BUILDING TRUST

Sika AG · Zugerstrasse 50 · 6341 Baar · Switzerland

Baar, December 4, 2015

BOARD LETTER TO THE SIKA SHAREHOLDERS

Dear Sika shareholder

It is now 12 months since all of us were surprised by the intended sale of the family Burkard's stake in Sika.

On behalf of all non-conflicted Board members I would like to offer you my gratitude for your tremendous support during the last year. With statements at the shareholders' meetings and numerous letters you have expressed your concerns on the detrimental impact the transaction would have on Sika. You have endorsed the actions the non-conflicted Board members have taken to safeguard the interests and success story of Sika.

The Board and Group Management have rejected the change of control in the proposed form since the announcement. The reasons are still the same:

1. The transaction lacks any industrial logic and the claimed synergies are not realistic. A legal integration is not permitted since Saint-Gobain would acquire only a minority stake in Sika's capital. Therefore, any co-operation would need to comply with complicated agreements based on arm's-length terms. This would not only lead to a substantial increase in administrative complexity but would directly attack and undermine Sika's efficient line management and clear allocation of P&L responsibility.

2. Saint-Gobain wants to fully control Sika with only 16% of the capital. The high premium paid by Saint-Gobain (at current trading more than 100%) would require far reaching measures to justify the transaction vis-à-vis its own shareholders. Also, Saint-Gobain has no interest in a high price of the bearer shares. A low share price would allow Saint-Gobain to increase its stake at very favorable conditions.

3. Public shareholders, which own 84% of Sika's capital, would no longer have adequate representation on the Board. Saint-Gobain wants to appoint the majority of the members and the Chairman. This would be a fundamental change in Sika's corporate governance and a direct contradiction to Saint-Gobain's claim to leave Sika independent.

4. Saint-Gobain is a direct competitor of Sika in the mortar business. Because Saint-Gobain would own only 16% of the capital, conflicts of interest are inevitable. Having full control over the Board of Sika, Saint-Gobain would have an overriding interest to solve such conflicts to its advantage and favor its own line of business.

5. Sika would lose its A- credit rating leading to higher refinancing costs and damaging our market reputation.

The transaction – which is unparalleled in the world – will thus destroy the very basis on which Sika's growth model is built. It is, therefore, not in the interest of Sika.

While the Board has repeatedly explained the detrimental effects of this transaction, we still miss any conclusive explanation from the potential buyer to justify the claimed industrial logic. We especially note that despite the paramount importance of human resources for Sika's success, Saint-Gobain has still not entered into a constructive dialogue with Sika's Board and management on the obvious shortcomings of the transaction.

Allow me to emphasize the strong performance of our employees under the leadership of the Group Management. Unimpressed by the conflict, they deliver record results and execute the Strategy 2018 ahead of plan. We have reported significant increases in both volumes and market share in all regions in the first nine months of the year, resulting in a 5.5% growth in sales and a 9% rise in net profit. The growth strategy progressed with investments in eight new factories, three new companies and five acquisitions.

These achievements illustrate Sika's policy of “business as usual”. The continued success is made possible by highly motivated employees and the unique spirit that drives them. The success is also due to the commitment and loyalty of our 160 Sika Senior Managers of whom nobody left Sika despite the ongoing conflict.

Backed by the support from employees and shareholders and driven by the deep conviction that the intended transaction would ultimately destroy Sika's success story, the non-conflicted Board members will continue to act in the best interest of Sika and to oppose the intended transaction.

The ongoing legal proceedings center on the question whether article 4 of Sika's articles of association (transfer restriction) applies to this transaction. The Board is convinced it does. Article 4 of Sika's articles of association requires the Board to approve any transfer of more than 5% of Sika's registered shares.

The Board continues to be available for constructive talks with both the family Burkard and Saint-Gobain. We have repeatedly made alternative proposals to remedy the obvious shortcomings of the intended transaction. I have also written to Saint-Gobain's shareholders, which letter I attach for your information.

Again thank you for your ongoing support.

Kind regards

Dr. Paul Hälg
Chairman