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# SIKA 2011

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Net sales in local currencies were up 15.5% compared to previous year. *Sika continued to gain market share worldwide.* Sika posted double-digit growth in all regions except Europe South. *Acquisitions are an important element of the growth strategy.* In 2011 Sika acquired eight companies. In 2011 Sika increased its equity ratio to 48.0%. Sika is confident that in the 2012 business year it will generate continued growth and improve margins.

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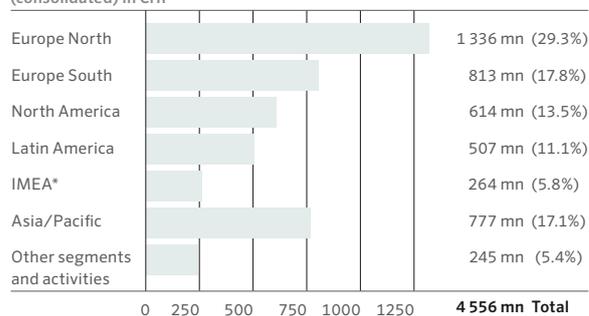
## Brief Overview

### Sika Group

in CHF mn	2010	as % of net sales	2011	as % of net sales
Net sales	4 416.0		4 556.4	
Gross result	2 384.9	54.0	2 304.6	50.6
Operating profit before depreciation (EBITDA)	576.7	13.1	477.4	10.5
Operating profit (EBIT)	439.2	9.9	347.1	7.6
Net profit after taxes	310.6	7.0	214.8	4.7
Operating free cash flow	332.2	7.5	186.1	4.1
Capital expenditures	99.9	2.3	117.1	2.6
Balance sheet total	3 940.8		3 830.4	
Shareholders' equity	1 759.6		1 839.1	
Equity ratio in %	44.7		48.0	
ROCE in %	21.3		15.6	
Earnings per share in CHF	124.48		85.06	
Number of employees	13 482		15 254	
Energy consumption in MJ per ton sold	1 259		1 505	
CO <sub>2</sub> emissions in 1 000 tons	29 000		31 000	
Water consumption in 1 000 m <sup>3</sup>	2.0		2.0	

### Net sales by Region

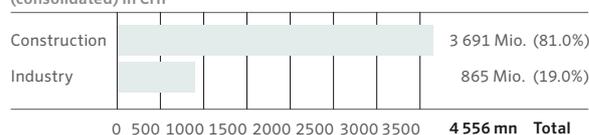
(consolidated) in CHF



\* India, Middle East, Africa

### Net sales by market

(consolidated) in CHF



### Portrait

Sika AG, located in Baar, Switzerland, is a globally active specialty chemicals company. Sika supplies the building and construction industry as well as manufacturing industries (automotive, bus, truck, rail, alternative energies, building components). Sika is a leader in processing materials used in sealing, bonding, damping, reinforcing and protecting load-bearing structures.

Sika's product lines feature high-quality concrete admixtures, specialty mortars, sealants and adhesives, damping and reinforcing materials, structural strengthening systems, industrial flooring as well as roofing and waterproofing systems. Worldwide local presence in 76 countries and some 15 300 employees link customers directly to Sika and guarantee the success of all partners. Sika generates annual sales of CHF 4.556 billion.

**Higher sales and lower profit.** In the 2011 business year, Sika increased sales by 15.5% in local currencies. Owing to the huge rise in prices of raw materials, gross profit declined to CHF 2 304.6 million (previous year: CHF 2 384.9 million), which corresponds to a gross margin of 50.6%. Operating profit fell to CHF 347.1 million (previous year: CHF 439.2 million). Sika is confident that in the 2012 business year it will generate continued growth and improve margins.

## Group Report Group

### Growth in all regions

In the 2011 business year, Sika lifted sales by 15.5% in local currencies. This figure includes an acquisition effect of 3.9%. Due to the negative exchange rate effects (-12.3%), sales in Swiss francs were only 3.2% up year-on-year, from CHF 4 416.0 million to CHF 4 556.4 million.

Sika expanded in all regions and witnessed strong growth in the emerging markets of Asia/Pacific and Latin America. Sika also increased sales in the Region North America, gaining additional share in a fiercely competitive market. Europe North reported double-digit growth due to a mild winter and strong sales in Germany, Poland and Russia, while Europe South was able to maintain growth in the single-digit range on the back of the markets in France and Great Britain. Broken down by region, Sika expanded as follows in 2011 in local currencies: Europe North +11.3%, Europe South +4.2%, North America +21.5%, Latin America +21.0%, IMEA (India, Middle East, Africa) +12.9%, Asia/Pacific +28.1%. Growth in North America and Asia/Pacific was significantly boosted by acquisitions, which accounted for 5.1% and 14.0% respectively.

In 2011 Sika acquired eight firms. Together these companies generated annual sales of about CHF 233.6 million in 2011, which is in line with Sika's strategic target for nonorganic growth. Sika usually targets companies for acquisition which provide it with better market access or which possess technologies that are easy to market through Sika's global sales network.

In the year under review Sika generated 36% of its sales in emerging markets.

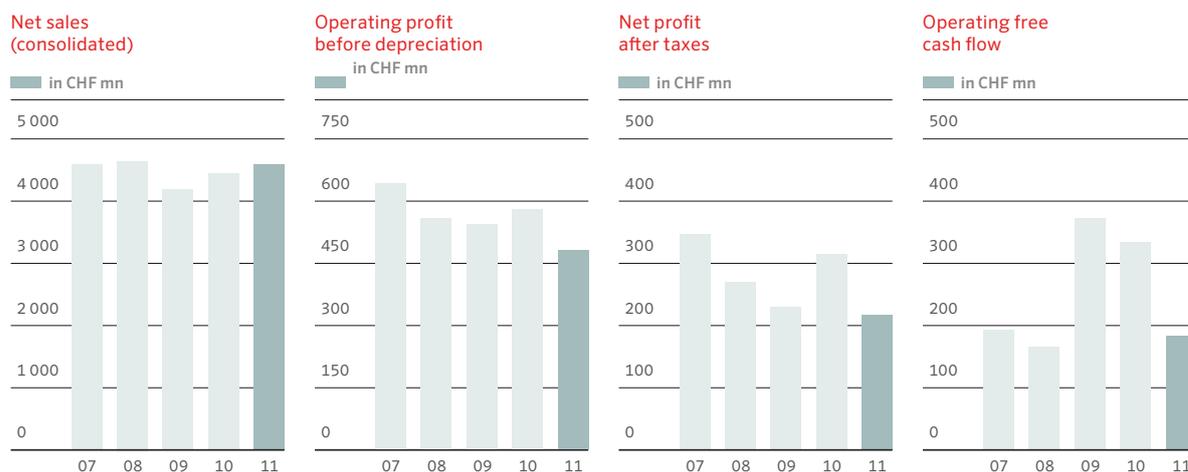
Sika increased sales of products for the building and construction industry by 16.3% in local currencies, with an acquisition effect of 4.2%. Sales of products for industrial manufacturing increased 12.1% in local currencies, including an acquisition effect of 2.3%.

In the year under review alone the impact of exchange rate developments in the Swiss franc cost Sika around CHF 545 million in sales (-12.3%). This corresponds almost exclusively to conversion effects. The Group's decentralized organization and the fact that as a rule purchasing, production, and sales occur in the same currency area provide a good natural exchange rate hedge.

### Profit development

In the year under review material prices rose once again. As these can be passed on through sales prices only with a time lag, gross margins remained under pressure. Thus, gross profit declined to CHF 2 304.6 million (previous year: CHF 2 384.9 million), which corresponds to a gross margin of 50.6% (previous year: 54.0%). Accordingly, operating profit fell to CHF 347.1 million (previous year: CHF 439.2 million), which resulted in an operating profit margin of 7.6% (previous year: 9.9%). Further efficiency improvements had a favorable effect of 0.8 percentage points on the items personnel expenses and other operating expenses, which partially mitigated the impact of high raw material prices.

At CHF 214.8 million, net profit was down 30.8% on the previous year (CHF 310.6 million). As a result of various special effects, the high tax of 31.9% had a negative impact on net profit. Furthermore, exchange rate effects had a negative impact of about CHF 35 million owing to the fact that headquarter costs are incurred in Switzerland.



### Investments

Sika's unchanged investment strategy is geared to further consolidating the global presence it has established in recent years, developing new markets, and expanding existing activities. Owing to strong growth in the year under review, Sika expanded its investment volume year-on-year to CHF 117.1 million (2010: CHF 99.9 million).

### Liquidity and balance sheet

Despite the challenging business environment net working capital as percentage of net sales only increased slightly from 18.2% to 19.9%. Operating free cash flow of CHF 186.1 million in the year under review (previous year: CHF 332.2 million) coupled with higher acquisition activity resulted in lower cash and cash equivalents of CHF 536.0 million as of the end of the year (previous year: CHF 938.4 million). As a consequence, net debt rose to CHF 338.7 million, whereby a bond to the amount of CHF 275 million was repaid at the end of October and, in view of Sika's solid cash position, was not renewed.

A trademark for innovation, quality and service. Sika constantly seeks to exploit growth potential in all its target markets in order to achieve market leadership and create sustainable growth.

## Group Strategy

### Vision

With its range of process materials for sealing, bonding, damping, reinforcing and protecting load-bearing structures, Sika strives for leadership in clearly defined target markets.

Sika's target markets are:

- Concrete production
- Elastic sealing and bonding
- Waterproofing
- Roofing systems
- Flooring systems
- Refurbishment and strengthening
- Industrial manufacturing  
(primarily motor vehicle production)

Sika provides its customers with innovative solutions that boost the efficiency, durability and aesthetic appeal of buildings, infrastructure facilities, installations and vehicles, throughout production and use, and thereby makes a substantial contribution to sustainable development.

### Market potential and strategy

Despite being global market leader in the construction chemicals sector, Sika does not yet hold the number one position in all its target markets. Sika's core target markets alone offer potential in the order of CHF 50 billion. Sika systematically leverages the growth potential in its target markets. The company draws on its innovative power, for instance, to meet the rising demand for energy-efficient and cost-effective solutions in both the construction and industrial manufacturing sectors. This has led to the development of new roofing systems that vastly improve the energy performance of buildings and state-of-the-art, low-weight, time-saving adhesives for vehicle production – to name just two examples. As globalization proceeds, the ability to deliver comprehensive integral solutions for globally operating key accounts and large-scale projects is a crucial success factor.

Particularly crucial for Sika are the emerging markets of Latin America, Eastern Europe, the Middle East and parts of Asia. To capitalize on the momentum in these rapidly growing markets – where the potential for structural growth is far from exhausted – the company relies on cost-effective solutions for early market development. At the same time, investment in the training of both employees and customers paves the way for the introduction of new, more efficient technologies and improves market penetration.

### Sustainable development and values

Sustainable development is for Sika not a goal that can be achieved immediately, but a continuous process of optimization, adaptation to customer needs and innovation. That is why Sika is constantly on the search for possible refinements, for ways of furthering the good of the company, its customers and the environment. For Sika, responsibility to shareholders, market players and the general public is fundamental to sustainable business activities. Sika acts in accordance with common values that form the basis for the company's sustainable development.

Sika pursues a double-pronged sustainability strategy:

- it seeks to design products and services that meet the demand for efficient, sustainable solutions in the target markets;
- it continuously refines its own operations in line with sustainable practice and backs this up by suitable investment in sustainability on the basis of economic principles.

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Individual solutions for global requirements. Sika's growth strategy focuses on four customer groups, whose varying requirements are conscientiously met at global, regional and local level.

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## Customers & Markets

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### Customers

Sika's marketing, service and sales operations are geared to four key customer groups, each with its own special demands.

**Concrete producers ("Concrete")** need cost-optimized solutions, purpose designed for the particular cement and application, and subject to individual fine-tuning in ready-mixed and precast concrete plants, or on the job site. As a result, Sika's business success largely hinges on its presence in all relevant local markets. Key account management is, however, also playing an ever more important role due to the increasingly globalized operations of major cement and concrete producers.

**Specialized applicators ("Contractors")** purchase Sika products, such as Sikaplan® or Sarnafil® polymeric sheet membranes, which they then incorporate as waterproof barriers in roof or basement constructions. They use liquid polymers to install industrial flooring or protective coatings, and apply sealants and adhesives to prevent water infiltration through structural joints or to bond wooden floor finishes. As these works are always part of a larger scheme, Sika offers its support and know-how to owners, architects, engineers and other involved parties at the earliest possible project stage. The professional counseling of all project parties is the key to success.

**Builders' merchants ("Distribution")** play a more or less prominent role in different countries, depending on the traditional organization of the construction sector. In some countries, the smaller tradesmen's businesses obtain materials from building supplies stores, while the larger contractors and specialist applicators purchase their products directly from Sika. In other countries, builders' merchant outlets represent the principal distribution channel for practically all users. In the latter case, merchants also act in an advisory capacity and help tradesmen to tackle the diverse challenges arising on the job site. This function is particularly important for Sika in the emerging markets, e.g. India or Latin America, given that merchants act as disseminators and promote market penetration.

**Industrial customers ("Industry")** require Sika products that are tailored to their particular needs – and these generally in larger volumes. Here, the focus tends to be on bonding, reinforcing and soundproofing applications. Sika technologies are primarily employed in the manufacture of automobiles, buses, trucks, railway cars and ships. Other sectors offering attractive sales potential include industrial window production, wind turbines and solar power stations.

## Regions

Sika has grown continuously since its foundation in 1910. The first subsidiary outside Europe was established as early as 1932 in Japan. The Group was split into Regions at an early stage so as to allow the national organizations to capitalize on synergies and set up further companies. The six Regions are headed by regional managers and effectively shape the company's management structure. The regional managers are members of Group Management and assume line responsibility for their Region. The regional management structures encompass sales functions as well as the marketing and development activities geared to the customer groups.

In 2002, following strong growth, the Region Europe was segmented into the Regions Europe North and Europe South. The latest restructuring, in 2006, set out to exploit Sika's full potential in the Middle East, where the company was thought to have underperformed for years. The grouping together of the Middle East with India and South and East Africa led to the creation of the new IMEA (India, Middle East and Africa) Region.

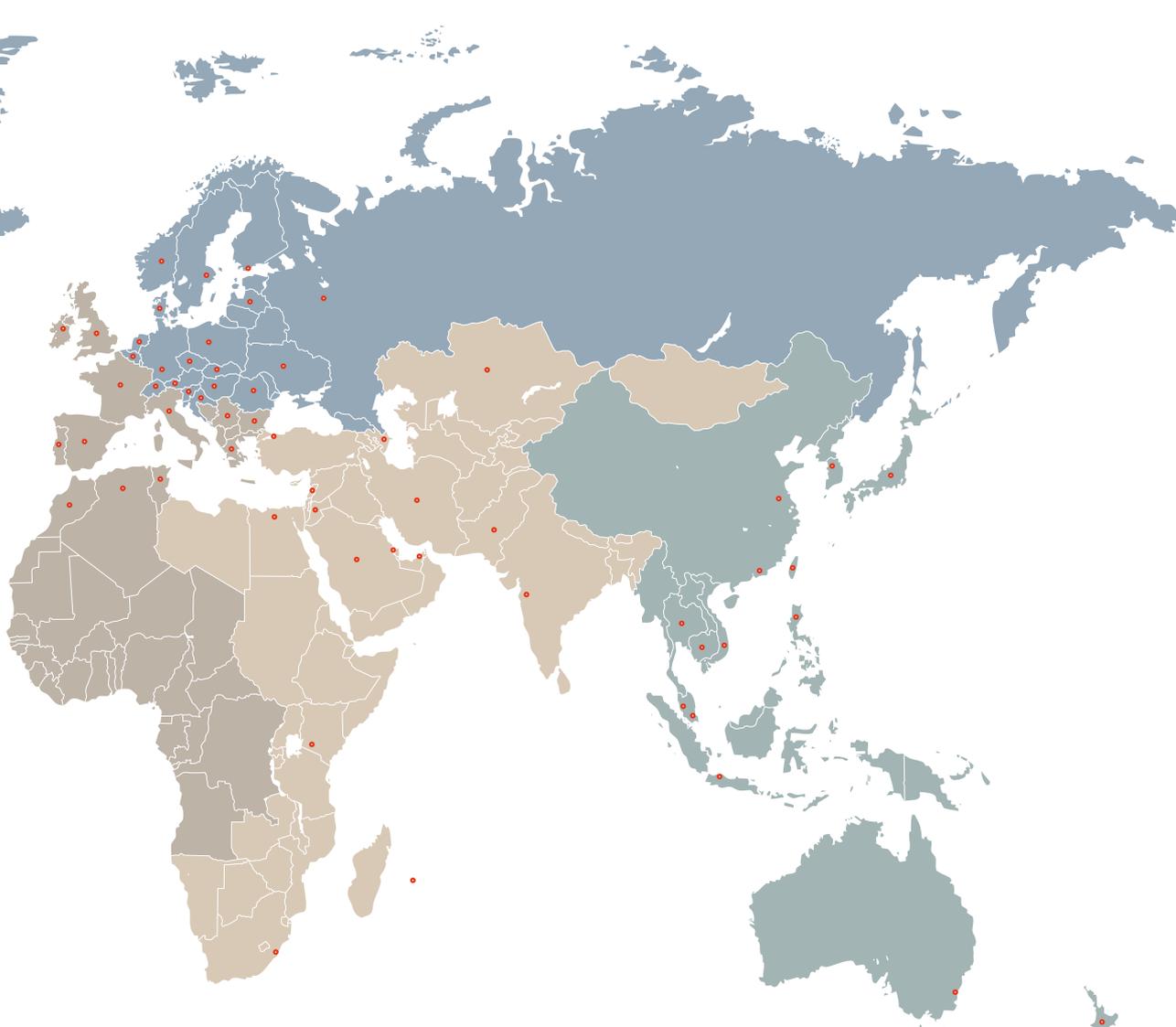


1932

Sika established the first subsidiary  
outside Europe in Japan

### Worldwide Market Presence

Europe North	Europe South	North America	Latin America	IMEA	Asia/Pacific
Sales in CHF mn					
1 336	813	614	507	264	777
Employees	Employees	Employees	Employees	Employees	Employees
4 997	2 318	1 491	2 101	1 224	3 123



●  
Sika subsidiary

●  
Länder mit Sika Gesellschaft

●  
Länder mit Verkaufsrepräsentant

**Investment in a sustainable future.** Products that have been on the market for a maximum of five years accounted for 32.7% of Sika sales in 2011. This success largely derives from the company's strategic focus on the target markets, expert research and development management primarily geared to client projects, efficient development processes and a targeted response to the needs of the customer groups.

## Products & Innovation

### Innovation and growth

Innovation is a key driver in the successful implementation of the company's growth strategy. It makes a major contribution to the achievement of an average medium-term organic growth of 8 to 10%. Research and development (R & D) enjoy an accordingly high priority within the company. The R & D strategy adopted by Sika in recent years has yielded a high innovation rate, with numerous patents plus a host of new products. Products that have been on the market for only five years or less accounted for 32.7% of Sika sales in the reporting year (previous year: 30.3%).

### Core competencies

One key factor for the success of Sika's R & D work is its strategic focus on clearly defined core competencies, namely sealing, bonding, damping, reinforcing and protecting of load-bearing structures in building and industry.

**Sealing.** Sealing minimizes the infiltration of gases and liquids through voids and cavities as well as the transmission, spread or loss of heat. Large expanses of flat roofing, complex tunnel systems, damage-prone water-retaining structures and sophisticated wall-cladding assemblies are durably weatherproofed and made resistant to temperature fluctuations, aging and vibration – thereby enhancing the functionality and comfort of the interior environment.

**Bonding.** Bonding ensures the permanent, elastic and structurally continuous connection of different materials. Innovative processes are used to bond vehicle components, window assemblies or even concrete bridge units weighing several tons. Sika's bonding technology enhances the safety of end products while increasing design freedom. These applications may also be used to optimize manufacturing processes and reduce cycle times.

**Damping.** Damping reduces vibrations of all frequencies in fixed and moving objects, thereby lowering resonance and noise emission in load-bearing structures and cavities. The attenuation of noise, for instance, in vehicle interiors – in cars, on buses or on cruise ships – significantly increases the comfort of drivers and passengers alike.

**Reinforcing.** Reinforcing components are strategically incorporated in structures to improve their resistance to static and dynamic loads. Applications range from lightweight window frames and crash-resistant car bodies to monumental concrete bridges. These solutions can be used to strengthen existing and optimize new-build load-bearing structures.

**Protecting.** Protective elements increase the durability of load-bearing structures and help to preserve the fabric of new and renovated facilities. Sika's solutions guarantee long-term protection for concrete and steelwork assemblies against climatic conditions, chemical action, pollution and fire.

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# 32.7%

of sales in 2011 was generated by products  
that have been on the market for a maximum  
of five years

## Research strategy

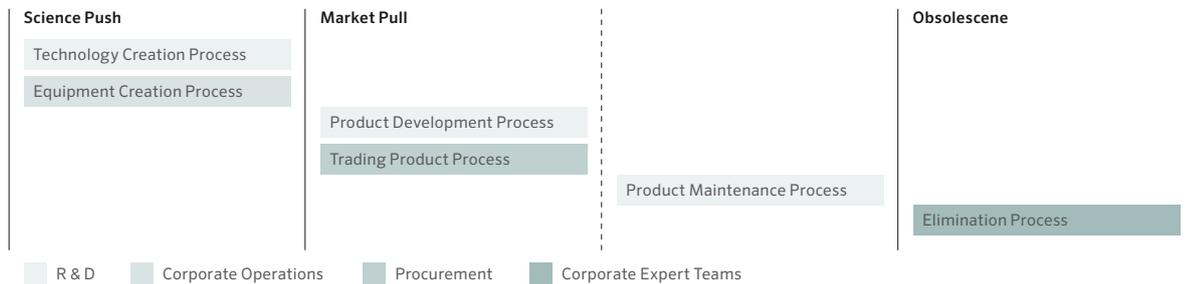
At Sika, research and development are dictated by two main factors. The first of these relates to global trends driven by the principles of sustainable development, such as the demand for resource-saving building methods, energy-efficient construction materials or lightweight vehicles. The second relates to the considerable adaptation of products necessary to meet local needs, which vary according to the particularities of the construction industry in different countries – e.g. with regard to raw materials, climate or legal framework. Accordingly, Sika's research strategy has both centralized and decentralized components.

The centralized elements of the research strategy are devolved to the subsidiary Sika Technology AG, which is responsible for long-term research programs, analytical services and research management. The long-term research programs are geared to the technology road maps governed by the five megatrends (population growth in the emerging countries, increasing urbanization, greater standardization, mounting shortages of natural resources, and more intensive environmental protection). Here, the identification of new products, alternative raw materials and new production methods is only one aspect. Equally important is the refinement of existing products or their introduction in new fields of application.

Corporate expert teams play a crucial role in the management of research and development projects. These global teams include representatives from wide-ranging corporate functions, such as purchasing, development, fabrication, marketing and logistics. They ensure that the different perspectives are given due consideration in projects and they assume responsibility for implementation in the Regions and Business Units.

The regional components of Sika's research strategy are entrusted to the eleven technology centers in America, Europe and Asia. These sites assume specific technology responsibilities and develop new products and applications independently. The technology centers also support the global market launch of their innovations. For this, they liaise closely with regional and local customer-oriented laboratories. This allows the swift adjustment of new products to local requirements, e.g. the fine-tuning of concrete admixtures to climatic conditions or to locally sourced aggregates such as gravel or sand. The Sika technology centers are also responsible for finding local raw materials so as to minimize production costs and maximize supply security.

## Product Creation Process



## Collaborations

In the field of basic research, Sika relies mainly on collaborations with premier universities in Switzerland, the USA, Germany, Spain, France, China, India and other countries, with the focus being mainly on doctoral theses. Sika is also sponsoring a professorship for sustainable construction at the ETH (Swiss Federal Institute of Technology) Zurich. The combination of shared interests and geographic proximity often spawns prompt, unbureaucratic solutions that bring obvious benefits for the company. At the same time, Sika is at pains to counteract the prevailing shortage of engineers and chemists in certain countries by attracting suitable candidates to the company.

Sika is permanently engaged in a range of international projects such as the NanoCem consortium. This European research network studies nanoscale and microscale phenomena that influence the performance of cementitious materials and the products and structures in which they are used. Sika also collaborates with its key suppliers and customers to promote innovation as early as possible in the supply chain and pave the way for the use of tailored intermediate products.

Sika Technology AG participates in a range of projects funded by the European Union or its member countries. These projects range from basic research into sustainable chemistry to process and application development.

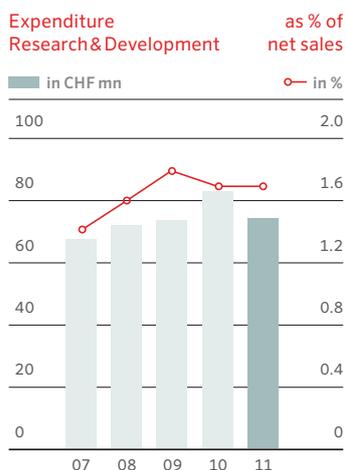
Sika Technology AG is also active in the United Nations Sustainable Buildings and Climate Initiative (SBCI), whose aim is to establish sustainable building practices worldwide.

## Innovation

Expenditure on research and development in the Group in the year under review totaled CHF 77.7 million (2010: CHF 74.4 million), roughly equivalent to 1.7% of sales (2010: 1.7%). The R&D budget was allocated in accordance with strategic priorities.

The Sika Group's Corporate Research & Development unit is aligned with the enterprise strategy and focuses on research into technology platforms and implementation procedures for high-priority R&D projects in the development departments. The seven-stage development process for products, the so-called Product Creation Process (PCP), is employed uniformly worldwide to ensure that new and patented products can be brought to market as quickly as possible. Yet, apart from short time to market, Sika also aims for high efficiency and strives to achieve cost leadership for its products in all target markets. In collaboration with Corporate Operations, the R&D unit also continuously works to streamline the comprehensive product range in order to consolidate, simplify and lower the cost of marketing, production and distribution processes.

The regional technology support functions are responsible for compliance with the PCP in their area and perform regular PCP audits to review process quality. The audits ensure that employees always apply an up-to-date state of knowledge so as to meet the high standards specified by Sika and that local chemists are kept abreast of the latest technologies. At the same time, innovative ideas from the Regions are collected and leveraged for the Group.



2011 saw Sika launch onto the market a number of new important products, which include the following:

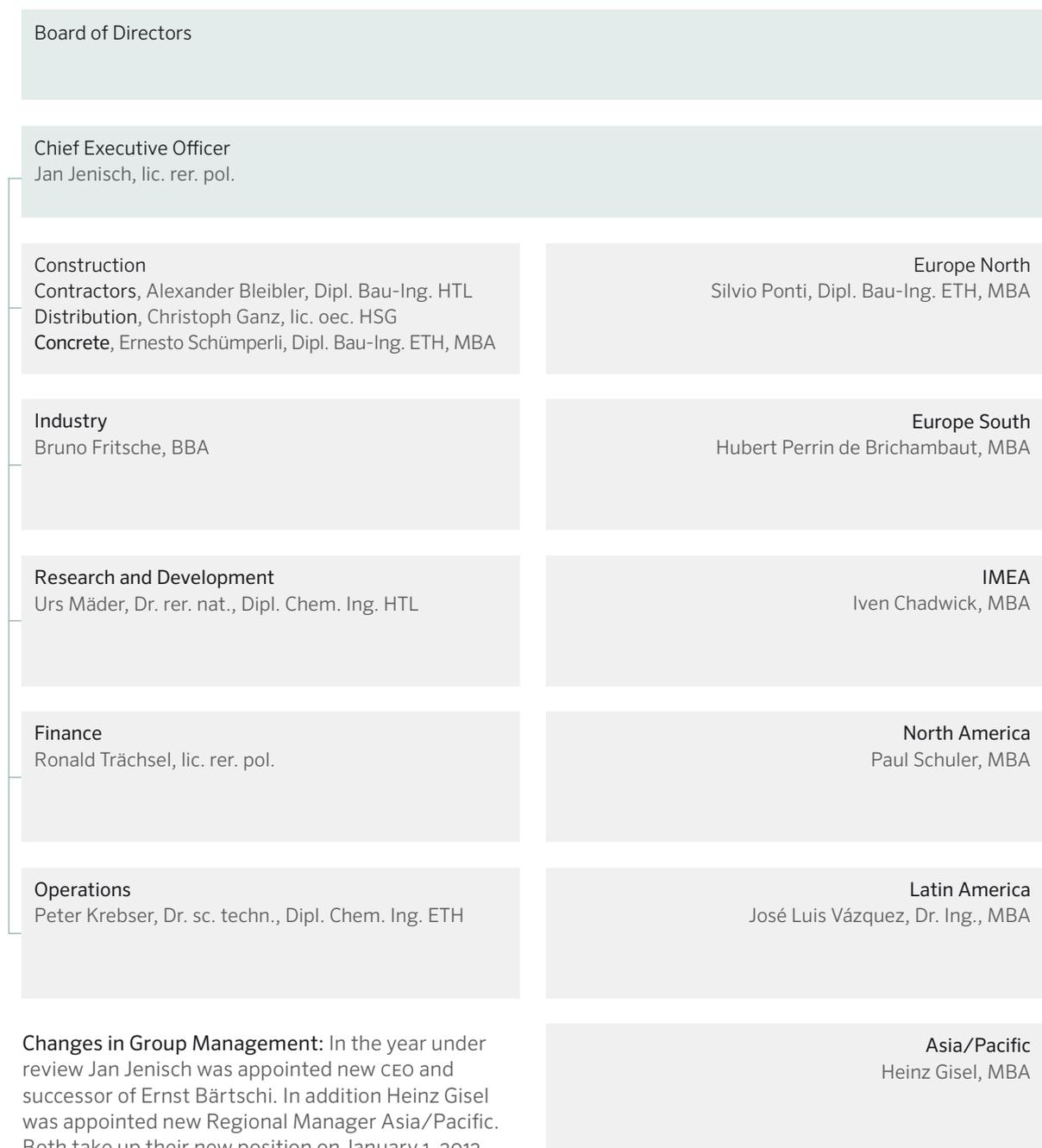
- Unique one-component structural polyurethane adhesives for automotive industry, combining advantages of i-Cure technology, proprietary Booster system and ultra-high-modulus adhesives
- New generation of reinforcer technology and high-expansion (2000%) baffles for profile extrusion in automotive industry
- Aluminum-compatible, crash-resistant SikaPower® products for lightweight construction in automotive industry
- Next generation of polyurethane/cementitious industrial flooring (PurCem®) with high load capacity
- Liquid polyurethane membrane for European and Latin American markets
- New shotcrete accelerator, tailored to raw materials situation in emerging markets
- ViscoCrete®-based concrete plasticizer for major markets, specifically China and Japan
- Hot-melt adhesives for bonded roof membranes and for connecting polar and nonpolar substrates
- New i-Cure curing technology for Sikaflex® flooring adhesives

#### Patents

In 2011, Sika filed for 70 patents (2010: 60) and made 75 invention disclosures (2010: 82).

Clearly defined structures. Stability and continuity are factors of entrepreneurial sustainability. As a company operating in a global arena, Sika places considerable emphasis on strong leadership within transparent structures.

## Organizational Diagram



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Management by personality. Sika's Group Management team is made up of personalities with a vast wealth of experience to draw on when serving the needs of their sector, their markets and their regions. Familiarity with both the theory and practice of their subject matter is the cornerstone of their management competence.

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## Group Management

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1 Jan Jenisch, 2 Silvio Ponti,  
3 Alexander Bleibler,  
4 Iven Chadwick, 5 Bruno Fritsche,  
6 Christoph Ganz, 7 Heinz Gisel,  
8 Peter Krebsler, 9 Urs Mäder,  
10 Hubert Perrin de Brichambaut,  
11 Paul Schuler, 12 Ernesto Schümperli,  
13 Ronald Trächsel, 14 José Luis Vázquez





# Customer Focus

*Innovation through partnership*

● The future in harmony with the past  
Jean Nouvel has framed a spectacular view  
of St. Paul's Cathedral from the "One New  
Change" complex.

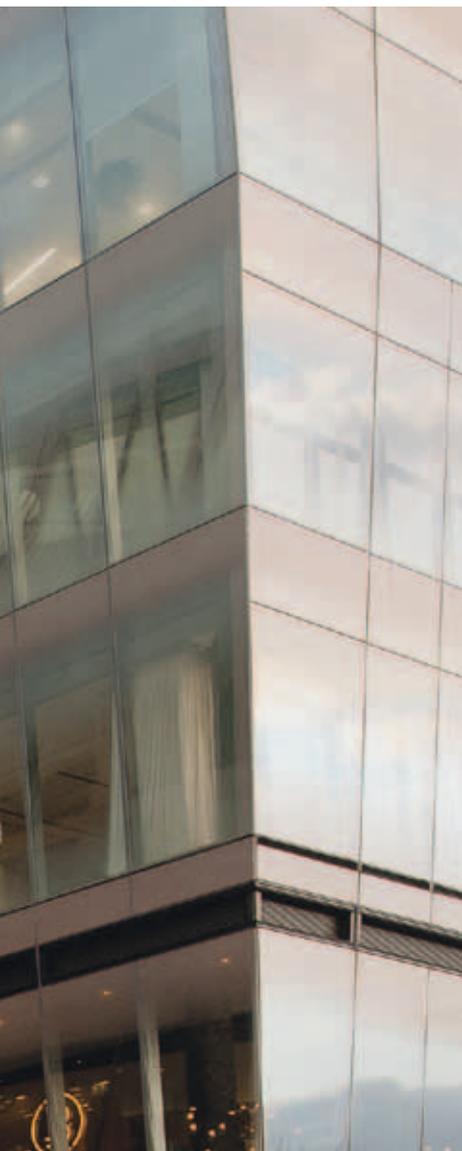


# Freedom of Design

## *Glass monument, roof geometry and converted brewery*

Copy RODERICK HÖNIG Photo MARC EGGIMANN

Innovative construction materials and products give architects the scope to implement unconventional solutions in the design and detailing of buildings and other structures. The design freedom afforded by Sika products has been happily exploited by star architects such as Jean Nouvel and Daniel Libeskind.



#### 🔗 Glass skin doubling up as climate façade

Indoor environmental performance is vastly enhanced by the use of Sikasil® to bond and weatherproof the gas-filled insulating glass units of the façade.

design. The result is a monumental work of glass architecture, completed in 2010 and nicknamed the “Stealth Building”, which bobs and weaves below the protected axes with consummate lightness and elegance. Its 32 000 m<sup>2</sup> façade and publicly accessible roof are clad with 6 500 glass panels. Though something short of a cloak of invisibility, the cladding system does ensure that the new addition remains clearly “overshadowed” by the cathedral architecture. The young David’s failure to steal the show from the old Goliath is due in no small part to the ethereal, filigree character of the glass façade. With the individual panels held in place by unobtrusive (Sikasil®) silicone joint sealants, the “frameless” façade reads as a single, uniform entity. The use of Sikasil® to bond and weatherproof the gas-filled insulating glass units also enables the glass skin to double up as a “climate façade” that allows efficient regulation of the indoor environment. Jean Nouvel capitalized on this versatile technology to dazzling effect: through a cruciform arrangement of internal public thoroughfares, the French architect divided up the nine-floor structure into four blocks, with the crossing located such as to command a spectacular view of the stone cathedral.

#### 🔗 Getting the color right

The façade colors selected by Nouvel are inspired by the surrounding urban environment. Featured most prominently is a

soft, matt reddish-brown – “to echo the brick and stone fronts of the neighboring buildings”, as the architect explains. By contrast, the glass façades flanking the internal streets shimmer and sparkle as they waver between transparency and

» A monumental work of glass architecture, the “Stealth Building” bobs and weaves with lightness and elegance.

reflection. The light directed into the interior projects multiple images of the cathedral onto the glass: old architecture joining forces with new to create a fascinating house of mirrors.

Both the internal and external “seams” that hold the cloak together play a key role in fashioning the façade as a unified entity. These were required to meet the very highest standards in terms of color, performance and durability. The most conspicuous joints in the One New Change project are the seals between the screen-printed glass panes. The dull brown hue precisely specified by Jean Nouvel for these seals had to be specially mixed and manufactured. ➔

**B**uilding in the heart of London is no easy matter. One-third of the city’s urban fabric is listed due to its special historical interest, while countless buildings, as architectural monuments, are sacrosanct. The world-famous St. Paul’s Cathedral alone boasts 16 protected and unobstructable sightlines stretching for kilometers across the city. Here, any architects seeking to build for the future will first have to reconcile their concepts with the past. The One New Change office and shopping mall project by distinguished French architect Jean Nouvel is a prime example of how to square urban development with the demands of conservation. The new complex is sited in the immediate environs of St. Paul’s Cathedral.

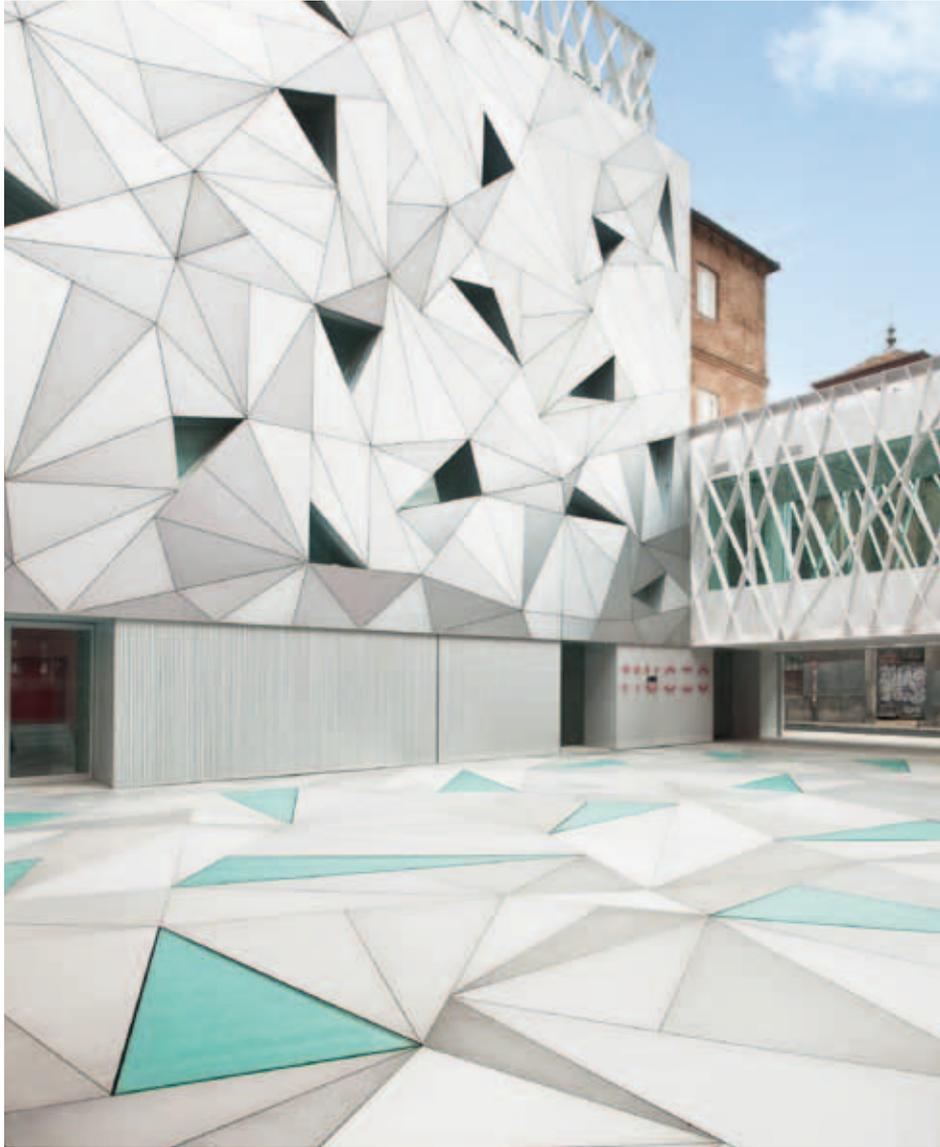
#### 🔗 Broadening the scope for innovative design

Jean Nouvel decided to elevate the statutory requirement for unobstructed views of the cathedral to the leitmotif of his



#### 🔗 The art of jointing

The brown hue of the joints was precisely specified by Jean Nouvel to echo the colors of the urban setting.



#### 🕒 Elaborate composition at ABC Foundation museum in Madrid

Although paving and façade are covered with the same aluminum tiles, two completely different Sika systems were used for their installation.

present. Started in 1891 by Spanish daily newspaper Diario ABC, the collection was relocated to a former brewery building in 2010. Spanish architects Aranguren & Gallegos repaired and renovated the clay-brick structure, built in 1900, adding an underground exhibition room. The focal point of the revamped facility is the new courtyard, which serves as a public entrance zone accessible from two streets. The most intriguing feature here, visible even from the street, is the paving solution – a spellbinding geometric tour de force with triangular, matt-polished aluminum tiles laid in a vibrant pattern. Some of the sharp-pointed triangles are made of matt glass.

Admitting daylight to the underground level, these “windows” already hint at the location of the main exhibition area. The smart paving is echoed by the new courtyard façade that clads the former industrial facility. This features the same aluminum tiles used for the paving. The cladding system incorporates glazed “holes” which open onto the indoor office and events areas. The ensemble of paving and façade frames a captivating new urban space that revels in the reinterpretation of horizontal elements in the vertical. However similar the two compositions may appear, the demands placed on their design differed enormously. While the paving had to accommodate pedestrian and vehicular traffic, the key requirement of the façade was to weatherproof the historic structure. The 235 m<sup>2</sup> façade tiles were elastically fixed to the existing structural fabric using the SikaTack® panel system. The concealed bonding ensures that there is nothing to distract attention from the bravura performance of the ➔

Colorfast performance posed a further challenge given the combined use of different Sika product groups, based on raw materials with sometimes widely varying chemical compositions, whose compatibility nonetheless had to be guaranteed. A German company, curtain wall specialist Josef Gartner from Gundelfingen in Bavaria, was appointed to assemble the special glass façade.

“Bonding together different materials was a challenge in itself,” recalls Roland Reuther, chief installation supervisor at Gartner. “That made me particularly grateful for the expert and dependable support of Sika’s specialists in the selection of adhesives and sealants, and for their help in providing me with a better understanding of the products.”

#### Invisible fixing

The ABC Foundation museum in Madrid was yet another project set in a sensitive historic context. The museum houses a unique collection of nearly 200 000 drawings by some 1 500 artists. The pictures

➤➤ Visible even from the street, the paving solution is a spellbinding geometric tour de force.

are of significant heritage value in that they tell the cultural history of Spain from the turn of the twentieth century to the



#### INMACULADA CORCHO

Director, Museo ABC, Madrid, Spain  
Project "Museo ABC," Madrid

"The patio's geometrical construction grants the museum the necessary modern expression to reflect our contemporary scope, while still respecting the historical importance of the building and the collection of drawings dating back more than a century. As the Sika products that bond the triangular panels are almost invisible, the geometrical pattern appears light and graceful in combination with the old building."



#### ROLAND REUTHER

Chief Installation Supervisor Josef Gartner, Gundelfingen, Germany  
Project "One New Change," London

"It is important for us to have a full understanding of the products we use. That's why the training provided by Sika is so crucial. Everyone working here has been properly instructed. And, if any questions arise, I know exactly what to do: I just get on the phone to Sika's technicians. They are always glad to help and give you a speedy response. They are also very good at communicating their knowledge and their proposals help both us and the architects."



#### YAMA KARIM

Architect, principal of the project at Studio Daniel Libeskind,  
New York (NY), USA  
Project "The Ascent at Roebling's Bridge," Cincinnati

"We pay great attention to the integration of the roof, as part of the building design. Our goal in selecting a roofing system was to preserve the integrity of the design and have the stripes continue up over the façade and back down. Sika Sarnafil did an excellent job. Thanks to their roofing membranes the stripes continue effortlessly across the roof without looking like the details are being forced."



#### KEN SAGE

Vice President Business Development,  
Midland Engineering Company, South Bend (IN), USA  
Project "The Ascent at Roebling's Bridge," Cincinnati

"Sika Sarnafil was fantastic to work with on this very challenging project. This building has numerous angle changes that presented some difficult details. The Sika Sarnafil representatives attended many meetings with us to consult on detail design. The Sika technicians were on site many times to inspect the work to ensure that everything was right the first time."

geometric tableau. The paving tiles with flush glass units were bonded and waterproofed with SikaBond®-T8. Here again, by remaining invisible, the fixing system in no way detracts from the appeal of the new civic space.

#### A roof by the Ohio River

The luxury condominium building in Covington (Kentucky) designed in 2008 by New York star architect Daniel Libeskind embodies a similarly careful response to an existing urban monument. The cres-



The crescent-shaped, blue and white eye-catcher creates a new, colorful and geometrically bold focus by the Ohio River.

cent-shaped, blue and white eye-catcher with its zestfully curved, sharply tapering roof creates a new, colorful and geometrically bold focus on the banks of the Ohio River. The dynamic shape is a bow to the curved suspension cables of the neighboring John A. Roebling Bridge over the Ohio River. At its inauguration in 1866, this was the world's longest suspension bridge, spanning 322 meters. It held onto this distinction until 1883, when engineer and bridge-builder John August Roebling completed his opus magnum, the Brooklyn Bridge in New York City.

Libeskind's building takes its cue from the neighboring engineering monument in

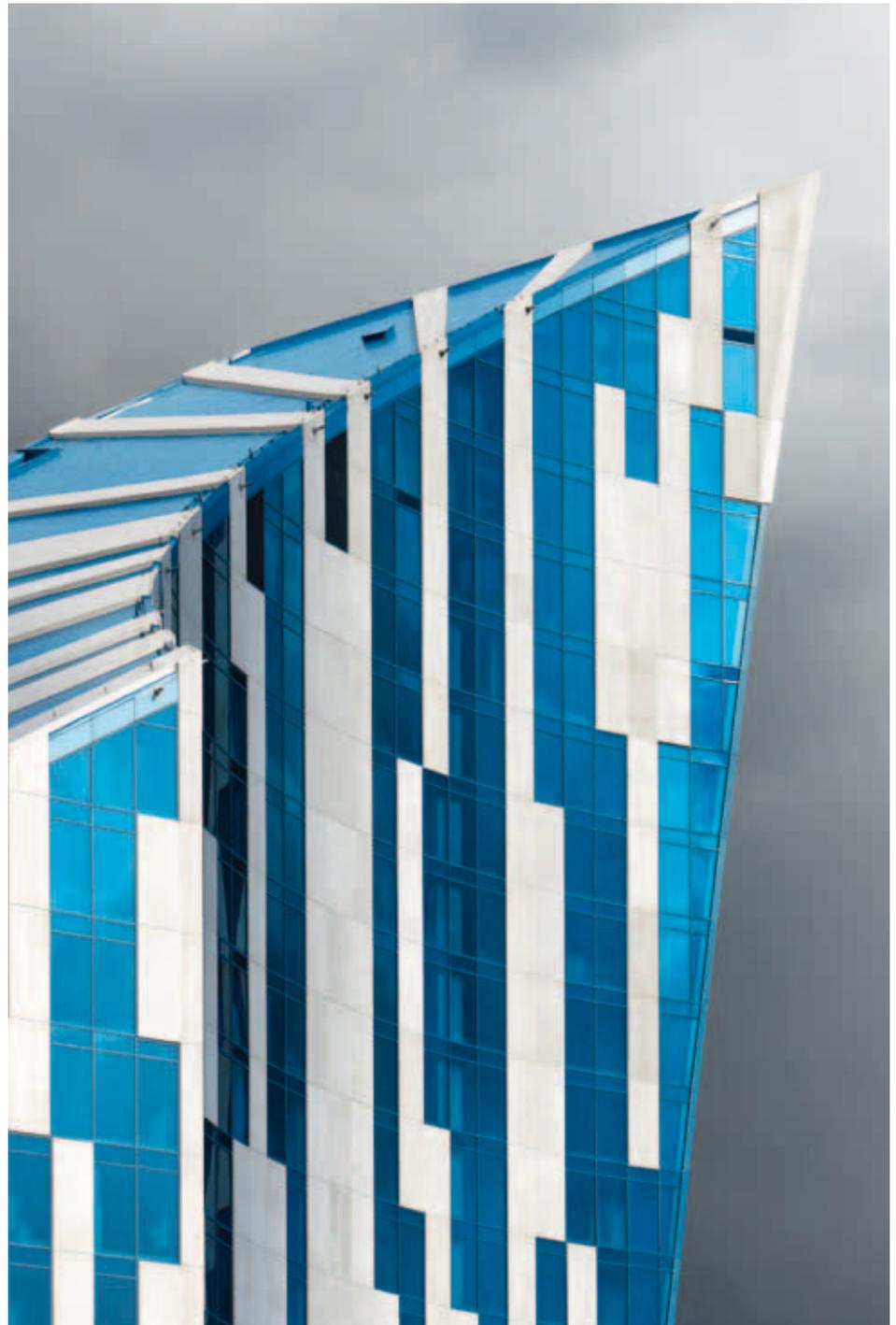


Photo: © Bitter/Bredt Fotografie

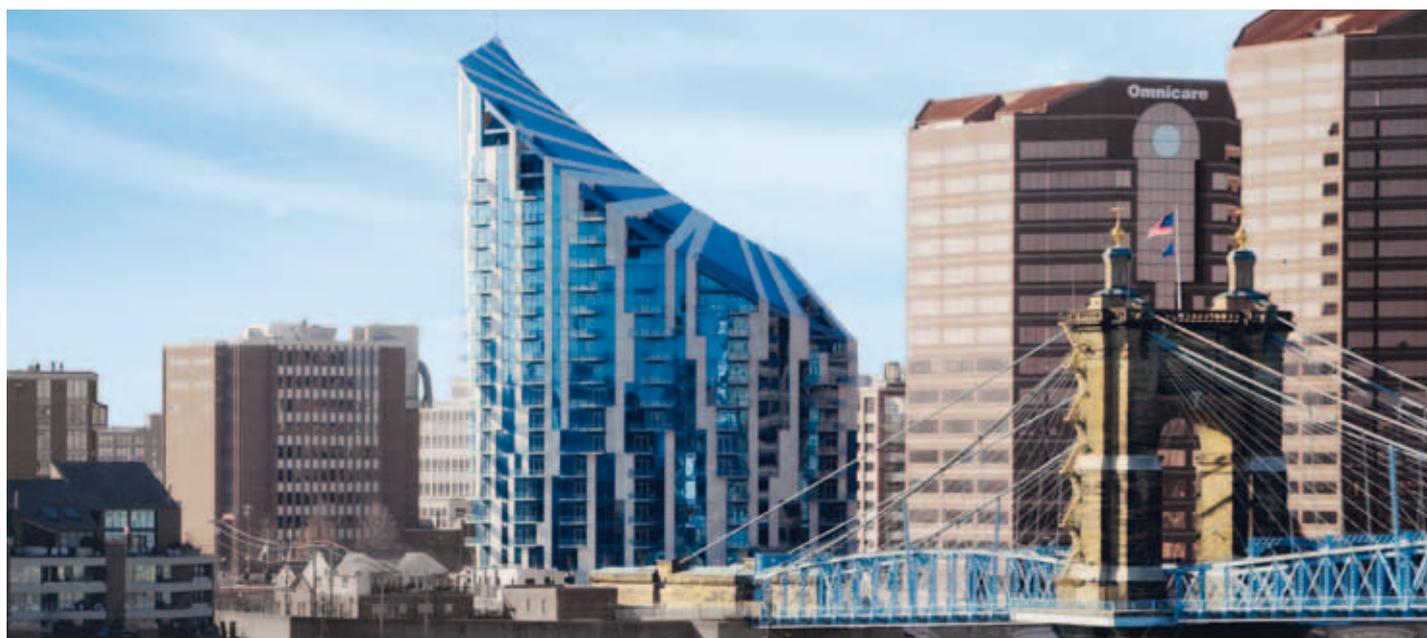
both form and color. Yet the steep, curving roof, which tapers to a point, is more than just a geometric conceit. It affords the 70 apartment dwellers a sweeping view of the Cincinnati skyline. Given that the idiosyncratic building showcases the roof as a stunning fifth façade, its detailing and construction played a pivotal role in the project. "Our goal in selecting a roofing system was to preserve the integrity of the design, i.e. to ensure that the blue and white façade stripes are

#### Powerful crescendo

The seamless transitions of the façade bands across the steeply tapering roof posed a tough test for materials and installers alike.

carried seamlessly across the roof," explains Yama Karim, Project Architect at Studio Daniel Libeskind. The architects opted for the roofing membranes from the Sika Sarnafil range on account of their ability to meet the manifold demands, such as water impermeability, color accuracy, long service life, and geometrical flexibility. Installation of the approx. 1 400 m<sup>2</sup> roof was a complex operation that posed severe challenges in terms of occupational safety. The work was performed on a 37° slope

Photo: © Michele Nastasi



at heights ranging between 90 and 180 meters. "Our installers not only performed admirably, they also had to become rock climbers for the duration of this job," says Ken Sage, Vice President Business Development at Midland Engineering Company, based in South Bend, Indiana.

#### Focusing on the essentials

The demands placed by designers, developers and the authorities on flagship construction projects are high. Adhesives

and sealants as well as roofing systems play a pivotal role in the detailing of such buildings: not only do they open the door for innovative solutions and design ideas, they also make possible quasi-invisible connections. They unlock new potential for building designs in which the architect can focus on the essentials – space, materiality and aesthetic quality. ●

#### Historic reference

The suspension cables of John A. Roebling Bridge supplied the inspiration for the dramatic roof construction.

## PROGRESS IN VEHICLE CONSTRUCTION

### Structural Bonding Permits Free Choice of Design and Materials

In the automotive industry new structural adhesives enable free choice of design and materials as a road kart study which generated enormous interest shows.

The new generation of structural adhesive, SikaPower®, in use by our OEM customers for crash-relevant components has become a market trendsetter. But small-series production also profits from Sika's high-strength technology: Car body manufacturer SKT, University of Osnabrück, Germany, and Sika Automotive developed a road kart vehicle in the course of a joint research project.

The project proved the feasibility in small-series production of using

cold-curing two-component polyurethane adhesives from the SikaForce® product portfolio to achieve a crash-resistant bonding performance only previously attainable by heat curing structural adhesives. Just as important was the fact that the adhesive permitted a free choice of design and material mix, for example enabling the use of light-weight materials. The light-weight construction in turn enabled fuel efficiency.

The road kart, whose development served as the subject matter of a doctoral thesis, is set to be authorized for road use and a limited run will soon be produced. In response to the enormous interest generated by the vehicle, it was even put on show at the 2011 IAA exhibition in Frankfurt, as well as during Sika



Automotive Technology Day in Hamburg, and will also be presented at the Hannover Messe 2012.

Photo: © Justin Hession/Sika

# **i-Cure Technology**

## *A New Generation of Sealants and Adhesives Is Born*



Architekturfotografie Jochen Helle/Sika

Sika's newly launched i-Cure platform marks a solution for customers with the most stringent of requirements in terms of performance, workability, resistance, adhesion and safety. The sealants and adhesives produced with the new technology are extremely low in emission and environmentally friendly. Sika's long-term commitment to developing methods which reduce the emissions for eco and application-friendly construction chemical products is paying off.

#### ☛ Cleanroom-compatible

In conjunction with the wall and floor coating systems, the newly developed floor joint sealant guarantees a clean environment.

The term i-Cure stands for “intelligent curing,” a patent-protected novel type of latent hardener polyurethane technology. It combines the best properties of classic polyurethane sealant and adhesive technology with new features such as bubble-free curing and odorless application.

#### Safe and eco-friendly

The new technology is the answer to the clear trend towards solvent-free low-emitting products, especially for indoor applications. i-Cure products are odorless and solvent-free. Furthermore they meet the highest and increasingly stringent emission standards. Compared to previous polyurethane-based sealant and adhesive generations, the new products show improved weatherability. They also exhibit unsurpassed adhesion to porous and nonporous substrates.

#### Customer benefits

i-Cure technology was introduced into the first construction and industry markets throughout the world in 2011. For example, in the floor joint and wood floor bonding markets, the marine market, as well as for multipurpose sealants and adhesives for the distribution market. Launches on other markets such as the façade or bus, truck and rail sectors are to follow this year. The excellent shelf life properties of the i-Cure products provide more flexibility not only for the direct customers of Sika but also for wholesalers and distributors.

#### From German waterproofing company ...

Initial feedback from customers has been very encouraging. H. Schmid GmbH Bauabdichtungen, a renowned jointing company in Germany specialized in all types of waterproofing using joint sealants, was one of the first Sika customers to apply the

new products. Rudolf Czudzowitz, a highly experienced employee of the company, points out: “The new material is more easily extruded, has hardly any cut-off string and offers better hardening characteristics. An even surface with no waves can be achieved as the product is not resilient during application.”

»» The new i-Cure products are quick and easy to apply, allowing us to save time and money.

HEINRICH SCHMID – Managing Director  
H. Schmid GmbH Bauabdichtungen, Germany

Managing Director Heinrich Schmid adds: “Easy and speedy application is the precondition for keeping tight time schedules and saving money.”

#### ... to Taiwanese marine distributor

Another company to have made initial experiences with the newly developed i-Cure products is Taiwanese marine distributor Hong Da Co. Ltd. They have been using the Sikaflex® range for deck caulking as well as for general sealing and bonding applications in the marine area. The owner of the company, Mr. Hong Shan Lin, is highly satisfied with the new i-Cure products: “For indoor applications such as in our manufacturing hall, it is a great advantage that the new products are odorless, have low emission and are solvent-free. This improves the working environment and makes it safer. And the workability of the products has improved as well.” ●

## PROGRESS IN CLEANROOM TECHNOLOGY

### Cleanroom Suitable Materials Are Gaining in Importance

The trend toward improving the cleanliness of manufacturing processes can be witnessed in many industries today.

This trend, initially driven by the electronics industry, has penetrated new fields such as the solar or flat panel industry. Furthermore, production cleanliness is becoming more important for the life science industries, especially for new technologies in the medical device and biopharmaceutical markets.

For the production of contamination-sensitive items, manufacturers use cleanrooms as this environment has a low level of pollutants such as dust,

airborne microbes, aerosol particles and chemical vapors.

To meet the increasingly strict requirements on cleanliness, cleanroom suitability was among the development goals set for Sikaflex® PRO-3. The newly developed sealant for floor joints based on i-Cure technology was to meet the product qualification CSM – Cleanroom Suitable Materials. This is the world’s first standardized product qualification to ISO 14644 and GMP standard for the cleanroom and life science markets. Sikaflex® PRO-3 achieved excellent test values for use in cleanrooms. In addition, it displays very

good resistance against mould and bacteria growth.

Together with the cleanroom approved Sika coating systems for walls and floors, the use of Sikaflex® PRO-3 guarantees a clean environment. Hence customers’ production processes will not be affected by air pollution and the number of rejected goods will be reduced.



📍 **Up on high**  
Switzerland's tallest building, the Prime Tower  
in Zurich, was put up in record time.

# Acceleration

*High in the sky and  
deep underground*

Copy RETO WESTERMANN Photo MARC EGGIMANN



Both high-rise and tunnel projects test engineers and materials to their limits. The Prime Tower in Zurich and the Metro project in Nanjing – both incorporating Sika products – are no exception.



#### 🔗 Precast concrete elements for 600 km of subway

Up to 2030, some 150 000 precast concrete elements will be produced annually for the Metro subway in China's multi-million-population city of Nanjing.

The area to the west of the Hardbrücke bridge in Zurich was formerly a bastion of mechanical engineering. It was home to shipbuilder and turbine manufacturer Sulzer-Escher-Wyss, whose immediate neighbor Maag produced cogwheels. Economic shifts have since brought about a transformation: actors now tread the boards in Sulzer-Escher-Wyss's shipbuilding hall while, on the Maag site, blue-collar workers have been ousted by lawyers and managers. Visible from afar, the 126 meter high Prime Tower stands as a beacon of change. Incorporating some 34 000 cubic meters of concrete and 6 000 tons of steel reinforcement, Switzerland's tallest building was erected in only 40 months. The first tenants took up residence in August 2011 and, since mid-December, visitors to the "Clouds" restaurant on the 36th story can enjoy a spectacular view of the city during dinner.

#### One story per week

The use of sophisticated technology and logistics to meet the tight construction schedule had been one of the key requirements in the bidding procedure. The contract was awarded to the ARGE Prime Tower consortium made up of design-build contractors Losinger-Marazzi and Steiner AG. "We were able to capitalize on the experience of our parent company, Bouygues, which has notched up a number of high-rise projects," points out Alain Capt, Prime Tower's Senior Project Manager.

The consortium proposed the use of climbing formwork to build the high-rise core. A preliminary analysis indicated that a rate of one story per week was feasible. The first step was to concrete the core zone.

For the engineers, this core section posed a particular challenge. Not only did it need to house stairways, elevators, and mechanical and electrical installations, it also constituted the building's structural backbone. In other words, the bulk of the loads acting on the high-rise had to be accommodated by this core. Accord-

» Consistent concrete properties were vital for the Prime Tower project.

ingly high demands were placed on the quality of the concrete. The required properties were precisely specified by the engineering team and the best concrete mix design was identified by means of laboratory tests. For example, the core concrete was required to exhibit a maximum shrinkage of 0.35 per mil after 90 days. "Otherwise the building's structural deformation behavior



HERMANN WALPEN

Head Building Construction, Member of Management Board Marti AG, Bauunternehmung, Zurich, Switzerland  
Project "Prime Tower," Zurich

"For the Prime Tower in Zurich – Switzerland's tallest building – we had to put up 36 stories within a 17-month construction window. Both the time constraints and the architecture without right angles placed exceedingly stringent demands on the concrete: high compressive strength, low shrinkage and low creep, coupled with excellent workability and a top-quality surface finish. The expert technical and methodological support of the Sika team, which counseled us before and during the construction period, enabled us to surpass the quality requirements and deadlines set by the owner. Through its flexible, highly quality-conscious approach, Sika delivered absolutely convincing results."



YU CHUN

President Nanjing Dadi Construction New Building Materials Co. Ltd., Nanjing, China  
Project "Nanjing Metro," Nanjing

"By 2030, the Nanjing Metro network will be extended from its present 85 km to a total length of 600 km. This will involve the production and incorporation in the tunnels of 150 000 concrete segments each year. With Sika as our contract partner, we know we can rely on consistent product quality, continuously high performance, on-time delivery and a supreme service. Sika's tailored counseling and constant support help us solve any production problems that arise. That's a truly exceptional service. For a tightly scheduled project of this magnitude, close and reliable collaboration is of paramount importance. Sika is our undisputed partner of choice."



DU LIYUE

Vice President Nanjing Dadi Construction New Building Materials Co. Ltd., Nanjing, China  
Project "Nanjing Metro," Nanjing

"After a brief test phase, we started using Sika® ViscoCrete®-20 HE as high early-strength and high-performance water reducer in May 2011. It offers wide-ranging advantages over standard water reducers. The concrete produced since then exhibits higher and more consistent quality. The casting and curing time for the concrete elements has been cut by two hours. The improved late strength of the concrete has also allowed us to save on materials. And what is plain for all to see is the vastly superior aesthetic appearance due to reduced surface defects. All in all, the use of Sika products has allowed us to boost production efficiency at no additional labor cost."

would have been impaired," explains Lukas Reichmuth, Project Engineer at Zurich-based engineering practice Walt+Galmarini AG.

### Admixtures guarantee consistent quality

While the required performance was easy to achieve under laboratory conditions, the on-site realities posed far stiffer tests. One of these was the extreme range of temperatures – from -10°C to +30°C – during the construction period. Further difficulties arose from the need to pump the concrete to a height of over 100 meters in some cases. The long distances both lengthened pumping times and raised the temperature of the concrete due to friction with the pipes. To guarantee the consistent quality of the concrete placed throughout the contract period, the management team specified Sika superplasticizers and shrinkage-reducing admixtures. These allowed fine-tuning of the concrete formulation in line with temperature and season. This investment paid dividends: concreting proceeded without any notable delays and, bang on time after 60 weeks, the core reached to its definitive height of 126 meters.

### 30 kilometers per year

Fast-track construction and punctuality are every bit as important for Nanjing's Metro project. Located some 300 km northwest of Shanghai, Nanjing with its population of five million is one of China's ten biggest cities. It is a key center of industry, boasting four major industrial parks plus a university. Under construction since 2000, the city's extensive subway system is scheduled to comprise 17 lines by 2030. Around 30 kilometers of tunnel are completed each year, based on drives of up to 100 meters per day. As for the Prime Tower, elaborate logistical support is indispensable in ensuring rapid progress of the works. This includes the daily production in four factories of some 500 precast concrete elements which are used to line the tunnels. To meet this production rate, the concrete segments need to set rapidly

in the forms. For a long time, naphthalene was added to the concrete as an accelerator and hardener, albeit with unsatisfactory results. The four precast manufacturers have now switched to Sika® ViscoCrete®-20 HE superplasticizer and set accelerator. Thanks to the high-performance properties of the new admixture, the production rate has since shot up by one-third. The con-

» On the Nanjing Metro extension project, Sika's top-class support service helps us to solve any problems that arise.

crete segments can now be manufactured in three daily shifts, instead of previously two. Gains have also been achieved in the quality of the lining units – particularly in terms of strength and impermeability, which are of course crucial properties for tunnel applications. ●

## Customer Focus

*Turning architects' visions into reality, drawing on in-depth experience and know-how to translate ideas into buildings and works of art – that is one side to Sika's definition of customer focus. The other is to offer variety, deliver quality and build trust. In all aspects of technology, materials and practical application. Its mission is to create fresh scope for ideas, formal designs and connecting assemblies which, in many cases, are still waiting to be discovered.*

## Consolidated Balance Sheet as of December 31

in CHF mn	2009	2010	2011
	Restated <sup>1</sup>	Restated <sup>1</sup>	
Cash and cash equivalents	801.6	938.4	536.0
Accounts receivable	739.4	780.6	875.7
Inventories	451.4	499.7	530.6
Prepaid expenses and accrued income	60.9	82.6	75.8
Other current assets	39.8	49.7	34.3
<b>Total current assets</b>	<b>2 093.1</b>	<b>2 351.0</b>	<b>2 052.4</b>
Property, plant, and equipment	861.7	816.5	860.6
Intangible assets	562.0	630.9	770.4
Investments in associated companies	24.0	23.4	21.1
Deferred tax assets	69.2	88.0	82.4
Other non-current assets	28.8	31.0	43.5
<b>Total non-current assets</b>	<b>1 545.7</b>	<b>1 589.8</b>	<b>1 778.0</b>
<b>Total assets</b>	<b>3 638.8</b>	<b>3 940.8</b>	<b>3 830.4</b>
Accounts payable	355.2	478.2	501.0
Accrued expenses and deferred income	211.8	192.3	191.4
Bond	0.0	274.6	0.0
Income tax liabilities	38.2	57.2	58.0
Current provisions	43.5	16.8	11.3
Other current liabilities	17.6	37.6	59.1
<b>Total current liabilities</b>	<b>666.3</b>	<b>1 056.7</b>	<b>820.8</b>
Bonds	1 066.9	794.4	796.0
Non-current provisions	103.1	92.0	90.6
Deferred tax liabilities	64.3	80.9	101.0
Employee benefit obligation	130.3	131.7	142.9
Other non-current liabilities	7.2	25.5	40.0
<b>Total non-current liabilities</b>	<b>1 371.8</b>	<b>1 124.5</b>	<b>1 170.5</b>
<b>Total liabilities</b>	<b>2 038.1</b>	<b>2 181.2</b>	<b>1 991.3</b>
Share capital	22.9	22.9	1.5
Treasury shares	-106.3	-69.9	-55.7
Reserves	1 679.4	1 802.9	1 880.3
<b>Equity attributable to Sika shareholders</b>	<b>1 596.0</b>	<b>1 755.9</b>	<b>1 826.1</b>
Non-controlling interests	4.7	3.7	13.0
<b>Total shareholders' equity</b>	<b>1 600.7</b>	<b>1 759.6</b>	<b>1 839.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>3 638.8</b>	<b>3 940.8</b>	<b>3 830.4</b>

<sup>1</sup> Restated due to application of IFRIC 14 amended.

## Consolidated Income Statement from January 1 to December 31

in CHF mn	%	2010	%	2011	Change in %
		Restated <sup>1</sup>			
<b>Net sales</b>	<b>100.0</b>	<b>4 416.0</b>	<b>100.0</b>	<b>4 556.4</b>	<b>3.2</b>
Other operating income	0.1	5.8	0.2	7.3	
<b>Operating revenue</b>	<b>100.1</b>	<b>4 421.8</b>	<b>100.2</b>	<b>4 563.7</b>	<b>3.2</b>
Material expenses	-46.1	-2 036.9	-49.6	-2 259.1	
<b>Gross result</b>	<b>54.0</b>	<b>2 384.9</b>	<b>50.6</b>	<b>2 304.6</b>	<b>-3.4</b>
Personnel expenses	-21.6	-953.7	-21.1	-959.9	
Other operating expenses	-19.3	-854.5	-19.0	-867.3	
<b>Operating profit before depreciation</b>	<b>13.1</b>	<b>576.7</b>	<b>10.5</b>	<b>477.4</b>	<b>-17.2</b>
Depreciation	-2.4	-102.7	-2.2	-98.6	
Amortization	-0.8	-33.0	-0.7	-30.3	
Impairment	0.0	-1.8	-0.0	-1.4	
<b>Operating profit</b>	<b>9.9</b>	<b>439.2</b>	<b>7.6</b>	<b>347.1</b>	<b>-21.0</b>
Interest income	0.1	4.0	0.1	5.0	
Interest expenses	-0.8	-34.0	-0.7	-33.4	
Other financial income	0.1	5.4	0.1	5.2	
Other financial expenses	-0.3	-14.2	-0.4	-18.0	
Income from associated companies	0.1	3.0	0.2	9.6	
<b>Profit before taxes</b>	<b>9.1</b>	<b>403.4</b>	<b>6.9</b>	<b>315.5</b>	<b>-21.8</b>
Income taxes	-2.1	-92.8	-2.2	-100.7	
<b>Net profit</b>	<b>7.0</b>	<b>310.6</b>	<b>4.7</b>	<b>214.8</b>	<b>-30.8</b>
Profit attributable to Sika shareholders	7.0	310.5	4.7	213.3	
Profit attributable to non-controlling interests	0.0	0.1	0.0	1.5	
Undiluted earnings per bearer share (in CHF)		124.48		85.06	-31.7
Undiluted earnings per registered share (in CHF)		20.75		14.18	-31.7

<sup>1</sup> Restated due to application of IFRIC 14 amended.

## Consolidated Cash Flow Statement

in CHF mn	2010	2011
<b>Operating activities</b>		
Profit before taxes	403.4	315.5
Depreciation/amortization/impairment	137.5	130.3
Increase (+)/decrease (-) in provisions/ employee benefit plans	-22.4	-7.9
Increase (-)/decrease (+) in net working capital	14.8	-62.5
Other adjustments	-2.8	-3.0
Income taxes paid	-105.7	-73.1
<b>Cash flow from operating activities</b>	<b>424.8</b>	<b>299.3</b>
<b>Investing activities</b>		
Property, plant, and equipment: capital expenditures	-91.3	-104.6
Property, plant, and equipment: disposals	6.7	8.6
Intangible assets: capital expenditures	-8.6	-12.5
Intangible assets: disposals	0.6	0.1
Acquisitions less cash and cash equivalents	-90.6	-143.8
Acquisitions (-)/disposals (+) of financial assets	2.3	-6.9
Capital increase at associated companies	0.0	-4.8
<b>Cash flow from investing activities</b>	<b>-180.9</b>	<b>-263.9</b>
<b>Financing activities</b>		
Increase in financial liabilities	7.0	20.6
Repayment of financial liabilities	-29.5	-58.6
Repayment of a bond	0.0	-275.0
Acquisitions (-)/disposals (+) in treasury shares	38.8	11.6
Dividend payment to shareholders of Sika AG	-112.0	-112.8
Repayment of nominal value	0.0	-21.4
Dividends related to non-controlling interests	-1.0	-1.7
Capital increase from non-controlling interests	0.0	7.0
<b>Cash flow from financing activities</b>	<b>-96.7</b>	<b>-430.3</b>
<b>Exchange differences on cash and cash equivalents</b>	<b>-10.4</b>	<b>-7.5</b>
<b>Net change in cash and cash equivalents</b>	<b>136.8</b>	<b>-402.4</b>
Cash and cash equivalents at the beginning of the year	801.6	938.4
Cash and cash equivalents at the end of the year	938.4	536.0
<b>Cash flow from operating activities contains:</b>		
Dividends from associated companies	3.8	4.9
Interest received	4.3	5.0
Interest paid	-35.4	-34.4

## Five-Year Reviews

### Consolidated Balance Sheet as of December 31

in CHF mn		2007	2008	2009	2010	2011
Cash, cash equivalents		439	318	802	938	536
Accounts receivable	c	861	779	739	781	876
Inventories	d	500	513	451	500	531
Other current assets		116	134	101	132	110
<b>Total current assets</b>	<b>b</b>	<b>1 916</b>	<b>1 744</b>	<b>2 093</b>	<b>2 351</b>	<b>2 053</b>
Property, plant, and equipment		831	832	862	817	861
Intangible assets		463	525	562	631	770
Other non-current assets <sup>1</sup>		108	108	112	142	147
<b>Total non-current assets</b>	<b>e</b>	<b>1 402</b>	<b>1 465</b>	<b>1 536</b>	<b>1 590</b>	<b>1 778</b>
Assets held for sale		0	0	0	0	0
<b>Total assets</b>		<b>3 318</b>	<b>3 209</b>	<b>3 629</b>	<b>3 941</b>	<b>3 831</b>
Accounts payable	g	439	398	355	478	501
Bonds (short term)		0	0	0	275	0
Other current liabilities		303	287	311	304	320
<b>Current liabilities<sup>2</sup></b>	<b>f</b>	<b>742</b>	<b>685</b>	<b>666</b>	<b>1 057</b>	<b>821</b>
Bonds		767	768	1 067	794	796
Non-current provisions, employee benefit liabilities		266	221	233	224	234
Other non-current liabilities <sup>3</sup>		68	71	70	106	141
<b>Total non-current liabilities</b>		<b>1 101</b>	<b>1 060</b>	<b>1 370</b>	<b>1 124</b>	<b>1 171</b>
<b>Total liabilities</b>		<b>1 843</b>	<b>1 745</b>	<b>2 036</b>	<b>2 181</b>	<b>1 992</b>
Capital stock		23	23	23	23	2
Treasury shares		-65	-118	-106	-70	-56
Reserves		1 514	1 556	1 672	1 803	1 880
<b>Equity attributable to Sika shareholders</b>		<b>1 472</b>	<b>1 461</b>	<b>1 589</b>	<b>1 756</b>	<b>1 826</b>
Non-controlling interests		3	3	5	4	13
<b>Total shareholders' equity</b>	<b>h</b>	<b>1 475</b>	<b>1 464</b>	<b>1 593</b>	<b>1 760</b>	<b>1 839</b>
<b>Total liabilities and shareholders' equity</b>	<b>a</b>	<b>3 318</b>	<b>3 209</b>	<b>3 629</b>	<b>3 941</b>	<b>3 831</b>

<sup>1</sup> Employee benefit assets, other non-current assets, deferred taxes.

<sup>2</sup> Bank loans and long-term debts with a maturity within the next 12 months.

<sup>3</sup> Bank loans, mortgages and other long-term debt.

## Five-Year Reviews

### Consolidated Income Statement from January 1 to December 31

in CHF mn	2007	2008	2009	2010	2011
<b>Net sales</b>	4 573	4 625	4 155	4 416	4 556
<b>Operating revenue</b>	4 573	4 642	4 146	4 422	4 564
Material expenses	-2 137	-2 251	-1 851	-2 037	-2 259
<b>Gross result</b>	2 436	2 391	2 295	2 385	2 305
Personnel expenses	-926	-958	-954	-954	-960
Other operating expenses	-872	-877	-801	-854	-868
<b>Operating profit before depreciation and restructuring</b>	638	556	540	577	477
Depreciation/amortization/impairment	-127	-134	-139	-138	-130
<b>Operating profit before restructuring</b>	511	422	401	439	347
Restructuring expenses	0	0	-57	0	0
<b>Operating profit</b>	511	422	344	439	347
Interest income/expense	-22	-21	-24	-30	-28
Financial income/expense	-9	-28	-4	-6	-3
<b>Profit before taxes</b>	480	373	316	403	316
Income taxes	-138	-106	-90	-92	-101
<b>Net profit</b>	342	267	226	311	215
Free cash flow	183	90	313	244	35
Gross result as % of net sales	53.3	51.7	55.2	54.0	50.6
Operating profit (EBIT) as % of net sales	11.2	9.1	9.6	9.9	7.6
Net profit as % of net sales (ROS)	7.5	5.8	5.4	7.0	4.7
Net profit as % of shareholders equity (ROE)	23.2	18.3	14.2	17.7	11.7

**Key balance sheet data**

in CHF mn	Calculation	2007	2008	2009	2010	2011
Net working capital	(c+d-g)	922	893	835	803	906
Net working capital as % of net sales		20.2	19.3	20.1	18.2	19.9
Net debt <sup>1</sup>	j	352	465	265	165	339
Gearing in %	(j : h)	23.9	31.8	16.6	9.4	18.4
Equity ratio in %	(h : a)	44.5	45.6	43.9	44.7	48.0

<sup>1</sup> Net debt: Interest-bearing indebtedness (short and long-term bank debt + bonds) ./ interest-bearing current assets (cash, cash equivalents and securities).

**Value-based key data**

in CHF mn	Calculation	2007	2008	2009	2010	2011
Capital employed <sup>1</sup>		2 041	2 109	2 041	2 086	2 352
Annual average of capital employed	k	1 963	2 075	2 075	2 064	2 219
Operating profit before restructuring	i	510.8	422.0	400.6	439.2	347.1
Return on capital employed (ROCE) in %	(i : k)	26.0	20.3	19.3	21.3	15.6

<sup>1</sup> Capital employed = Operating assets ./ cash ./ non-interest-bearing current liabilities.

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