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2013: RECORD RESULTS IN ALL AREAS

- **9.4% sales growth (6.5% in Swiss francs) to CHF 5,142.2 million**
- **Sales up 17.2% in emerging markets**
- **23.8% increase in net profit to CHF 344.7 million**
- **Operating free cash flow of CHF 432.7 million (+43.0%)**
- **Further investments in growth markets with ten new factories in Asia, Latin America, Africa and Eastern Europe**
- **73 new patents**
- **Profitable growth and market leadership targeted with Strategy 2018**

Sika CEO Jan Jenisch: "The fact that we have had a record year in 2013 is due to the expertise and commitment of our 16,293 employees. Their energy and ideas have taken Sika to the next level of performance, and we achieved record results for sales, net profit and free cash flow. In light of the demanding conditions prevailing in numerous markets, the results achieved bear testimony to the strength and robustness of Sika's growth model. Our success formula for sustainably profitable growth is based on the strategic cornerstones of market penetration, technology leadership, accelerated expansion in the growth markets, market consolidation through acquisitions and a strong entrepreneurial corporate culture."

In the 2013 financial year, growth accelerated each quarter and sales rose by 9.4% (6.5% in Swiss francs) to CHF 5,142.2 million. High growth momentum and disciplined cost management led to record figures of CHF 523.5 million (+20.9%) for the operating result and CHF 344.7 million (+23.8%) for net profit.

Growth in all regions

All regions participated in the dynamic growth achieved. Double-digit growth was recorded in Asia/Pacific (+12.7%) and Latin America (+15.1%). The EMEA region (Europe, Middle East and Africa) performed well, posting growth of 8.5%. Market conditions remained difficult in North America, where sales rose by 2.3%.

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Accelerated expansion in the emerging markets produced gratifying sales growth of 17.2% in local currencies (+11.8% in CHF). The proportion of sales generated by the emerging markets increased to 38% (2012: 37%).

Ten new factories

Sika's investment strategy is geared to accelerating expansion in the growth markets. In 2013, a total of ten new factories were opened in Asia, Latin America, Africa and Eastern Europe. The new production plants in Russia, Ukraine, Romania, Colombia, China, Vietnam, Laos, Iraq, Angola and South Africa are key investments to continue driving the company's successful growth strategy.

73 new patents

Sika's success and reputation are founded on a more than one-hundred-year tradition of developing and marketing innovative products. Total research and development expenditure in 2013 came to CHF 166.1 million (2012: CHF 162.8 million), roughly equivalent to 3.2% of sales. In the period under review, Sika filed for 73 new patents and made 73 invention disclosures. A large number of new products were successfully launched.

These include for example the innovative SikaRapid® C-100 concrete accelerator for extra-early strength development in both pure and blended cement systems (pulverized-fuel ash, slag, limestone flour). With Sika® WT-100L and Sika® WT-200P, two new admixtures to improve concrete watertightness were launched. For improved crash behavior in motor vehicle construction, SikaReinforcer® -940 and SikaReinforcer® -960 bonded reinforcing elements were introduced to the market.

Launched two years ago, sales of SikaProof®, a waterproofing membrane that prevent any lateral water underflow for direct bonding to concrete, were up 320% in 2013. Sales of SikaPower®, an adhesive for the latest generation of high-strength, weight-optimized car bodies, were increased by 44%.

Acquisition of 5 companies

In 2013, five companies with a total of 1,058 employees and annualized sales of CHF 372 million were acquired. With AkzoNobel's Building Adhesives business (Europe), Everbuild (UK), Texsa

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(India and Mexico), Optiroc (Singapore and Malaysia) and Radmix (Australia) on board, synergies will be achieved in market access and technology management.

Above-average profit growth

In the year under review, the gross margin improved to 52.4% (2012: 52.2%). Personnel expenses and other operating expenses rose less strongly than sales. Accordingly, operating profit grew by 20.9% to CHF 523.5 million (2012: CHF 433.0 million) and the EBIT margin reached 10.2% (2012: 9.0%). Consolidated net profit increased by 23.8% to CHF 344.7 million (2012: CHF 278.5 million).

Solid balance sheet figures

Net working capital as a percentage of net sales improved to 17.3% (2012: 18.7%). This is mainly attributable to a more efficient management of the inventory and accounts receivable. Operating free cash flow came to CHF 432.7 million in the year under review (2012: CHF 302.5 million). Cash and cash equivalents rose to CHF 1,028.3 million (2012: CHF 994.2 million) at year-end. The equity ratio now stands at 45.1% (2012: 44.6%).

Board of Directors proposes payment of 12% higher dividend

At the Annual General Meeting on April 15, 2014 the Board of Directors will propose to shareholders that the dividend be increased to CHF 57.00 per bearer share (2012: CHF 51.00, +12%) and to CHF 9.50 per registered share (2012: CHF 8.50, +12%). All members of the Board of Directors are standing for re-election for a one-year term of office.

The Board of Directors recommends that the Annual General Meeting should elect Jürgen Tinggren to the Board. Jürgen Tinggren is a member of the Board of Directors of Schenker-Winkler Holding and was CEO of the Schindler Group until the end of 2013.

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New Strategy 2018

The Strategy 2018 was developed and launched worldwide in the 2013 financial year. Sika's growth model is the foundation for its long-term success and for profitable, above-average growth and leadership in the individual target markets.

Within the framework of the Strategy 2018, sales growth of 6 to 8% p.a. is being targeted, assuming constant exchange rates. Emerging markets' share in sales is to be increased to 42 to 45% by 2018. In terms of earnings, the aim is to achieve and sustain an EBIT margin of more than 10% and an operating free cash flow of over 6%.

Positive outlook for 2014

The growth strategy is expected to continue in 2014, through investments in growth markets, the launch of new products, and the acquired companies. However, currency movements and the conditions prevailing in some markets will continue to pose a challenge in the current financial year.

For 2014, Sika expects to see a result in line with the new Strategy 2018, with sales growth of 6 to 8%, assuming constant exchange rates and stable margin trends.

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KEY FIGURES 2013

in CHF mn	as % of net sales	2012	as % of net sales	2013	Δ in %
Net sales		4,828.9		5,142.2	6.5
Gross result	52.2	2,519.3	52.4	2,695.6	7.0
Operating profit before depreciation (EBITDA)	11.9	573.1	13.1	675.9	17.9
Operating profit (EBIT)	9.0	433.0	10.2	523.5	20.9
Net profit	5.8	278.5	6.7	344.7	23.8
Net profit per share (EPS) in CHF		109.95		135.27	23.0
Cash flow from operating activities	8.8	427.3	11.2	574.0	34.3
Operating free cash flow	6.3	302.5	8.4	432.7	43.0
Balance sheet total		4,280.2		4,732.0	10.6
Shareholders' equity		1,909.8		2,136.2	11.8
Equity ratio in %		44.6		45.1	
Net working capital	18.7	901.0	17.3	888.7	-1.4
ROCE in %		18.5		21.0	
Number of employees		15,233		16,293	7.0

The Annual Report and the presentation given at the Media and Financial Analysts' Conference on the 2013 financial year can be downloaded from www.sika.com.

Link to Annual Report:

<http://annualreport.sika.com>

Link to presentation/webcast of the conference on March 4, 2014, 10:00 a.m.:

www.sika.com/presentations

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FINANCIAL CALENDAR:

Net sales first quarter 2014	Tuesday, April 15, 2014
46th Annual General Meeting	Tuesday, April 15, 2014
Half-year report 2014	Friday, July 25, 2014
Result first nine months 2014	Thursday, October 30, 2014
Net sales 2014	Tuesday, January 13, 2015
Media conference/analyst presentation on full-year results 2014	Friday, February 27, 2015

SIKA AG 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 the motor vehicle industry. Sika has subsidiaries in 84 countries around the world and manufactures in over 160 factories. Its more than 16,000 employees generate annual sales of CHF 5.14 billion.