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SIKA WITH STRONG GROWTH IN EMERGING MARKETS

- **Sales growth of 4.4% (4.0% in CHF)**
- **Sales up 15.3% in emerging markets**
- **11.4% rise in EBIT**
- **Above-average increase in net profit of 13.2%**

Following a slow first quarter in which the construction sector was hit by bad weather conditions, in the second quarter Sika made good the delays encountered in building projects. Sika posted growth in all regions and achieved an 8.3% increase in second-quarter sales. Net sales for the first half of 2013 came to CHF 2,402.5 million, corresponding to an increase of 4.4% in local currencies and 4.0% in CHF respectively.

Jan Jenisch, CEO of Sika: „After a weather related slow start of the year our employees delivered an excellent second quarter with sales growth of 8.3% and a significant improvement of our margins. Driven by the opening of ten new factories in the last twelve months, the accelerated pace of expansion in the emerging markets progressed ahead of our expectations resulting in a 15.3% sales growth.”

PROFITABILITY UP

At 53.2%, the gross result for the first half of 2013 revealed a year-on-year rise (first half of 2012: 53.0%). Sales growth, a solid gross result and selective efficiency improvements led to an above-average increase in profitability. Sika achieved operating profit of CHF 220.2 million, representing an increase of 11.4% (first half of 2012: CHF 197.6 million). Net profit after taxes grew by 13.2% to CHF 141.3 million (first half of 2012: CHF 124.8 million).

ALL REGIONS SHOWING GROWTH IN THE SECOND QUARTER

With net sales of CHF 1,128.5 million, Sika reported 0.8% local currency growth in the region EMEA (Europe, Middle East, Africa) in the first half of 2013 (first half of 2012: CHF 1,108.5

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million). Sika realized significant growth in Middle Eastern and African emerging markets as well as in Russia. In key Sika markets such as Germany and the Northern European countries, the sentiment was rather cautious in the first half of 2013 and numerous new infrastructure projects were postponed. There is still no trend reversal in sight in Southern Europe. Sika reported a further improvement in profitability in the region EMEA, with the EBIT margin at 10.0% or around 20% higher than in the first half of 2012.

After a severe winter with a substantial decrease in sales in the roofing segment, Sika's markets in the region North America improved slightly. Various building projects which had been delayed owing to the weather were started in the second quarter of 2013. There is still some catching up to do, though. While stricter budget restrictions imposed by the US government and the individual federal states slowed Sika's business to some extent, the recovery in the housing market had a positive impact on the construction climate.

Maintaining the momentum seen in previous periods in the region Latin America, Sika recorded 11.8% growth in the first half of 2013. Sika reported a substantial increase in sales in all target markets throughout the entire region, with growth especially strong in Brazil and Argentina. Inflation trends in South America had a negative effect in individual states.

In the region Asia/Pacific, Sika saw further strong growth and lifted net sales by 11.2% in local currencies. While volumes were stable in the OECD countries, China and Southeast Asia achieved high double-digit growth. The systematic growth strategy is paying off here, in particular geographic expansion, investments in production capacity, and the focus on project business.

Although the automotive market witnessed only moderate growth of 1% overall, Sika recorded a significant increase in sales in the automotive business area in the first half of 2013. Thanks to new technologies, the Group profited in particular from the launch of new models in the premium segment. Overall, Sika achieved a high single digit percentage increase year-on-year in local currencies in this area.

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OUTLOOK

For the second half of 2013, Sika expects to see a continuation of the dynamic development in the emerging markets. Demand from Asia will remain strong, and Sika is projecting double-digit growth rates for Latin America. On the other hand, developments in Europe are still uncertain.

Based on its half-year results and with the acquisitions in the UK , India, Mexico, and Australia, Sika confirms the growth targets of 4.0% to 6.0% in local currency communicated in the 2012 Annual Report as well as the slight improvement in profitability for 2013.

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KEY FIGURES HALF-YEAR 2013

in CHF mn	1/1/2012 - 6/30/2012	1/1/2013 - 6/30/2013	Change in %
	Restated ¹		
Net sales	2'310.7	2'402.5	4.0
Gross result	1'225.5	1'277.4	4.2
Operating profit before depreciation (EBITDA)	265.4	293.4	10.6
Operating profit (EBIT)	197.6	220.2	11.4
Net profit after taxes	124.8	141.3	13.2
Earnings per share in CHF ²	49.17	54.94	11.7
Operating free cash flow	-13.8	15.3	
Balance sheet total ³	4'282.8	4'138.7	
Shareholders' equity ³	1'912.4	1'932.3	
Equity ratio in % ^{3,4}	44.7	46.7	
Return on capital employed (ROCE) in % ⁵	15.6	18.0	

1 Restated due to application of IAS 19 amended.

2 Calculated on the basis of net profit after non-controlling interests and the average number of shares entitled to dividend.

3 As of December 31, 2012/June 30, 2013.

4 Shareholders' equity divided by balance sheet total.

5 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	1/1/2012 - 6/30/2012 ¹	1/1/2013 - 6/30/2013	Change compared to prior year (+/- in %)		
			In CHF	In local currencies ²	Currency impact
By region					
EMEA	1'108.5	1'128.5	1.8	0.8	1.0
North America	332.2	335.3	0.9	-0.2	1.1
Latin America	280.7	303.0	7.9	11.8	-3.9
Asia/Pacific	422.3	455.2	7.8	11.2	-3.4
Other segments and activities	167.0	180.5	8.1	7.8	0.3
Net sales	2'310.7	2'402.5	4.0	4.4	-0.4
Products for construction industry	1'829.6	1'903.1	4.0	4.6	-0.6
Products for industrial manufacturing	481.1	499.4	3.8	3.5	0.3

1 Restated due to amendments in segment structure.

2 Including acquisitions.

Conference call today, July 29, 2013 at 3 pm (CET)

In connection with the publication of the half-year results a conference call will be held today.
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 Ronald Trächsel (CFO) and Dominik Slappnig (Head IR).

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The conference call will be recorded and remains retrievable for 24 hours under the following numbers:

+41 (0)91 612 4330	(Europe, Asia)
+1 (1)866 416 25 58	(North America, Latin America)
+44 (0)207 108 6233	(UK)

Upon request please enter the code **13630** followed by the #sign.

FINANCIAL CALENDAR:

Wednesday, October 30, 2013: Shareholder letter (nine months 2013)

Tuesday, January 14, 2014: Net sales 2013

Tuesday, March 4, 2014: Full-year results 2013; media conference/analyst presentation

Tuesday, April 15, 2014: Shareholder letter (first quarter 2014)/46th Annual General Meeting, Lorzensaal, Cham, 4pm

Tuesday, July 29, 2014: Shareholder letter (Half-year report 2014)

Sika AG Corporate Profile

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, solar and wind power plants, façades). 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 80 countries and some 15 200 employees link customers directly to Sika and guarantee the success of all partners. Sika generated annual sales of CHF 4 829 million in 2012.