

SIGMA-ALDRICH

INVESTOR PRESENTATION

July 2014

CAUTIONARY STATEMENTS

This presentation contains “forward-looking statements” regarding future sales, earnings, margins, return on equity, return on invested capital, cost savings, process improvements, free cash flow, share repurchases, capital expenditures, acquisitions and other matters. Such statements can be identified by words such as: “ability,” “building,” “driving,” “estimates,” “expect,” “forecast,” “implementing,” “will,” “would,” or similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Actual results could differ materially from those stated or implied in the forward-looking statements. For a list of factors, risks and uncertainties which could make our actual results differ from expected results, please see Item 1A of Part I of our latest Annual Report on Form 10-K. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, as a result of new information, future developments or otherwise.

This presentation also contains non-GAAP financial information. Management uses this information in its internal analysis of results and believes this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures used in this presentation, see the Appendix to this presentation – Reconciliation of GAAP to Non-GAAP Financial Measures.

OUR MISSION

ENABLING SCIENCE TO IMPROVE THE QUALITY OF LIFE



Our Customers Span a Wide Spectrum of Scientific Disciplines and Responsibilities



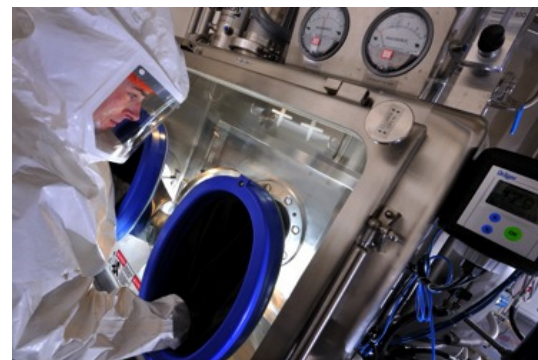
Scientists & Researchers

Scientific Research to Discover and Develop New Drugs and Materials



Clinicians & Engineers

Clinical, Environmental and Industrial Testing
Industrial R&D and Manufacturing

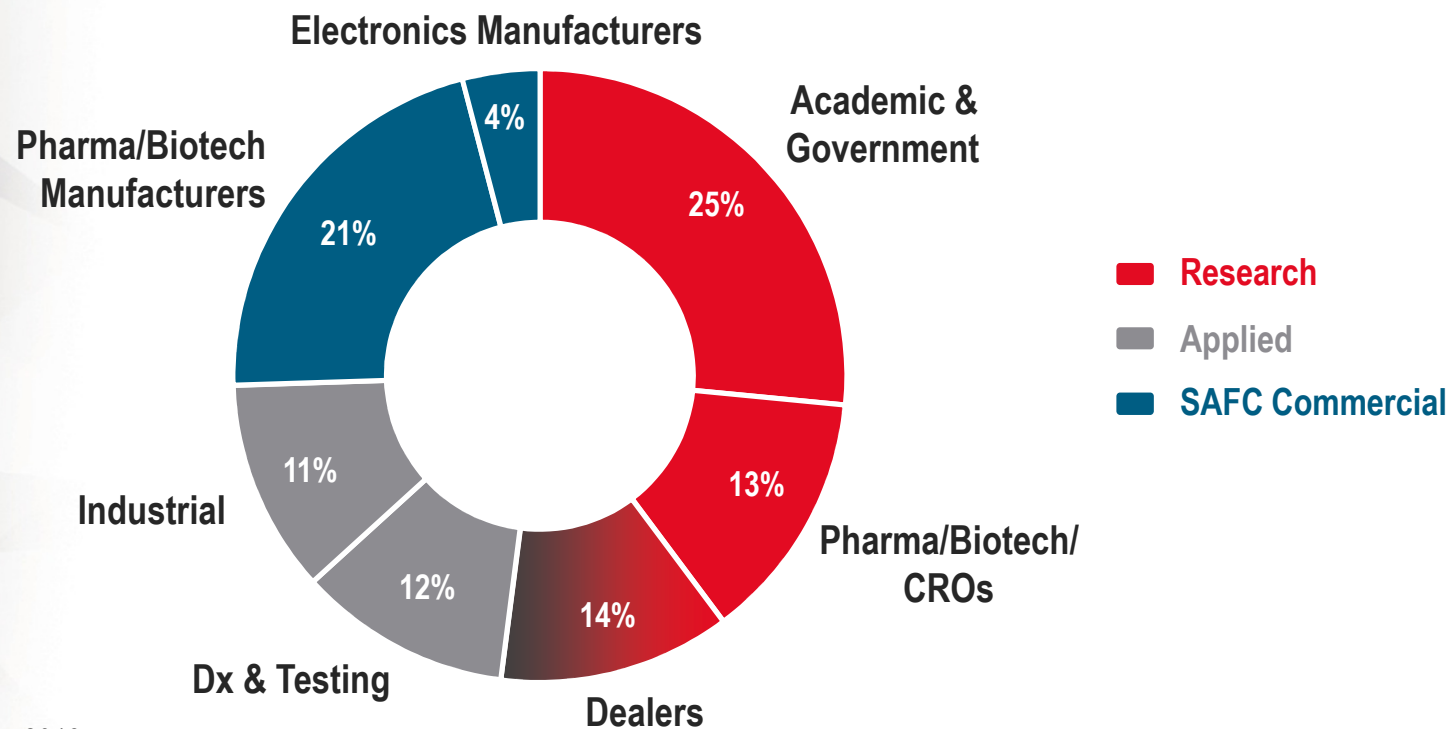


Commercial Manufacturers

Commercial Production in Pharma, BioPharma and Electronics Industries

LOOKING AT THE COMPANY THROUGH A CUSTOMER LENS

End-Market Segmentation*

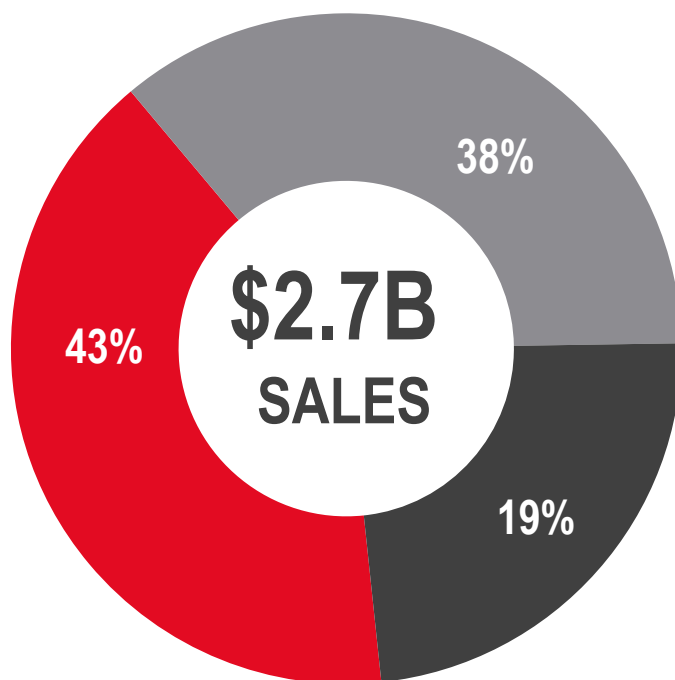


* Based on 2013 sales

POSITIONED FOR GROWTH WITH A BALANCED CUSTOMER BASE

Geographically Diverse

2013 Sales



Americas

Europe, Middle East, Africa

Asia Pacific

UNIQUE COLLECTION OF CORE STRENGTHS

Ability to Address the Needs of Customers in All Three Business Units

TRUSTED BRANDS

SIGMA®

ALDRICH®

SUPELCO®

Fluka®

SAFC®

Cerilliant®

ISOTECH®

BioReliance®
by **SAFC**



~230,000

Products, Services & Solutions



#1

Life Science eCommerce Platform

~1,600

Sales People in 40+
Countries

~1,500

Regulatory Agencies

~40

Manufacturing Sites
Globally

~160

Countries Sold to

LEADER IN GLOBAL QUALITY & COMPLIANCE

Quality Assurance (QA)

- cGLP • cGMP • cGDP • ISO • SafeBridge • USDA

Quality Trends

- Disciplined change management and control
- High-level traceability through the supply base
- More requests for documentation and investigation support

Compliance

- Over 700 employees supporting quality functions
- Greater than 450 global customer audits per year



“Every time we use a product from Sigma-Aldrich, we know it will work.”

- Major Applied Industrial Customer

~1,500
Regulatory Agencies

HIGHEST VOLUME FILER WITH THE BUREAU OF INDUSTRY AND SECURITY FOR US EXPORT LICENSES

LEADING LIFE SCIENCE eCOMMERCE

SIGMA-ALDRICH.COM



SALES

~\$1B

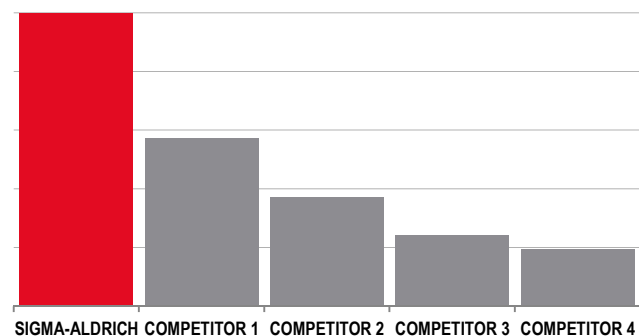
VISITS

70M

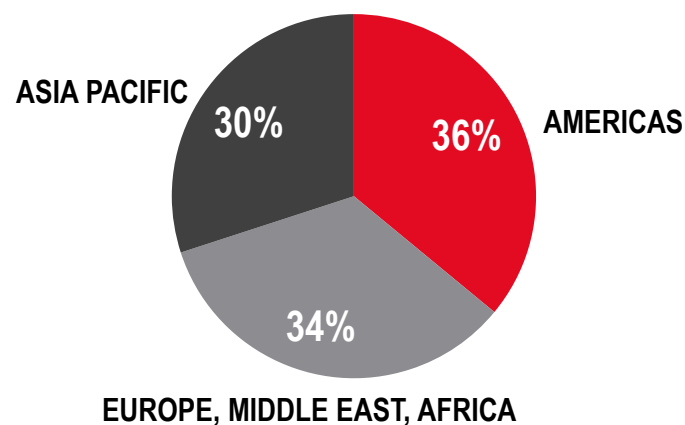
ORDERS

2.7M

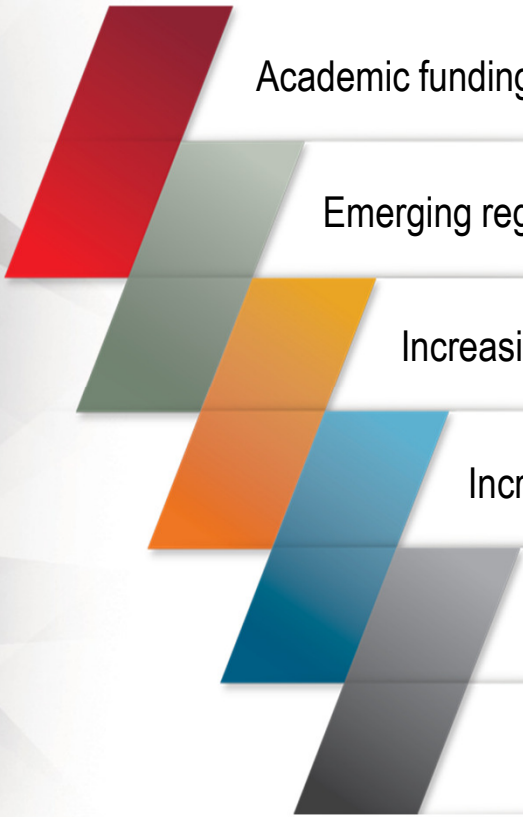
UNIQUE VISITORS



WEB TRAFFIC BY REGION



MARKET TRENDS



Academic funding constraints, Pharma consolidation, and Supplier consolidation

Emerging regions fueling growth in scientific research

Increasingly stringent regulatory environments – Applied and Commercial

Increasing demand for new diagnostics and testing technologies

Biologics drug market growing at twice the rate of small molecules

Growing targeted therapy approach in treatment of diseases favors specialized capabilities

Q2 2014

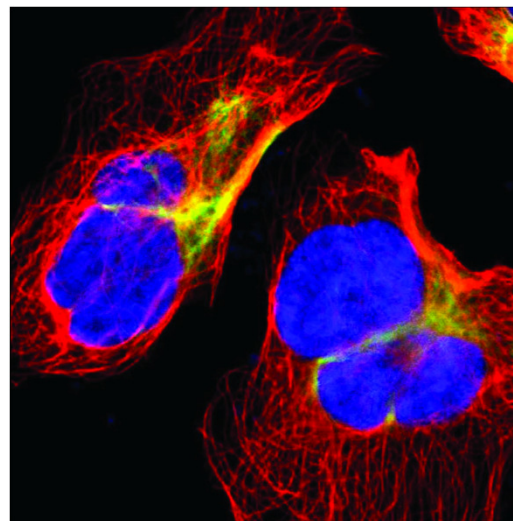
- Sales of \$701 million – a new quarterly high
- Organic sales growth of 2%
- Adjusted diluted EPS of \$1.11 – a new quarterly high
 - Gross margin expansion of 100 basis points;
150 basis points excluding impact of FX
 - Adjusted operating income margin expansion of 30 basis points;
70 basis points excluding impact of FX
- First half 2014 free cash flow of \$232 million
- Top 5 ranking in *Newsweek's* 2014 Green Rankings
- Ranked #28 in *CR Magazine's* 100 Best Corporate Citizens List



RESEARCH BUSINESS UNIT

Q2 2014: flat organic sales growth

- Organic sales growth improved in U.S. academic and pharma segments
- Declines in EMEA Research sales caused by academic weakness in southern Europe, growth improved at the end of the quarter
- APAC Research sales were strong in China and Southeast Asia, offset by softness in India, Oceania and South Korea
- Update on initiatives:
 - CRISPR gene-editing technology
 - TruPAGE™ pre-cast gels
 - Palau-Chlor chlorination technology
 - ADME/Tox cell lines



European Collection of Cell Culture (ECACC)
cell lines exclusive to Sigma-Aldrich

APPLIED BUSINESS UNIT

Q2 2014: 6% organic sales growth

- Strong growth in Diagnostics & Testing across all geographies
- Solid Industrial growth in the U.S.
- Update on initiatives:
 - Gaining momentum as the supplier of choice for IVD manufacturers
 - Expanding ELITE™ program for enzymes and buffers
 - Awarded OEM manufacturing contracts
 - Adoption of air-monitoring devices used in schools



SAFC COMMERCIAL BUSINESS UNIT

Q2 2014: 1% organic sales growth

- Changes in timing of delivery of large contract manufacturing orders
- Solid sales growth in biopharma materials
- Strong Life Science Services sales growth
- Strong semiconductor precursor sales offset by weak LED precursor sales
- Update on initiatives:
 - Q4 2014 opening of dry powder media facility in Scotland
 - Q4 2014 opening of high potent API facility in Wisconsin
 - On track for ADC capacity in 2015

Dry Powder Media Facility
Irvine, Scotland



Q2 2014 FINANCIAL RESULTS

(\$ in millions, except per share amounts)

	YEAR-OVER-YEAR			YEAR-OVER-YEAR	
	As Reported Q2 2014	As Reported		As Reported Q2 2014	Q2 2014 Organic Sales Growth
Sales	\$ 701	↑ 3%		\$ 701	↑ 2%
	As Reported Q2 2014	As Reported		Adjusted Q2 2014	Adjusted ⁽²⁾
Operating Income	\$ 184	↑ 11%		\$ 185	↑ 4%
Net Income	\$ 133	↑ 12%		\$ 133	↑ 5%
Diluted EPS	\$ 1.11	↑ 13%		\$1.11	↑ 6%
Free Cash Flow ⁽¹⁾	\$ 89	↓ 2%			

(1) See slide 26 for Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow.

(2) Excludes other charges; see slide 22 and 23 for reconciliation for adjusted measures.

Q2 2014 organic sales growth of 2% and adjusted EPS growth of 6%

Q2 2014 QUARTERLY ORGANIC SALES VS. PRIOR YEAR

**Business Unit:
Research**



	2014	
	Q1	Q2
Organic Sales Growth:	1%	Flat
Acad/Govt/Hospitals	Flat	(Low-single)
Pharma	Slightly declined	Flat
Dealers	Low-single	Low-to-mid single

Improved demand in U.S. offset by declines in southern Europe and certain APAC countries

Q2 2014 QUARTERLY ORGANIC SALES VS. PRIOR YEAR

**Business Unit:
Applied**



	2014	
	Q1	Q2
Organic Sales Growth:	7%	6%
Diagnostics & Testing	High-single	Double-digit
Industrial	Mid-single	Low-single

Another strong quarter of organic sales growth in Diagnostics & Testing

Q2 2014 QUARTERLY ORGANIC SALES VS. PRIOR YEAR

Business Unit:
SAFC Commercial



	2014	
	Q1	Q2
Organic Sales Growth:	3%	1%
Life Science Products	Low-single	(Low-to-mid single)
Life Science Services	Double-digit	Double-digit
Hitech	(Low-single)	Flat

Strong services growth offset by delivery timing of large orders in contract manufacturing




MARGIN ANALYSIS

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Gross Margin %	50.1%	50.3%	50.0%	50.9%	51.1%
Adjusted Operating Margin %	26.1%	25.3%	25.0%	25.4%	26.4%

Q2 2014 adjusted operating margin increased by 30 basis points from Q2 2013
Excluding FX headwinds, net of hedging, margin would have increased by 70 basis points

2014 GUIDANCE

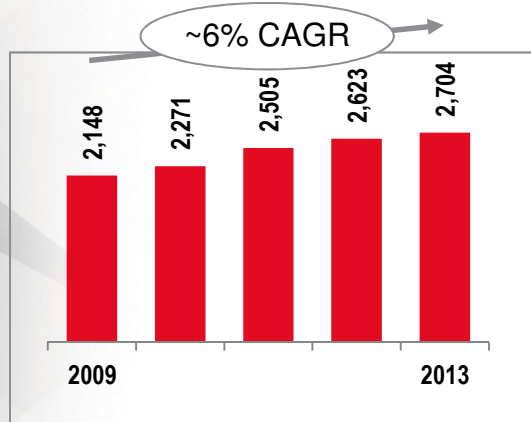
Organic Sales Growth

	2 nd Half	Full Year	Overall 2014 organic sales growth of low-single digit
 Research	Low-to-mid single digit	Low-single digit	
 Applied	Mid-single digit	Mid-single digit	
 SAFC Commercial	Mid-single digit	Mid-single digit	

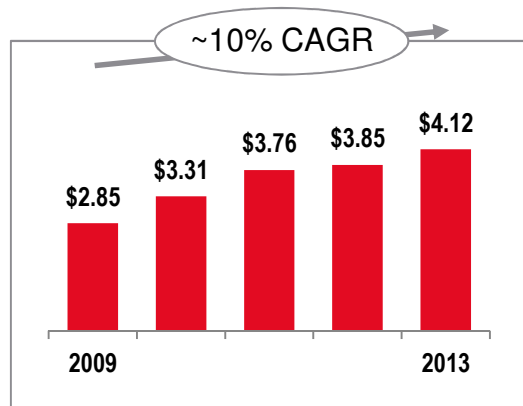
Raising lower end of 2014 full-year adjusted diluted EPS guidance
to a new range of between \$4.32 to \$4.40

INVESTOR DASHBOARD

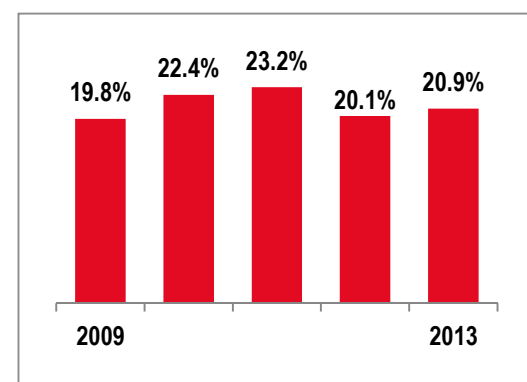
SALES GROWTH



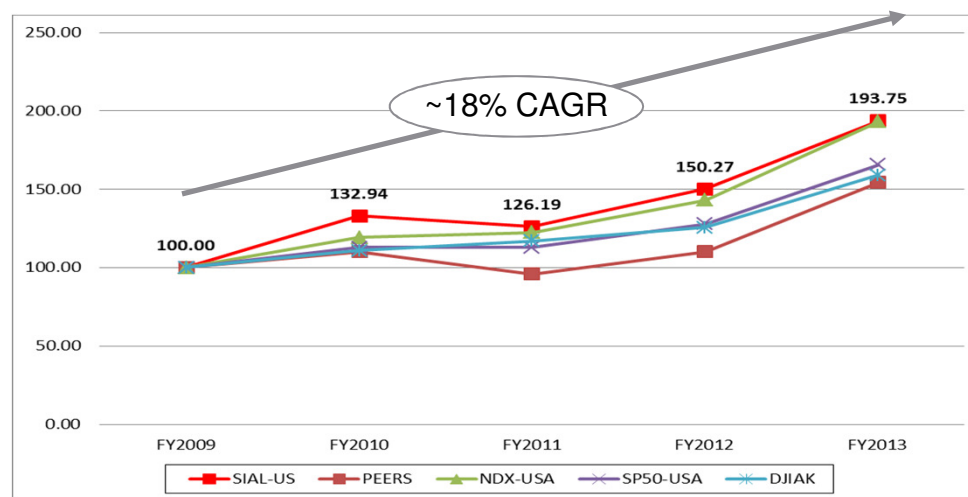
ADJUSTED EPS



STRONG ROIC



**Generating Strong
Returns to Shareholders**



APPENDIX

Reconciliation of GAAP to Non-GAAP Financial Measures

Reconciliation of Reported Net Income and Diluted Earnings Per Share to Adjusted Net Income and Adjusted Diluted Earnings Per Share (Unaudited)

	Net Income (in millions) Three Months Ended June 30, 2014 2013		Diluted Earnings Per Share Three Months Ended June 30, 2014 2013	
Reported net income	\$ 133	\$ 119	\$ 1.11	\$ 0.98
Other charges	-	8	-	0.07
Adjusted net income	\$ 133	\$ 127	\$ 1.11	\$ 1.05

	Net Income (in millions) Six Months Ended June 30, 2014 2013		Diluted Earnings Per Share Six Months Ended June 30, 2014 2013	
Reported net income	\$ 259	\$ 241	\$ 2.16	\$ 1.99
Other charges	1	8	0.01	0.07
Adjusted net income	\$ 260	\$ 249	\$ 2.17	\$ 2.06

Reconciliation of Reported Operating Income to Adjusted Operating Income (Unaudited)

In millions

	Three Months Ended	
	June 30,	
	2014	2013
Reported operating income	\$ 184	\$ 166
Other charges	1	12
Adjusted operating income	<u><u>\$ 185</u></u>	<u><u>\$ 178</u></u>

	Six Months Ended	
	June 30,	
	2014	2013
Reported operating income	\$ 358	\$ 332
Other charges	2	12
Adjusted operating income	<u><u>\$ 360</u></u>	<u><u>\$ 344</u></u>

Trend of Reported Operating Income Margin to Adjusted Operating Income Margin (Unaudited)

	Three Months Ended			
	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Reported operating income margin	26.2%	25.3%	25.0%	23.8%
Other charges	0.2 %	0.1 %	—%	1.5 %
Adjusted operating income margin	26.4%	25.4%	25.0%	25.3%

Reconciliation of Reported Operating Income Margin to Adjusted Operating Income Margin (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Reported operating income margin	26.2 %	24.4%	25.8 %	24.5%
Other charges	0.2 %	1.7%	0.1 %	0.9%
Adjusted operating income margin	26.4 %	26.1%	25.9 %	25.4%

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Unaudited)

In millions

	Three Months Ended	
	June 30,	
	2014	2013
Net cash provided by operating activities	\$ 115	\$ 115
Less: Capital expenditures	(26)	(24)
Free cash flow	\$ 89	\$ 91

	Six Months Ended	
	June 30,	
	2014	2013
Net cash provided by operating activities	\$ 287	\$ 269
Less: Capital expenditures	(55)	(49)
Free cash flow	\$ 232	\$ 220