



Full Year 2013 – Conference Call Note

Dr. Rudolf Staudigl (CEO), Dr. Joachim Rauhut (CFO), March 18th, 2014

WACKER: 2013 Defined by Price Declines and Lower Capex

in €m	FY 2013	FY 2012*	% YoY	Q4 2013	Q4 2012*	% YoY
Sales	4,478.9	4,634.9	-3.4	1,086.9	1,017.2	6.9
EBITDA	678.7	795.4	-14.7	158.1	133.9	18.1
EBITDA margin	15.2%	17.2%	-	14.5%	13.2%	-
EBIT	114.3	266.6	-57.1	-5.5	-1.7	>100
EBIT margin	2.6%	5.8%	-	-0.5%	-0.2%	-
Result for the period	6.3	114.7	-94.5	-19.3	-17.0	13.5
EPS in €	0.05	2.43	-97.9	-0.40	-0.17	>100

*Adjusted based on the effects of the adoption of IAS 19 (revised),

2013 Sales/Earnings hit by €366m Price Declines – Net Cash Flow improves €650m YoY

WACKER

FY 2013 Comments

- ▶ Positive volume and product mix development
- ▶ Investment of €504m (2012: €1,095m) below depreciation of €564m incl. special depreciation in Siltronic in Q4
- ▶ Negative FX effect of -€10m on earnings
- ▶ Net cash flow €110m
- ▶ Net debt increased to €792m (2012: €701m)
- ▶ Tax rate 79.7% (2012: 43.7%)
- ▶ Net income slightly positive at €6.3m (2012: €114.7m)

2014 Challenges and Opportunities

- ▶ FY Sales expected slightly above 2013 (single digit %), driven by increasing volumes in all segments expected
- ▶ Q1 sales over €1.1bn expected
- ▶ EBITDA at least 10% higher than 2013
- ▶ Capex at ~€550m without majority takeover Singapore JV
- ▶ Depreciation at ~€600m
- ▶ Balanced net cash flow
- ▶ Net debt to increase by ~€300m - €400m

WACKER SILICONES: Focus on Specialties

€m	FY 2013	FY 2012*	% QoQ	Q4 2013	Q4 2012*	% YoY
Sales	1,672.2	1,648.0	1.5	403.5	392.0	2.9
EBITDA	230.2	189.3	21.6	51.0	22.6	>100
EBITDA margin	13.8%	11.5%	-	12.6%	5.8%	-
EBIT	151.1	106.4	42.0	31.0	1.7	>100
EBIT margin	9.0%	6.5%	-	7.7%	0.4%	-
Capex	85.4	158.8	-46.2	36.8	110.0	-66.5

*Adjusted based on the effects of the adoption of IAS 19 (revised),

Competitive Position improved

WACKER SILICONES

FY 2013 Comments

- ▶ Good demand in e.g. cosmetics, consumer, medical technology and industrial applications
- ▶ Increasing volumes but lower prices for standard products
- ▶ Unfavorable FX-rates yoy
- ▶ Silicon metal lower (~8%), methanol price increased yoy (~15%)
- ▶ Utilization 90% (2012: 83%)
- ▶ EBITDA Q4 profited from reversal of loss provision for siloxane €13.7m



2014 Challenges and Opportunities

- ▶ Volume growth expected, e.g. in personal care, electronics and medical devices
- ▶ Sales growth in line with 2017 target
- ▶ Raw material costs expected stable
- ▶ Deployment of strategy: increasing share of siloxane used in specialty products
- ▶ EBITDA slightly below FY 2013 (due to Q4 2013 special effect)

WACKER POLYMERS: Steady Performance

€m	FY 2013	FY 2012*	% QoQ	Q4 2013	Q4 2012*	% YoY
Sales	978.7	1,003.1	-2.4	213.2	219.2	-2.7
EBITDA	147.8	147.4	0.3	22.6	17.5	29.1
EBITDA margin	15.1%	14.7%	-	10.6%	8.0%	-
EBIT	112.9	110.7	2.0	14.7	8.5	72.9
EBIT margin	11.5%	11.0%	-	6.9%	3.9%	-
Capex	36.8	58.8	-37.4	15.5	18.5	-16.2

*Adjusted based on the effects of the adoption of IAS 19 (revised),

Leading Market Development

WACKER POLYMERS

FY 2013 Comments

- ▶ Slight sales decrease yoy due lower dispersion business
- ▶ Strong volume growth for powder, especially in China and India, driven by the construction industry
- ▶ Lower ASP's and negative effects from FX
- ▶ Following price declines in butadiene, some reversal of substitution to VAE in packaging



2014 Challenges and Opportunities

- ▶ Volume growth expected
- ▶ Substitution process into VAE dispersions in focus
- ▶ Dry Mortar market transformation opportunity for dispersible powders
- ▶ Strong growth in Asia
- ▶ Significant sales growth expected
- ▶ EBITDA slightly above FY 2013

WACKER BIOSOLUTIONS: Volume Improvements

€m	FY 2013	FY 2012*	% QoQ	Q4 2013	Q4 2012*	% YoY
Sales	158.4	157.6	0.5	39.3	36.2	8.6
EBITDA	23.6	24.5	-3.7	5.5	4.0	37.5
EBITDA margin	14.9%	15.5%	-	14.0%	11.0%	-
EBIT	17.2	17.8	-3.4	3.9	2.3	69.6
EBIT margin	10.9%	11.3%	-	9.9%	6.4%	-
Capex	10.2	19.3	-47.2	2.4	5.4	-55.6

*Adjusted based on the effects of the adoption of IAS 19 (revised),

Growing Sales in Niche Markets

WACKER BIOSOLUTIONS

FY 2013 Comments

- ▶ Volume increase, but lower prices and negative effects from FX in 2013
- ▶ New PVAc plant for gumbase under construction



2014 Challenges and Opportunities

- ▶ Sales growth in 2014, e.g. driven by takeover of ScilProteins for pharma proteins
- ▶ EBITDA on level FY 2013

Acquisition SCIL – Bioengineered Pharmaceutical Proteins



- 1,500l fermenter capacity for pharmaceutical actives
- GMP* certified operations
- Protein refolding technology complements WACKER portfolio

WACKER BIOSOLUTIONS becomes a full-service provider for the microbial manufacture of biologics

*GMP = „Good Manufacturing Practice“, a standard in pharmaceutical manufacturing,

WACKER POLYSILICON: Strong Demand in Q4 for Solar Products

€m	FY 2013	FY 2012*	% QoQ	Q4 2013	Q4 2012*	% YoY
Sales	924.2	1,135.8	-18.6	249.8	213.3	17.1
EBITDA	233.9	427.5	-45.3	70.8	78.2	-9.5
EBITDA margin	25.3%	37.6%	-	28.3%	36.7%	-
EBIT	0.1	200.8	-100.0	12.6	18.9	-33.3
EBIT margin	0.0%	17.7%	-	5.0%	8.9%	-
Capex	290.0	698.1	-58.5	63.9	191.0	-66.5

*Adjusted based on the effects of the adoption of IAS 19 (revised),

Price declines somewhat balanced by successful Implementation of Cost Roadmap

WACKER POLYSILICON

FY 2013 Comments

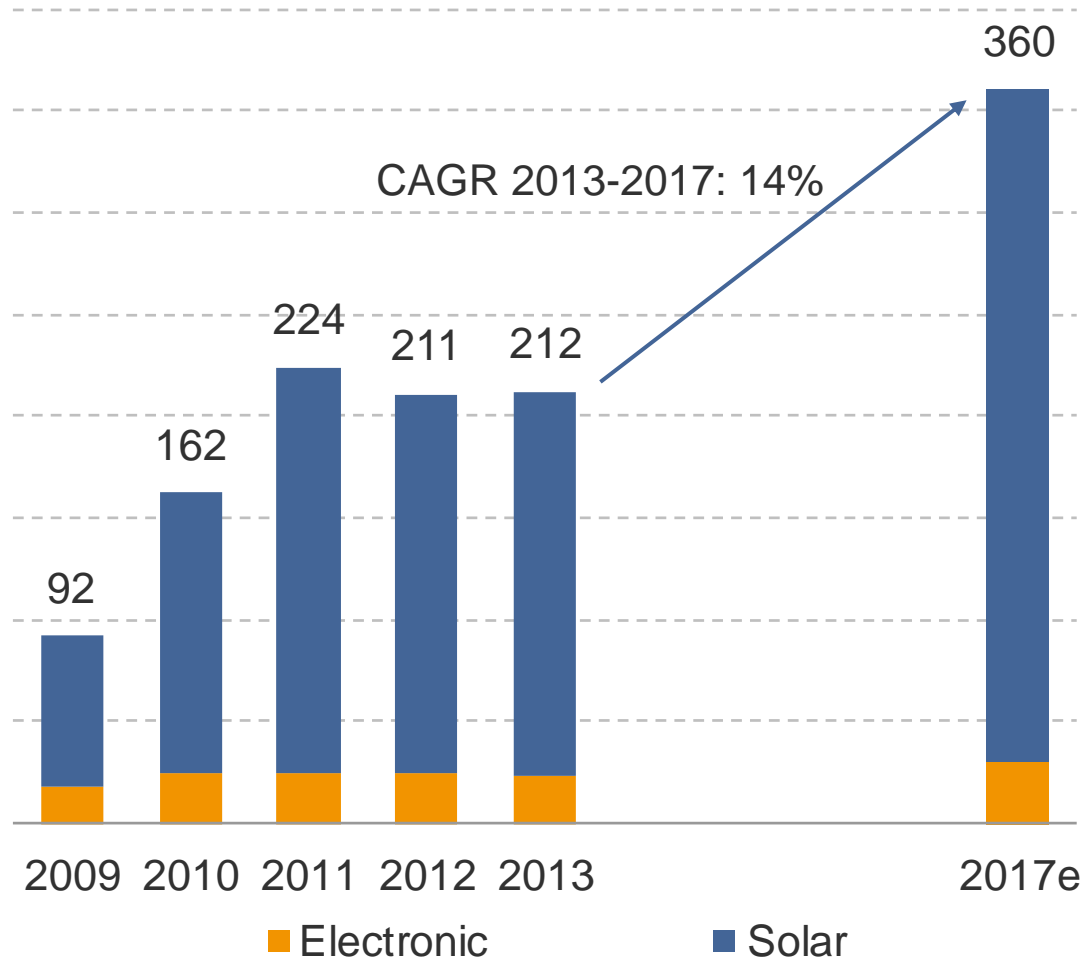
- ▶ Around 38GW global PV-installations in 2013 (~19% growth yoy)
- ▶ WACKER FY 2013 shipments: 49kt (~30% growth yoy), increase of market share, now #1 with GCL
- ▶ AD discussion on China imports into EU led to uncertainty until early Q3
- ▶ Utilization 90% (2012: 85%), increased towards year-end
- ▶ Retained prepayments and damages from contract dissolutions €77.6m (2012: €113.1m)
- ▶ CapEx €290m (-59%), most for Tennessee

2014 Challenges and Opportunities

- ▶ Solar pricing trending up over 2013 averages
- ▶ Ongoing focus on cost roadmap
- ▶ Ramp up in Tennessee in H2 2015
- ▶ Volume and sales growth expected
- ▶ EBITDA supported by retained prepayments and damages from a substantial contract cancellation with €115m realized in Q1 2014

Polysilicon Market: 14% Volume Growth expected

Global Polysilicon Shipments (kt)

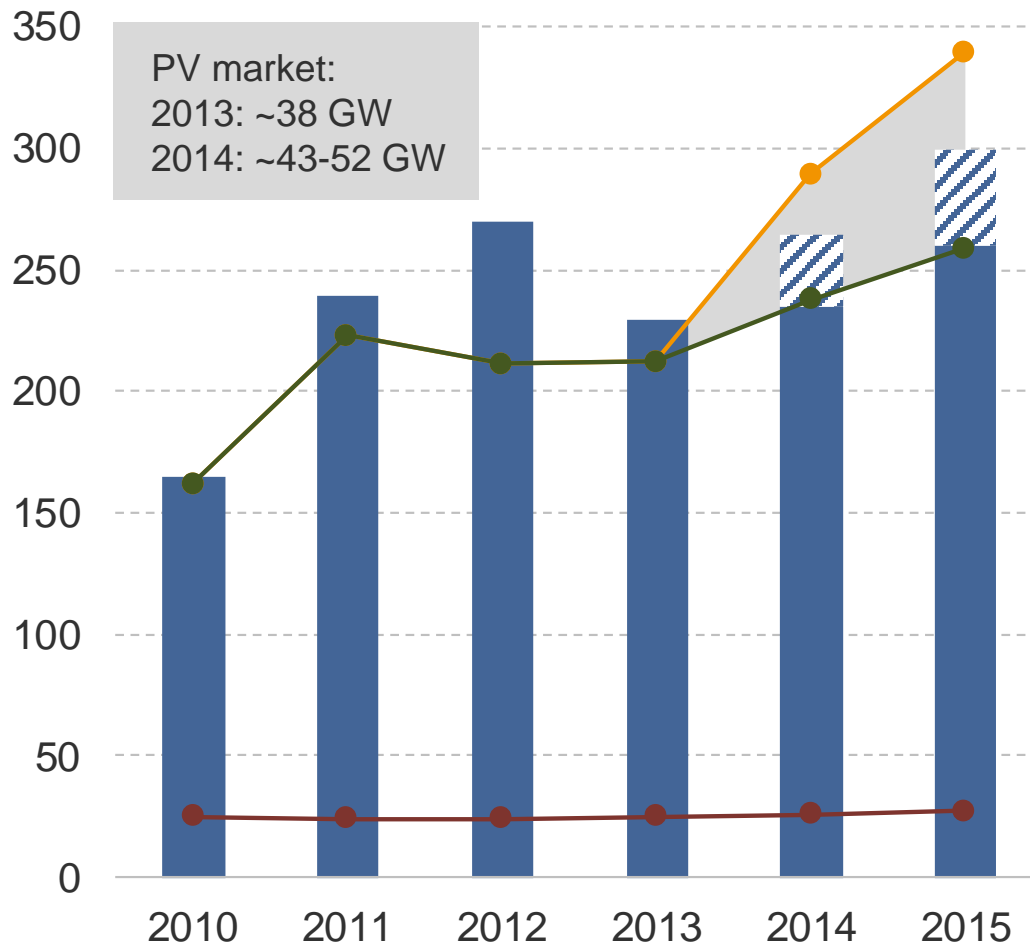


- ▶ 2013 shipments with stronger 2nd half, flat due to continued inventory correction and lower consumption per Watt
- ▶ Increasingly competitive C-Si PV drives polysilicon demand
- ▶ Silicon-based PV offers highest conversion efficiencies and proven long-term stability at lowest cost

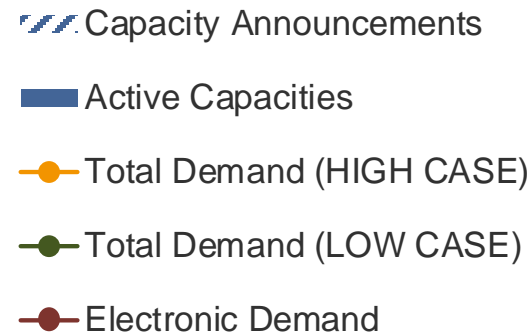
Assumption: 2017: 80 GW (incl. 10% thin-film share); Silicon consumption < 5 g/Wp in 2017; Shipment figures incl. time-delay shipment/installation

Polysilicon Supply & Demand Balanced – High Quality Poly Supply Tightening

Global Polysilicon Demand (kt) versus Capacity of still active Manufacturers



- ▶ Only a limited number of producers still operating after consolidation phase in 2012 & 2013
- ▶ Limited additional capacity to come online in 2014
- ▶ Questionable whether new entrants will produce cost-effective



Sources: market surveys, industry announcements, WACKER estimate

Decreasing Prices open up New Markets – USA and Asia with highest Growth Potential

Country	2010	2011	2012	2013	2014e
France	0.7	1.7	1.1	0.6	1.1 – 1.3
Germany	7.4	7.5	7.6	3.3	2.3 – 2.7
Italy	4.0	7.4	3.6	1.6	1.6 – 2.0
Europe other	2.6	3.3	4.9	5.3	4.8 – 6.0
Europe total	14.7	19.9	17.2	10.8	9.8 – 12.0
Australia	0.4	0.8	1.0	0.9	1.2 – 1.4
China	0.7	2.5	4.9	11.3	12.0 – 15.0
India	0.15	0.4	0.9	1.0	1.4 – 1.8
Japan	1.0	1.3	2.5	7.5	8.8 – 9.8
USA	0.9	1.9	3.3	4.8	6.0 – 6.8
Rest of World	0.5	1.3	2.1	2.2	4.2 – 5.6
Total	18 GW	28 GW	32 GW	~38 GW	~43 – 52 GW

Sources: EPIA 05/2010, 02/2012 and 05/2013, Industry announcements, WACKER estimate

Siltronic: Successful Efficiency Measures

€m	FY 2013	FY 2012*	% QoQ	Q4 2013	Q4 2012*	% YoY
Sales	743.0	867.9	-14.4	174.6	184.7	-5.5
EBITDA	26.5	0.7	>100	11.5	3.5	>100
EBITDA margin	3.6%	0.1%	-	6.6%	1.9%	-
EBIT	-95.9	-92.2	-4.0	-41.8	-19.7	>-100
EBIT margin	-12.9%	-10.6%	-	-23.9%	-10.7%	-
Capex	30.9	103.2	-70.1	11.7	27.8	-57.9

*Adjusted based on the effects of the adoption of IAS 19 (revised),

Siltronic acquires Majority Ownership of Singapore JV in 2014

Siltronic Silicon Wafer Pte. Ltd. (SSW)



Capacity: >300 kw/m

- ▶ Capital increase and other funds to pay off external debt (~€210m)
- ▶ Ownership: Siltronic 78%, Samsung 22%;
- ▶ Samsung remains an important customer to the fab
- ▶ Total cash layout: €150m
- ▶ Leveraging efficiency measures
- ▶ Siltronic moves further to Asia
- ▶ Global 300 mm integration benefits
- ▶ Full consolidation pro-forma results:

(€m)	2011*	2012*	2013
Sales	1,134	1,029	876
EBITDA	130	100	110
EBITDA %	11	10	13

*incl. restructuring

Consolidation of Singapore JV from January 1st, 2014

Siltronic

FY 2013 Comments

- ▶ Volumes for SD declined, 200 mm stable, 300 mm improved
- ▶ Significantly lower pricing than 2012
- ▶ Successful execution of cost roadmap
- ▶ Utilization over all diameters close to 80%, benefiting from restructuring and higher volumes
- ▶ Special depreciation for disused assets in Q4 2013 of €31.1m



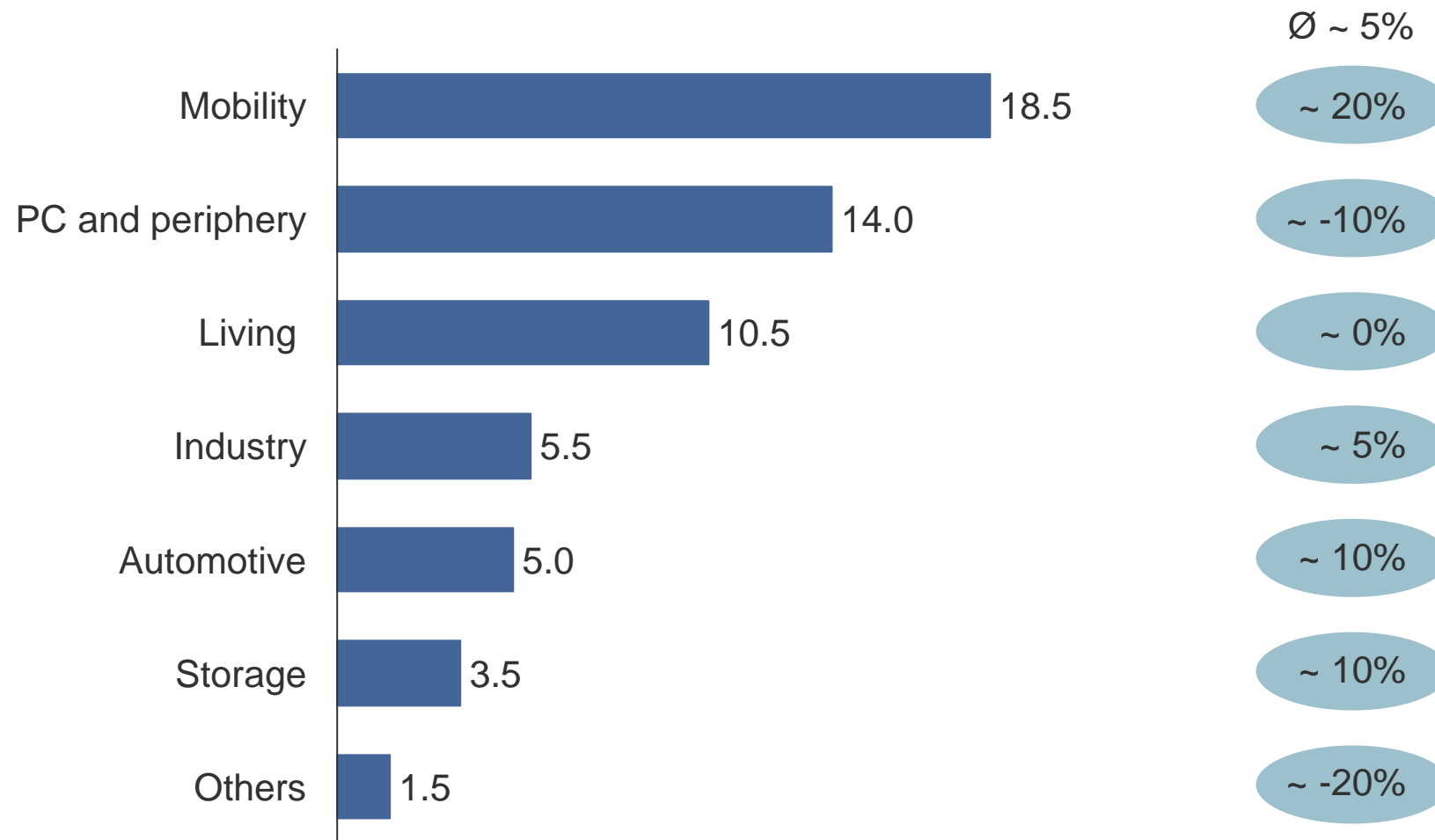
2014 Challenges and Opportunities

- ▶ About €100m higher FY sales following full consolidation of Singapore JV
- ▶ ASP declines outweigh volume growth
- ▶ Growth potential for 300 mm
- ▶ Stable development of 200 mm
- ▶ Reported EBITDA significantly above 2013 following full consolidation of JV activities

Leading Wafer Area Growth: Shift from PC to Megatrend Mobility (Smartphones, Tablets, mobile Infrastructure)

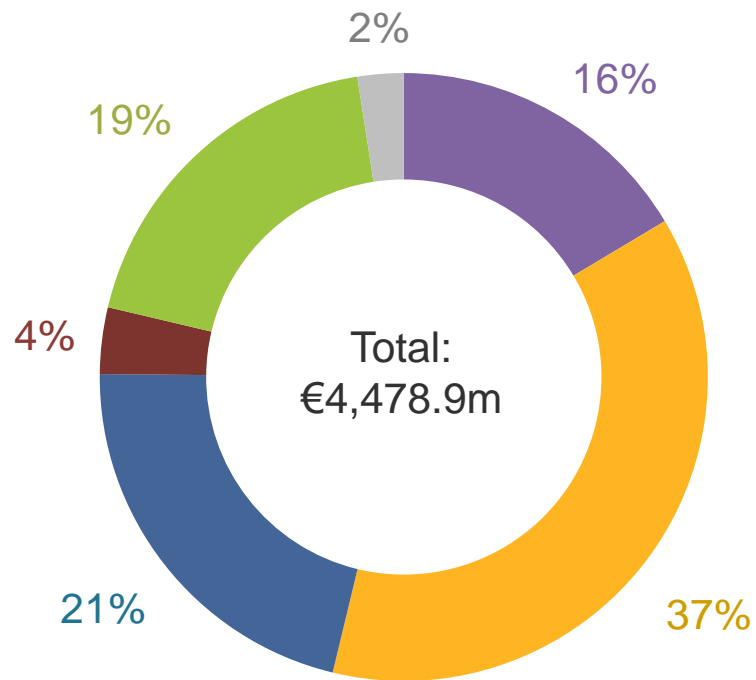
Wafer Demand 2013, bn. cm²

Growth 2014 vs. 2013

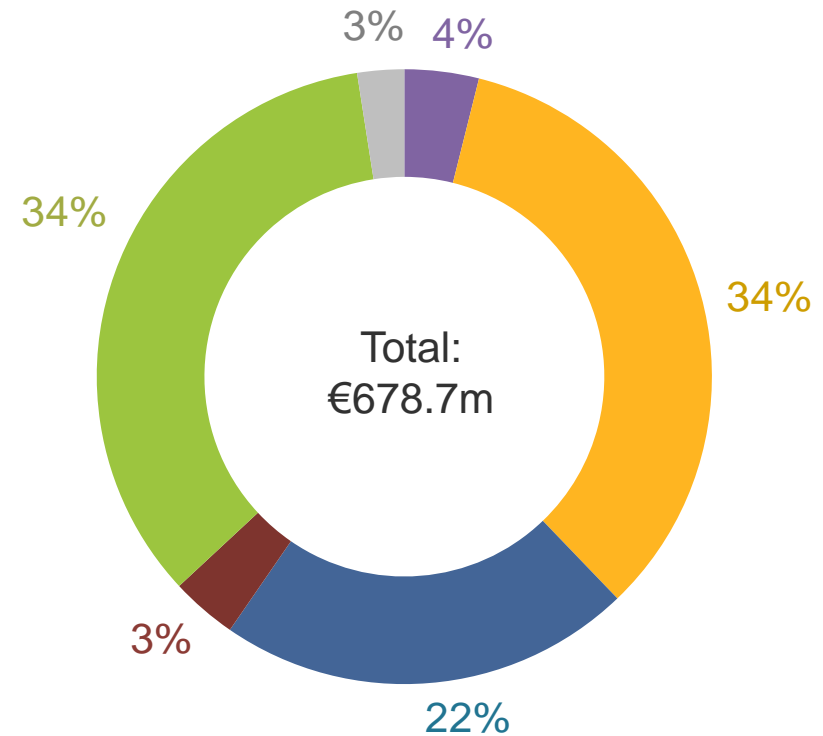


Increasing Share of Chemicals: Sales (62%) and EBITDA (59%)

FY 2013 Sales¹



FY 2013 EBITDA



Siltronic

WACKER BIOSOLUTIONS

WACKER SILICONES

WACKER POLYSILICON

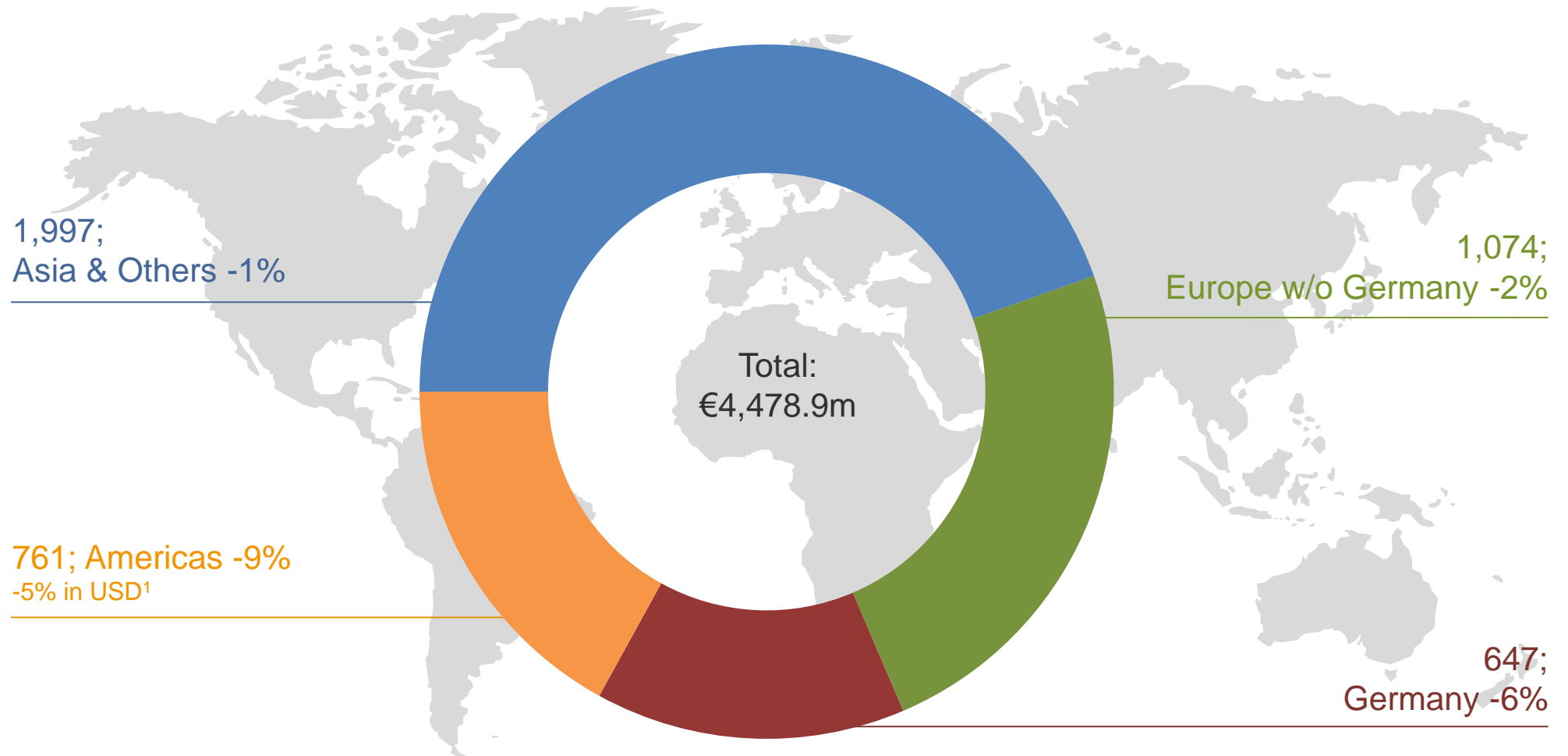
WACKER POLYMERS

Others

¹based on external sales

Asia - the most important Region for WACKER

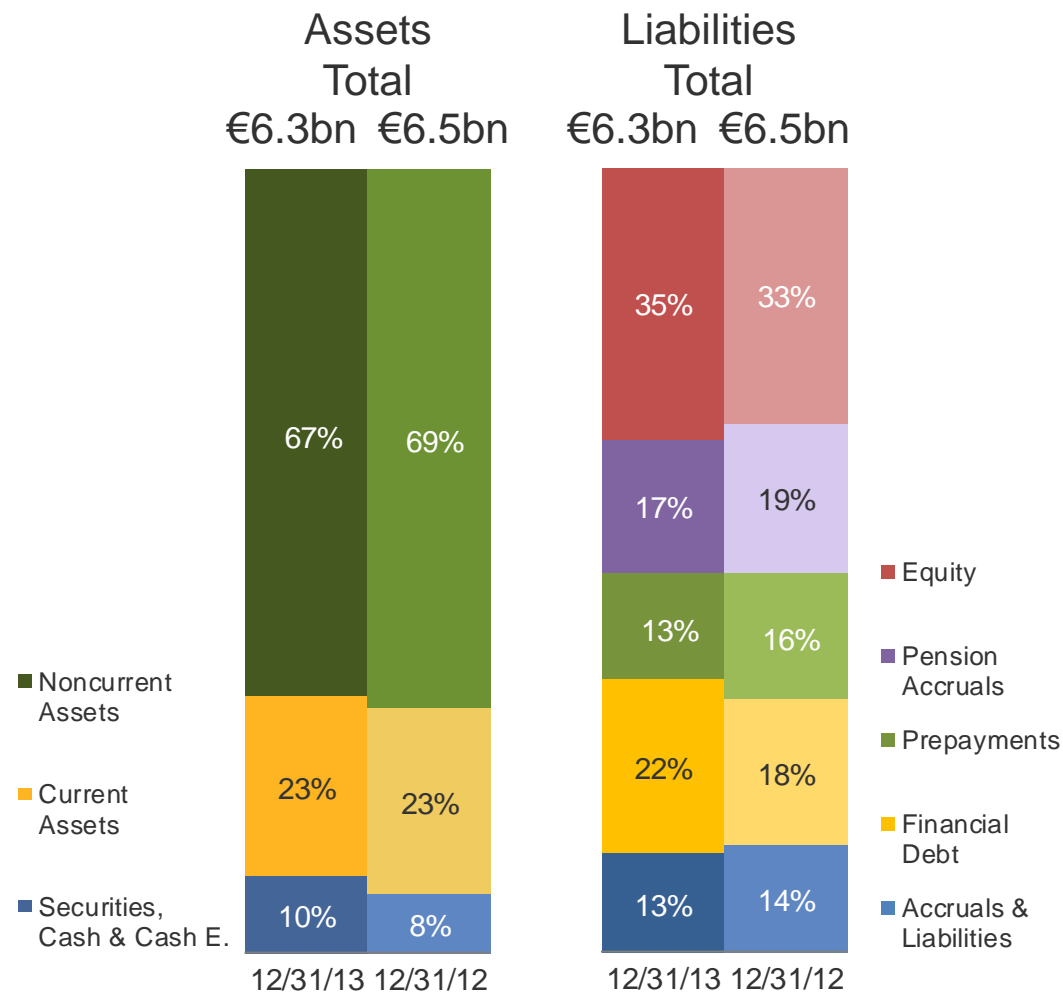
FY 2013 Sales by Region, Changes YoY (%)



¹ Adjusted currency

FY 2013 Net Debt €792m lower than expected

Balance Sheet (%)



2012: Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Characteristics 12/31/13

- ▶ Non current assets: €4,387m
- ▶ Securities, cash and cash equivalents: €625m
- ▶ Provisions for pensions: €1,079m
- ▶ Net financial debt: €792m
- ▶ Equity: €2,197m
- ▶ Prepayments received per 12/31/13: €847m
- ▶ CapEx: €504m (Q4: €153m)

EBITDA and EBIT Impact of Special Effects on FY 2013

Special Effects	2012					2013				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Siltronic: Execution "Lead site strategy"	-14.8	-	-	-	-14.8	-	-	-	-	-
Silicones: Siloxane JV effects	-	-	-	-	-	-	-	-	13.7	13.7
Polysilicon: Retained prepayments & damages from cancelled contracts	36.6	19.4	2.1	55	113.1	32.2	23.8	13.2	8.4	77.6
EBITDA	21.8	19.4	2.1	55	98.3	32.2	23.8	13.2	22.1	91.3
Siltronic: Special depreciation for disused assets	-	-	-	-	-	-	-	-	-31.1	-31.1
EBIT	21.8	19.4	2.1	55	98.3	32.2	23.8	13.2	-9.0	60.2

Volume Improvements expected in Chemicals in 2014

Fumed Silica Production in Zhangjiagang (China)



Dispersion Facility in Nanjing (China)



Production of Pharma Proteins in Halle



Construction at the Tennessee Polysilicon Site on Track – Ramp-Up expected to begin in H2 2015

Deposition and Gas Recycling



Silane Production and Logistics



WACKER: Guidance FY 2014

	2013	Outlook 2014
Sales (€m)	4,478.9	Mid-single-digit % increase
EBITDA (€m)	678.7	At least 10 percent higher
EBITDA margin (%)	15.2	Slight increase
Group net income (€m)	6.3	Improve
Net cash flow (€m)	109.7	Balanced net cash flow
CapEx (€m)	503.7	Approx. 550
Net financial debt (€m)	792.2	Increase of between 300 and 400
Depreciation	564.4	Approx. 600
ROCE	2.2	Slight increase

Financial Targets 2017

Target 2012 to 2017

Sales	€6 - 6.5 bn (~6% CAGR)*
EBITDA	€1.2 bn (~20% margin)
ROCE	> 11%

* CAGR 2012/2017

Entering the Next Phase: From Asset Growth to Cash Generation

Ratio of Capital Spending vs. Depreciation

capex between 1.3 and 2.2x depreciation		capex < depreciation		capex >< depreciation	
2005	2012	2013	2017	2018	2022

Create

2005 – 2012

Focus on capital intensive growth:

Eight additional sites globally

Increased capacities 7x in Polysilicon, 3x in VAE dispersions, 2x Siloxane, 6x 300 mm wafer

The customer dimension:

Global presence and market penetration with technical centers and global sales structures

Leverage

2013 – 2017

Focus on profitability and cash:

- ▶ Execute cost roadmaps
- ▶ Leverage global asset base
- ▶ Focus on quality growth, growing specialty sales
- ▶ Invest below depreciation

Expand

2018 – 2022

Focus on selective expansion of production network:

- ▶ Selective growth projects
- ▶ Exploring further Verbund and debottlenecking opportunities

Positioned for sustained Sales and Earnings Growth

WACKER: A Leading Specialty Chemicals Company

Advanced Materials

- ▶ Tech-based products ranging from standard to high value added
- ▶ Focus on innovation and customized solutions

Compelling Growth

- ▶ Addressing high-growth markets
- ▶ Local presence in all regions
- ▶ Capitalizing on emerging markets growth

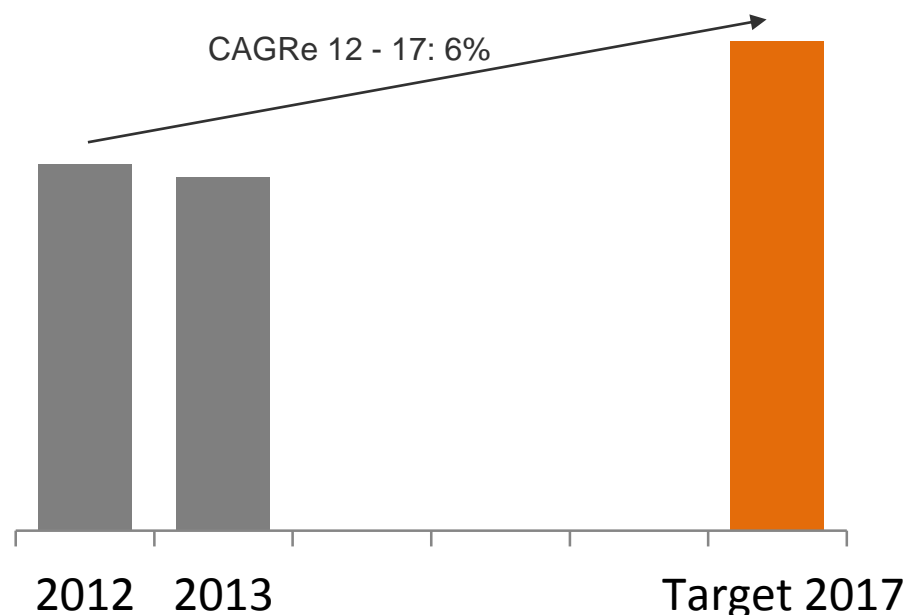
Strong Cost Position

- ▶ World-scale plants, integrated production, proprietary process know-how
- ▶ Targeted cost reduction programs implemented
- ▶ Significant CapEx program concluded, now leveraging a global asset base

Leading Market Positions

- ▶ A global leader in most addressed segments and markets...
- ▶ ... particularly at the individual customer level

WACKER – on Track to achieve 2017 Targets

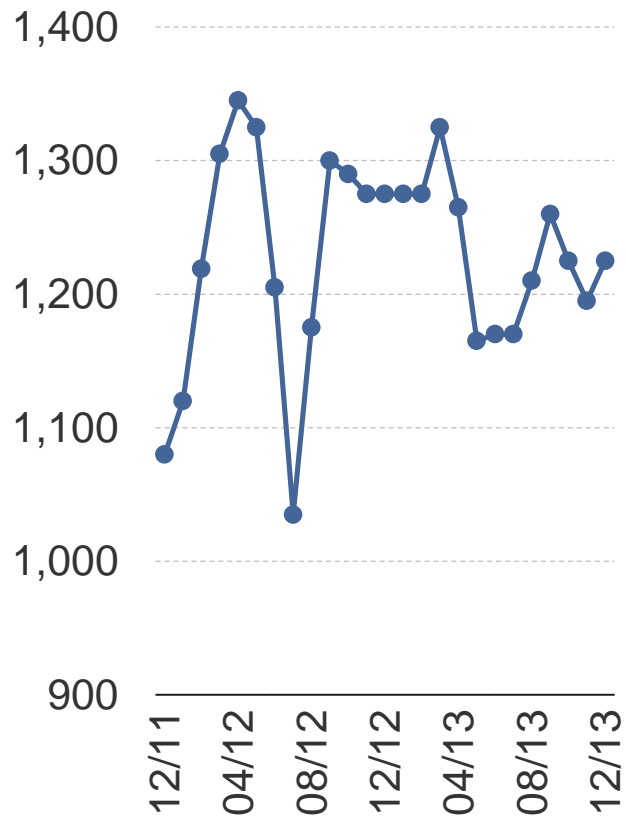


Status Update 2013

- Chemicals:
 - Strategy implementation well under way
 - SILICONES: Specialties and Efficiency
 - POLYMERS: Substitution and Market Transformation
 - BIOSOLUTIONS: improving position in biologics manufacturing
- Siltronic:
 - majority takeover of SSW
 - focus on cost reductions
- POLYSILICON:
 - Cost reductions
 - Continued Focus on Quality
 - Tennessee site with expected ramp-up in H2 2015

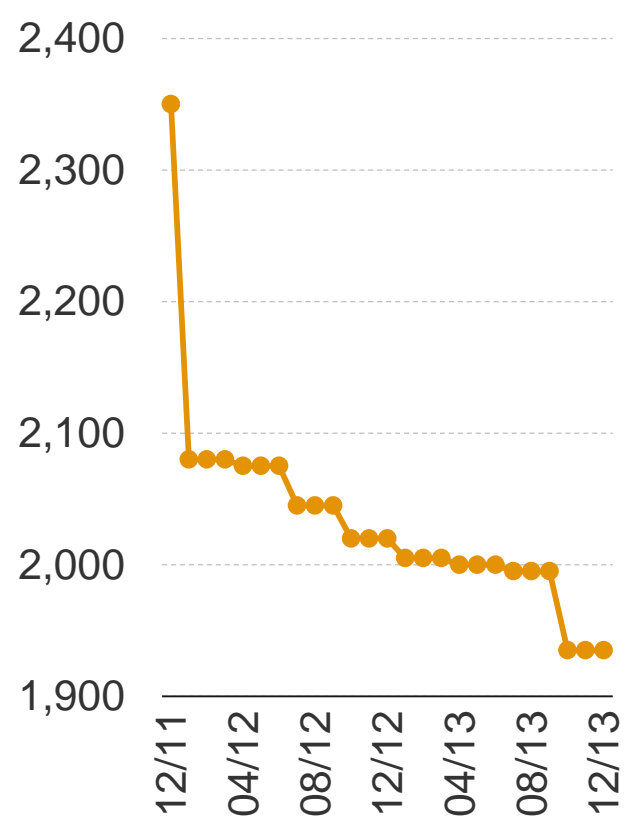
Raw Materials: Methanol and Ethylene trending upwards

Ethylene Contract (€/MT)



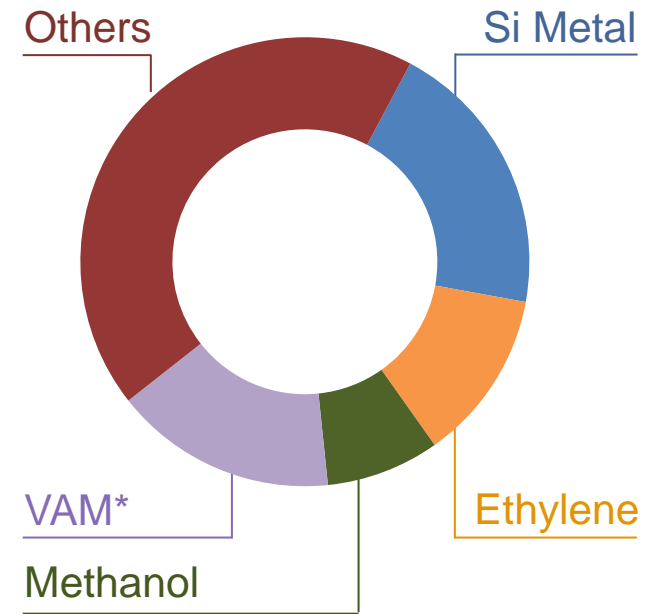
Source: ICIS, Ethylene Market Price Europe, free delivered

Si-Metal Contract (€/MT)



Source: Source: CRU-Provider, Si-Metal Contract Price Europe free delivered

Raw Materials 2013 (€m) Chemicals

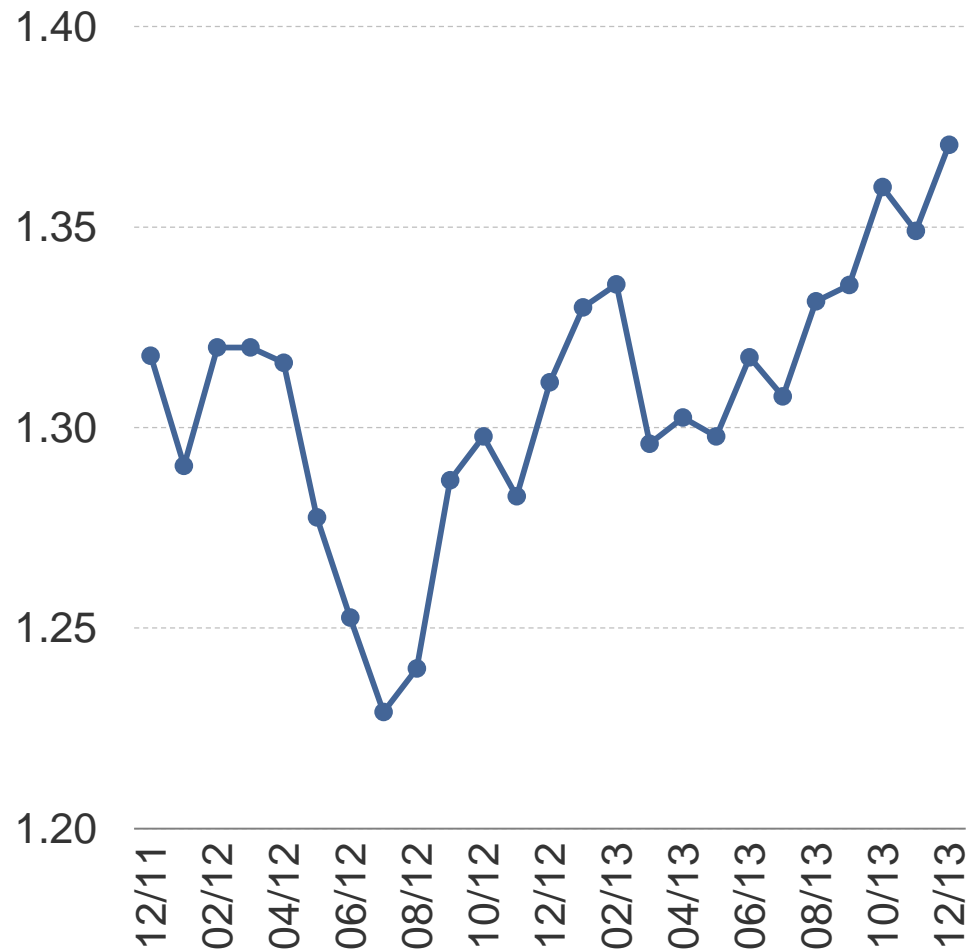


Costs of top 4 raw materials
21% of chemicals segment sales

*VAM = Vinylacetate monomer

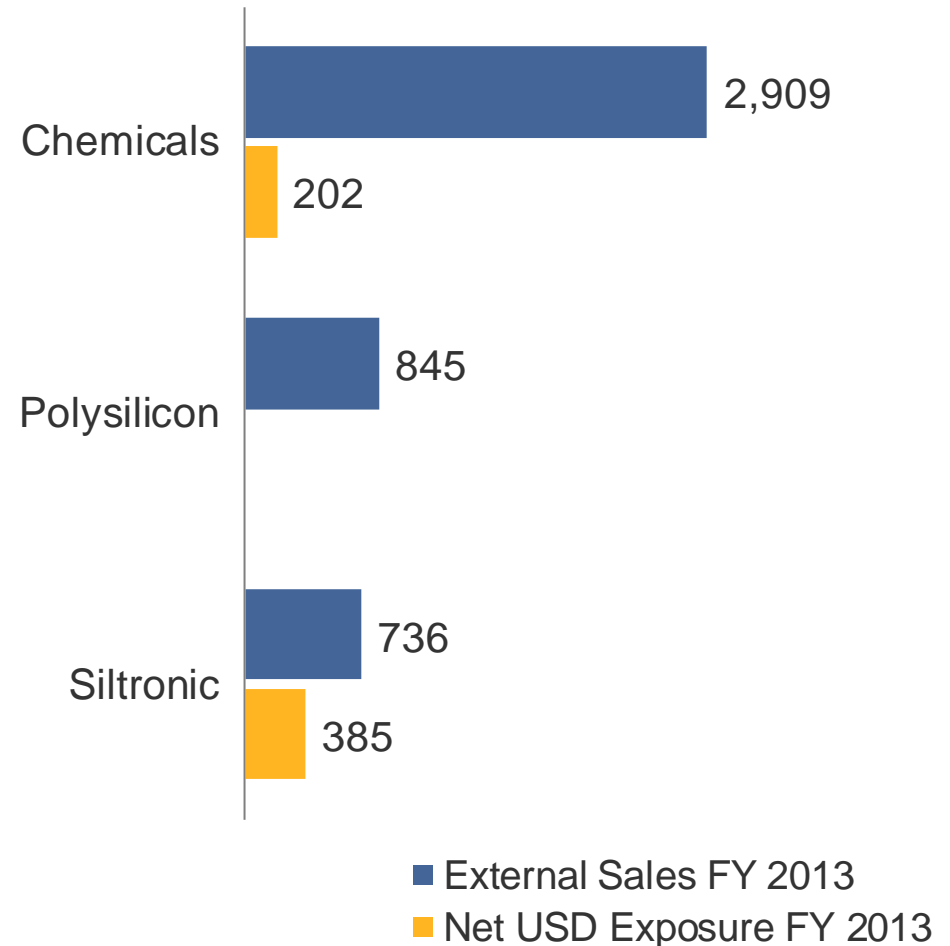
1 Cent Change in USD/€ Exchange Rate had an Impact of €4.4m on FY-EBITDA in 2013, unhedged*

USD/EURO Development



Source: www.x-rates.com/d/USD/EUR/hist2013.html

External Sales and Net USD Exposure



*Standard Hedging policy = 50% of net exposure, 12 months rolling forward

WACKER: Issuer, Contact and Additional Information

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Financial Calendar

- 05/05/14 – Q1 Results 2014**
- 05/15/14 – Annual Shareholders' Meeting
- 07/31/14 – Q2 Results 2014
- 10/30/14 – Q3 Results 2014

Additional Information

ISIN:	DE000WCH8881
WKN:	WCH888
Deutsche Börse:	WCH
Ticker Bloomberg:	CHM/WCH:GR
Ticker Reuters:	CHE/WCHG.DE
Listing:	Frankfurt Stock Exchange Prime Standard



WACKER: Sales in Chemicals on the level of previous Year

Sales in €m	FY 2013	FY 2012*	%YoY	Q4 2013	Q4 2012*	%YoY
CHEMICALS	2,809.3	2,808.7	0.0	656.0	647.4	1.3
WACKER SILICONES	1,672.2	1,648.0	1.5	403.5	392.0	2.9
WACKER POLYMERS	978.7	1,003.1	-2.4	213.2	219.2	-2.7
WACKER BIOSOLUTIONS	158.4	157.6	0.5	39.3	36.2	8.6
WACKER POLYSILICON	924.2	1,135.8	-18.6	249.8	213.3	17.1
Siltronic	743.0	867.9	-14.4	174.6	184.7	-5.5
Others	192.7	169.9	13.4	51.6	41.8	23.4
Consolidation	-190.3	-347.4	-45.2	-45.1	-70.0	-35.6
	4,478.9	4,634.9	-3.4	1,086.9	1,017.2	6.9

*Adjusted based on the effects of the adoption of IAS 19 (revised),

WACKER: EBITDA impacted through Price decrease in Siltronic and Polysilicon

EBITDA in €m	FY 2013	FY 2012*	%YoY	Q4 2013	Q4 2012*	%YoY
CHEMICALS	401.6	361.2	11.2	79.1	44.1	79.4
WACKER SILICONES	230.2	189.3	21.6	51.0	22.6	>100
WACKER POLYMERS	147.8	147.4	0.3	22.6	17.5	29.1
WACKER BIOSOLUTIONS	23.6	24.5	-3.7	5.5	4.0	37.5
WACKER POLYSILICON	233.9	427.5	-45.3	70.8	78.2	-9.5
Siltronic	26.5	0.7	>100	11.5	3.5	>100
Others	14.7	6.1	>100	-2.7	6.9	>-100
Consolidation	2.0	-0.1	n.a.	-0.6	1.2	n.a.
	678.7	795.4	-14.7	158.1	133.9	18.1

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