2013

India	India	Asia
2011 +9.5%		2011 +7.1%
2012 +11.2%		2012 +6.3%
2013 +10.1%		2013 +5.4%

- 70% of world bus production in emerging markets and growing



Source: CS, Xinhua, China Daily

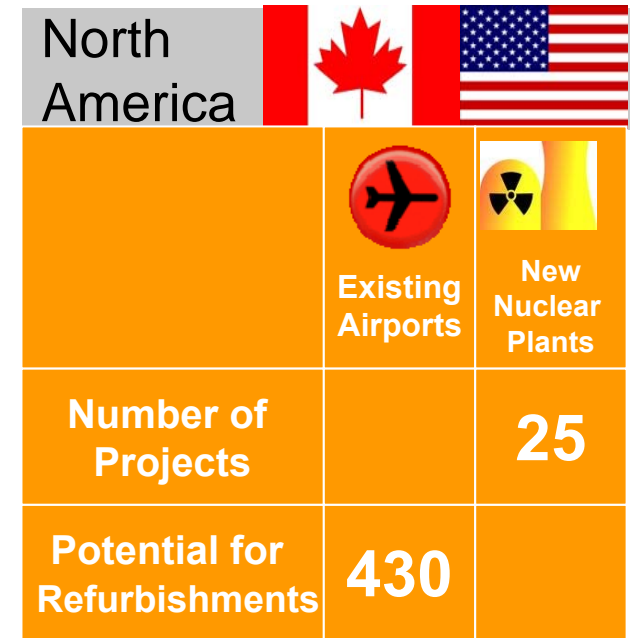
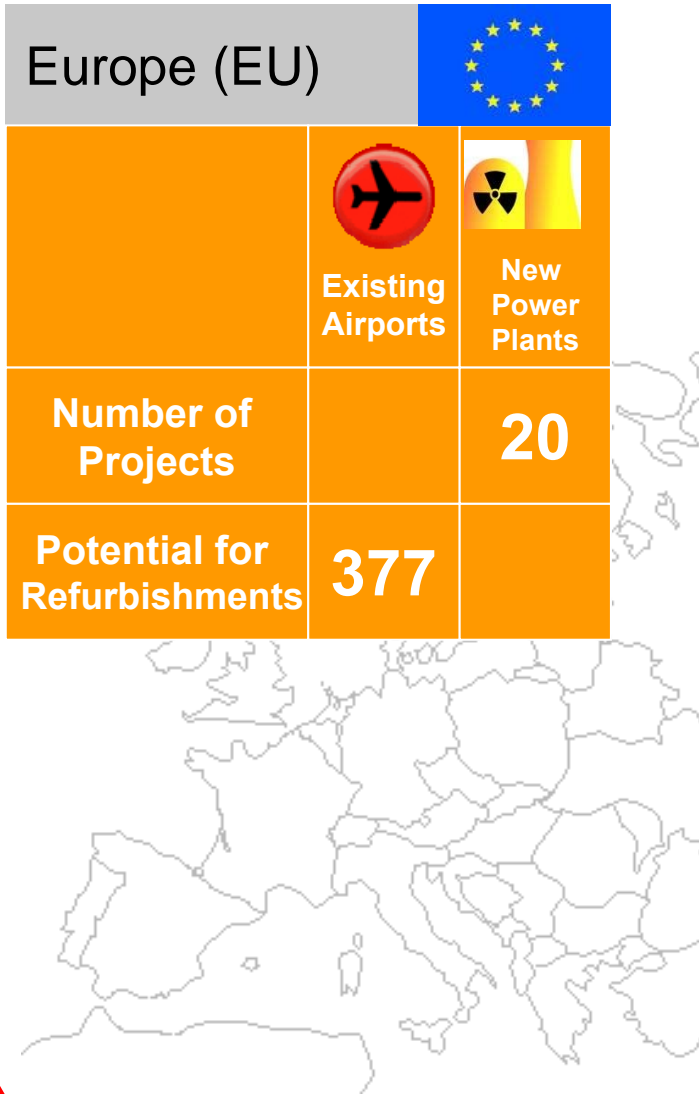


Potentials Mature Markets

- Recovery of economy
- Infrastructure for economic growth and mobility
- Renovation of existing building structures



High Potential for Refurbishments



Increasing Transportation Needs

- Car sales increase from 2011 to 2013

Europe (only EU) 	North America  
2011 + 7.6%	2011 + 12.6%
2012 + 10.4%	2012 + 7.7%
2013 + 6.0%	2013 + 3.9%



Source: CS

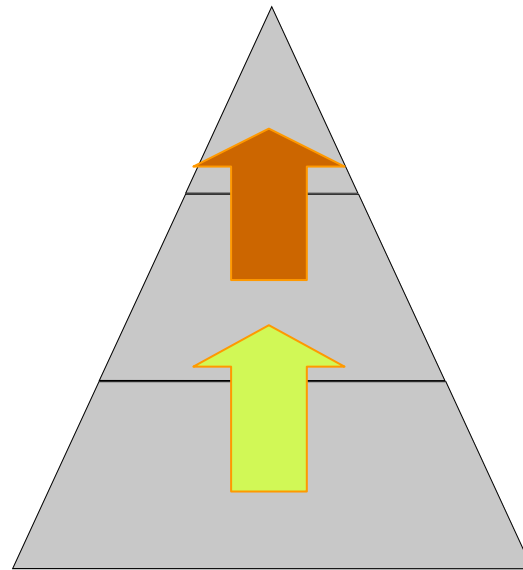
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How Sika will take advantage

- Base solutions for emerging markets
- Innovation solutions for mature markets
- Push emerging markets up in technology

MM 

EM 



Innovation and Technology Leadership

Advanced State of the Art

Base and Low Cost Solutions



Requirements to Conquer Emerging Markets



- Skilled people, feet on the street
Education, training, sales, solution providing
- Emerging market cost structures
to compete and to defend leader position
- Access to base technology markets



Megatrend Sustainability



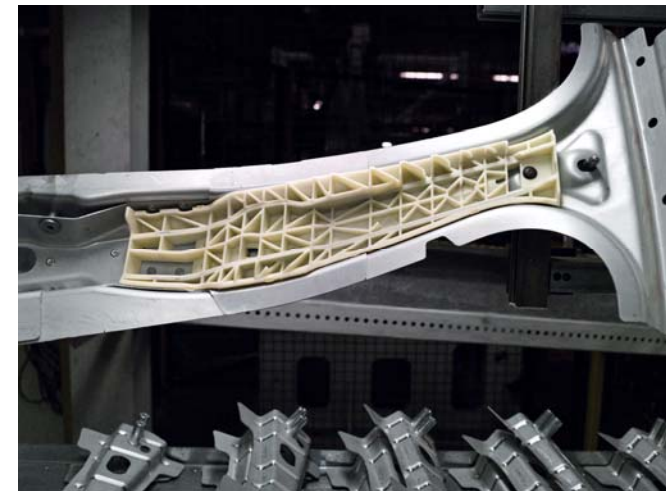
- CO2
- Energy
- Water

- In emerging markets
- In mature markets



Global Climate Asks Reduction of CO2 Emission

- Allow reduction of clinker by fly ash / lime stone: reduction of up to 5% of global CO2
- Reduced concrete consumption by using admixtures: -1% of global CO2
- Blended cement reduces production energy consumption substantially
- Weight reduction in cars



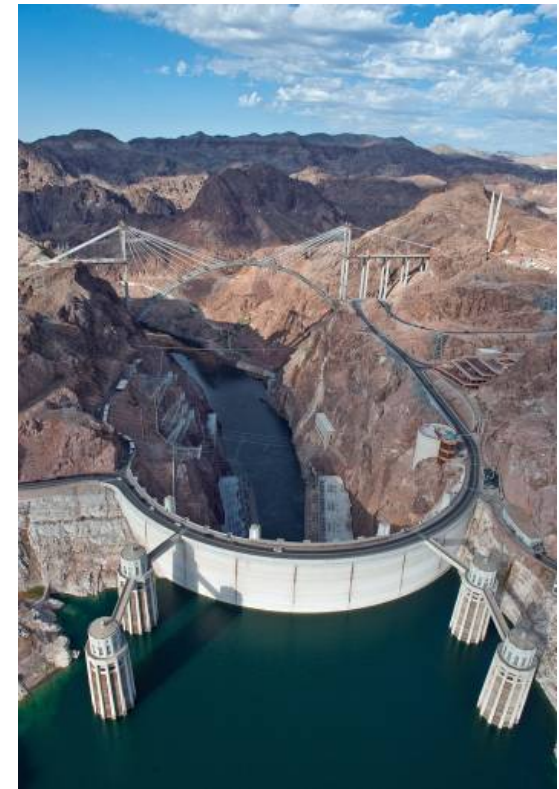
Increasing E Demand Asks for Better E-Mgmt

- PU-Roofing: 15% energy savings
- Insulation
 - Facade
 - Windows
 - Basements
- Wind Energy
- Solar Energy



Reduce Water Consumption Will Be Imminent

- Optimized water management will play key role
- Increase demand for respective constructions
 - Reservoirs
 - Sewage handling
 - Purification facilities
 - Dams
 - Tunnels
 - Pipes
- Sika is the world leader in Waterproofing



Innovation

- i-cure top sealing technology
 - New hardener technology with new dimension of environmental protection and longer shelf life
- Solvent free adhesives
 - Reduce emissions, comply with future regulations
- Curing period adhesives
 - Speed up process time in OEM manufacturing
- Structural bonding
 - Faster production, higher flexibility in materials, lighter cars
- Liquid membranes
 - Easier application in complex environments
- Gypsum
 - Speed up process time in manufacturing line gypsum boards



Operational Effectiveness

- Global key accounts
 - Time to market
 - Acquisition larger competitors
 - Geographical penetration
 - Penetration in all innovation levels
 - Supply chain optimization
 - Acquisitions smaller competitors
 - Cross selling
 - Recruitment/Training
 - Adaptation of solutions to local needs
- Rather central activities
- Rather decentral activities



Vision and Strategy

1. Become the market leader in all target markets on global and local level



2. Means market share > 20%

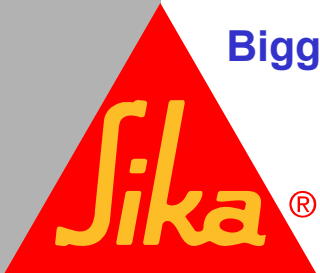


3. Results in ~ CHF 8 bn. Net Sales



Market Position of Sika Today

	2004 ranking		2010 ranking	
Concrete	450	3	850	2
Biggest competitor: BASF		1		1
Roofing	150	4	740	1
Biggest competitor: Firestone		2		2
Waterproofing	200	2	400	1
Biggest competitor: Grace		1		2
Flooring	200	2	340	1
Biggest competitor: RPM		1		1
Automotive	450	3	590	2
Biggest competitor: Henkel		2		1



Vision and Strategy

How Sika gets to 8 bn.

- Actual Net Sales CHF 4.4 bn.
- Organic Growth (8%) CHF 2 - 3 bn.
 - Emerging markets
 - Mature markets
 - Innovation
- Acquisitions CHF 1 - 1.5 bn.
- Total  ~ CHF 8.0 bn.



Outlook 2011

- Good start in to the new year
- Outlook today is better than a year ago
- Critical raw material supply and price situation
- Financial targets confirmed





Questions and Answers



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Forward-looking statements

The statements in this presentation relating to matters that are not historical facts are forward-looking statements. They are no guarantee of future performance and involve risks and uncertainties with regard to future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors and other factors beyond the control of Sika.

