



RECORD YEAR FOR SIKA: GROWTH TARGETS EXCEEDED IN 2014

SIKA MEDIA AND INVESTOR PRESENTATION, FEBRUARY 27, 2015

BUILDING TRUST



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1. HIGHLIGHTS AND STRATEGY EXECUTION 2014

JAN JENISCH, CEO

HIGHLIGHTS 2014

- Record sales in all regions
- 13.0% sales growth (8.3% in CHF) to CHF 5.57 billion
- Sales up 15.2% in emerging markets
- Strong gross result at 53.0% (in 2013: 52.4%)
- Above-average increase in EBIT +21.0%
- Net profit growth 28.0%
- 8 new factories in Brazil, Mexico, Indonesia, Singapore, India, Serbia and USA (2)
- 6 new Sika subsidiaries in Sri Lanka, Bosnia-Herzegovina, Albania, Mozambique, Ivory Coast and Nigeria
- 70 new patents and successful product introductions in all target markets
- Strategy 2018 on track, exceeding financial targets

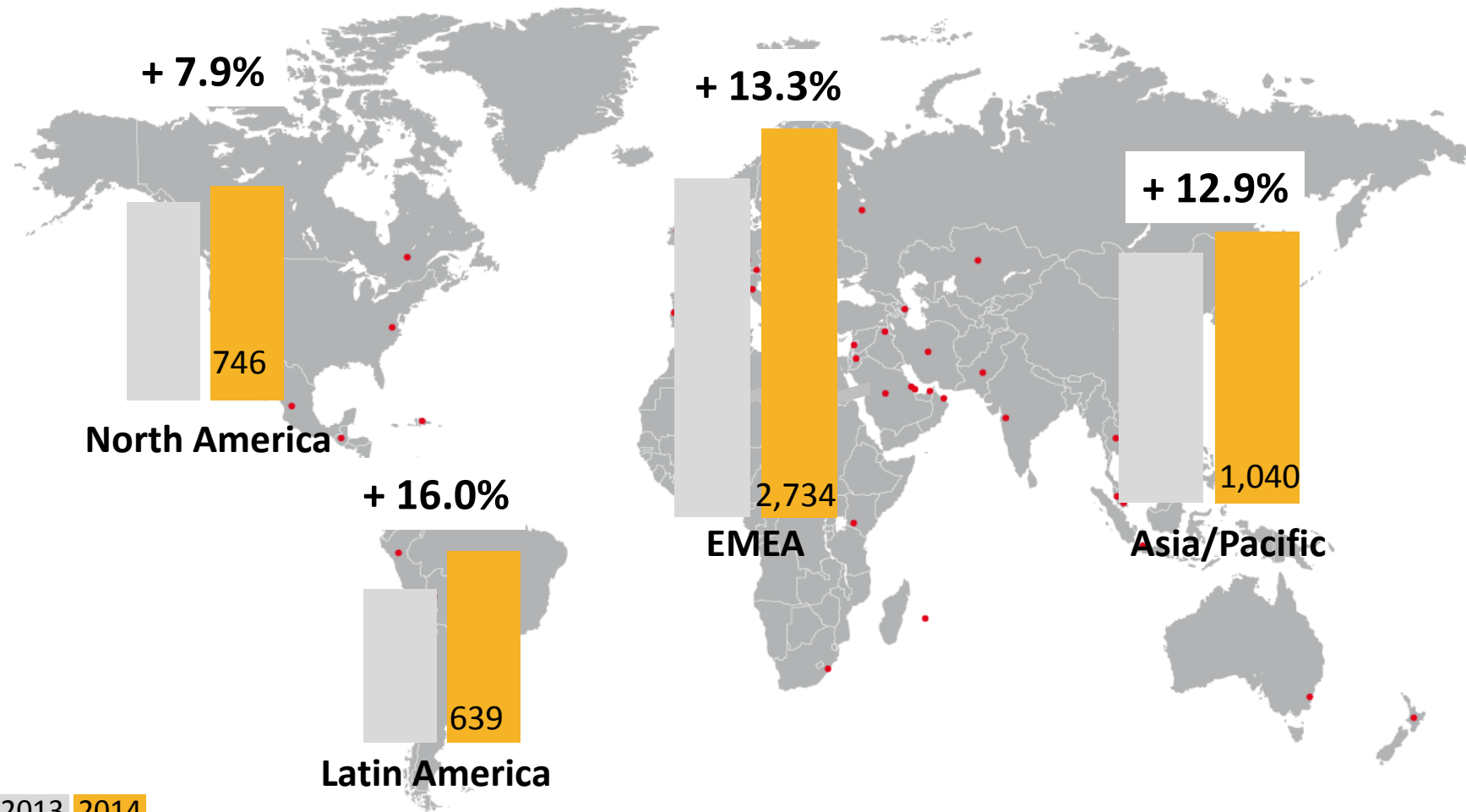
KEY FIGURES

RECORD RESULTS

In million CHF	2013	2014	Δ %
Net sales	5,142.2	5,571.3	+8.3%
Gross results as % of net sales	52.4	53.0	
EBITDA	675.9	798.3	+18.1%
EBIT	523.5	633.2	+21.0%
Net profit	344.7	441.2	+28.0%
Operating free cash flow	432.7	417.5	- 3.5%
ROCE in %	21.0	23.3	

13.0% SALES GROWTH FOR 2014

RECORD SALES IN ALL REGIONS



2013 2014

(in million CHF, growth at constant FX)

Growth of 15.2% in emerging markets

ACCELERATED BUILD-UP OF EMERGING MARKETS INVESTMENTS 2014

Opening of Sika plants:

- **7th plant in Brazil** (Aparecida de Goiânia, January 2014)
- **2nd plant in Indonesia** (Surabaya, May 2014)
- **6th plant in India** (Jhagadia, June 2014)
- **New plant in Serbia** (Simanovci, September 2014)
- **2nd plant in Singapore** (Singapore, October 2014)
- **4th plant in Mexico** (Tijuana, October 2014)

SERBIA



MEXICO



BUILD-UP OF SUPPLY CHAIN IN GROWTH MARKETS

INVESTMENTS 2014

Opening of Sika plants in North America:

- 11th plant in the USA (Denver, May 2014)
- 12th plant in the USA (Atlanta, July 2014)



ACCELERATED BUILD-UP OF EMERGING MARKETS INVESTMENTS 2014

New subsidiaries established in:

- Albania
- Bosnia-Herzegovina
- Ivory Coast
- Mozambique
- Nigeria
- Sri Lanka



LEADING ROLE IN MARKET CONSOLIDATION

ACQUISITIONS 2014

Total sales of 53 million CHF from acquisitions in 2014:

- LWARD Quimica Ltda. in Brazil for waterproofing and roofing
- Company for flooring and coating products in South Korea
- Klebag AG in Switzerland for sealing and bonding, and flooring

KLEBAG AG



LWARD QUIMICA



MORTAR IS SIKA'S FASTEST GROWING TECHNOLOGY CORE ELEMENT OF STRATEGY 2018



- 31% sales growth in 2014
- 20% of Sika`s group profit
- 10 new factories in past 2 years
- 6 acquisitions in past 2 years
- ▶ 75 factories in 49 countries
- ▶ Sales target for 2015 is CHF 1 bn

INNOVATION IN REFURBISHMENT

NEW LEVEL OF SUSTAINABILITY IN TILE ADHESIVES

SIKA'S NEW HIGH PERFORMANCE
TILE ADHESIVE
OFFERS A CONSIDERABLY LOWER
CONSUMPTION RATE

SikaCeram®
COMBINES COST
EFFECTIVENESS WITH
ECO-EFFICIENCY



SikaCeram® FOR
80% HIGHER COVERAGE

WITH SUSTAINABLE RAW MATERIALS
ACCOUNTING FOR 50% OF ITS
CONSTITUENTS, IT HAS ACHIEVED AN
EC1 PLUS RATING



INNOVATION IN CONCRETE

INCREASED WORKABILITY TIME



A NEW SUBSTANCE THAT PERMITS
THE TIME-DEPENDENT CONTROL OF
CONCRETE CONSISTENCY

Sika® ViscoFlow®
ADMIXTURE FOR CONTROLLABLE
CONCRETE WORKABILITY TIMES

MEETING THE CHALLENGES OF
CONSTRUCTION IN **URBAN**
ENVIRONMENTS

ALLOWING
LONG TRANSPORTABILITY
COUPLED WITH SHORT SETTING TIMES



INNOVATION IN WATERPROOFING

ADVANCEMENT IN MEMBRANE TECHNOLOGY



THE RESULT OF A
**CENTURY'S
EXPERIENCE**
WITH AN IDEA
BORROWED FROM
SHIPBUILDING

SikaProof® A
HAS ADDED A
NEW DIMENSION
TO SPACE
PLANNING IN
URBAN CENTERS

A WATERPROOF SHEET MEMBRANE
WITH A
SEALANT GRID
THAT PREVENTS WATER MIGRATION
TO ENSURE LONG LASTING, SECURE
WATERPROOFING

SikaProof® A
MEMBRANES
ALLOW THE USE OF
BELOW GROUND
BUILDING SPACES



INNOVATION IN FLOORING

NEW DIMENSION WITH SIKA ONE SHOT



A DAY INSTEAD OF A WEEK
THE SIKA ONE SHOT SYSTEM HERALDS A
NEW ERA IN PARKING DECK COATINGS

BENEFITS INCLUDE **DRASTIC**
REDUCTIONS IN DOWNTIMES
AND ASSOCIATED COSTS, AND LOW
LABOR EXPENDITURE

THE SIKA ONE SHOT SYSTEM IS SPRAYED ON
AT HIGH PRESSURE IN A SINGLE OPERATION
AND IS **IMMEDIATELY BONDED** TO
THE SURFACE

1,000 m² PER DAY
CAN BE RECOATED WITH FAR LOWER LABOR
REQUIREMENT THAN STANDARD METHODS

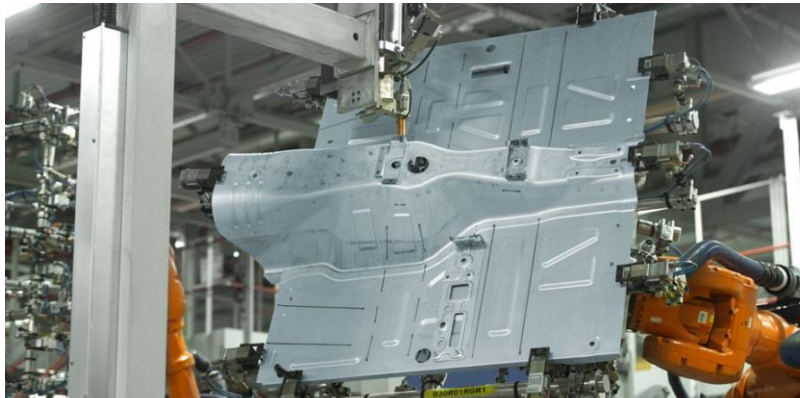


INNOVATION IN AUTOMOTIVE

THE NEXT GENERATION IN VEHICLE BONDING

LIGHTWEIGHT CONSTRUCTION AND
MULTI-MATERIAL DESIGN ARE THE
MEGATRENDS
IN THE AUTOMOTIVE INDUSTRY

SikaPower® ADHESIVES COMBINE
**HIGH STRENGTH AND
ELASTICITY**
IDEAL FOR CONTEMPORARY
AUTOMOTIVE MANUFACTURING

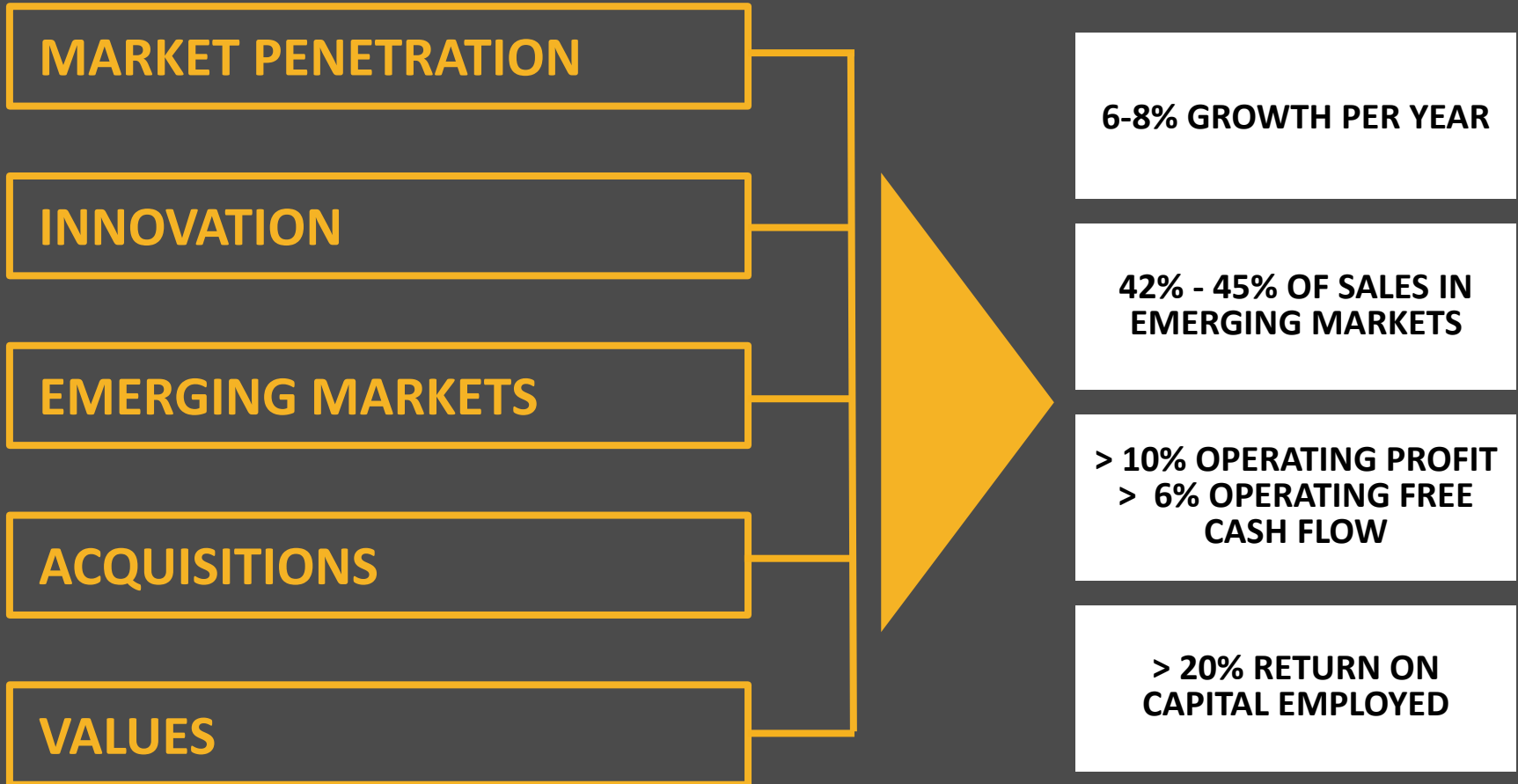


ADHESIVE BONDING IS
BECOMING THE
SUPREME JOINING
TECHNOLOGY AND A
KEY ROLE IS PLAYED BY
SikaPower®

EVERY YEAR
SikaPower® ADHESIVES MAKE
20 MILLION CARS
SAFER AND MORE STABLE

STRATEGY 2018:

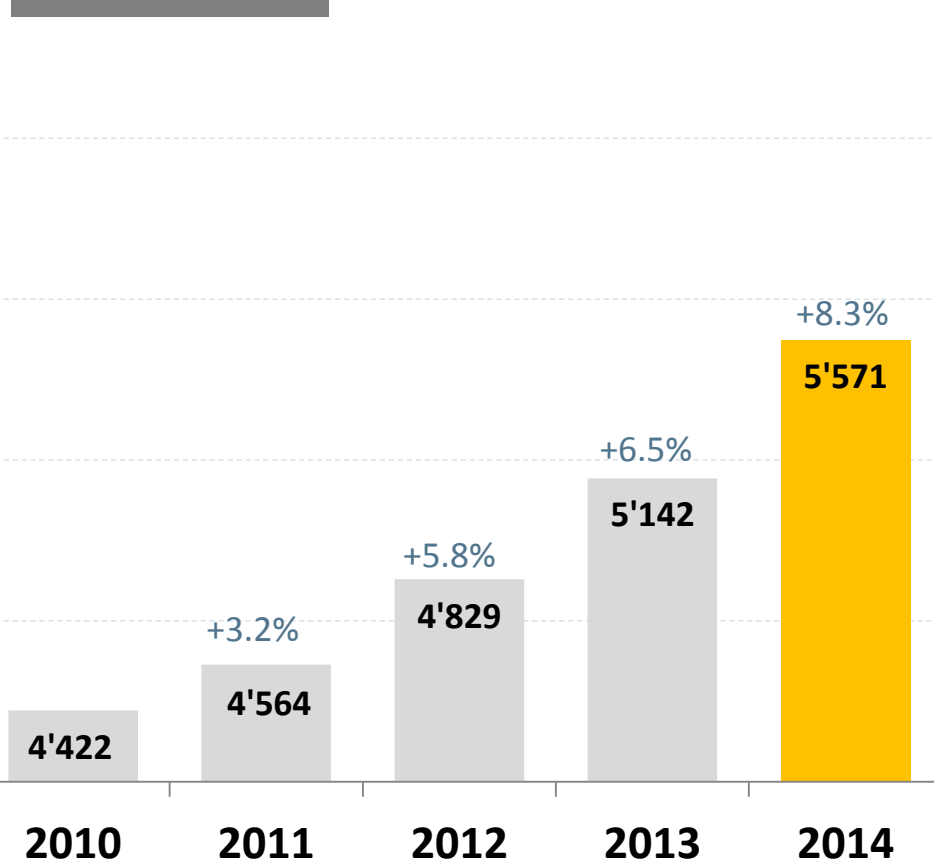
SIKA'S GROWTH MODEL IS DELIVERING



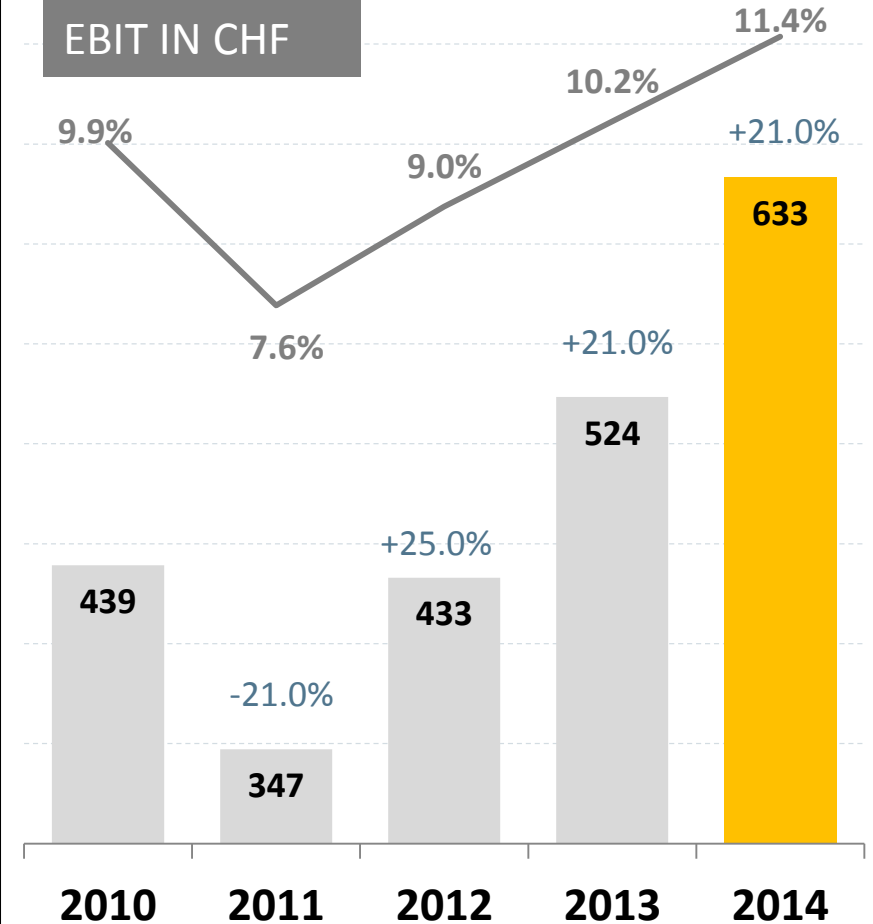
FIVE-YEAR OVERVIEW

NET SALES & EBIT AT ACTUAL CURRENCY

SALES IN CHF



EBIT IN CHF



OUTLOOK FOR 2015

- **Sales growth expectations of 6-8%** at constant exchange rates
- Continued **build up of growth markets** with 7-9 new factories and 3-5 acquisitions
- Solid growth drivers in the **Middle East and Africa**
- **Europe** expected to stagnate
- **USA** with strong growth trend
- Strong growth expected in **Asia and Latin America**, with uncertainties in some markets
- Growth in **China** expected to be slower
- The **appreciation of CHF** is a challenge
- Low crude oil prices will result in **lower raw material costs**
- **Margins** on 2014 level expected

**UNKNOWN OUTCOME OF SAINT-GOBAIN'S HOSTILE
TAKEOVER ATTEMPT**

2. RESULTS 2014

ADRIAN WIDMER, CFO

REVENUES 2014

BALANCED SALES GROWTH

In million CHF	2013	2014	Δ	%
Net sales	5,142.2	5,571.3	+ 429.1	+8.3
Organic growth			+ 377.4	+7.3
Acquisition effect			+ 291.7	+5.7
Currency effect			- 240.0	-4.7

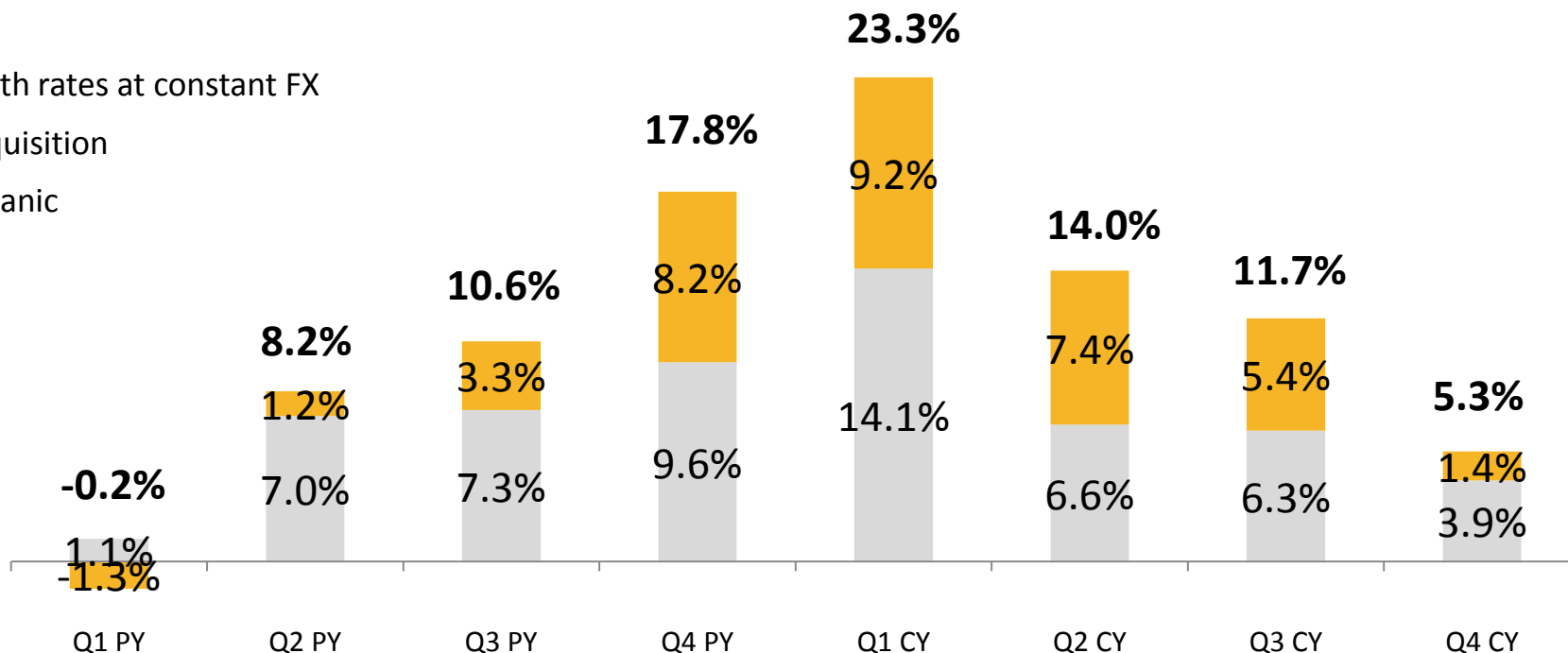
SALES GROWTH BY QUARTER

DYNAMIC GROWTH MOMENTUM

Growth rates at constant FX

■ acquisition

■ organic



Net sales, million CHF	Q1 PY	Q2 PY	Q3 PY	Q4 PY	Q1 CY	Q2 CY	Q3 CY	Q4 CY
	1,043.1	1,359.4	1,405.2	1,334.5	1,206.2	1,450.7	1,517.5	1,396.9

SALES GROWTH BY REGION 2014

In million CHF

+ 13.3 %

+ 7.9 %

+ 12.9 %

+ 16.0 %

Growth
(at constant FX)

- 2.6 %

- 3.0 %

- 6.1 %

- 13.5 %

FX impact

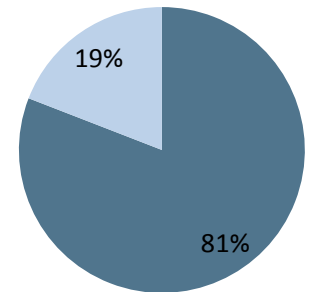
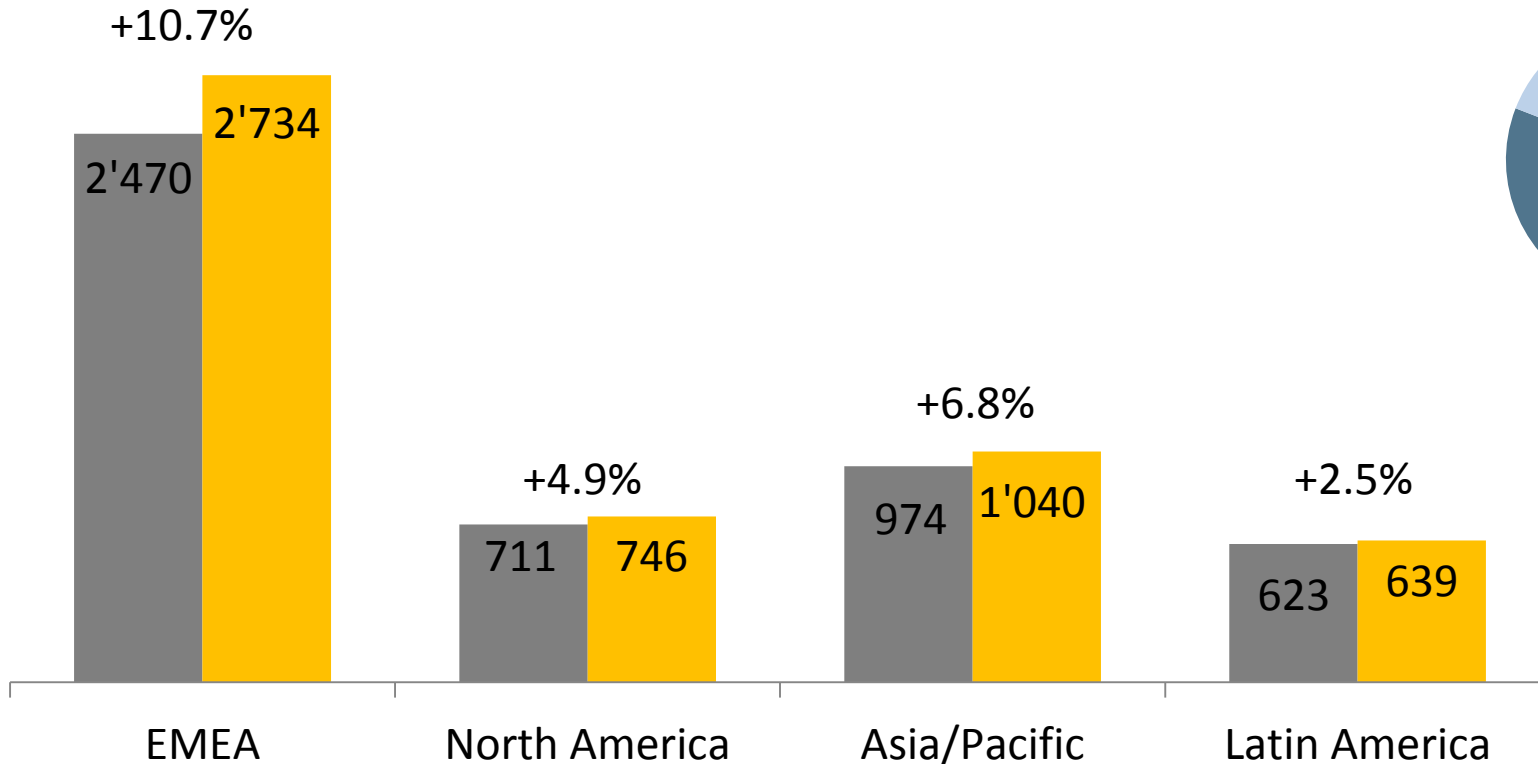
+ 9.2 %

+ 0.0 %

+ 3.6 %

+ 4.9 %

Acquisition

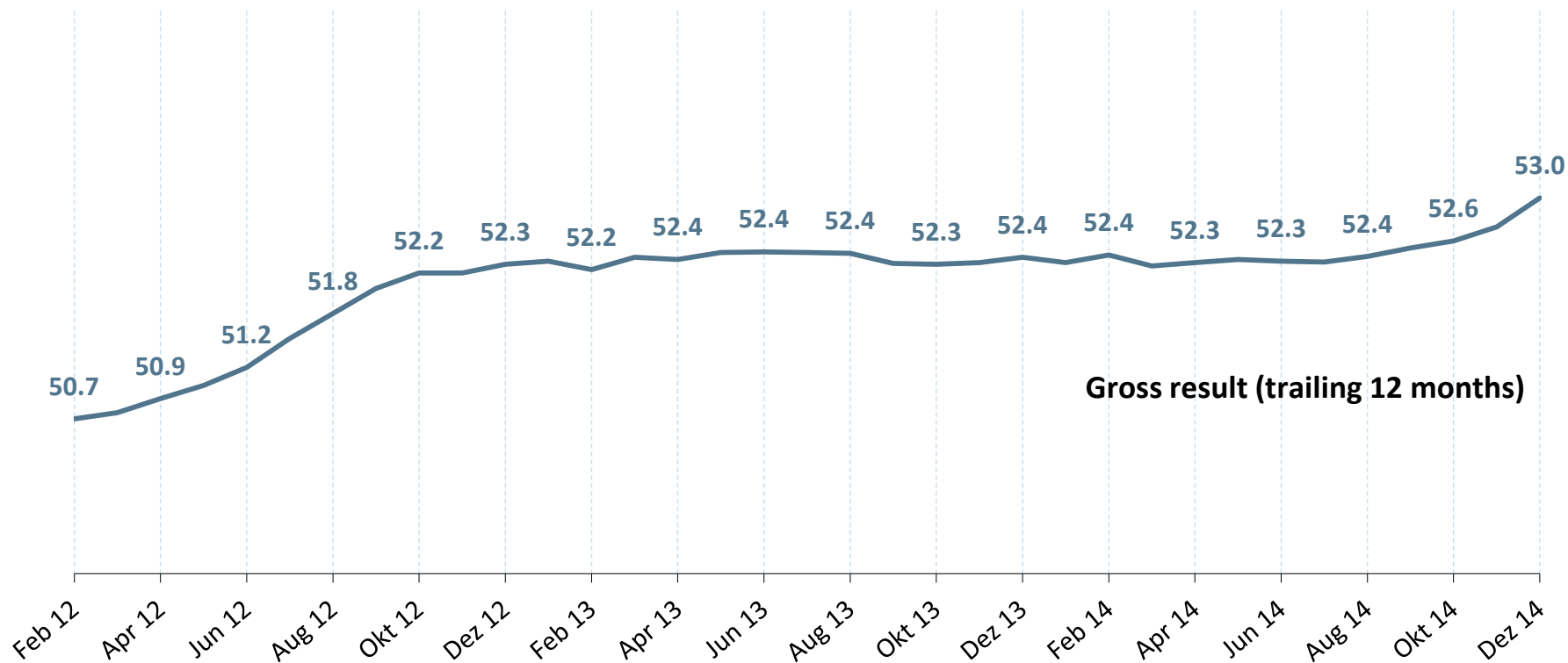


■ Construction
■ Industry

GROSS RESULT DEVELOPMENT

CONTINUOUS IMPROVEMENT

At year end	2010	2011	2012	2013	2014
	53.9 %	50.5 %	52.2 %	52.4 %	53.0%



PROFIT & LOSS

STRONG IMPROVEMENT IN KEY FINANCIALS

In million CHF	2013	NS	2014	NS	Growth
Net sales	5,142.2	100 %	5,571.3	100 %	+ 8.3%
Gross results	2,695.6	52.4 %	2,951.3	53.0 %	+ 9.5%
Personnel costs	-1,031.1	-20.1 %	-1,093.7	-19.7 %	+ 6.1%
Other OPEX	-988.6	-19.2 %	-1,059.3	-19.0 %	+ 7.2%
Depreciation	-152.4	-2.9 %	-165.1	-2.9 %	+ 8.3%
EBIT	523.5	10.2 %	633.2	11.4 %	+ 21.0%
Financial expense	-46.8		-42.6		
Income taxes	-132.0		-149.4		
Net profit	344.7	6.7 %	441.2	7.9 %	+ 28.0%
Tax rate		27.7 %		25.3 %	
Non-material costs	-2,172.1	-42.2 %	-2,318.1	-41.6 %	+ 6.7%

CONSOLIDATED BALANCE SHEET

DEBT FREE BALANCE SHEET

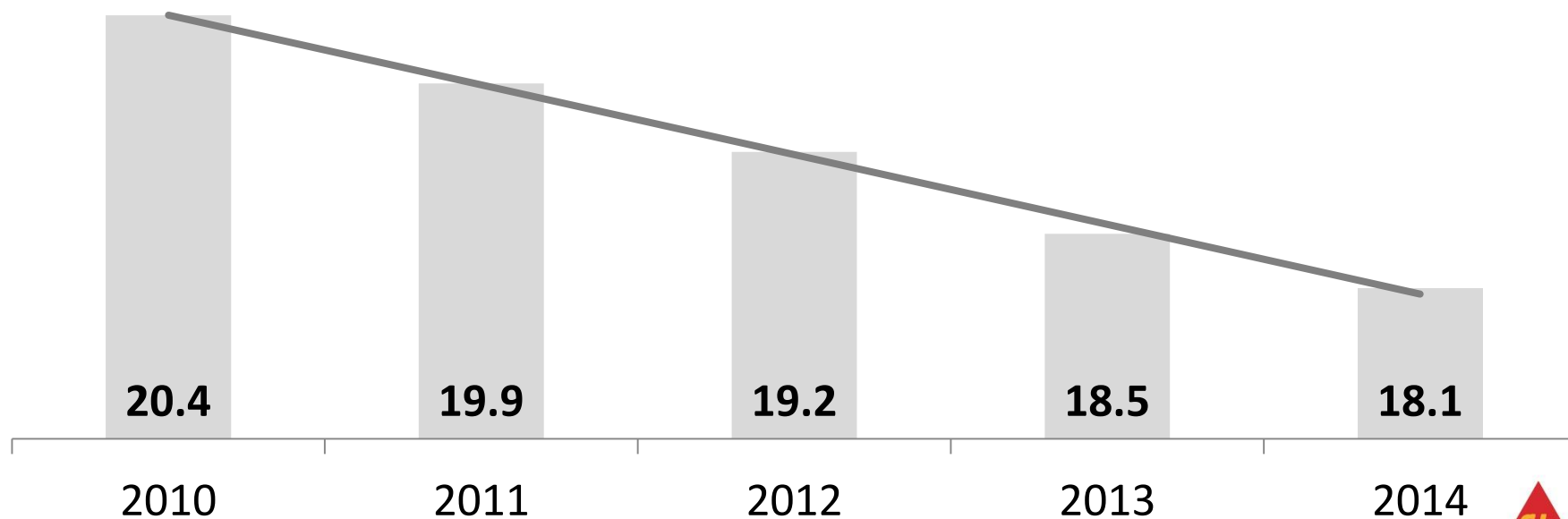
in million CHF	31.12.2013	31.12.2014	Δ %
Cash and cash equivalents	1,028.3	898.8	- 12.6
Other current assets	1,562.6	1,697.3	+ 8.6
Current assets	2,590.9	2,596.1	+ 0.2
Non-current assets	2,145.0	2,221.8	+ 3.6
Total assets	4,735.9	4,817.9	+ 1.7
Current liabilities	1,192.2	951.1	- 20.2
Non-current liabilities	1,407.5	1,483.5	+ 5.4
Equity incl. minorities	2,136.2	2,383.3	+ 11.6
Total liabilities and equity	4,735.9	4,817.9	+ 1.7
Net debt	271.4	82.5	-69.6

NET WORKING CAPITAL

CONTINUING IMPROVEMENT

In million CHF at actual FX	2012	2013	2014
Net sales	4,828.9	5,142.2	5,571.3
= Total NWC year end	901.0	893.8	991.9
In % NS	18.7 %	17.4 %	17.8 %

at constant FX rates



CASH FLOW STATEMENT

In million CHF	2013	2014
Cash flow from operating activities	574.0	554.4
CapEx/Sale of assets/Acquisitions	-555.0	-204.6
Free cash flow	19.0	349.8
Acquisitions/Financial assets	413.7	67.6
Operating free cash flow	432.7	417.5
Free cash flow	19.0	349.8
Cash flow from financing activities	23.9	-480.0
Exchange differences	-8.8	0.7
Net change in liquid funds	34.1	-129.5

DIVIDEND PROPOSAL

BOARD PROPOSES 26% HIGHER DIVIDEND

Dividend payment CHF 72.00 per bearer share
CHF 12.00 per registered share

In million CHF	2013	2014
Group profit (after minorities)	342.2	439.0
Dividend out of retained earnings	144.6	182.6
Total payout ratio	42.2 %	41.6 %

3. HOSTILE TAKEOVER ATTEMPT BY SAINT-GOBAIN

DR. PAUL HÄLG, CHAIRMAN OF THE BOARD

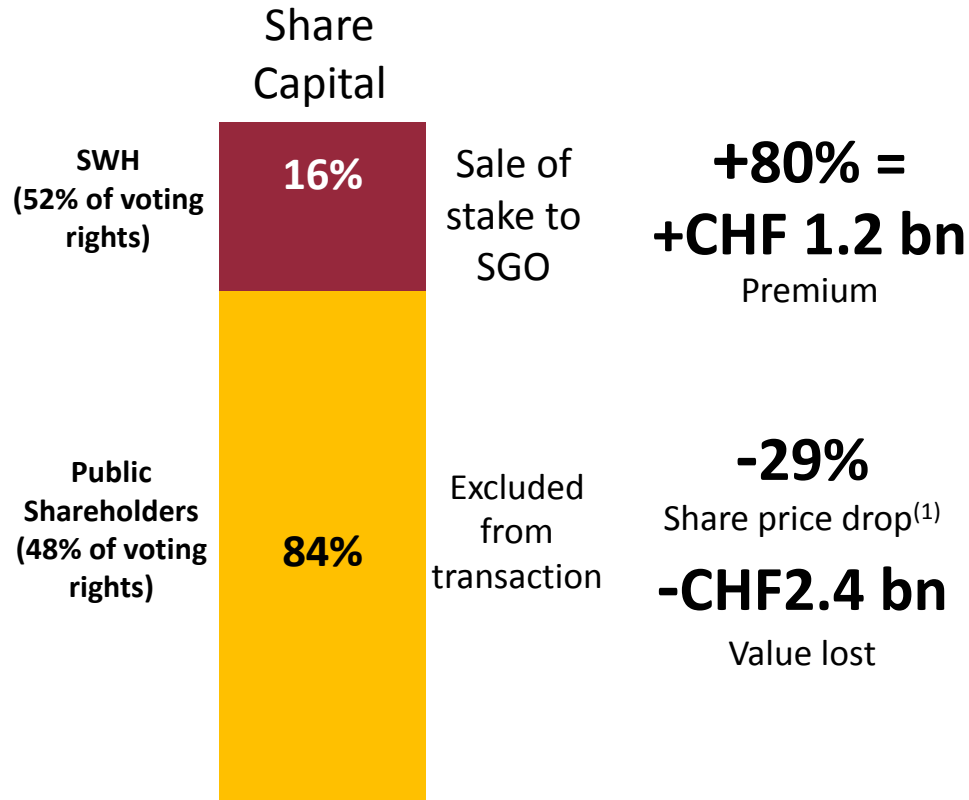
ONGOING COURT PROCEEDINGS

- All launched by Schenker-Winkler Holding (SWH)
- Kantonsgericht Zug: Request for extraordinary shareholders meeting
- Kantonsgericht Zug: Request to maintain SWH's voting rights
- Swiss Takeover Board
 - Request to confirm validity of opting-out clause
 - Request to maintain SWH's voting rights for opting-in
- Decision to be expected in the course of March 2015

FUNDAMENTAL REASONS TO OPPOSE TRANSACTION

1. Highly unbalanced transaction: majority of Sika owners to suffer heavily
2. Fundamental change in corporate governance: minority to dominate Sika post-transaction
3. Fundamental change in ownership: competitor to dominate Sika
4. Family Burkard: shareholder privileges granted in return for commitments to keep Sika independent and secure rights of public shareholders
5. Sika is a tremendous success story: at risk with takeover by Saint-Gobain

UNBALANCED TRANSACTION: MAJORITY OF SIKA OWNERS TO SUFFER HEAVILY



Key Concerns

1. High premium for SWH
2. No public offer
3. Substantial value loss for majority of Sika owners

Notes: (1) Share price drop as per 8.12.2014

FUNDAMENTAL CHANGE IN CORPORATE GOVERNANCE: MINORITY TO DOMINATE SIKA POST TRANSACTION

Now

- Family supported majority of independent Board members (3:6)
- In place for decades
- To secure interests of majority capital owners of company
- In the fundamental interest of all shareholders
- Key success factor

Proposed

- Saint-Gobain currently insisting on changing model to minority dominance
- Saint-Gobain to nominate Chairman and majority of Board members
- **Consequences**
 - Minority dominated Board
 - No decision/veto power for independent Board Members
 - **16% capital to dominate over 84% capital**
- Quote Ch. Tanner: “Die von mir verlangte Zusicherung auf eine effektive Unabhängigkeit wäre nicht gewährt.”

FUNDAMENTAL CHANGE IN OWNERSHIP: COMPETITOR TO DOMINATE SIKA

Now

- Strategic interests of Family Burkard and Sika aligned
- Highly successful co-operation for over 100 years (since 2011 shareholder value creation has been 5.1 billion CHF)
- No conflict of interest

Proposed

- Competitor to dominate Sika
- Intention to integrate Sika
 - Majority in the Board
 - Factual integration on all levels
- **Consequences: Fundamental conflicts of interest**
 - Conflict: 100% vs. 16% owned business
 - Natural preference for Saint-Gobain to favor own business, own shareholders
 - No effective protection for public shareholders

SAINT-GOBAIN:

BIGGEST GLOBAL COMPETITOR IN MORTAR MARKET

Mortar: Sika's fastest growing technology - 75 factories in 49 countries

- Highest growth and aggressive gain of market share
 - Highest profit margins of all Sika technologies
 - Investment focus on mortars
 - Sika directly competes with Saint Gobain (Weber) in 50 countries
 - Saint Gobain (Weber) and Sika products are sold through the same marketing and distribution channels
- ➔ Conflicts of interests inevitable



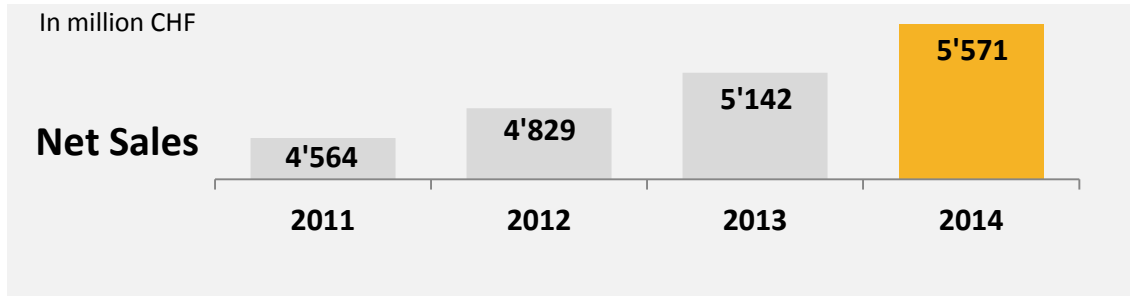
FAMILY BURKARD:

SHAREHOLDER PRIVILEGES IN RETURN FOR COMMITMENTS

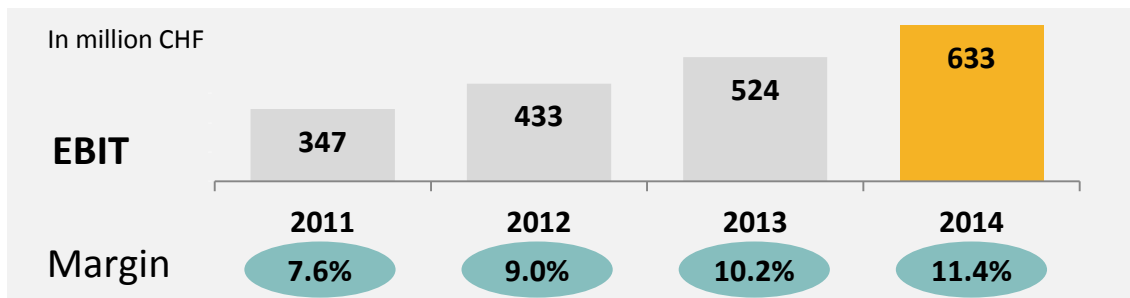
- Privileges: voting privilege 1:6, opting-out
- In return: Continued explicit commitment to Board and Public Shareholders:
 - Secure Sika's independence
 - In case of sale: be fair, protect interests of public shareholders
 - Commitments lived for over 100 years
- Position of Board
 - Grateful for the longstanding support of the Family
 - One cornerstone of Sika's success
 - Fully acknowledges Family's right to sell
- But:
 - **Commitments must be honored**
 - 84% of capital in Sika comes from public shareholders
 - Board must protect legitimate interest of public shareholders and all other stakeholders ("Vinkulierung")

AT RISK:

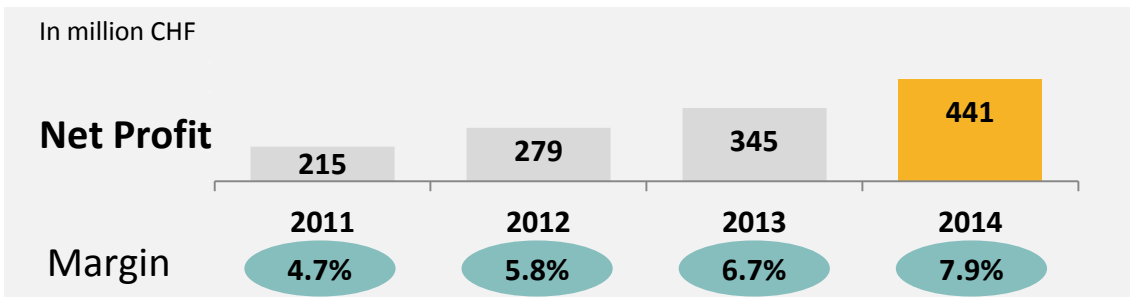
SIKA'S TREMENDOUS SUCCESS STORY



**6.9% CAGR
2011-2014**



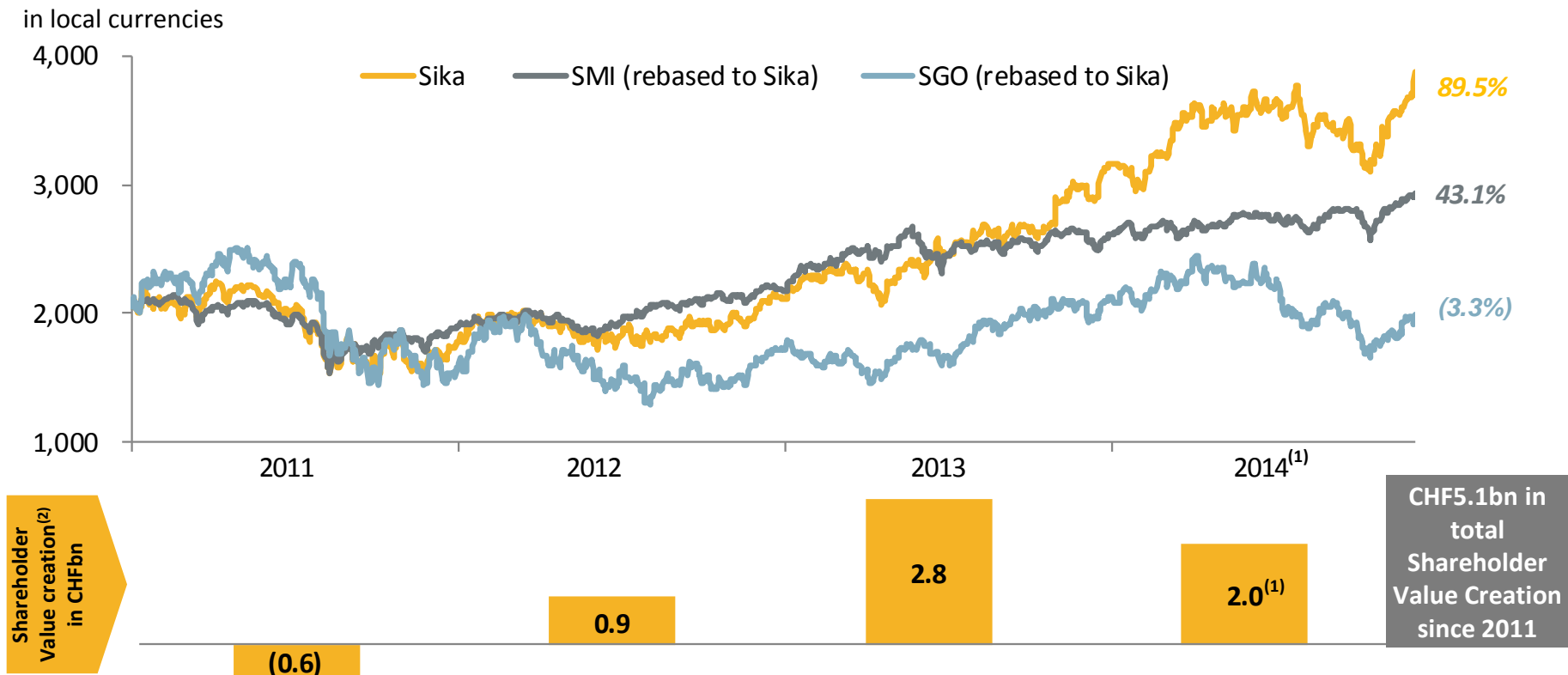
**22.2% CAGR
2011-2014**



**27.1% CAGR
2011-2014**

**Continued profitable growth
IF STRATEGY 2018 CONTINUES**

SIGNIFICANT AND CONTINUED SHAREHOLDER VALUE CREATION



Strong share price performance based on historic operating track record and expectation for continued profitable growth based on Sika 2018 strategy

Note: (1) Until 05-Dec-14
 (2) Defined as change in market capitalization plus total dividends

BROAD SHAREHOLDER SUPPORT

Fidelity/Cascade/Threadneedle:

Further to our letter dated 12 January 2015 and following last Friday's press releases from Sika and Saint-Gobain, we are writing to reaffirm our concerns about the future of Sika under Saint-Gobain's plan and the significant and enduring harm it would have on the company, its employees and its public shareholders. It seems clear from the press releases that Saint-Gobain's approach is effectively unchanged and there is no indication that it either understands or acknowledges the legitimate concerns that exist. This situation is both surprising and deeply concerning. As a result we consider there to be no alternative but to take additional steps to help protect the interests of the company, its employees and the wider shareholder base.

We also note with dismay the apparent disinterest on the part of Schenker-Winkler Holding AG to pursue options which would have achieved their objective while also safeguarding the interests of all constituents in the transaction between Schenker-Winkler Holding AG and Saint-Gobain. We believe it is necessary for shareholders that the process and events leading up to the announcement of the transaction be independently investigated.

INVESTOR SUPPORT REACHES 50% OF TOTAL CAPITAL

UNIQUE SOLIDARITY IN SWISS HISTORY



Numerous institutional and private shareholders – written support of Board of Directors by investors



Ethos Foundation Support Group



Cascade Investment LLC,
Bill & Melinda Gates Foundation,
Fidelity Worldwide Investment,
Threadneedle Investments



Walter Gruebler, former Board Members, and Sika employees –
“Sika Spirit”

4. QUESTIONS AND ANSWERS

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'expects', 'believes', 'estimates', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- Fluctuations in currency exchange rates and general financial market conditions
- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of research projects, unexpected side-effects of pipeline or marketed products
- Increased government pricing pressures
- Loss of inability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage.

Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Sika's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Sika.

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BUILDING TRUST

