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CONTINUED REVENUE GROWTH, ABOVE-AVERAGE INCREASE IN NET PROFIT, AND FURTHER INVESTMENTS IN GROWTH MARKETS

- **5.8% sales growth (5.3% in local currencies) to CHF 4 829 million**
- **Sales up 10.7% in emerging markets**
- **31% increase in net profit to CHF 281 million**
- **High operating free cash flow of CHF 303 million (2011: CHF 186 million)**
- **Further investments in growth markets with new factories in Asia, Latin America and Eastern Europe**

Sika CEO Jan Jenisch: “Our employees delivered outstanding results in 2012, giving Sika a firm foundation for the future. We were able to fast-track our investments in growth markets and opened new factories and production lines in various emerging countries. Already accounting for 37% of our consolidated net sales and over 40% of our net profit, emerging market sales saw double-digit growth in 2012. The Sika growth model also functioned under the challenging economic conditions encountered in 2012. Thanks to the expertise and great commitment of our workforce, we are confident of achieving further growth in sales and net profit in 2013 as well.”

Strong growth in emerging markets drives record sales

In the 2012 business year, Sika lifted sales by 5.8% to a record CHF 4 829 million (2011: CHF 4 564 million). In local currencies, sales were up 5.3%. This figure includes an acquisition effect of 3.5%. Exchange rate movements had a positive impact of 0.5%. Sika’s global presence enabled it to offset weak demand from Europe. 10.7% growth was achieved in the emerging markets.

At 17.0% in local currencies, the highest growth was generated in the region Latin America. This growth was driven by investments and the build-up of production capacity in the entire region. In North America, Sika increased sales by 9.0% in local currencies on the back of heavy demand for refurbishment work, solid project business and increased market share. In the region

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Asia/Pacific, Sika reported growth of 6.8% in local currencies, benefiting from a substantial expansion in sales in Southeast Asia, stable order books in Japan and a marked recovery in China in the second half. The region IMEA (India, Middle East, Africa) recorded a 7.7% increase in sales in local currencies.

In Europe, the debt problem and euro crisis had a negative impact on construction markets, resulting in a downwards volume trend in most European markets. In the region Europe North, sales were down 3.9% in local currencies. The region Europe South grew by 1.0% – adjusting for acquisitions, sales were 7.0% lower.

Other segments and activities generated strong growth of 25.5%, which includes sales in the automotive segment. Sika's growth was fueled primarily by the use of new technologies and its strong presence in the premium car segment, which is enjoying high growth rates in North America, Latin America and Asia. 11.5% of the increase is attributable to acquisition effects.

Technology leadership

Sika's technology leadership is based on the continual development of new products yielding increased customer benefits. In 2012, Sika filed for 73 new patents and made 85 invention disclosures. Among the various products successfully launched was the new, fast-curing Sikalastic® waterproofing system for bridge decks. This reduces the time required for application and enables the renewal of large bridge areas without any major operational disruption.

Another example is the new SikaProof® sheet membranes that prevent any lateral water underflow for fast, safe sealing of fresh concrete composites. In the adhesives and sealants market segment, Sika rolled out a number of new products based on i-Cure technology. As well as being odorless and solvent-free, these products also meet the strictest emissions standards and are quick and easy to apply.

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Acquisitions

In 2012, Sika took over three firms. The acquisition of the Korean company Yean-Il Industrial Co. Ltd. reinforced Sika's market position in Korea's tunnel waterproofing market, and the takeover of the fire protection coatings and systems business of Rütgers Organics GmbH provided Sika with a portfolio of well-established water-based fire protection coatings. In December, Sika announced that it would be acquiring Inatec SRL, the leader in Paraguay's construction chemicals market. Sika also successfully integrated eight companies acquired in 2011, including globally positioned Axim.

Above-average profit growth

On the back of a package of measures taken by Sika in 2012, the gross result was widened to 52.2% (2011: 50.5%). In combination with the sales growth achieved, operating profit was increased by 23.5% to CHF 428.8 million (2011: CHF 347.1 million). The EBIT margin was at 8.9% (2011: 7.6%). Sika increased consolidated net profit by an above-average 30.9% to CHF 281.1 million (2011: CHF 214.8 million).

Investments, liquidity and balance sheet

Sika's investment strategy is geared to further consolidating its presence in the emerging markets. In 2012, the Group invested in expanding capacity in Brazil, Chile, China, Colombia, Mexico, Mongolia, Peru, Russia and Vietnam, raising the investment volume to CHF 131.3 million (2011: CHF 117.1 million).

Net working capital as a percentage of net sales improved to 18.7% (2011: 19.8%), due largely to the consistent monitoring of warehouse and debtor management. In the year under review, operating free cash flow amounted to CHF 302.5 million (2011: CHF 186.1 million), year-end cash and cash equivalents – together with two bonds totaling CHF 300 million – were higher at CHF 994.2 million (2011: CHF 536.0 million), and net debt was reduced to CHF 155.5 million (2011: CHF 338.7 million).

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Board of Directors proposes payment of 13% higher dividend

The Board of Directors proposes to the Annual General Meeting payment of a 13% higher gross dividend than in the previous year, namely, CHF 51.00 per bearer share (previous year: CHF 45.00) and CHF 8.50 per registered share (previous year: CHF 7.50). This proposal is an expression of Sika's consistent dividend payout policy and follows the positive profit development.

The Annual General Meeting will also be recommended to re-elect current Board members Dr. Willi K. Leimer and Christoph Tobler. Dr. Thomas W. Bechtler is no longer standing for re-election.

Positive outlook for 2013

Sika expects the strong growth momentum in the emerging markets in Asia and Latin America to continue in 2013. By contrast, Europe will again be marked by uncertainties this year and present a challenge to the Group's growth strategy. Thanks to its excellent global positioning and its own growth model, Sika is forecasting a further increase in sales and profit for 2013.

Sika is confirming its medium-term targets for 2013. EBITDA is expected to reach 12% and consolidated net profit should exceed the 6% mark. The sales growth target of 8 to 10% is unlikely to be achieved, given the continuing uncertain situation in Europe. Sika is projecting growth of 4 to 6%.

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Key figures 2012

in CHF mn	as % of net sales	2011	as % of net sales	2012	Δ in %
Net sales		4'563.7		4'828.9	5.8
Gross result	50.5	2'304.6	52.2	2'519.3	9.3
Operating profit before depreciation (EBITDA)	10.5	477.4	11.8	568.9	19.2
Depreciation/amortization/ impairment	-2.9	-130.3	-2.9	-140.1	
Operating profit (EBIT)	7.6	347.1	8.9	428.8	23.5
Net profit	4.7	214.8	5.8	281.1	30.9
Earnings per share (EPS) in CHF		85.06		110.98	30.5
Cash flow from operating activities	6.6	299.3	8.8	427.3	42.8
Operating free cash flow	4.1	186.1	6.3	302.5	62.5
Balance sheet total		3'830.3		4'262.3	11.3
Shareholders' equity		1'839.1		2'007.4	9.2
Equity ratio in %		48.0		47.1	
Net working capital	19.8	904.9	18.7	901.0	-0.4
ROCE in %		15.6		18.3	
Number of employees		15'254		15'233	-0.1

The Annual Report and the presentation held at the media conference and analyst meeting covering business year 2012 can be retrieved at www.sika.com.

Link Annual Report:
<http://www.annualreport.sika.com>

Link Presentation/Follow the conference online, webcast February 28, 2013 at 10am:
<http://www.sika.com/en/group/investors/presentations.html>

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Financial calendar:

Tuesday, April 16, 2013

Shareholder letter (first quarter 2013)
45th Annual General Meeting, Lorzensaal, Cham, 3pm

Tuesday, July 30, 2013

Shareholder letter (Half-Year Report 2013)

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 / analysts' presentation

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.