

## MEDIA RELEASE

BUILDING TRUST



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## SIKA AG LAUNCHES CHF 1,500 MILLION CONVERTIBLE BONDS DUE 2025

**Sika AG (the "Issuer" or "Sika") is launching an offering (the "Offering") of CHF 1,500 million senior convertible bonds (the "Bonds") due 2025. Sika intends to use the net proceeds from the Offering mainly to refinance the recently announced acquisition of its own shares from Compagnie de Saint-Gobain and for general corporate purposes.**

The Bonds may be converted into new or existing shares of the Issuer (the "Shares"), starting from the earlier of (i) the 10<sup>th</sup> trading day (inclusive) following the registration with the commercial register of the resolutions passed by the Issuer's extraordinary general meeting (the "EGM" as communicated on May 11, 2018 by the Issuer), and (ii) the 3<sup>rd</sup> trading day following the end of the Fair Market Call Period (as defined below).

Should the EGM not resolve to approve the proposed creation of a single class of registered shares (*Einheitsnamenaktien*) or should such EGM resolutions not be registered with the commercial register of the Canton of Zug, or if the EGM does not take place on or prior to July 31, 2018 (the "Long Stop Date"), the Issuer may redeem at any time no later than 60 business days after the earlier of (x) the conclusion of the EGM and (y) the Long Stop Date (the "Fair Market Call Period") by giving notice to the Bondholders, all but not only some of the Bonds in cash at the greater of (i) 102% of the Issue Price (as defined below) and (ii) 102% of the fair bond value of the Bonds (the "Fair Market Call") as determined in accordance with the terms and conditions of the Bonds.

The Bonds are expected to carry a coupon between 0.00% and 0.30% per annum, and have a conversion price set at a premium of between 40.0% and 45.0% over the volume weighted average price (the "VWAP") of the Shares on the SIX Swiss Exchange between launch and pricing. The Bonds will be offered at a price of between 100% and 101% of their principal amount (the "Issue Price") and will redeem at a price of 100% of the principal amount.

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The Issuer may call the Bonds at any time on or after the 21<sup>st</sup> calendar day after the 5<sup>th</sup> anniversary of the Settlement Date at the relevant net principal amount, if the VWAP of the Shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days.

The Bonds will be provisionally allocated to investors participating in today's book building. Such allocation of the Bonds will be subject to a pro-rata reduction relative to the number of advance subscription rights exercised by existing shareholders during the rights exercise period (the "Clawback").

Existing shareholders will be granted advance subscription rights to subscribe for the newly issued Bonds in proportion to their current shareholding, subject to selling restrictions. Each holder of 1 Bearer Share of the Issuer with a nominal value of CHF 0.60 will be allotted by the Issuer 6 Rights, and each holder of 1 registered share of the Issuer with a nominal value of CHF 0.10 will be allotted by the Issuer 1 Right. 204 Rights give the right to purchase from the Issuer 1 Bond at the Issue Price. The advance subscription rights will not be tradable. Advance subscription rights not exercised by existing Sika shareholders during the rights exercise period from May 18, 2018 until May 28, 2018, 12:00 noon (CEST), will expire and become null and void. Bonds for which advance subscription rights have been validly exercised will be deducted pro rata from the allocation to investors who participate in today's book building. Definitive allocations are expected to be announced by Sika on or around May 29, 2018.

The Offering of the Bonds consists of a public offering in Switzerland and private placements of Bonds to professional investors only in other jurisdictions. The Bonds will be offered to investors outside the United States of America (the "United States" or "US") in compliance with Regulation S under the US Securities Act of 1933, as amended, and in accordance with applicable securities laws, rules and regulations. The Bonds may not be offered or sold in the United States.

The Settlement of the Offering (the "Settlement Date") is expected to take place on June 5, 2018. Application for the listing and trading of the Bonds according to the Standard for Bonds of the SIX Swiss Exchange will be made.

The Issuer has agreed to a 90-day lock-up period from the Settlement Date.

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The Issuer is rated A- (stable outlook) by Standard & Poor's. The Bonds are expected to be rated in line with the Issuer's corporate rating and the Issuer will apply for the Bonds to be rated by S&P.

UBS is acting as Sole Global Coordinator and Sole Bookrunner.

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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 motor vehicle industry. Sika has subsidiaries in 101 countries around the world and manufactures in over 200 factories. Its more than 18,000 employees generated annual sales of CHF 6.25 billion in 2017.