

MEDIA RELEASE

BUILDING TRUST



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GROWTH IN ALL REGIONS, WITH ABOVE-AVERAGE RISE IN NET PROFIT BY 11.1%

- Sales grow by 5.6% (-1.2% in Swiss francs) to CHF 2.625 billion
- Growth in all regions
- Above-average improvement in margins
- Net profit up 11.1%
- Outlook for 2015: Sales growth of 6 to 8%; above-average rise in margins

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

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

GROWTH IN ALL REGIONS

In the region EMEA (Europe, Middle East, Africa), sales grew by 3.8% in the first half of 2015. Growth accelerated in the second quarter thanks to good performance in Eastern Europe, Africa and the Middle East. Sales in Western Europe did not quite match the extremely strong prior-

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year result. The expansion of production capacity resulting from the opening of new factories in Dubai and La Réunion will generate additional growth momentum in the region in the future.

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

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

GROWTH DRIVEN BY EMERGING MARKETS AND MORTAR BUSINESS

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

ABOVE-AVERAGE PROFIT GROWTH

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

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OUTLOOK FOR 2015

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

KEY FIGURES HALF-YEAR 2015

in CHF mn	1/1/2014 - 6/30/2014	1/1/2015 - 6/30/2015	Change in %
Net sales	2,656.9	2,625.2	-1.2
Gross result	1,417.4	1,428.0	0.7
Operating profit before depreciation (EBITDA)	347.7	370.2	6.5
Operating profit (EBIT)	266.4	288.6	8.3
Net profit after taxes	177.6	197.3	11.1
Earnings per share in CHF	69.39	76.53	10.3
Operating free cash flow	36.6	43.0	
Balance sheet total ¹	4,817.9	4,671.4	
Shareholders' equity ¹	2,383.3	2,223.4	
Equity ratio in % ^{1,2}	49.5	47.6	
Return on capital employed (ROCE) in % ³	20.9	22.8	

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

2 Shareholders' equity divided by balance sheet total

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

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NET SALES BY REGION

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

¹ Including acquisitions

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Conference call July 27, 2015 at 3 pm (CET)

In connection with the publication of the half-year results a conference call will be held on July 27, 2015. Please dial in 10 to 15 minutes before the start at:

+41 (0)58 310 5000 (Europe, Asia)
+1 (1)631 570 5613 (North America, Latin America)
+44 (0)203 059 5862 (UK)

An operator will then connect you with Jan Jenisch (CEO), Adrian Widmer (CFO) and Dominik Slappnig (Head IR).

The conference call will be recorded and remains retrievable for 76 hours under the following numbers:

+41 (0)91 612 4330 (Europe, Asia)
+1 (1)631 982 4566 (North America, Latin America)
+44 (0)207 108 6233 (UK)

Upon request please enter the code **18843** followed by the #sign.

CEO Jan Jenisch will comment on the first half year at the extraordinary general meeting, which will take place today at 10:30 am. The extraordinary general meeting can be followed at this link: www.sika.com/Webcast2015-en

FINANCIAL CALENDAR

Results first nine months 2015	Thursday, October 29, 2015
Net sales 2015	Tuesday, January 12, 2016
Media conference/analyst presentation on full-year results 2015	Friday, February 26, 2016
Sales first quarter 2016	Tuesday, April 12, 2016
48 th Annual General Meeting	Tuesday, April 12, 2016
Half-year report 2016	Friday, July 22, 2016

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SIKA CORPORATE PROFILE

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