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SIKA AG Zugerstrasse 50
CH-6341 Baar, Switzerland
www.sika.com

CONTACT Dominik Slappnig
Corporate Communications &
Investor Relations
TELEPHONE +41 58 436 68 21
E-MAIL slappnig.dominik@ch.sika.com

ACCELERATED FOURTH-QUARTER SALES GROWTH OF 8.3%

- **6.2% local currency sales growth in 2015**
- **Growth in all regions**
- **Nine new factories and three national subsidiaries opened**
- **Above-average increase in the operating result expected for full year**
- **Strategic targets raised**

Sika achieved accelerated sales growth of 8.3% in the fourth quarter of 2015, while total sales for the year rose 6.2% in local currencies. All regions contributed to the broad-based growth, as did investments in new factories and national subsidiaries. An above-average increase in the operating result is expected for business year 2015. Since the targets set out in Strategy 2018 have been reached ahead of schedule, they are revised upwards. The strong performance underscores the necessity of safeguarding Sika's model for success in the interests of all stakeholders.

All regions achieved significant sales growth and market share gains during business year 2015, with double-digit sales growth in the core markets of the USA, Mexico, Africa, Middle East, Southeast Asia and the Pacific. Group sales were up 6.2% at constant exchange rates. Excluding the negative growth in the Chinese market, sales rose by 7.4%. The strength of the franc led to conversion effects of -7.7%, and thus to a marginal -1.5% decline in sales in Swiss franc terms to CHF 5.49 billion.

Jan Jenisch, CEO: "We are delighted that our growth strategy continues to be successful despite the deteriorating market conditions worldwide. Our thanks go to the 17,000 employees whose competence and commitment have brought us another record result. We continued to systematically implement our expansion strategy throughout the last business year by investing in nine new factories and three new national subsidiaries, which will provide growth stimuli in the future. We expect an above-average increase in the operating result and an EBIT margin of 11.5–12.0% for full-year 2015."

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GROWTH IN ALL REGIONS

In the past business year, the region EMEA (Europe, Middle East, Africa) increased sales by 5.6%, benefiting from the good business performance in Eastern Europe, Africa and the Middle East. Sales in Western Europe even slightly exceeded the strong previous year's result.

The greatest sales growth was achieved in the region Latin America. Despite the challenging market environment in Brazil, market share gains in other countries resulted in sales rising by 9.5%. North America sustained its high growth dynamic and achieved a sales increase of 8.4%. In the USA, continuing development of the market and the healthy construction sector led to significantly higher volumes, as investments in infrastructure and commercial properties increased.

Growth in the region Asia/Pacific slowed to 2.1% owing to the declining market trend in China. On the other hand, double-digit sales increases were achieved in Southeast Asia and the Pacific.

GROWTH DRIVEN BY EMERGING MARKETS AND MORTAR BUSINESS

Sika's accelerated growth in the emerging markets continued to generate very good results, with sales rising by 7.9%. The high-margin mortar business – a core component of Sika's Strategy 2018 – exhibited an above-average performance, with sales growth of 12.9%. Sika further expanded its fast-growing mortar business in the past year by opening five new factories and completing three acquisitions.

NINE NEW FACTORIES AND THREE NEW NATIONAL SUBSIDIARIES

Targeted development of growth markets continued in 2015, with new factories being opened in all regions. In the region EMEA, the expansion of production capacities in the form of new factories in Dubai, Nigeria, Ivory Coast, Russia and La Réunion, will provide additional future growth stimuli in the region. Furthermore, Sika established new national subsidiaries in Tanzania and Ethiopia. In the region Latin America, new factories were opened in Paraguay and Argentina, while in North America, Sika expanded its production capacities by adding a new facility in Philadelphia. In the region Asia/Pacific, Sika's first factory in Sri Lanka was opened, while a new national subsidiary was established in Myanmar.

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STRATEGIC TARGETS RAISED

Since the targets for Strategy 2018 have been reached ahead of schedule, the Board of Directors has decided to raise them. Sika is now aiming for an EBIT margin of 12–14% (previously >10%) and an operating free cash flow in excess of >8% (previously >6%). The company is also aiming to increase its return on capital employed to 25% (previously >20%) by 2018.

ENSURING THAT THE SIKA SUCCESS STORY CONTINUES

The strong performance once again underscores the necessity to safeguard Sika's successful business model in the interests of all stakeholders. Along with its public shareholders, Sika's Board of Directors, Group Management, 160 senior managers and employee representatives remain opposed to Saint-Gobain's hostile takeover bid, which they believe would fundamentally jeopardize the Sika success story. There is still no evidence to suggest that there is any industrial logic behind the transaction. Saint-Gobain wants to control Sika – as a competitor – by holding just 16% of its capital. This results in conflicts of interest. Since the plan entails Saint-Gobain having a majority on Sika's Board of Directors, the interests of the public shareholders would no longer be adequately represented. The Board of Directors and Group Management will therefore continue to act in the interests of Sika and its stakeholders with the aim of guaranteeing the unimpeded continuation of Sika's successful growth strategy.

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 93 countries around the world and manufactures in over 170 factories. Its approximately 17,000 employees generated annual sales of CHF 5.49 billion in 2015.