

Sigma-Aldrich Corporation Q3 2009 Earnings Review



**Creating Differentiation
Through Innovation**



Cautionary Statements

Our presentation today will include forward looking statements relating to the Company's future performance, goals, strategic actions and initiatives and similar intentions and beliefs, including expectations, goals, beliefs, intentions and the like regarding future sales, earnings, free cash flow, share repurchases and other matters. These statements are based on assumptions regarding Company operations, investments and acquisitions and conditions in the markets the Company serves. We believe that these expectations are reasonable and well-founded. The forward-looking statements in this release are subject to risks and uncertainties including, among others, certain economic, political and technological factors. Actual results could differ materially from those stated or implied during this review or contained in other Company communications due to, but not limited to, such factors as (1) declining global economic conditions, (2) changes in pricing and the competitive environment and the global demand for our products, (3) fluctuations in foreign currency exchange rates, (4) changes in research funding and the success of research and development activities, (5) dependence on uninterrupted manufacturing operations, (6) changes in the regulatory environment in which the Company operates, (7) changes in worldwide tax rates or tax benefits from domestic and international operations, including the matter described in Note 4 – Uncertainty in Income Taxes – to the Consolidated Financial Statements in the Company's Form 10-Q report for the quarter ended June 30, 2009, (8) exposure to litigation, including product liability claims, (9) the ability to maintain adequate quality standards, (10) reliance on third party package delivery services, (11) failure to achieve planned cost reductions in global supply chain rationalization, (12) an unanticipated increase in interest rates, (13) failure of sales initiatives in our Research and SAFC businesses, (14) other changes in the business environment in which the Company operates, and (15) the outcome of the matters described in Note 13-Contingent Liabilities and Commitments-in the Company's Form 10-Q report for the quarter ended June 30, 2009. A further discussion of risk factors can be found in Item 1A of the Company's Form 10-K report for the year ended December 31, 2008. The Company does not undertake any obligation to publicly update the matters covered in this presentation.

With over 60% of sales denominated in currencies other than the U.S. dollar, management uses currency-adjusted growth, and believes it is useful to investors, to judge the Company's controllable, local currency performance. Organic sales growth data presented in this review is proforma data and excludes currency. While able to report historical currency impacts after the fact, we are unable to estimate changes that may occur later in 2009 to applicable rates of exchange and thus are unable to reconcile the projected non-GAAP currency adjusted internal growth rates to reported GAAP growth rates for 2009. Any significant changes in currency exchange rates would likely have a significant impact on our reported growth rates due to the volume of our sales denominated in foreign currencies.

Management also reports both GAAP and adjusted sales and income comparisons to reflect what it believes are ongoing and/or comparable operating results excluding currency impacts. Management excludes this item in judging its historical performance and in assessing its expected future performance. Management also uses free cash flow, a non-GAAP measure, to judge its performance and ability to pursue opportunities that enhance shareholder value. Management believes this non-GAAP information is useful to investors as well. Reconciliations of GAAP to non-GAAP information are included in the Company's October 22, 2009 earnings release posted on its website, www.sigma-aldrich.com

Third Quarter 2009 Financial Results



		YEAR-OVER-YEAR	
	Q3 2009 (in millions, except EPS)	As Reported	Excluding Currency Impact
Sales	\$534	↓1%	↑2%
Net Income	\$ 86	↑5%	↑20%
Diluted EPS	\$0.70	↑9%	↑25%
Free Cash Flow	\$115	↑108%	↑108%

Q3 performance reflects challenging global environment, stable research business and improved SAFC results.

First Nine Months 2009 Financial Results

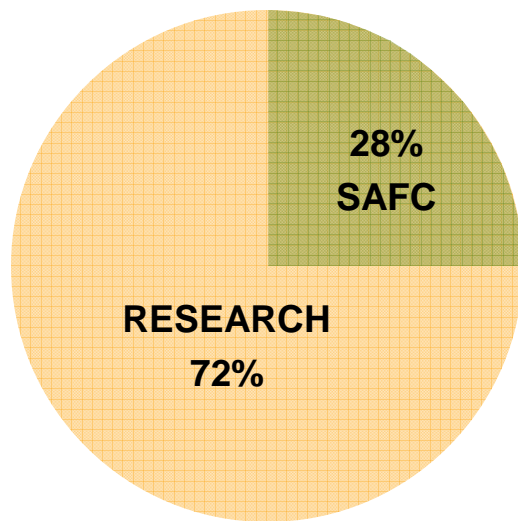
	Nine Months 2009 (in millions, except EPS)	YEAR-OVER-YEAR	
		As Reported	Excluding Currency Impact
Sales	\$1,575	↓7%	↑1%
Net Income	\$ 254	↓1%	↑15%
Diluted EPS	\$ 2.06	↑4%	↑21%
Free Cash Flow	\$ 274	↑17%	↑17%

Performance on track to achieve 2009 guidance

2009 Sales Growth (Adjusted for Currency)



Sales Mix (YTD)



	Q3 2009/Q3 2008	Nine Months 2009/ Nine Months 2008
Research	1.4%	1.9%
SAFC	4.8%	(2.8%)
Total Company	2.3%	0.6%

Demand for research products and services continued to show growth. SAFC sales higher in Q3

Margin Analysis



	PERCENTAGE OF SALES	
	Q3	YTD
2008: Pre-tax Profit Margin	22.7%	22.4%
Impact of Currency	(2.5%)	(2.1%)
Price/Volume/Mix	(0.3%)	(0.1%)
Supply Chain Initiatives	1.3%	1.3%
S,G&A Expenses	0.9%	1.4%
R & D Expense	0.1%	-
Interest Expense	0.2%	0.2%
2009: Pre-tax Profit Margin	22.4%	23.1%

**Q3 2009 pre-tax margins impacted by currency and pricing
YTD 2009 pre-tax margins improved over 2008 levels**

Free Cash Flow

(in millions)

NINE MONTHS ENDED SEPTEMBER 30

	2009	2008
Net Income	\$ 254	\$ 257
Depreciation & Amortization	68	75
Changes in Performance Working Capital*	10	(63)
Other	30	31
Net Cash from Operations	362	300
Less Capital Expenditures	(88)	(65)
Free Cash Flow	\$ 274	\$ 235

*Accounts Receivable + Inventory – Accounts Payable

Free cash flow remains strong

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2009 Guidance



Organic Revenue Growth	Low single digits
Reported EPS	Above \$2.70
Free Cash Flow	>\$325M

Third Quarter – Key Business Highlights

- Increased e-commerce sales to 46% of worldwide research-based sales
- Continued growth in CAPLA countries
- SAFC booked orders for future delivery remain strong
- Achieved another \$5 million in supply chain process improvement benefits.
- Increased application offering using zinc finger technology
- Announced collaboration with Michael J. Fox Foundation
- Acquired ChemNavigator



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Looking Forward

- Add initiatives to drive core chemistry and biochemistry businesses
- Increase emphasis on growth opportunities in biotech and analytical products
- Pursue opportunities in CAPLA countries and e-commerce
- Continue supply chain activities
- Pursue other profit margin enhancements



Launching new activities in Q4 2009 – Stay tuned for outcomes

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QUESTIONS?

