

## Sika Group - Financial and Strategic Analysis Review

Reference Code: GMDCH25387FSAS

Publication Date: MAR 2009

### Company Snapshot

#### Key Information

Sika Group, Key Facts	
Web Address	www.sika.com
Financial year-end	December
Number of Employees	12,900
Swiss Stock Exchange	SIK
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

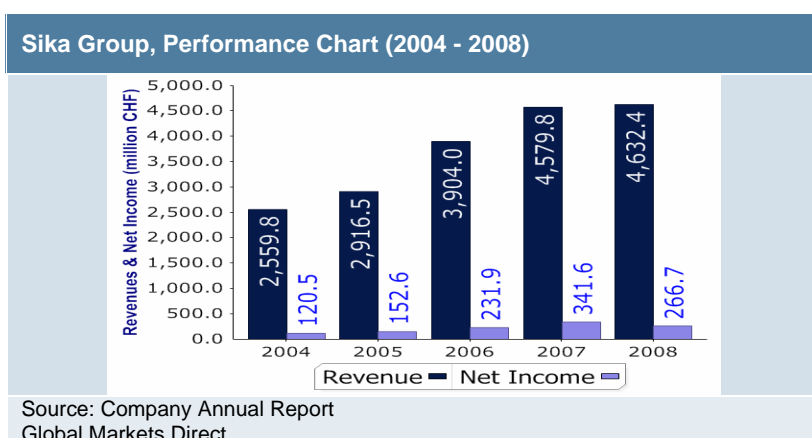
#### Key Ratios

Sika Group, Key Ratios	
P/E	6.4
EV/EBITDA	4.3
Return on Equity (%)	18.2
Debt/Equity	0.5
Operating profit margin (%)	9.1
Dividend Yield	0.1
Note: Above ratios are based on share price as of 06-Mar-2009	
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

#### Share Data

Sika Group, Share Data	
Price (CHF) as on 06-Mar-2009	687.5
EPS (CHF)	107.0
Book value per share (CHF)	589.9
Shares Outstanding (in million)	2.5
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

#### Performance Chart



### Company Overview

Sika Group (Sika) is a globally integrated group engaged in the field of specialty chemicals. The operations of the company are divided into two business divisions namely the construction division and the industry division. Sika offers processing materials, which are used in sealing, bonding, damping, reinforcing and protecting load-bearing structures in construction and industry.

#### SWOT Analysis

Sika Group, SWOT Analysis	
Strengths	Weaknesses
Global Presence	High Dependency on Construction Segment  Poor Operating Margin
Research and Development Focus	
Strong Brand	
Opportunities	Threats
Chinese Construction Market	Compliance with REACH  Decreasing demand for Automotives  Intense Competition
Capital Investments	
Strategic Acquisitions	
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

#### Financial Performance

The company has reported revenues of (Swiss Francs) CHF 4,632.40 million during the fiscal year ended 2008, an increase of 1.15% over 2007. The operating profit of the company was CHF 422 million during the fiscal year 2008, a decrease of 17.38% over 2007. The net profit of the company was CHF 266.70 million during the fiscal year 2008, a decrease of 21.93% over 2007.

**Table Of Contents**

Key Information..... 1

Key Ratios ..... 1

Share Data..... 1

Performance Chart ..... 1

Table Of Contents ..... 2

List of Tables ..... 3

List of Figures..... 3

Key Facts ..... 4

    Business Description ..... 4

    Major Products and Services..... 6

        Overview ..... 6

History ..... 7

SWOT Analysis Overview ..... 8

    Overview ..... 8

    Sika Group - Strengths ..... 8

        Global Presence..... 8

        Research and Development Focus..... 8

        Strong Brand ..... 8

    Sika Group - Weaknesses ..... 8

        High Dependency on Construction Segment ..... 8

        Poor Operating Margin ..... 8

    Sika Group - Opportunities ..... 9

        Chinese Construction Market..... 9

        Capital Investments..... 9

        Strategic Acquisitions..... 9

    Sika Group - Threats ..... 9

        Compliance with REACH ..... 9

        Decreasing demand for Automotives ..... 9

        Intense Competition ..... 9

Key Competitors..... 10

Key Employees ..... 10

Key Employee Biographies ..... 11

Company Statement ..... 12

Locations And Subsidiaries..... 14

    Head Office..... 14

    Other Locations & Subsidiaries ..... 14

Financial Ratios..... 15

    Capital Market Ratios ..... 15

    Annual Ratios ..... 15

    Interim Ratios..... 16

    Ratio Charts..... 17

Appendix ..... 18

    Methodology ..... 18

    Ratio Definitions..... 18

    About Global Markets Direct..... 21

    Contact Us ..... 21

    Disclaimer..... 21

**List of Tables**

Sika Group, Key Facts ..... 1

Sika Group, Key Ratios ..... 1

Sika Group, Share Data ..... 1

Sika Group, Key Facts ..... 4

Major Products and Services ..... 6

Sika Group, History ..... 7

Sika Group, Key Employees ..... 10

Sika Group, Key Employee Biographies ..... 11

Sika Group, Subsidiaries ..... 14

Sika Group, Ratios based on current share price ..... 15

Sika Group, Annual Ratios ..... 15

Sika Group, Interim Ratios ..... 16

Currency Codes ..... 18

Capital Market Ratios ..... 18

Equity Ratios ..... 18

Profitability Ratios ..... 19

Cost Ratios ..... 19

Liquidity Ratios ..... 19

Leverage Ratios ..... 20

Efficiency Ratios ..... 20

**List of Figures**

Sika Group, Performance Chart (2004 - 2008) ..... 1

Sika Group, Ratio Charts ..... 17

## Key Facts

## Sika Group, Key Facts

<b>Corporate Address</b>	Zugerstrasse 50, Baar, CH-6341, Switzerland	<b>Ticker, Exchange Symbol</b>	SIK [Swiss Stock Exchange]
<b>Telephone</b>	41 58 436 68 00	<b>No. of Employees</b>	12,900
<b>Fax</b>	41 58 436 68 50	<b>Turnover (in USD Million)</b>	4,305
<b>URL</b>	www.sika.com	<b>Fiscal Year End</b>	December
<b>Industry</b>	Chemicals		
<b>Locations</b>	Asia-Pacific, Australia, Bahrain, China, Croatia, Europe, France, Germany, India, Ireland, Italy, Middle East and Africa, North America, Russian Federation, South Africa, South and Central America, Spain, Switzerland, Turkey		

Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## Business Description

Sika is engaged production of a wide range of specialty chemicals. Its product portfolio include concrete admixtures, specialty mortars, sealants and adhesives, damping and reinforcing materials, structural strengthening systems, industrial flooring and sealing films. The company operates in different countries of Europe North, Europe South, North America, Latin America and Asia-Pacific.

The group's specialty chemicals business is divided into two reportable business divisions namely the Construction Division and the Industry Division.

The Construction Division offers various types of products and solutions that are used in concrete production, grouting and fixing, concrete repair and protection, structural strengthening, elastic sealing and bonding, steel protection, flooring and lining, waterproofing and roofing. In addition, it also offers concrete spraying machines, concrete spraying pumps, liquid dosing units, telescope spraying arms and concrete spraying systems. The customers of Sika under this division include concrete producers, contractors and distributors.

Sika offers Sika ViscoCrete-25 MP, which is a plasticizer for concrete for concrete producers. In addition, the company also offers Sika Bond-T52FC/-T54 FC, which is an adhesive system for wooden flooring, along with SikaBond Dispenser-5400 to the contractors. The company received additional orders for large projects in the automobile, semi-conductor and electronic industry in Taiwan, China, Ireland, Germany and the United Kingdom. Further, it also won contracts for retail and logistics projects in Korea, China, United Kingdom and Poland as well as big parking garages and arenas in Germany, Austria, United Kingdom and Poland.

In addition, the company provides Sikaplan G, a PVC membrane for sealing large roof expanses installed with mechanical fasteners. It offers various solutions for bonding precast concrete elements in the construction of new structures, bridges and towers through auxiliary products such as the SikaGrout-300 PT and Sikadur-31 SBA.

Under the Industry Division, the company is engaged in providing research & development services, technical services and system engineering solutions. It develops solutions and processing materials for bonding, sealing, damping and reinforcing. It serves customers in various sectors including automotive, after market, transportation, marine, and appliances & components.

Further, the company is engaged in development and production of roofing system solutions for building owners, architects, planners and contractors. Its roofing products include Sarnafil and Sikaplan which are designed for new constructions and refurbishments.

Sika operates in facades, fenestration and insulating glass business through Sika FFI. Sika FFI is a team of specialists in sealing and bonding in facades, windows and insulating glass. The various products and applications of Sika FFI are structural glazing, window bonding, insulating glass, weather seals, glazing applications, panel systems, water proofing systems and ancillary products.

Sika operates in field of underground construction through Sika Tunneling & Mining. This company is involved in new developments in the three core fields namely construction chemicals, equipment and waterproofing systems.

Sika carries out its distribution activities through Sika Distribution. It distributes various global brands namely Sikaflex, Sikasil, Sika Boom, SikaBond, Sikalastic, Sikagard, Sika AnchorFix, Sikadur and Sikafloor. The company operates through several distributors namely, builder merchants, home centers, floor covering trade, timber trade, roofing dealers, hardware stores, agro dealers and paint dealers.

During FY 2008, the construction division accounted for 80% of the total revenues of the group and the industry division accounted for the balance 20%.

The group classifies its geographical locations into six regions namely Europe North, Europe South, North America, Latin America, IMEA and Asia/Pacific. The Europe North region accounted for 37.7% of the total revenue of the group for the fiscal year ended 2008 followed by Europe South (22.7%), North America (14.2 %), Asia/Pacific (10.4 %), Latin America (9.4 %) and IMEA (5.6%).

During fiscal year 2008, Sika completed the acquisition of Iotech Group Limited, which specializes in formulation, production and supply of polyurethane liquid membranes and intermediates. This acquisition enables Sika to expand its technology and market know-how and build up a market position in polyurethane liquid membranes for roofing.

In 2009, Sika acquired Pelplast Utvecklings AB based in Vadstena, Sweden. This acquisition will expand Sika's offering in specialty epoxy resins for compact floors.

## Major Products and Services

### Overview

Sika is providing various types of specialty chemical products, brands and systems to the construction and industrial customers. The company's key products and brands include the following:

Major Products and Services
Products:
Concrete admixtures
Specialty mortars
Sealants
Adhesives
Damping
Reinforcing materials
Structural strengthening systems
Industrial flooring
Sealing films
Shotcrete Admixtures
Grouting and Fixing
Polymer-binder-based mortars
Fiber Reinforced Polymers
Structural Glazing
Window bonding
Insulating glass
Weather seals
Glazing applications
Panel systems
Water proofing systems
Ancillary products
Equipments:
Concrete spraying machines
Concrete spraying pumps
Liquid dosing units
Telescope spraying arms
Concrete spraying systems
Brands:
Sika ViscoCrete-25 MP
Sika Bond-T52FC/-T54 FC
SikaBond Dispenser-5400
Sikaplan G
SikaGrout-300 PT
Sikadur-31 SBA
Sikaflex
SikaBond
Sika AnchorFix
Sika Mix&Go
Sarnafil and Sikaplan
Sika CarboDur
Sikasil
Sika Boom
Sikalastic
Sikagard
Sikadur

Sikafloor

Sika BlackSeal

Sikacryl

Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## History

### Sika Group, History

2009	<b>Acquisitions/Mergers/Takeovers</b>	In 2009, Sika acquired Pelplast Utvecklings AB based in Vadstena, Sweden
2008	<b>Acquisitions/Mergers/Takeovers</b>	In 2008, Sika completed the acquisition of Iotech Group Limited, a specialist in formulation, production and supply of polyurethane liquid membranes and intermediates.
2008	<b>Acquisitions/Mergers/Takeovers</b>	In January 2008, Sika purchased the business of the German Tricosal GmbH & Co. KG in Illertissen.
2008	<b>Acquisitions/Mergers/Takeovers</b>	In 2008, the company over the business for polymer-based industrial flooring of Valspar Corporation in the US.
2007	<b>Other</b>	Sika opened a new production facility in Turkey which deals with manufacturing admixtures, mortars, coatings as well as resins for flooring.
2007	<b>Other</b>	Sika opened its sixth production facility in China. This facility would produce Sikaflex polyurethane adhesives as well as concrete admixtures and mortars
2007	<b>Other</b>	In 2007, Sika acquired MRT Construction Products located in Edmonton, Canada.
2005	<b>New Products/Services</b>	In 2005, Sika introduced Sika ViscoCrete-25 MP, a super plasticizer for concrete.
1968	<b>Stock Listings/IPO</b>	During 1968, its shares listed on the SWX Swiss Exchange.
1910	<b>Incorporation/Establishment</b>	In 1910, Sika group was founded in Zurich.

Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## SWOT Analysis Overview

### Overview

Sika Group (Sika) is a specialty chemical company engaged in developing processing materials used in sealing, bonding, damping, reinforcing and protecting load-bearing structures in construction and other industries. It has operations across the globe in more than 72 countries. The company has 55 global production sites of which 23 are located in Europe.

Sika's global operations have enabled the company to cater a diversified customer base. The focused research and development activities of the company have enabled it in developing a strong product portfolio. The growing demand for construction chemicals in China and the strategic investments and acquisitions made by the company are expected to further growth. However, intense competition in the market along with decreasing demand for automotives could adversely impact company's performance.

### Sika Group - Strengths

#### Global Presence

Sika is a global company with operations in more than 72 countries across the world. Its operations are spread across Europe, North America, Latin America, Middle East and Africa, and Asia Pacific. The company has 55 manufacturing facilities located across the world with 23 in Europe. Its operations across the world are regulated by more than 100 production and marketing companies. Global presence enables the company to cater to broad range of customers worldwide and provides several growth opportunities. It also reduces the risk related to operation of the company's business in limited geography.

#### Research and Development Focus

Sika gives utmost importance to research and development so as to develop new and innovative products. The company follows a centralized and decentralized research strategy. Centrally organized research handles long term research programs, delivers analytical services and establishes R&D management for the entire company. The company's decentralized research deals with adaptation of products, solutions and applications to regional or customer-specific requirements. Sika operates nine technology centers across America, Europe and Asia which focus on regional adaptation of products, solutions and applications. Further, the company participates in various international projects and is active among other organizations in the NanoCem Consortium.

To further enhance its research and development activity, the company collaborates with various top universities in Switzerland, the USA, Germany, Spain, France, China and India. Sika's total research and development spending during the year increased to CHF 74.1 million in 2008 from CHF 65.2 million in 2007. The company's patent filings increased from 60 in 2007 to 80 in 2008; and the number of invention disclosures amounted to 84 in 2007. Sika's focused research and development activity has enabled it in developing several new and innovative products over the years.

#### Strong Brand

Sika enjoys a strong brand presence and its logo is recognized the worldover as a sign of quality, innovation and service. Sika has a high degree of brand awareness particularly as a logo. This has enabled the company to place high value on consistent and standardized use of the logo. Customers are ensured of receiving high quality and service wherever the Sika logo appears. The Sika brand as well as 614 additional trademarks such as Sikaflex, Sika ViscoCrete or SikaBond provide a market advantage to the company. The strong brand-image of the company enables it to distinguish the product from its competitors. In addition, the company's brand lends its products a positive value perception and retains the confidence of its customers.

### Sika Group - Weaknesses

#### High Dependency on Construction Segment

The company is generating a major part of its revenues from the construction segment. This segment accounted for 80% of total revenue of the company in year 2008.. The company's high dependency on construction segment may expose it to business risk. If the demand for the products and services of the segment decline, then the revenues of the company may be adversely affected.

#### Poor Operating Margin

During the fiscal year 2008, Sika recorded a poor operational performance. The operating profit of the company was CHF 422.0 million during the fiscal year 2008, a decrease of 17.4% over 2007. The operating margin declined from 11.1% in 2007 to 9.1% in 2008. The decline in operating margin was due to increase in operating expenses by 3.5%. Further, the massive, short-term increase in raw material prices affected the profitability. The poor operational performance reveals the challenge of managing costs. The inability of the company to manage its expenses efficiently could adversely affect its profitability.

## Sika Group - Opportunities

### Chinese Construction Market

The demand for construction chemical products used in on-site applications is increasing in China. The demand is expected to reach a total of CNY 40 billion by 2012, representing a 10.1% per year growth from 2009. This growth would be driven by increase in both new construction, and improvement and repair projects. Further, it has been predicted that caulks and adhesives will remain the largest construction chemical product category in 2012, accounting for about 40% of total industry sales. The next biggest product category is cement and asphalt additives. In addition, demand for polymer flooring is also expected to increase, driven by increasing use of these products in high-end residential and commercial parking. Demand for sprayed polyurethane foam will be boosted by its increasing usage in insulation applications. The increasing demand in China for various construction chemical products could boost the company's sales in the region.

### Capital Investments

The company has made several strategic investments during the fiscal year 2008. Investments in property, plant and equipment have increased from CHF 179 million in 2007 to CHF 224 million in 2008. The company continues to focus on increasing the annual production capacity of Sikaflex and Sika ViscoCrete, and roofing and flooring systems, as the demand for these products is steadily increasing. Apart from investments into newer facilities, the company focused on extension or modernization of existing production plants. During fiscal 2008, the company completed construction of its new production facility for Sikaflex in Duding, Switzerland. In addition, the production capacity for Sikaflex in Europe was doubled. Further, the company enhanced the capacity for roofing membranes in Duding, Switzerland. The other new facilities added include production units for high-viscosity polyurethane adhesives in the US and in Japan, a facility for concrete additives in China and two installations for Sika ViscoCrete in Belgium and Germany. In addition, the company has made investments for developing a new research and development center in Zurich, Switzerland. The company is looking forward to meet the increasing demand for various products through strategic investments.

### Strategic Acquisitions

Along with organic growth, Sika continuously focuses on growth through acquisition. It focuses on the acquisition of those assets and technologies which would strengthen or compliment its core business and the ones which could be applied worldwide. In January 2008, Sika purchased the business of the German Tricosal GmbH & Co. KG, one of the leading enterprises in the area of sealing and waterproofing of buildings and civil engineering structures in Germany. This acquisition is expected to expand the product portfolio of Sika and strengthen its know-how for the sealing of structures. In addition, Tricosal's area-wide distribution encompassing four branch offices as well as onsite services has strengthened its project business in the German market.

Further, Sika took over the business for polymer-based industrial flooring of Valspar Corporation in the US. This acquisition is expected to enable the company to enhance its position in the flooring systems sector. The acquisition of Iotech Group Limited, a specialist in formulation, production and supply of polyurethane liquid membranes and intermediates is expected to enable Sika to expand its technology and market know-how and build up a market position in polyurethane liquid membranes for roofing. More recently in 2009, Sika acquired Pelplast Utvecklings AB based in Vadstena, Sweden. The acquisition will add value to Sika's offering in specialty epoxy resins for compact floors. The acquisitions made by Sika are expected to broaden its product portfolio and would help in reaching out to newer markets.

## Sika Group - Threats

### Compliance with REACH

In June 2007, the European Union brought a new regulation named REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) into force. REACH is a regulation on chemicals and their safe use. The aim of REACH is to improve the protection of human health and the environment through identification of the intrinsic properties of chemical substances. This law applies to chemicals manufactured or marketed in Europe, and its regulations affect companies exporting chemicals to Europe as well as those located there. Compliance with REACH requires performing cost-benefit analyses of chemicals, understanding the supply chain, gathering information for the CSR, arranging for studies on exposures to and hazards of chemicals, and gathering information from existing studies on exposure and hazard. All the above mentioned activities require the expertise of skilled professionals which may lack in small and mid size companies. Moreover compliance with REACH requires registration which is quite expensive. Companies like Sika are most likely to suffer as compliance with REACH is a tedious and expensive process. If the company fails to comply with this regulation, then its exports to Europe would be dampened and this would adversely affect the turnover of the company.

### Decreasing demand for Automotives

The global economic crisis has had an adverse effect on the automotive industry worldwide. The automotive industry is facing a major downturn, with the demand for automobiles and related services falling rapidly. U.S automotive sales fell 13.2 million in 2008, down 18% from 16.1 million in 2007, because of the financial crisis and credit crunch. It has been predicted that the U.S. auto sales would fall about 13% to 11.5 million units in 2009, due to high unemployment, low consumer confidence and mounting consumer debt. The automotive sector is one of the major sectors served by the company. A sharp fall in the Automotive market will adversely affect the sales and thereby the revenues of the company.

### Intense Competition

Sika is facing intense competition from a number of players both regional and international across the world. It faces competition in the areas of price, product, customer service and quality. Its major competitors are BASF SE, CRH Plc., W.R. Grace & Co., Lafarge S.A., Propex Inc., and Evonik Degussa Corporation. Some of its competitors are big players having larger resources and wider geographical presence than the company. These competitors are in a better position to

handle the global meltdown and falling demand and remain competitive. Firece competition may pose a threat to the very existence of the company.

## Key Competitors

The following companies are the major competitors of Sika Group:

BASF SE

CRH plc

Evonik Degussa GmbH

H.B. Fuller Company

Okong Corporation

Soken Chemical & Engineering Co., Ltd.

## Key Employees

Sika Group, Key Employees				
Name	Job Title	Board Level	Since	Age
Iven Chadwick	Director	Non Executive Board	2009	
Dr Walter Gruebler	Chairman	Executive Board	2004	67
Dr Thomas Bechtler	Vice Chairman	Executive Board	1989	60
Urs F. Burkard	Director	Non Executive Board	1990	52
Urs B. Rinderknecht	Director	Non Executive Board	1998	63
Dr Toni Rusch	Director	Non Executive Board	2000	65
Daniel J. Sauter	Director	Non Executive Board	2000	52
Fritz Studer	Director	Non Executive Board	2006	66
Dr. Ulrich W. Suter	Director	Non Executive Board	2003	65
Christoph Tobler	Director	Non Executive Board	2005	52
Ernst Bartschi	Chief Executive Officer	Senior Management	2005	57
Silvio Ponti	Deputy Chief Executive Officer, Europe North	Senior Management	2002	56
Ronald Trachsel	Chief Financial Officer	Senior Management	2008	50
Urs Mader	Officer, Research and Development	Senior Management	2005	54
Peter Krebsler	Head, Operations	Senior Management	2004	59
Jan Jenisch	Regional Manager Asia Pacific	Senior Management	2007	43
Paul Schuler	Regional Manager North America	Senior Management	2007	54
Jose Luis Vazquez	Regional Manager Europe South	Senior Management	2002	62
Alexander Bleibler	Head, Corporate Business Unit Contractors	Senior Management	2007	56
Bruno Fritsche	Head, Corporate Business Unit Industry	Senior Management	2007	57
Christoph Ganz	Head, Corporate Business Unit Distribution	Senior Management	2007	40
Ernesto Schumperli	Head, Corporate Business Unit Concrete	Senior Management	2007	54

Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## Key Employee Biographies

## Sika Group, Key Employee Biographies

Dr Walter Gruebler  
 Job Title:Chairman  
 Board Level:Executive Board  
 Since:2004  
 Age:67

Mr. Gruebler is the Chairman of the company since 2004. Previously, he served as the Chief Executive Officer for Sika AG between 2000 and 2004. During 1990 and 1999, he hold the position as Member of Group Management, alusuisse, Zurich. From 1974 to 1990, Gruebler also worked as the Chief Executive Officer and Vice Chairman, Airex AG. During 1968 and 1974, he served as Project Leader and Member of Executive Board, Hayek Engineering AG, Zurich. In addition, Gruebler is also the Chairman, Board of Director of Adval Tech AG, Niederwangen. He is also Member, Board of Director of Nationale Suisse, Basel; Quadrant AG, Lenzburg; Petroplus Holdings AG, Zug and a Member of Board Swiss Society of Chemical Industries, Zurich.

Ernst Bartschi  
 Job Title:Chief Executive Officer  
 Board Level:Senior Management  
 Since:2005  
 Age:57

Mr. Bartschi is the Chief Executive Officer of the company since 2005. Earlier, he served as the Chief Financial Officer and Member of the Group Management during 2002 and 2004. Before that, Bartschi was the Chief Financial Officer and Member of Corp.Management Team of Schindler Management AG between 1997 and 2001. During 1993and 1997, he also served as the Managing Director and Financial Manager of Schindler Aufzüge AG, Switzerland. In between 1980 and 1993, he also hold several positions such as Area Controller, Head of Group Area Controlling and the Chief Financial Officer, Elevator and Escalator Division in Schindler Management AG.

Ronald Trachsel  
 Job Title:Chief Financial Officer  
 Board Level:Senior Management  
 Since:2008  
 Age:50

Mr. Trachsel joined as the Chief Financial Officer of the company in 2008. Previously, he served various positions in Vitra Group including the Chief Financial Officer, the Chief Executive Officer, Head of Group Management as well as Executive Director, Ormand AG during 1999 and 2007. During 1992-99, he worked as Head Internal Audit and the Chief Financial Officer, Ringier Europe for Ringier Group. Between 1987 and 1992, Trachsel served in Ciba-Geigy Group for Internal Audit. Earlier, he started his career with Visura Treuhandgesellschaft, where he is responsible for accounting and tax counseling for small and medium-sized enterprises.

Source: Annual Report, Company Website, Primary and Secondary Research  
 Global Markets Direct

## Company Statement

A joint statement by Mr. Walter Gruebler, the Chairman of Sika Group and Mr. Ernst Bartschi, the Chief Executive Officer of Sika Group is given below. The statement has been taken from the company's 2008 Annual Report.

### MARKET ENVIRONMENT AS CHALLENGE

The year 2008 will go down in history as the year in which global market conditions changed more quickly than ever before in the history of economics. What began as a financial crisis in real estate in the USA broadened during the course of the year under review to a comprehensive crisis of the real economy, and in the third and above all fourth quarter led to negative developments in most Sika markets.

The massive, short-term increases in raw material prices during the course of the second half of the year could either not be passed on to customers, or only in part. In addition, in a number of markets local currencies suffered substantial losses in value, for example in Great Britain, Australia and Korea, which eroded corresponding margins within a very short time.

### PREPARED FOR THE FUTURE

The automotive industry incurred an especially harsh deterioration of conditions. In the first half of the year automotive manufacturers – except in the USA – were still able to raise the number of automobiles sold in comparison with the corresponding period of the previous year. In the third and foremost in the fourth quarter worldwide turnover plummeted. The sales of manufacturers of trucks, busses and yachts developed similarly with greater accentuation.

In the construction industry the picture did not become gloomy so rapidly. At first the slump was limited to the USA; in the third quarter Great Britain, Ireland, Spain and New Zealand followed, and in the course of the fourth quarter the recession gripped nearly all countries. So for example in Russia towards the end of the reporting period, various major construction projects were stopped, and the kickoff of planned construction projects was temporally postponed, possibly to be given up completely. Many countries, however, have announced economic stimulus programs, which across the board include extensive investments in infrastructure. Here Sika is well positioned to profit from such programs, above all in the refurbishment sector. From experience nevertheless, some time elapses between the approval and realization of such projects.

In response to the negative developments of the past months, we have reacted in accordance with the respective situation of individual factories and regional companies. So for example in Spain, where building and construction activity demonstrated clear weaknesses very early, we reduced costs and adapted ourselves to the new conditions. In the current business year we will proceed with this situation-appropriate reaction to country-specific changes. Included here among other things are the review of all planned investments and new hires.

### FURTHER GROWTH

Overall Sika achieved growth of 7.3% in local currencies in the year under review, resulting from organic growth of 5.9% and growth through acquisitions of 1.4%. Most currencies lost considerable value opposite the Swiss franc during the course of the year; this had a negative effect of -6.2% on sales. Growth in Swiss francs thereby amounted to 1.1%. Sika lost in 2008 the enormous growth dynamic of recent years. We are gaining additional customers and increasing our customer penetration; nevertheless the overall business of most customers has fallen back considerably. Earnings could not reach the record result of the previous year. Not only the lost growth dynamism, but above all the high exchange rate of the Swiss franc and the enormous, short-term price increases for raw materials, which could only be passed on to the market in small part, had a strong effect on the result. EBITDA dropped 12.8% to CHF 556.1 million, and net profit after taxes fell by 21.8% to CHF 267.4 million. This is nonetheless the second-best result in Sika's history.

### A SOLID FINANCIAL POSITION

The balance sheet and the financing of our enterprise are solid. The net working capital in proportion to net sales could be reduced from 20.2% to 19.3% as a result of improved management of receivables and due to currency-related shifts in mix. New structures and processes along the supply chain led in contrast to a temporary increase in inventories. With a syndicated line of credit of CHF 450 million that is presently not being drawn on, together with own cash and cash equivalents, liquidity is on a sound level.

### SUSTAINABLE DEVELOPMENT

In the year under review Sika identified various demands that the principle of sustainable development makes on our company. So for example the sustainable handling of water is a duty that Sika accepts to preserve this valuable resource also for future generations. Our concrete admixtures are making a contribution already today by substantially reducing water consumption in the manufacture of concrete (see page 42). Another example are grinding aids, with which cement producers are able to significantly lower energy consumption in their manufacturing process. For 2010 Sika is planning a detailed report of its achievements regarding sustainable development.

## OUTLOOK

Due to the spreading economic crisis we reckon with losses in many of the markets that are relevant for us. The Construction Division feels the cooling demand with some delay, and on the other hand will also profit later from an economic recovery. Economic stimulus packages in infrastructure building and construction will help in part to compensate growth slumps in private sector construction. Sika will continue to exploit all available growth possibilities, and thereby make use of the greater readiness of customers to apply higher-value technologies that based on experience emerges above all in crisis situations, taking this opportunity to introduce new products and solutions to market. Further development of markets, raw material prices and exchange rates remain highly uncertain, so that presently no exact forecast of sales and profit are possible. We proceed from a persistent recession scenario, which allows anticipation of clear growth signals at the earliest in 2010.

We will employ the current business year to increase the efficiency of our production facilities and our global supply chain still further. In addition, with regard to the manufacturing of our products we will review and optimize the allocation of individual facilities and factories.

We remain furthermore convinced that on mid-term annual average we can achieve organic growth between eight and ten percent. We have developed this potential systematically during the last few years. Thus foremost in building and construction, the markets for nearly all the technologies that we offer are still largely fragmented, and the consolidation process that we can accompany as a globally established company has only just begun. Our keys to success continue to be innovation, progression of market penetration and convincing solutions adapted to customer needs. Above all comprehensive, total solutions for key customers who are active worldwide, and for major key projects will thereby become ever more critical.

We will continue to pursue our acquisition strategy of securing new technologies that reinforce or complement core business, and the acquisition of market share in North America, India, the Middle East and East Asia. The present economic situation has significantly improved the changes for successful acquisitions that represent value for money.

## PROPOSALS OF THE BOARD OF DIRECTORS

The Board of Directors proposes to the Annual General Meeting the payment of a gross dividend of CHF 45.00 (previous year: CHF 45.00) per bearer share, and respectively of CHF 7.50 (CHF 7.50) per registered share. The payout sum thereby amounts to CHF 111.5 million, representing roughly 42% (33%) of consolidated net profit. Sika thus continues its long-time dividend policy.

The Annual General Meeting is requested to elect Dr. Paul Hälg, President of Group Management, Dätwyler AG, to the Board of Directors. Dr. Toni Rusch, who has declined reelection, receives our thanks for his commitment in particular as Chairman of the Audit Committee. Board Members Daniel Sauter, Prof. Dr. Ulrich Suter and Fritz Studer stand for reelection.

We once again extend our thanks to our customers, suppliers, shareholders and our employees, who have also all demonstrated as times become more difficult what partnership is worth and what committed dedication can accomplish.

## Locations And Subsidiaries

### Head Office

Sika Group  
Zugerstrasse 50  
Baar  
ZIP: CH-6341  
Switzerland  
Tel: 41 58 436 68 00  
Fax: 41 58 436 68 50

### Other Locations & Subsidiaries

#### Sika Group, Subsidiaries

Sika Services AG  
Tuffenwies 16  
Zurich  
Zip: CH 8048  
Switzerland  
Tel: 41 0 58 436 45 67  
Fax: 41 0 58 436 55 30

Sika Engineering Silicones Srl  
Via L.Einaudi, 6  
Peschiera Borromeo MI  
Italy  
Tel: 39 02 516 591 206  
Fax: 39 02 516 591 298

Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## Financial Ratios

### Capital Market Ratios

Sika Group, Ratios based on current share price	
Key Ratios	06-Mar-2009
P/E (Price/Earnings) Ratio	6.4
Enterprise Value/Earnings Before Interest, Taxes, Depreciation and Amortization	4.3
Enterprise Value/Sales	0.5
Enterprise Value/Operating Profit	5.1
Enterprise Value/Total Assets	0.7
Dividend Yield	0.1
Note: Above ratios are based on share price as of 06-Mar-2009, the above ratios are absolute numbers	
Source: Annual Report, Company Website, Primary and Secondary Research.	
Global Markets Direct	

### Annual Ratios

Sika Group, Annual Ratios						
Key Ratios	Unit/Currency	2004	2005	2006	2007	2008
<b>Equity Ratios</b>						
EPS (Earnings per Share)		47.8	60.1	91.4	135.5	107.0
Dividend per Share				31.2	45.0	45.0
Dividend Cover	Absolute			2.9	3.0	2.4
Book Value per Share		368.5	428.0	497.8	587.5	589.9
Cash Value per Share		37.7	61.0	168.5	174.8	128.4
<b>Profitability Ratios</b>						
Gross Margin	%	58.3	55.7	53.6	53.1	51.4
Operating Margin	%	8.2	8.4	9.5	11.2	9.1
Net Profit Margin	%	4.7	5.2	5.9	7.5	5.8
Profit Mark up	%	140.0	125.8	116.1	113.3	106.3
PBIT Margin (Profit Before Interest & Tax)	%	7.5	8.0	8.5	10.5	8.1
PBT Margin (Profit Before Tax)	%	7.5	8.0	8.5	10.5	8.1
Return on Equity	%	12.9	14.1	18.4	23.2	18.2
Return on Capital Employed	%	18.7	17.4	15.8	19.8	16.7
Return on Assets	%	7.1	5.9	7.6	10.3	8.3
Return on Fixed Assets	%	28.3	18.6	28.1	36.4	28.8
Return on Working Capital	%	55.6	264.0	36.1	43.5	39.9
<b>Cost Ratios</b>						
Operating Costs (% of Sales)	%	91.8	91.6	90.5	88.9	90.9
Administration Costs (% of Sales)	%	24.6	23.5	21.7	20.2	20.7
<b>Liquidity Ratios</b>						
Current Ratio	Absolute	1.7	1.1	2.4	2.6	2.6
Quick Ratio	Absolute	1.2	0.8	1.9	1.9	1.8
Cash Ratio	Absolute	0.2	0.1	0.6	0.6	0.5
<b>Leverage Ratios</b>						
Debt to Equity Ratio	Absolute	0.2	0.6	0.6	0.5	0.5
Debt to Capital Ratio	Absolute	0.2	0.5	0.3	0.3	0.3
<b>Efficiency Ratios</b>						
Asset Turnover	Absolute	1.5	1.1	1.3	1.4	1.4
Inventory Turnover	Absolute	3.9	3.5	4.4	4.3	4.4
Current Asset Turnover	Absolute	2.7	2.3	2.2	2.4	2.7
Capital Employed Turnover	Absolute	2.7	2.7	3.1	3.1	3.2
Working Capital Turnover	Absolute	6.8	31.5	3.8	3.9	4.4
Revenue per Employee						358,488

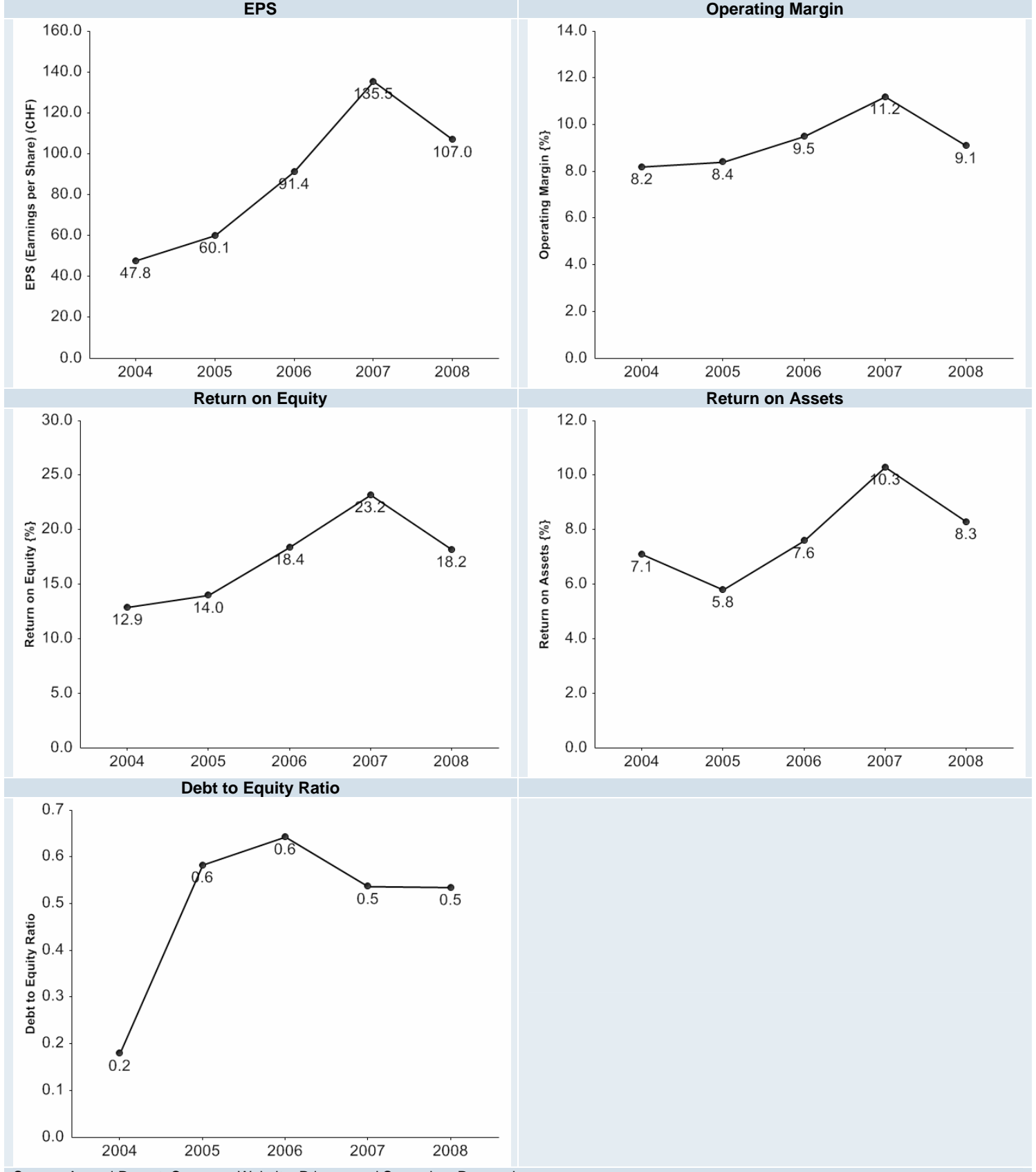
Net Income per Employee						20,674
Capex to Sales	%	4.2	3.9	3.6	4.1	5.0
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct						

### Interim Ratios

Sika Group, Interim Ratios					
Key Ratios	Unit/Currency	Dec-2007	Jun-2008	Sep-2008	Dec-2008
Interim EPS (Earnings per Share)		28.4	75.4	44.4	3.7
Book Value per Share		587.5	559.1		589.9
Current Ratio	Absolute	2.6	2.3		2.6
Asset Turnover	Absolute	0.4	0.7		0.3
Current Asset Turnover	Absolute	0.6	1.2		0.6
Working Capital Turnover	Absolute	1.0	2.1		1.0
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct					

Ratio Charts

Sika Group, Ratio Charts



Source: Annual Report, Company Website, Primary and Secondary Research  
Global Markets Direct

## Appendix

### Methodology

Global Markets Direct company reports are based on a core set of research techniques which ensure the best possible level of quality and accuracy of data. The key sources used include:

- Company Websites
- Company Annual Reports
- SEC Filings
- Press Releases
- Proprietary Databases

### Currency Codes

Currency Code	Currency
CHF	Swiss Francs
Global Markets Direct	

### Ratio Definitions

#### Capital Market Ratios

Capital Market Ratios measure investor response to owning a company's stock and also the cost of issuing stock.

<b>Price/Earnings Ratio (P/E)</b>	Price/Earnings (P/E) ratio is a measure of the price paid for a share relative to the annual income earned per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of income, so the stock is more expensive compared to one with lower P/E ratio. Also, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Price per share is as of previous business close, and EPS is from latest annual report. Calculation: Price per Share / Earnings per Share
<b>Enterprise Value/Earnings before Interest, Tax, Depreciation &amp; Amortization (EV/EBITDA)</b>	Enterprise Value/EBITDA (EV/EBITDA) is a valuation multiple that is often used in parallel with, or as an alternative to, the P/E ratio. The main advantage of EV/EBITDA over the PE ratio is that it is unaffected by a company's capital structure. It compares the value of a business, free of debt, to earnings before interest. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / (Net Income + Interest + Tax + Depreciation + Amortization)
<b>Enterprise Value/Sales</b>	Enterprise Value/Sales (EV/Sales) is a ratio that provides an idea of how much it costs to buy the company's sales. EV/Sales is seen as more accurate than Price/Sales because market capitalization does not take into account the amount of debt a company has, which needs to be paid back at some point. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Sales
<b>Enterprise Value/Operating Profit</b>	Enterprise Value/Operating Profit measures the company's enterprise value to the operating profit. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Operating Income
<b>Enterprise Value/Total Assets</b>	Enterprise Value/Total Assets measures the company's enterprise value to the total assets. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Total Assets
<b>Dividend Yield</b>	Dividend Yield shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. Calculation: Annual Dividend per Share / Price per Share
Global Markets Direct	

#### Equity Ratios

These ratios are based on per share value.

<b>Earnings per Share (EPS)</b>	Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Calculation: Net Income / Weighted Average Shares
<b>Dividend per Share</b>	Dividend is the distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.
<b>Dividend Cover</b>	Dividend cover is the ratio of company's earnings (net income) over the dividend paid to shareholders. Calculation: Earnings per share / Dividend per share
<b>Book Value per Share</b>	Book Value per Share measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid accordingly.

	Calculation: (Shareholders Equity - Preferred Equity) / Outstanding Shares
<b>Cash Value per Share</b>	Cash Value per Share is a measure of a company's cash (cash & equivalents on the balance sheet) that is determined by dividing cash & equivalents by the total shares outstanding. Calculation: Cash & equivalents / Outstanding Shares
Global Markets Direct	

### Profitability Ratios

Profitability Ratios are used to assess a company's ability to generate earnings, based on revenues generated or resources used. For most of these ratios, having a higher value relative to a competitor's ratio or the same ratio from a previous period is indicative that the company is doing well.

<b>Gross Margin</b>	Gross margin is the amount of contribution to the business enterprise, after paying for direct-fixed and direct-variable unit costs. The values displayed are of FY 2007. Calculation: $\{(Revenue - Cost\ of\ revenue) / Revenue\} * 100$
<b>Operating Margin</b>	Operating Margin is a ratio used to measure a company's pricing strategy and operating efficiency. The values displayed are of FY 2007. Calculation: $(Operating\ Income / Revenues) * 100$
<b>Net Profit Margin</b>	Net Profit Margin is the ratio of net profits to revenues for a company or business segment - that shows how much of each dollar earned by the company is translated into profits. Calculation: $(Net\ Profit / Revenues) * 100$
<b>Profit Mark up</b>	Profit Mark up measures the company's gross profitability, as compared to the cost of revenue. Calculation: $Gross\ Income / Cost\ of\ Revenue$
<b>PBIT Margin (Profit Before Interest &amp; Tax)</b>	Profit Before Interest & Tax Margin shows the profitability of the company before interest expense & taxation. Calculation: $\{(Net\ Profit + Interest + Tax) / Revenue\} * 100$
<b>PBT Margin (Profit Before Tax)</b>	Profit Before Tax Margin measures the pre-tax income over revenues. Calculation: $\{Income\ Before\ Tax / Revenues\} * 100$
<b>Return on Equity</b>	Return on Equity measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. Calculation: $(Net\ Income / Shareholders\ Equity) * 100$
<b>Return on Capital Employed</b>	Return on Capital Employed is a ratio that indicates the efficiency and profitability of a company's capital investments. ROCE should always be higher than the rate at which the company borrows; otherwise any increase in borrowing will reduce shareholders' earnings. Calculation: $EBIT / (Total\ Assets - Current\ Liabilities) * 100$
<b>Return on Assets</b>	Return on Assets is an indicator of how profitable a company is relative to its total assets, the ratio measures how efficient management is at using its assets to generate earnings. Calculation: $(Net\ Income / Total\ Assets) * 100$
<b>Return on Fixed Assets</b>	Return on Fixed Assets measures the company's profitability to its fixed assets (property, plant & equipment). Calculation: $(Net\ Income / Fixed\ Assets) * 100$
<b>Return on Working Capital</b>	Return on Working Capital measures the company's profitability to its working capital. Calculation: $(Net\ Income / Working\ Capital) * 100$
Global Markets Direct	

### Cost Ratios

Cost ratios help to understand the costs the company is incurring as a percentage of sales.

<b>Operating costs (% of Sales)</b>	Operating costs as percentage of total revenues measures the operating costs that a company incurs compared to the revenues. Calculation: $(Operating\ Expenses / Revenues) * 100$
<b>Administration costs (% of Sales)</b>	Administration costs as percentage of total revenues measures the selling, general and administrative expenses that a company incurs compared to the revenues. Calculation: $(Administrative\ Expenses / Revenues) * 100$
<b>Interest costs (% of Sales)</b>	Interest costs as percentage of total revenues measures the interest expense that a company incurs compared to the revenues. Calculation: $(Interest\ Expenses / Revenues) * 100$
Global Markets Direct	

### Liquidity Ratios

Liquidity ratios are used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a going concern.

<b>Current Ratio</b>	Current Ratio measures a company's ability to pay its short-term obligations. The ratio gives an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. Calculation: $Current\ Assets / Current\ Liabilities$
----------------------	---

<b>Quick Ratio</b>	Quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. Calculation: $(\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}$
<b>Cash Ratio</b>	Cash ratio is the most stringent and conservative of the three short-term liquidity ratio. It only looks at the most liquid short-term assets of the company, which are those that can be most easily used to pay off current obligations. It also ignores inventory and receivables, as there are no assurances that these two accounts can be converted to cash in a timely matter to meet current liabilities. Calculation: $\{(\text{Cash \& Bank Balance} + \text{Marketable Securities}) / \text{Current Liabilities}\}$

Global Markets Direct

### Leverage Ratios

Leverage ratios are used to calculate the financial leverage of a company to get an idea of the company's methods of financing or to measure its ability to meet financial obligations. There are several different ratios, but the main factors looked at include debt, equity, assets and interest expenses.

<b>Debt to Equity Ratio</b>	Debt to Equity Ratio is a measure of a company's financial leverage. The debt/equity ratio also depends on the industry in which the company operates. For example, capital-intensive The values displayed are of FY 2007. Calculation: $\text{Total Liabilities} / \text{Shareholders Equity}$
<b>Debt to Capital Ratio</b>	Debt to capital ratio gives an idea of a company's financial structure, or how it is financing its operations, along with some insight into its financial strength. The higher the debt-to-capital ratio, the more debt the company has compared to its equity. This tells investors whether a company is more prone to using debt financing or equity financing. A company with high debt-to-capital ratios, compared to a general or industry average, may show weak financial strength because the cost of these debts may weigh on the company and increase its default risk. Calculation: $\{\text{Total Debt} / (\text{Total assets} - \text{Current Liabilities})\}$
<b>Interest Coverage Ratio</b>	Interest Coverage Ratio is used to determine how easily a company can pay interest on outstanding debt, calculated as earnings before interest & tax by interest expense. Calculation: $\text{EBIT} / \text{Interest Expense}$

Global Markets Direct

### Efficiency Ratios

Efficiency ratios measure a company's effectiveness in various areas of its operations, essentially looking at maximizing its use of resources.

<b>Fixed Asset Turnover</b>	Fixed Asset Turnover ratio indicates how well the business is using its fixed assets to generate sales. A higher ratio indicates the business has less money tied up in fixed assets for each currency unit of sales revenue. A declining ratio may indicate that the business is over-invested in plant, equipment, or other fixed assets. Calculation: $\text{Net Sales} / \text{Fixed Assets}$
<b>Asset Turnover</b>	Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue to the company. A higher asset turnover ratio shows that the company has been more effective in using its assets to generate revenues. Calculation: $\text{Net Sales} / \text{Total Assets}$
<b>Current Asset Turnover</b>	Current Asset Turnover indicates how efficiently the business uses its current assets to generate sales. Calculation: $\text{Net Sales} / \text{Current Assets}$
<b>Inventory Turnover</b>	Inventory Turnover ratio shows how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or ineffective buying. Calculation: $\text{Cost of Goods Sold} / \text{Inventory}$
<b>Working Capital Turnover</b>	Working Capital Turnover is a measurement comparing the depletion of working capital to the generation of sales. This provides some useful information as to how effectively a company is using its working capital to generate sales. Calculation: $\text{Net Sales} / \text{Working Capital}$
<b>Capital Employed Turnover</b>	Capital employed turnover ratio measures the efficiency of a company's use of its equity in generating sales revenue to the company. Calculation: $\text{Net Sales} / \text{Shareholders Equity}$
<b>Capex to sales</b>	Capex to Sales ratio measures the company's expenditure (investments) on fixed and related assets' effectiveness when compared to the sales generated. Calculation: $(\text{Capital Expenditure} / \text{Sales}) * 100$
<b>Net income per Employee</b>	Net income per Employee looks at a company's net income in relation to the number of employees they have. Ideally, a company wants a higher profit per employee possible, as it denotes higher productivity. Calculation: $\text{Net Income} / \text{No. of Employees}$
<b>Revenue per Employee</b>	Revenue per Employee measures the average revenue generated per employee of a company. This ratio is most useful when compared against other companies in the same industry. Generally, a company seeks the highest revenue per employee. Calculation: $\text{Revenue} / \text{No. of Employees}$
<b>Efficiency Ratio</b>	Efficiency Ratio is used to calculate a bank's efficiency. An increase means the company is losing a larger percentage of its income to expenses. If the efficiency ratio is getting lower, it is good for the bank and its shareholders. Calculation: $\text{Non-interest expense} / \text{Total Interest Income}$

Global Markets Direct

Notes

- Financial information for the company is taken from the most recently published annual reports or SEC filings
- The financial and operational data reported for the company is as per the industry defined standards
- Currencies are converted at current rates, with average annual rates taken for historic conversions

### **About Global Markets Direct**

Global Markets Direct is a premium business information brand specializing in industry analysis.

### **Contact Us**

If you have any queries about this report or would like further information, please contact [info@globalmarketsdirect.com](mailto:info@globalmarketsdirect.com)

### **Disclaimer**

All Rights Reserved

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Global Markets Direct

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Global Markets Direct delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such Global Markets Direct can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.