Q1

Interim Report January – March 2015

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Group sales for Q1 2015 reach €1.33 billion, up 15 percent year on year and 12 percent quarter on quarter

All divisions lift their sales thanks to robust customer demand and positive exchange-rate effects

At €267 million, first-quarter EBITDA declines 6 percent on Q1 2014, but rises 53 percent when adjusted for non-recurring effects

Net income for Q1 2015 amounts to €71 million

Capital expenditures are 96 percent higher than a year ago due to project-related factors, with the focus remaining on completing the Tennessee site

Sales forecast raised slightly: Group sales for full-year 2015 are expected to increase by about 10 percent, with EBITDA growing modestly when adjusted for special income

Cover

WACKER's booth at the European Coatings Show in Nuremberg: the ECS is the leading tradeshow for the international paint and coatings industry.

WACKER at a Glance

€ million	Q1 2015	Q1 2014	Change in %
Sales	**1,334.9**	1,157.4	15.3
EBITDA[1]	**267.1**	285.2	−6.3
EBITDA margin[2] (%)	**20.0**	24.6	–
EBIT[3]	**126.3**	133.8	−5.6
EBIT margin[2] (%)	**9.5**	11.6	–
Financial result	**−7.0**	−23.7	−70.5
Income before taxes	**119.3**	110.1	8.4
Net income for the period	**70.6**	64.2	10.0
Earnings per share (basic/diluted) (€)	**1.42**	1.35	5.1
Capital expenditures (including financial assets)	**174.9**	89.3	95.9
Net cash flow[4]	**17.4**	104.5	−83.3

€ million	March 31, 2015	March 31, 2014	Dec. 31, 2014
Equity	**1,817.0**	2,155.5	1,946.5
Financial liabilities	**1,583.7**	1,448.0	1,601.5
Net financial debt[5]	**1,198.1**	899.9	1,080.6
Total assets	**7,430.7**	6,589.2	6,947.2
Employees (number at end of period)	**16,844**	16,788	16,703

[1] EBITDA is EBIT before depreciation and amortization.
[2] Margins are calculated based on sales.
[3] EBIT is the result from continuing operations for the period before interest and other financial results, and income taxes.
[4] Sum of cash flow from operating activities (excluding changes in advance payments) and cash flow from long-term investing activities (before securities), including additions due to finance leases.
[5] Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

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The European Coatings Show in Nuremberg is the meeting point every two years for the international paint and coatings industry.

At this important show, WACKER presented new and improved products and technologies for construction, coatings and adhesives applications.

This year, WACKER put part of its focus on drywall technology, presenting interesting solutions for coatings professionals from all over the world.

1
A workman fills the joint of a gypsum drywall: VINNAPAS® 4800 G gives gypsum mortar smooth, crack-free surfaces, and excellent bonding strength, while making it easy to process.

The idea of "a house for all eternity" is a thing of the past. Architects are now called on to design buildings that can be quickly and inexpensively adapted to their users' changing needs. As economic and social mobility increases, so real estate must become more flexible, too. Families change, children grow up and move out. In companies, staff relocate to handle projects. But everyone needs a home and a workplace, at least temporarily. A flexible floor plan and an interior design tailored to users' needs can be created with the help of prefabricated drywalls produced from gypsum plasterboard. With VINNAPAS® 4800 G, WACKER has now launched a novel polymer binder especially for gypsum-based joint mortars. And with SILRES® BS Powder S, a new, highly efficient, powdered additive is now available, with which gypsum-based dry-mix mortars can be made water-repellent.

When Tobias Halbach talks about gypsum's growth perspectives in drywall applications, he can supply some impressive figures. "Over a third of global gypsum production is already used for manufacturing plasterboard. Global demand for plasterboard is forecast to grow at over 8 percent per year by 2016 – to about 10.7 billion square meters," says Dr. Halbach, marketing manager for construction polymers at WACKER.

Boom in Gypsum Demand in the Construction Industry

The boom in gypsum demand for construction purposes can be attributed to one simple trend: increasing urbanization. According to the United Nations, in 1950, two thirds of the world's population still lived in the countryside and one third in cities. By 2050, this ratio is expected to reverse. This demand for living space is driving the drywall business. Global Gypsum Magazine's market pundits attribute some 70 percent of the additional demand to China and its rapidly growing housing-construction market. Here, drywall construction offers an inexpensive way to provide millions of Chinese with the comfortable new apartment they desire.

As the use of gypsum in interior finishing rises, the necessary materials – such as joint fillers and jointing compounds – must offer ever-increasing quality and ease of processing. This is where WACKER steps in – "We are among the world leaders, with decades of experience in using polymeric binders as modifiers for cementitious dry-mix mortars," explains Halbach. With VINNAPAS® 4800 G, WACKER now offers a dispersible polymer powder specifically for gypsum dry-mix mortars, which are used as jointing compounds and joint fillers in drywall applications. These fillers are necessary for smoothing over the joints formed following installation of gypsum plasterboard, gypsum fiberboard and gypsum block walls. Usually a reinforcing strip of paper, glass fiber or specialty nonwovens is additionally placed on the joint and plastered over. This increases joint stability and reduces the risk of cracks forming.

High Strength and Environmental Compatibility

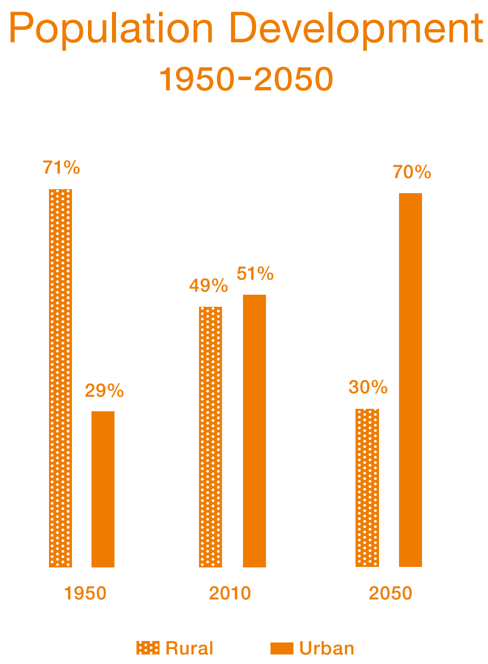
VINNAPAS® 4800 G-modified joint fillers offer a number of advantages – they are easy to process, and fewer painting cycles are needed to achieve a smooth surface. Moreover, the binder ensures that uneven surfaces and edges are leveled out, resulting in a particularly homogeneous surface. A smooth surface is of primary importance for subsequent wallpapering in order to meet the strictest quality requirements. The polymer-modified joint filler imparts outstanding adhesion, both to gypsum plasterboard and reinforcing strips. That ensures higher overall mechanical strength of the joint structure. When it comes to interior finishing, it is also important that materials emit no pollutants at all if possible: VINNAPAS® 4800 G is free of plasticizing additives that could be emitted as volatile organic compounds (VOCs) into the air. "This dispersible polymer powder is therefore ideal for improving environmentally compatible gypsum-based dry-mix mortars such as joint fillers and jointing compounds for interior finishing," says Dr. Halbach.

First Water-Soluble, then Water-Repellent

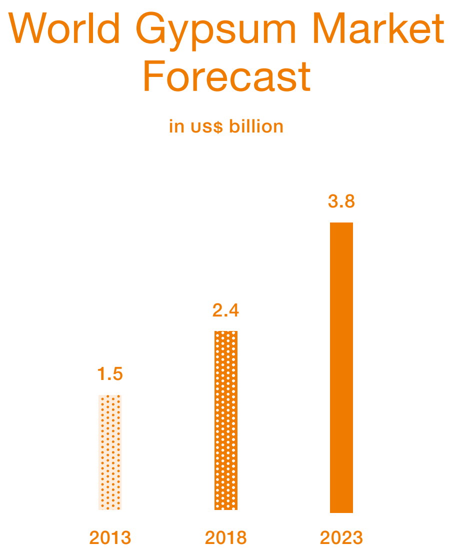
Another new WACKER product tackles one of the fundamental problems of drywall construction with plasterboard. The biggest disadvantage of gypsum-bound construction materials is their low moisture resistance. "Set gypsum has two weaknesses," says Rudolf Hager, who is responsible for construction chemicals business at WACKER SILICONES. "It has relatively poor hardness, and is slightly – yet noticeably – soluble in water." Furthermore, gypsum-based construction materials lose their compressive strength when saturated with moisture. Plus, prolonged exposure to water irreversibly damages the material structure. Gypsum-based construction elements and construction materials should therefore only be used in damp rooms if they have been made effectively hydrophobic, i.e. water-repellent. However, all the materials currently available for rendering gypsum construction materials water-repellent have the disadvantage that they are only available in liquid form. For gypsum drywall units – such as plasterboard, fiberboard or blocks – organosilicon water-repellent agents have become established, either as a fluid, an aqueous emulsion or as aqueous solutions. They are therefore not suitable for use as additives for the formulation of dry-mix mortars.

"WACKER has now designed a completely new gypsum hydrophobizing agent, SILRES® BS Powder S, which can be used in the dry-mixing process," says Hager. "This additive allows manufacturers to produce gypsum-based wall plasters, joint fillers, top coat materials and adhesives that can be used throughout the interior of a building," says Dr. Hager. The innovation is that new powders do not need encapsulation or carriers, which silicone manufacturers and formulators used to allow a liquid active to be added to a dry mortar formulation and homogeneously mixed in. Thus, SILRES® BS Powder S is not subject to any of the problems associated with conventional powder-form gypsum hydrophobizing agents. It consists only of the pure active ingredient, without any carriers or encapsulation material, and is therefore very efficient.

Global trends in population and construction make gypsum an increasingly popular construction material.



Urbanization is advancing globally.
By 2050, 2 out of 3 people will live in towns and cities.
Buildings' interiors and exteriors have to keep up with this trend.



Gypsum is a much sought-after construction material. The world gypsum sector is growing steadily with a CAGR of 9.9%. The market volume is expected to achieve $2.4 billion by 2018 and $3.8 billion by 2023.

Source: United Nations, Global Gypsum Magazine

2
Gypsum test specimens are made in WACKER's applications lab.

4
SILRES® BS Powder S is added to one specimen, but not to the other. The specimens are then immersed in water.

3
Dr. Daniel Schildbach, laboratory manager at the Construction Chemicals business team, and employee Theresia Genzinger then test which gypsum specimen has absorbed more water.

Extremely Effective

The effectiveness of the new water-repellent agent in preventing the ingress of water has been demonstrated in studies by WACKER on various gypsum test specimens. “Even after seven days’ immersion in water, the water uptake remains below 5 percent – provided that the right amount of agent has been added,” explains the product developer, Daniel Schildbach, from WACKER’s application technology department in Burghausen. “No other hydrophobizing agent can achieve this.”

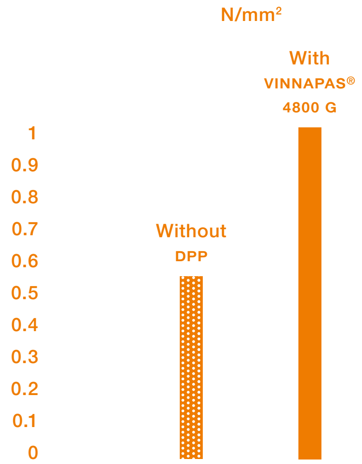
The starting point for the study was a commercially available, untreated gypsum plaster to which SILRES® BS Powder S had been added in various concentrations. This dry-mix mortar was also modified using a conventional carrier system. For comparison, the study also included a commercially available water-repellent gypsum plaster. Dr. Schildbach sums it up as follows: “Unlike traditional powder-form water repellents, our new additive can be used in gypsum construction materials to keep water absorption very low over long periods of time.” The new powder additionally imparts a pronounced water beading effect to the construction material surface.

Outdoor tests conducted near WACKER’s Burghausen site also confirm that SILRES® BS Powder S provides long-lasting protection against water. Large uncoated gypsum-plaster test objects still displayed pronounced beading after two years of weathering. When they were again immersed in water, they absorbed 70 percent less water than the test objects without water-repellent.

Gypsum Board Offers Many Benefits

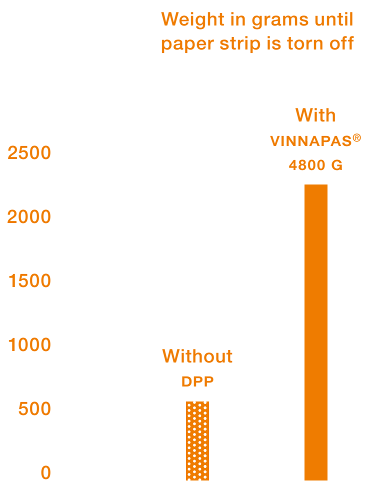
With VINNAPAS® 4800 G and SILRES® BS Powder S, WACKER has developed two important innovations that could further promote the use of gypsum in dry-wall construction throughout the world. Gypsum plasterboard walls provide the construction sector with several advantages at the same time. Its pore structure reduces sound transmission and offers noise protection. Gypsum boards also have fire-safety advantages: they are highly flame retardant because the crystal structure of gypsum contains water molecules. They are also lightweight, flexible and inexpensive to install – drywalls can quickly turn a three-room apartment into a four-room apartment, should families need an extra room. The drywall approach is therefore ideal for a highly mobile society whose living and working requirements are constantly changing.

Tensile Adhesive Strength on Cement Fiberboard



Comparative tests show that joint fillers formulated with the new VINNAPAS® 4800 G gypsum binder demonstrate much better adhesion than unmodified formulations.

Paper-Strip Test for Tensile Force



Joint fillers formulated with the new VINNAPAS® 4800 G gypsum binder offer greatly improved adhesion even to paper strips. The strips are often used to prevent cracks during the installation of plasterboard.

WACKER Stock

The monetary policy of the major central banks in the USA and Europe dominated international financial-market sentiment in the first quarter of 2015. Both the European Central Bank (ECB) and the US Federal Reserve retained their low-interest-rate policies during the reporting quarter. As it had announced, the ECB began buying eurozone government bonds and other securities on a large scale in March. The ECB's purpose is to counter deflationary tendencies – and thus stimulate economic growth – in the eurozone. The debate surrounding Greece's financial situation has gained momentum since the national elections there in January. While the new government's abrupt change in direction regarding nationwide reforms has caused some concern among European politicians, market participants now seem to view a potential Greek exit from the eurozone and its impact on the euro much less critically than just a few years ago. Concerns about trouble spots in eastern Ukraine and the Middle East moved into the background, at least temporarily, following the Minsk ceasefire agreement in February and reports of territorial gains by the Iraqi army in its fight against the forces of Islamic State. Overall, in the period from January through March 2015, share prices increased markedly. Germany's main equity benchmark, the DAX, recorded its highest quarterly gain in almost twelve years.

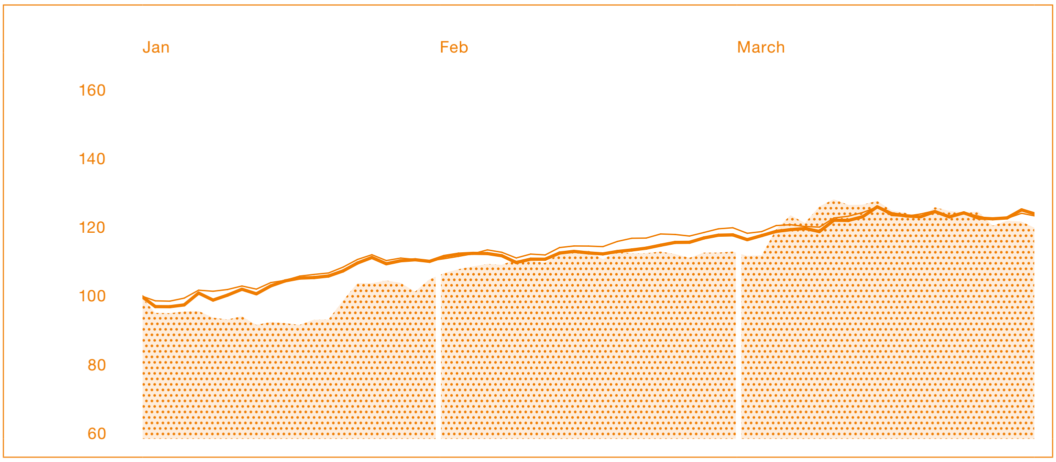
Against this backdrop, WACKER stock posted a gain of almost 19 percent in the period January through March, thus performing largely in line with Germany's two benchmark indices. The DAX and the MDAX rose nearly 23 percent and 22 percent, respectively, in the same three-month period.

WACKER stock started Q1 2015 trading at €90.85 on January 2. The price initially edged lower until mid-January, reaching its reporting-quarter low of €83.53 on January 14. In the weeks that followed, the stock made substantial gains and climbed to a high of €115.10 on March 11. The stock closed at €107.75 on March 31. That represents a gain of 18.6 percent in the reporting quarter and corresponds to a market capitalization of about €5.35 billion.

Looking at the long-term analysis for the three-year period from April 2012 through April 2015, WACKER stock has continually gained ground since its lows of November 2012. On the whole, the stock price has increased by close to 67 percent over the three-year period. The stock has thus performed roughly in line with the DAX (+70 percent), but trailed the MDAX, which has risen by approximately 90 percent since April 2012. The upward trend in WACKER's share price over the past 28 months is attributable to various factors, including improvements in Group operations and the sustained growth in the photovoltaic sector that is benefiting WACKER's polysilicon business.

WACKER Share Performance in Q1 2015 (indexed to 100)[1]

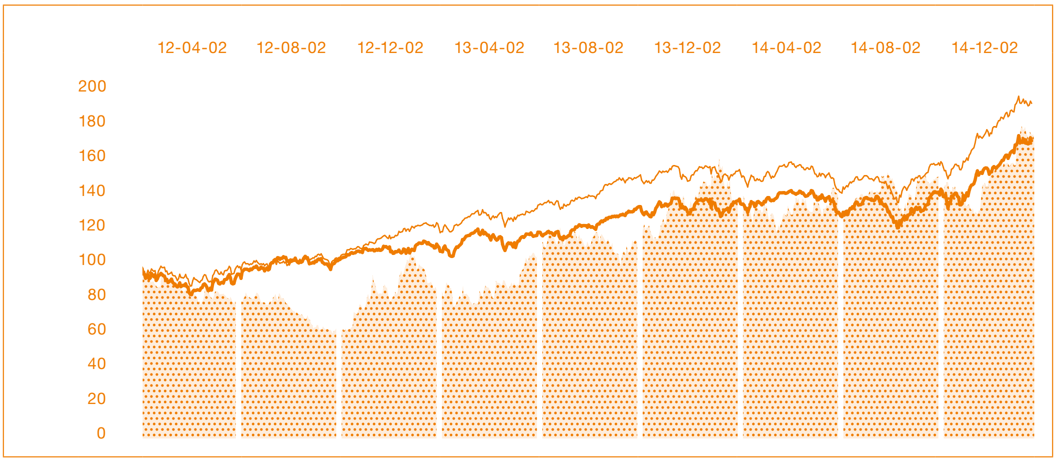
G 1.1



[1] 100 = €90.85 (closing price on January 2, 2015)

WACKER Share Performance from April 2, 2012 to March 31, 2015 (indexed to 100)[1]

G 1.2



[1] 100 = €64.71 (closing price on April 2, 2012)

Facts & Figures on WACKER Stock

T 1.3

€	Q1 2015
Closing price at the start of the reporting period (Jan. 2, 2015)	90.85
High in the reporting period (March 11, 2015)	115.10
Low in the reporting period (Jan. 14, 2015)	83.53
Closing price at the end of the reporting period (March 31, 2015)	107.75
Change during the reporting period (%)	18.6
Average daily trading volume in shares/day (Xetra, Chi-X and Turquoise)	208,914
Market capitalization at the start of the reporting period (billion) (based on shares outstanding)	4.51
Market capitalization at the end of the reporting period (billion) (based on shares outstanding)	5.35
Earnings per share (€)	1.42

Dividend Proposal for 2014 of €1.50 per Share

Wacker Chemie AG posted a retained profit under German Commercial Code accounting rules of €960.5 million in 2014. The Executive and Supervisory Boards will propose a dividend of €1.50 per share at the Annual Shareholders' Meeting. Based on the number of shares entitled to dividends as of December 31, 2014, the cash dividend corresponds to a payout of €74.5 million. Calculated in relation to WACKER's average share price in 2014, the dividend yield is 1.7 percent. The remaining amount of €886.0 million is to be treated as profit carried forward.

At the end of the reporting period, short sales of Wacker Chemie AG's stock amounting to 8.75 percent of the shares outstanding were reported as per Section 30h of Germany's Securities Trading Act. The largest position amounted to 2.93 percent. Short positions exceeding 0.5 percent of the shares outstanding are published in the Company Register in Germany's Federal Gazette www.bundesanzeiger.de.

Please refer to the 2014 Annual Report (pages 46 to 52) and the internet (www.wacker.com/investor-relations) for more details about WACKER stock (e.g. the dividend, shareholder structure, banks and investment firms that cover and rate WACKER, analyst estimates, and investor and analyst events held or attended by WACKER).

Report on the 1st Quarter of 2015

January – March 2015

Dear Shareholders,

WACKER got off to a good start in 2015, with substantial volume and sales growth. Every business division generated higher first-quarter sales.

Given our good start, we are optimistic that business operations will develop positively during the rest of the year. Global demand for our products is strong. Additionally, our business is benefiting from the positive effects of a weaker euro.

We have ambitious goals for the current year. The start-up of the Charleston plant will conclude the capital-intensive phase of expansion projects. After investing extensively in large-scale plants for upstream products over recent years, we are now placing our strategic focus on expanding capacity for intermediate and downstream products at our chemical divisions. We intend to use this additional capacity to exploit growth opportunities in all key markets.

The Charleston plant's completion will also mark a turning point for WACKER's financial figures. Although the Group's net financial debt will climb again significantly in 2015, it should continually decline in the next few years. At the same time, we will pursue numerous measures to optimize our cost structures and, in turn, the profitability of our business activities.

New prospects have emerged for our semiconductor business, where we are currently looking at a range of strategic options to reshape the present ownership structure of Siltronic. Both WACKER and Siltronic could benefit from such a step. WACKER, for example, could obtain additional funds to invest in its chemicals and polysilicon businesses. Siltronic, in turn, could profit from an IPO by gaining direct access to the capital markets and tapping growth opportunities.

A thorough analysis of all the options open to WACKER will show whether these goals can be reached and what path we should take. We will weigh our options carefully before deciding how to proceed.

Despite today's uncertain economic and political situation, highlighted by Greece and Ukraine, we are confident that 2015 will be a good year for WACKER and that we can keep our company on its path of sustainable, profitable growth. We can succeed because we take the long view and factor the future into what we do today. And because we have the ability to change and yet remain true to our roots.

We thank you for continuing to support your company along this path.

Munich, April 30, 2015
Wacker Chemie AG's Executive Board

Interim Group Management Report

Overall Economic Situation and State of the Industry

World Economy Remains on Moderate Growth Path

Regional Differences in Economic Growth Persist

In 2015, the world economy has continued to expand, albeit at a moderate pace and with persistently large regional differences. Low oil prices are spurring economic momentum. In the reporting quarter, oil was more than 40 percent cheaper than in September of last year.[1] The USA is increasingly becoming the main driver of global economic growth. In Europe, however, the upswing remains subdued and fragile. The European Union's sanctions against Russia are a burden not only on the countries of Eastern Europe, but also on the export-oriented industries of Western and Southern Europe. Divergences in economic growth between Europe and the USA have brought about a shift in exchange rates, with the US dollar continuing to gain in value against the euro during the reporting quarter.

In its latest forecast, published in April 2015, the International Monetary Fund (IMF) left its global growth projections largely unchanged compared with its estimates in January of this year. The IMF expects the world economy to grow by 3.5 percent in the current year (2014: 3.4 percent). Gross domestic product in advanced economies is expected to grow by 2.4 percent in 2015, noticeably better than in 2014 (1.8 percent). In developing and emerging economies, on the other hand, growth is likely to slow somewhat, edging down to 4.3 percent (2014: 4.6 percent).[1]

According to IMF estimates, economic output in the emerging economies of Asia will again grow substantially this year, reaching 6.6 percent (2014: 6.8 percent). At the same time, growth in China is expected to slow noticeably in 2015, declining to 6.8 percent after 7.4 percent in the previous year. In the IMF's opinion, this trend will dampen growth in other Asian countries, too. According to the latest forecasts, gross domestic product in India will grow faster in 2015 than in the previous year, rising by 7.5 percent (2014: 7.2 percent).[1]

Japan drifted into recession in the second half of 2014, mainly as a result of the consumption tax increase that took effect in April of the same year. However, the IMF believes that countermeasures in the fields of taxation and currency policy should help the Japanese economy to gradually recover. The IMF anticipates a slight, 1.0-percent rise in Japanese GDP for full-year 2015 (2014: –0.1 percent).[1]

The US economy is experiencing a strong upswing. Low oil prices and a buoyant labor market are fueling domestic demand, as is the Federal Reserve's continuing policy of low interest rates. Even though the strong dollar is hampering exports, the IMF expects gross domestic product in the USA to grow by 3.1 percent this year (2014: 2.4 percent).[1]

[1] International Monetary Fund, World Economic Outlook – Short- and Long-Term Factors, Washington, April 17, 2015

European Economy Remains Subdued

The outlook for the European economy remains relatively muted. The IMF anticipates that the eurozone will post growth of 1.5 percent this year (2014: 0.9 percent).[1] This essentially coincides with the assessment of the Organisation for Economic Co-operation and Development (OECD), which expects eurozone GDP to grow by 1.4 percent in 2015 (2014: 0.9 percent).[2] Forecasts vary for the individual eurozone countries. While the IMF sees quite good prospects for growth in Spain and Germany, it expects growth in France and Italy to be somewhat more subdued.[1]

The German economy started the year in good shape. In their spring report, leading German economic institutes forecast GDP growth in 2015 of 2.1 percent (2014: 1.6 percent)[3]. This is a significantly more upbeat forecast than the IMF, which does not expect growth in 2015 to exceed 1.6 percent (2014: 1.6 percent).[1]

Market Volatility Dampens Expectations for the Chemical Industry

The chemical industry in Europe achieved only a marginal increase in production output in 2014. As reported by the European Chemical Industry Council (Cefic), volumes grew by just 0.3 percent compared with last year.[4] According to the VCI – the industry's trade association in Germany – volumes in the German chemical industry will rise moderately in the current year, growing by 1.5 percent. As prices for chemical products, however, are likely to fall by 2 percent, the VCI expects chemical-industry sales to decline by 0.5 percent in 2015 to €192.2 billion.[5] Despite this overall subdued forecast for industry growth, WACKER's chemical divisions achieved strong sales growth in Q1 2015 compared with the previous year. Aside from higher volumes, sales primarily benefited from positive exchange-rate effects.

According to market research institute Gartner, semiconductor-industry demand for silicon wafers will continue to grow in 2015. Worldwide wafer volumes (by surface area sold) are expected to rise by 3.6 percent this year, with the 300 mm wafer segment projected to post somewhat higher than average growth of 4.5 percent. According to Gartner's market experts, worldwide sales of silicon wafers in 2015 will increase by 7.9 percent to $8.96 billion.[6] Siltronic's silicon-wafer volumes were higher than a year earlier thanks to positive exchange-rate effects. As a result, Q1 sales were higher both year on year and quarter on quarter.

Demand for photovoltaic systems grew substantially in 2014 and is expected to increase again this year. For 2015, the experts at Bloomberg New Energy Finance are projecting newly installed photovoltaic capacity to range from just under 53 to 58 gigawatts worldwide (previous year: 46 to 48 gigawatts).[7] WACKER's own market surveys confirm this trend, projecting growth of between 50 and 60 gigawatts this year. Once again, China is likely to be the largest sales market by far, followed by Japan, Europe and the USA. Robust demand for solar installations is bolstering WACKER's polysilicon business. Thanks to higher volumes and better solar-silicon prices compared with last year, WACKER POLYSILICON continued to grow its sales in the reporting quarter.

[1] International Monetary Fund, World Economic Outlook – Short- and Long-Term Factors, Washington, April 17, 2015

[2] Organisation for Economic Co-operation and Development (OECD), Interim Economic Assessment: Tailwinds driving a modest acceleration … but storm clouds on the horizon?, Paris, March 18, 2015

[3] Joint Economic Forecast Project Group, A Strong Upswing Thanks to Cheap Oil and Weak Euro, Munich, April 14, 2015

[4] European Chemical Industry Council (Cefic), Chemicals Trends Report, Monthly Summary, February 2015, Brussels, February 27, 2015

[5] VCI (German Chemical Industry Association), VCI report on the business situation of the German chemical industry in the 4th quarter 2014: Weak end of the business year 2014, Frankfurt, February 28, 2015

[6] Gartner Market Statistics, Forecast: Semiconductor Silicon Wafers, Worldwide, 4Q14 Update, Stamford (USA), December 18, 2014

[7] Bloomberg New Energy Finance, Chinese PV shipments surge in Q4 2014 according to BNEF shipment survey, London, February 3, 2015

Sales and Earnings for the WACKER Group

Increased Volumes, Positive Exchange-Rate Effects and Better Prices in Some Segments – WACKER Starts 2015 with Substantially Higher Sales

WACKER got off to a good start in 2015. In the first quarter, Group sales totaled €1,334.9 million (Q1 2014: €1,157.4 million), up by more than 15 percent year on year and almost 12 percent higher quarter on quarter (Q4 2014: €1,194.5 million). The main reason for this growth was higher volumes than in the previous year, especially for solar silicon and semiconductor wafers. In addition, the favorable effects of the euro's decline against the US dollar and other currencies were a major factor driving sales growth. In the first quarter of 2015, all five of the company's business divisions achieved double-digit year-on-year sales growth.

The three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – generated combined Q1 sales of €808.8 million (Q1 2014: €704.7 million), up almost 15 percent. Compared with the preceding quarter (€715.5 million), chemical sales grew by 13 percent, mainly due to higher volumes and positive exchange-rate effects. Furthermore, prices improved in individual product groups.

On the back of positive trends in volumes, exchange rates and prices, WACKER SILICONES' Q1 sales performance was better both year on year and quarter on quarter, with the division achieving double-digit growth in both cases. Relative to Q1 2014, sales were almost 12 percent higher, and around 13 percent higher than in Q4 2014. Business in the electronics, automotive and medical technology segments performed well in the reporting quarter. Silicone volumes were somewhat more subdued for industrial-coating and personal-care products and, due to the weather, for construction-application products in Europe.

In the first three months of 2015, total sales at WACKER POLYMERS grew by around 19 percent year on year and by almost 13 percent quarter on quarter. This growth was spurred mainly by higher volumes and positive exchange-rate effects. Dispersible polymer powder volumes grew considerably. In the dispersions segment, demand was strong in the coating and carpet industries, and for polymer products for sealing applications. The pace of business in the industrial textiles and adhesives segments was slower.

Sales in all business fields of WACKER BIOSOLUTIONS were higher in Q1 2015 than in the prior-year period, with particularly robust growth recorded for pharmaceutical proteins and cyclodextrins. The division's total sales were up by a good 21 percent year on year. Relative to Q4 2014, WACKER BIOSOLUTIONS posted sales growth of 13 percent, with both increased volumes and exchange-rate effects contributing.

In Q1 2015, WACKER POLYSILICON grew its sales by almost 11 percent, both year on year and quarter on quarter, mainly due to substantially higher volumes than in both Q1 2014 and Q4 2014. Additionally, somewhat better solar-silicon prices contributed to the division's year-on-year sales trend. Prices declined slightly compared with Q4 2014.

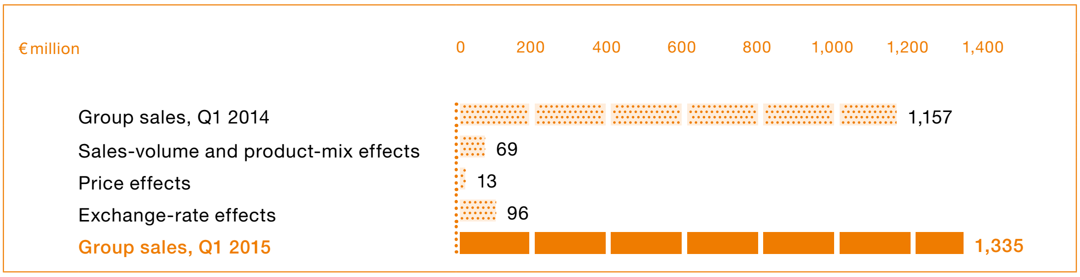
Siltronic benefited from the favorable exchange-rate effects that characterized the reporting quarter. Sales at the division improved by around 17 percent relative to the prior-year quarter, with substantially higher volumes being a factor in this growth. Prices for silicon wafers were lower than in the prior year. Relative to Q4 2014, sales grew by around 7 percent. Overall, volumes and prices for silicon wafers were largely unchanged quarter on quarter.

Favorable Exchange-Rate Effects Enhance Positive Business Trend

On the whole, higher volumes and positive effects generated by WACKER's product mix in Q1 2015 helped Group sales rise by 6 percent year on year. In addition, improved prices in a number of product segments added around 1 percent to sales growth. Exchange-rate effects lifted sales by some 8 percent. The average euro exchange rate in the reporting period was $1.13 (Q1 2014: $1.37), a decline in value of almost 18 percent on a year earlier. Relative to the exchange rate of the preceding quarter ($1.25), the euro was down by almost 10 percent. The Japanese yen appreciated slightly against the euro. In Q1 2015, one euro was worth an average of ¥134 (Q1 2014: ¥141, Q4 2014: ¥143). Overall, the WACKER Group invoiced a good 31 percent of its sales in US dollars in Q1 2015, compared with 30 percent a year earlier. The US dollar thus remains the foreign currency with the biggest influence on the Group's business.

Year-on-Year Sales Comparison

G 2.1



Plant Utilization Remains High Across All Divisions

Thanks to brisk customer demand, plant utilization rates were very good at all of WACKER's business divisions in Q1 2015. The WACKER SILICONES facilities producing siloxane and pyrogenic silica ran at full capacity in the reporting period. WACKER POLYMERS reported an average utilization rate of around 80 percent at its dispersions and dispersible polymer powder plants around the world, while facilities at WACKER POLYSILICON ran at full capacity in Q1 2015. Siltronic's overall plant-utilization rate was over 90 percent in the reporting quarter. Capacity utilization across all wafer diameters was higher year on year.

The performance of each of WACKER's five divisions during the first quarter of 2015 is described in detail in the "Division Results" section of this Interim Report, starting on page 36.

Higher Year-on-Year and Quarter-on-Quarter Sales in All Regions

WACKER continued to grow its sales in all regions in Q1 2015, relative to both the first and final quarters of 2014. Whereas growth was highest in percentage terms in the Americas – due to exchange-rate effects – sales in Asia and in the countries grouped under “Other Regions” also rose at a double-digit rate year on year. Exchange-rate effects were a factor here, too.

Asia remains WACKER’s most important market, with the Group generating almost 43 percent (Q1 2014: 42 percent) of its total sales there. Sales in Asia totaled €569.3 million in Q1 2015 after €490.2 million in Q1 2014, a rise of about 16 percent. Growth was particularly strong in Asia for silicones, dispersions and dispersible polymer powders. WACKER POLYSILICON, WACKER BIOSOLUTIONS and Siltronic were able to post double-digit sales growth there as well. Relative to Q4 2014 (€523.2 million), Group sales increased by almost 9 percent.

In Europe, WACKER achieved sales of €297.0 million in Q1 2015 (Q1 2014: €274.1 million), a good 8 percent more than a year ago. Robust demand enabled all business divisions to surpass their respective prior-year figures. Relative to Q4 2014 (€262.2 million), sales were up by over 13 percent, with the usual seasonal effects contributing to this growth.

Group sales in Germany totaled €176.0 million (Q1 2014: €167.3 million) in the quarter under review, up by around 5 percent year on year. Sales rose by 10 percent relative to Q4 2014 (€160.0 million), with silicones business performing especially well quarter on quarter.

While sales growth in the Americas was strongly influenced by the positive effects of the decline in the euro against the US dollar, the robust US economy also fueled brisk customer demand for WACKER’s products. Overall, WACKER generated sales of €243.8 million in this region during the reporting quarter (Q1 2014: €183.1 million), up more than 33 percent on a year ago and over 19 percent more than in Q4 2014 (€204.5 million).

WACKER’s sales in the markets combined under “Other Regions” totaled €48.8 million in Q1 2015, after €42.7 million in Q1 2014 and €44.6 million in Q4 2014.

In total, WACKER generated about 87 percent of its first-quarter sales with customers outside Germany (Q1 2014: 86 percent).

Group Sales by Region

T 2.2

€million	Q1 2015	Q1 2014	Change in %	% of Group sales
Asia	**569.3**	490.2	16	43
Europe (excluding Germany)	**297.0**	274.1	8	22
Germany	**176.0**	167.3	5	13
The Americas	**243.8**	183.1	33	18
Other regions	**48.8**	42.7	14	4
Total sales	1,334.9	1,157.4	15	100

Please refer to WACKER's 2014 Annual Report (pages 59 to 60) for more detailed information on the major products, markets and competitive positions of the Group's divisions. There were no material changes in this respect during Q1 2015.

Uneven Trends in Raw-Material and Energy Prices

Prices of the raw materials essential to production at WACKER developed unevenly in the reporting quarter. Ethylene was much cheaper, falling in price in Q1 2015 by about 20 percent, both year on year and quarter on quarter. The price of methanol also decreased by about 20 percent on a year earlier. Compared with Q4 2014, the price of methanol was slightly lower. By comparison, both vinyl acetate monomer (VAM) and silicon metal were substantially more expensive. VAM cost over 20 percent more on average in Q1 2015 than in Q1 2014, but about 8 percent less than in the final quarter of 2014. Silicon metal increased in price by around 10 percent year on year and some 4 percent quarter on quarter.

In Germany, procurement prices for natural gas and electricity were noticeably lower year on year. With gas supply contracts linked to the price of oil expiring, WACKER spent around 20 percent less on natural gas in the first three months of 2015 than in the prior-year period. The procurement price for electricity was around 12 percent lower in Q1 2015 than in Q1 2014. Relative to Q4 2014, the procurement price declined somewhat for natural gas and, for electricity, was marginally higher.

Overall, year-on-year changes in raw-material and energy prices slightly reduced WACKER Group earnings during the first quarter of 2015.

EBITDA €267 million – EBITDA margin 20 percent

In Q1 2015, the WACKER Group posted earnings before interest, taxes, depreciation and amortization (EBITDA) of €267.1 million (Q1 2014: €285.2 million). The main reason for this decline of about 6 percent was the fact that the prior-year figure had included a non-recurring effect. In Q1 2014, WACKER had restructured its contractual relationships with a solar-industry customer, as a result retaining advance payments and receiving damages. That led to special income of €114.0 million. The comparable income for the reporting quarter was €4.7 million. Adjusted for this special income, WACKER's EBITDA grew by about 53 percent year on year. Relative to Q4 2014 (€180.1 million), EBITDA was some 48 percent higher. The EBITDA margin for Q1 2015 was 20.0 percent compared with 24.6 percent in the same quarter last year and 15.1 percent in Q4 2014.

In the period under review, all of WACKER's business divisions posted positive EBITDA and double-digit EBITDA margins. The main drivers of higher earnings were favorable exchange-rate effects caused by the weaker euro, and higher volumes. Good coverage of fixed costs thanks to high plant utilization was another positive factor in the earnings trend.

The three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – generated combined Q1 EBITDA of €136.4 million (Q1 2014: €88.7 million). That was almost 54 percent higher year on year and more than double the figure of the preceding quarter (€62.0 million). Higher volumes, positive exchange-rate effects and better prices for individual product segments contributed to this growth. On the other hand, year-on-year increases in the prices of vinyl acetate monomer and silicon metal dampened the profitability of WACKER's chemical business.

Higher volumes and better year-on-year solar-silicon prices had a positive impact on WACKER POLYSILICON's earnings trend. Due to the special income in Q1 2014 mentioned above, the division's EBITDA came in at €78.7 million, a decline in absolute terms, and was around 56 percent below the prior-year figure of €180.0 million. Adjusted for non-recurring effects, however, EBITDA at WACKER POLYSILICON improved around 12 percent year on year. Compared with Q4 2014 (€88.8 million), divisional EBITDA fell about 11 percent. This was partly due to start-up costs at the new polysilicon site in Charleston, Tennessee (USA), which rose in line with the project's progress. In addition, solar-silicon prices were slightly below Q4 2014.

During the reporting quarter, Siltronic benefited from volume increases, favorable exchange-rate effects, and a plant-utilization rate that was higher year on year. As a result, the division more than compensated for the persistent price pressure affecting the 300 mm and small-diameter wafer segments. 200 mm wafer prices were slightly higher than in the preceding quarter even in US-dollar terms. The earnings trend also shows that the measures taken by Siltronic to optimize its cost structures and increase productivity are having a lasting effect. Overall, Siltronic more than doubled its EBITDA year on year, posting €40.0 million for the reporting quarter (Q1 2014: €15.0 million). Relative to Q4 2014 (€37.7 million), the increase was around 6 percent.

The profitability trend of each of WACKER's five divisions in Q1 2015, and the respective key factors involved, are described in detail in the "Division Results" section of this Interim Report, starting on page 36.

The Group's earnings before interest and taxes (EBIT) from January through March 2015 totaled €126.3 million (Q1 2014: €133.8 million). This was almost 6 percent less than a year ago and yielded an EBIT margin of 9.5 percent (Q1 2014: 11.6 percent). In this case, too, special income in Q1 2014 had an impact. Adjusted for non-recurring effects, WACKER's EBIT increased more than sixfold year on year. Against Q4 2014 (€31.1 million), EBIT approximately quadrupled. In the fourth quarter of 2014, the Group's EBIT margin had been 2.6 percent.

First-Quarter Earnings per Share of €1.42

In the three-month period through March 2015, the WACKER Group generated net income of €70.6 million (Q1 2014: €64.2 million). For Q1 2015, earnings per share amounted to €1.42 (Q1 2014: €1.35).

Additional details regarding the development of WACKER's earnings in Q1 2015 are discussed in the "Condensed Statement of Income – Earnings" section of this Interim Report, starting on page 26.

First-Quarter Business Performance Largely in Line with Expectations

WACKER's key financial performance indicators are EBITDA, EBITDA margin, return on capital employed (ROCE) and net cash flow. The supplementary financial performance indicators include sales, investment spending and net financial debt. The Group's management processes as presented and discussed on pages 66 to 71 of the 2014 Annual Report did not change in the period under review.

In Q1 2015, WACKER's sales and earnings trend was largely in line with expectations at the start of the year. When releasing the 2014 Annual Report on March 17, 2015, the Executive Board had projected that sales in Q1 2015 were likely to reach about €1.3 billion, surpassing the Q1 2014 figure. This prediction proved correct, with Group sales coming in at €1.33 billion. The same applies to first-quarter EBITDA performance, which was predicted to be slightly below the prior-year figure due to the absence of special income. The corresponding EBITDA margin was also lower than in Q1 2014.

As announced, net financial debt rose during the reporting quarter compared with year-end 2014. Exchange-rate shifts were among the factors playing a part here, because some of the loans taken out by WACKER were denominated in foreign currencies. Depreciation between January and March 2015 totaled €141.3 million. At €17.4 million, net cash flow for the reporting quarter was slightly positive and investment spending came in as expected.

Polysilicon-Capacity Expansion Remains the Focus of Investing Activities

The WACKER Group invested €174.9 million in the first quarter of 2015 (Q1 2014: €89.3 million), about 96 percent more than a year earlier due to project-related factors. Capital expenditures in Q4 2014 totaled €229.0 million.

The demand-driven expansion of polysilicon production capacities remains the focus of investment spending. Construction of the new polysilicon site in Charleston, Tennessee (USA) remained on schedule in the first quarter. This project accounted for more than 70 percent of the Group's total investment spending during the reporting quarter. The plant's start-up phase is scheduled to begin in the second half of this year. In parallel, the production output of the existing hyperpure polysilicon facilities at the Burghausen and Nünchritz sites in Germany is to be expanded by optimizing processes already in place. WACKER intends to increase its overall annual production capacity for polysilicon to about 80,000 metric tons by 2017.

Further capital expenditures during the reporting quarter focused on increasing capacities for polymer products. For example, WACKER is expanding the production plants for vinyl acetate-ethylene copolymer dispersions at the Calvert City site in Kentucky (USA), where it is building a new reactor with an annual capacity of 85,000 metric tons and a new ethylene pipeline to secure the site's long-term supply of raw materials. About €50 million has been set aside for the expansion of production and infrastructure. The new reactor is expected to begin operating in mid-2015. WACKER is also building a new specialty-monomer plant for vinyl neodecanoate and vinyl laurate at the Burghausen site with an annual capacity of around 4,000 metric tons. The Group has budgeted around €8 million for this. Both the monomers mentioned are key raw materials for producing specialty polymer powders that offer tailored properties, such as water repellency. The new plant is scheduled to come on stream in the second quarter of 2015. These new facilities will allow WACKER to meet growing demand for high-quality polymeric binders and strengthen its position as the world's leading manufacturer of ethylene-based dispersions and dispersible polymer powders.

WACKER's new production plant for food-grade polyvinyl acetate (PVAc) solid resins at its Nanjing site in China officially came on stream in late March. With an annual capacity of 20,000 metric tons, the plant is the largest of its kind in Asia and is certified to the highest food standards. One use for PVAc solid resins is to manufacture gumbase. The Group invested around €20 million in this new plant. WACKER's PVAc site at Wuxi in China is to be closed down later this year.

Increased Investing Activities Reduce Net Cash Flow

From January through March 2015, WACKER generated net cash flow of €17.4 million (Q1 2014: €104.5 million). There are two main reasons for this considerable decline: a higher level of investments than in Q1 2014 due to project-related factors, and special income from damages that was included in last year's figure.

WACKER's net financial debt rose by nearly 11 percent compared with year-end 2014, amounting to €1,198.1 million as of March 31, 2015 (Dec. 31, 2014: €1,080.6 million). One major reason for this increase was the weaker euro, because a portion of the loans taken out by WACKER is denominated in foreign currencies.

Additional details regarding cash flows are discussed in the "Condensed Statement of Cash Flows – Financial Position" section of this Interim Report, starting on page 33.

Innovation, Quality and Sustainability for the Benefit of People, the Environment and Nature

From January through March 2015, the WACKER Group spent €44.7 million on R&D activities (Q1 2014: €47.9 million). In Q4 2014, these expenses totaled €48.6 million.

During the reporting period, the divisions demonstrated their innovative strength, high quality standards, and customer proximity through numerous innovations, product launches and attendance at tradeshows. Here are a few examples:

- Together with inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH (a company focused on advanced vehicle manufacturing systems), WACKER has developed a silicone adhesive-sealant for mounting automobile oil pans. Sold under the name ELASTOSIL® RT 779, the new product adheres to both aluminum and polyamide. Plastic oil pans can now be mounted without mechanical fasteners.

- In mid-April, WACKER premiered its new BELSIL® EG 1 and BELSIL® REG 102 silicone elastomer gels at the in-cosmetics tradeshow in Barcelona. Both products impart a special texture to skin-care applications and decorative cosmetics, leaving skin feeling extraordinarily soft and silky smooth. They also ensure that the end products spread evenly on the skin.

- WACKER introduced innovative silane-terminated polymers for formulating industrial adhesives and waterproofing membranes at the 2015 European Coatings Show, which took place in Nuremberg in late April. The novel GENIOSIL® XT binder makes it possible to produce highly elastic materials – for automotive and mechanical engineering applications – that exhibit exceptional tear strength upon curing. WACKER also used this show to present new binders and additives for the paint and coatings industry. WACKER's focus there included SILRES® WH silicone resin emulsion. Impregnating wood with this emulsion provides lasting protection against damp, moisture and the subsequent damage caused, for example, by fungi and insects. WACKER also showcased a binder from its new PRIMIS® line for high-value outdoor applications. PRIMIS® AF 1000 is the first product in this new range and combines organic and inorganic constituents. It enables the formulation of brilliant, highly durable exterior paints with reduced dirt pick-up.

Henkel, a leading brand and technology company, presented WACKER with a special award for its innovative silicone emulsion for hair-care products in February – namely the 2014 "Best Innovation Contributor Beauty Care Award." The novel silicone microemulsion forms a protective film on the surface of hair, which makes it considerably easier to get a comb through damaged hair.

WACKER Intensifies its Commitment to Sustainable Business Practices and Health Management

The WACKER Group is striving to strengthen its commitment to sustainable business practices in the supply chain. To this end, it has now joined the "Together for Sustainability" (TfS) initiative. Established in 2011, the project aims at implementing a standardized global program for responsible procurement of goods and services in the chemical industry and improving the ecological and social standards of suppliers. To facilitate this, member companies organize supplier evaluations using questionnaire analyses and audits, with independent auditing bodies assessing the suppliers' sustainability performance based on criteria tailored to the chemical industry. The aspects assessed range from the environment, health and safety, labor and human rights to ethical company management.

In early February 2015, WACKER opened a new health center at its Burghausen plant. Featuring state-of-the-art medical technology, this center provides flexible health care to the site's roughly 10,000-strong workforce. WACKER invested around €4 million in the new building.

Employee Numbers Rise Slightly in Q1 2015

Relative to Q4 2014, the number of WACKER employees worldwide rose by almost 1 percent during the first quarter of 2015. On March 31, 2015, the Group had 16,844 employees (Dec. 31, 2014: 16,703). Employee numbers were also marginally higher year on year (March 31, 2014: 16,788).

As of March 31, 2015, WACKER had 12,400 employees in Germany (Dec. 31, 2014: 12,366) and 4,444 at its international sites (Dec. 31, 2014: 4,337).

New Member Joins WACKER's Supervisory Board

During the period under review, there was a personnel change on Wacker Chemie AG's Supervisory Board. Dr. Andreas H. Biagosch (age 59) became a new member of WACKER's Supervisory Board. He succeeds Dr. Bernd W. Voss, who stepped down due to health reasons. Andreas Biagosch studied mechanical and industrial engineering at Munich's Technical University, where he subsequently received his doctoral degree in engineering. From 1980 to 1984, he worked as a development engineer at an aircraft-engine manufacturer, formerly known as MTU München GmbH, before moving to the consultancy firm McKinsey & Company, Inc. Since 2013, Andreas Biagosch has been the managing director of the consultancy and investment firms Impacting I GmbH & Co. KG and Impact GmbH. He also holds positions on the supervisory board of Aixtron SE and the advisory boards of Commerzbank AG and Lürssen Werft GmbH & Co. KG.

For detailed information on the organization and structure of Wacker Chemie AG, as well as on its corporate goals and strategy, please refer to WACKER's 2014 Annual Report, especially the sections "Group Business Fundamentals" (pages 55 to 63) and "Goals and Strategies" (pages 64 to 65).

The principles, guidelines and processes described there did not change materially during the reporting quarter and continue to apply.

Condensed Statement of Income – Earnings

January 1 through March 31, 2015

Condensed Statement of Income

T 2.3

€ million	Q1 2015	Q1 2014	Change in %
Sales	1,334.9	1,157.4	15.3
Gross profit from sales	291.6	164.4	77.4
Selling, R&D and general administrative expenses	–153.9	–145.8	5.6
Other operating income and expenses	–10.6	115.3	n.a.
Operating result	127.1	133.9	–5.1
Result from investments in joint ventures and associates	–0.8	–0.1	>100
EBIT	126.3	133.8	–5.6
Financial result	–7.0	–23.7	–70.5
Income before taxes	119.3	110.1	8.4
Income taxes	–48.7	–45.9	6.1
Net income for the period	70.6	64.2	10.0
Of which			
Attributable to Wacker Chemie AG shareholders	70.4	67.0	5.1
Attributable to non-controlling interests	0.2	–2.8	n.a.
Earnings per share in € (basic/diluted)	1.42	1.35	5.1
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–
Reconciliation to EBITDA			
EBIT	126.3	133.8	–5.6
Depreciation/appreciation of noncurrent assets	140.8	151.4	–7.0
EBITDA	267.1	285.2	–6.3

In Q1 2015, WACKER increased its sales on both the first and fourth quarters of 2014 due to healthy customer demand and favorable exchange-rate effects. The polysilicon and silicon-wafer markets showed a positive trend and chemical-division volumes grew, lifting Group sales by 15 percent compared with Q1 2014. Group EBITDA of €267.1 million was below the year-earlier figure of €285.2 million. While non-recurring effects had increased EBITDA by €114.0 million in Q1 2014, EBITDA in the reporting quarter included only minor non-recurring effects of €4.7 million.

Group Sales of €1.33 Billion 15 Percent Higher Than a Year Earlier

In Q1 2015, WACKER generated sales of €1,334.9 million compared with €1,157.4 million a year earlier, a rise of 15 percent. Sales grew relative to Q4 2014 (€1,194.5 million) as well, up by close to 12 percent. Higher volumes and exchange-rate effects were the main factors driving Q1 2015 sales.

In the company's chemical business, sales climbed almost 15 percent to €808.8 million (Q1 2014: €704.7 million), mainly due to higher volumes, positive exchange-rate effects against the dollar and other currencies, and slightly better prices for some product groups. Higher volumes and exchange-rate gains in semiconductor wafers and favorable market conditions in solar silicon were the main drivers of year-on-year sales growth at Siltronic and WACKER POLYSILICON. Despite falling dollar prices, Siltronic increased its sales by 17 percent to €238.7 million (Q1 2014: €203.8 million), with positive exchange-rate effects compensating for the downward price trend. WACKER POLYSILICON posted sales of €289.4 million after €262.0 million in the previous year, benefiting from higher volumes and somewhat higher prices.

Group Q1 EBITDA of €267 Million

In Q1 2015, EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to €267.1 million (Q1 2014: €285.2 million), a decline of 6 percent. The main factor in this decrease was a non-recurring effect in the comparable period last year. In Q1 2014, WACKER had retained advance payments and received damages, resulting in special income of €114.0 million. The comparable income for the reporting quarter was €4.7 million. Adjusted for this non-recurring effect, earnings from continuing operations showed a marked improvement year on year. Compared with Q4 2014 (€180.1 million), EBITDA climbed 48 percent, clear evidence of how the weak euro benefited Group operations. The EBITDA margin was lower year on year, amounting to 20.0 percent (Q1 2014: 24.6 percent). In Q4 2014, the EBITDA margin had been 15.1 percent.

EBITDA grew particularly strongly at Siltronic, reaching €40.0 million (Q1 2014: €15.0 million). This rise stemmed from the fact that sales increased and specific costs were lower. In Q4 2014, Siltronic reported EBITDA of €37.7 million. At WACKER POLYSILICON, EBITDA was €78.7 million, €101.3 million below the prior-year figure (€180.0 million). The decline was due to the special income of €114.0 million posted in Q1 2014. In the reporting quarter, a non-recurring effect of €4.7 million was recognized for advance payments retained and damages received in connection with terminated polysilicon contracts. Adjusted for special income, WACKER POLYSILICON's EBITDA rose 12 percent year on year. In Q4 2014, the division had posted EBITDA of €88.8 million. All three chemical divisions grew their EBITDA. Their combined EBITDA came in at €136.4 million (Q1 2014: €88.7 million), an increase of 54 percent. This increase was attributable to positive exchange-rate effects and improvements in fixed-cost coverage relative to the prior year. Compared with Q4 2014 (€62.0 million), the chemical divisions lifted EBITDA by €74.4 million.

In Q1 2015, WACKER's EBIT (earnings before interest and taxes) came in at €126.3 million (Q1 2014: €133.8 million), a year-on-year decline of close to 6 percent. In this case, too, non-recurring effects in Q1 2014 had an impact. When adjusted, EBIT rose more than sixfold. Depreciation totaled €141.3 million (Q1 2014: €151.4 million), down 7 percent after the expiry of certain depreciation periods.

For detailed information on the individual divisions' sales and operating results, please see the "Division Results" section starting on page 36 of this Interim Report.

Cost of Goods Sold Higher Year on Year

In the first quarter, gross profit from sales climbed 77 percent to €291.6 million (Q1 2014: €164.4 million). The gross margin amounted to 22 percent, 8 percentage points higher than a year earlier, mainly due to increased sales. The cost of goods sold also edged up in the reporting quarter to €1,043.3 million (Q1 2014: €993.0 million). The cost-of-sales ratio was 78 percent, 8 percentage points better than the previous year. In addition to sales growth, the main reason for the improvement was high plant utilization.

Functional Costs Higher

In Q1 2015, other functional costs (selling, R&D and general administrative expenses) were almost 6 percent higher year on year, rising from €145.8 million to €153.9 million. R&D costs decreased in the reporting quarter, while selling and general administrative expenses rose.

Other Operating Income and Expenses

The first-quarter balance of other operating income and expenses was €–10.6 million (Q1 2014: €115.3 million). The marked decline was mainly attributable to lower income from advance payments retained and damages received in connection with terminated or restructured contracts with polysilicon customers. WACKER collected €4.7 million from this source in the reporting quarter (Q1 2014: €114.0 million). The Group posted a moderate foreign currency loss of €–4.4 million in the period under review after a gain of €3.7 million a year earlier.

Operating Result

Due to the effects mentioned above, the Q1 2015 operating result edged down to €127.1 million, compared with €133.9 million a year earlier.

Financial and Net Interest Result

The effects of a weaker euro were also evident in the Group's financial result. In Q1 2015, the financial result improved on the prior-year quarter, coming in at €–7.0 million (Q1 2014: €–23.7 million). While interest income was €1.8 million (Q1 2014: €1.8 million), interest expenses amounted to €6.9 million (Q1 2014: €11.7 million). In the reporting quarter, construction-related borrowing costs of €5.0 million reduced interest expenses. The other financial result amounted to €–1.9 million (Q1 2014: €–13.8 million) and primarily comprised interest-bearing components of pension and other noncurrent provisions. It also included income and expenses from the exchange-rate effects of financial investments. On balance, income of €12.4 million was posted in Q1 2015 due to the weak euro. A year earlier, WACKER had recognized a small loss for this fact.

Income Taxes

In the reporting quarter, the Group recognized tax expenses of €48.7 million after €45.9 million a year earlier. The tax rate for the first three months of 2015 was 40.8 percent (Q1 2014: 41.7 percent) and was influenced by non-tax-deductible start-up costs and losses at several subsidiaries.

Net Income for the Period

Net income for Q1 2015 grew due to the effects mentioned above. At €70.6 million, first-quarter net income was up by 10 percent year on year (Q1 2014: €64.2 million).

Condensed Statement of Financial Position – Net Assets

March 31, 2015

Assets

T 2.4

€million	March 31, 2015	March 31, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets, property, plant and equipment, and investment property	4,677.3	4,077.6	14.7	4,345.7	7.6
Investments in joint ventures and associates accounted for using the equity method	22.4	16.6	34.9	20.5	9.3
Other noncurrent assets	580.8	476.5	21.9	487.9	19.0
Noncurrent assets	5,280.5	4,570.7	15.5	4,854.1	8.8
Inventories	795.3	674.1	18.0	734.3	8.3
Trade receivables	826.8	699.3	18.2	684.0	20.9
Other current assets	528.1	645.1	–18.1	674.8	–21.7
Current assets	2,150.2	2,018.5	6.5	2,093.1	2.7
Total assets	7,430.7	6,589.2	12.8	6,947.2	7.0

Equity and Liabilities

T 2.5

€million	March 31, 2015	March 31, 2014	Change in %	Dec. 31, 2014	Change in %
Equity	1,817.0	2,155.5	–15.7	1,946.5	–6.7
Noncurrent provisions	2,458.1	1,412.1	74.1	1,983.7	23.9
Financial liabilities	1,357.4	1,157.6	17.3	1,318.2	3.0
Other noncurrent liabilities	510.1	537.9	–5.2	533.9	–4.5
Of which advance payments received	494.5	533.8	–7.4	523.0	–5.4
Noncurrent liabilities	4,325.6	3,107.6	39.2	3,835.8	12.8
Financial liabilities	226.3	290.4	–22.1	283.3	–20.1
Trade payables	432.5	329.5	31.3	374.5	15.5
Other current provisions and liabilities	629.3	706.2	–10.9	507.1	24.1
Current liabilities	1,288.1	1,326.1	–2.9	1,164.9	10.6
Liabilities	5,613.7	4,433.7	26.6	5,000.7	12.3
Total equity and liabilities	7,430.7	6,589.2	12.8	6,947.2	7.0

WACKER's total assets were 7 percent higher compared with December 31, 2014, rising by €483.5 million to €7.43 billion as of March 31, 2015 (Dec. 31, 2014: €6.95 billion). Compared with March 31, 2014, total assets grew by €841.5 million. There are several reasons for this substantial increase. The fall in value of the euro relative to the US dollar and other currencies had a marked impact on the Group's assets and liabilities in the reporting quarter. Foreign currency translation effects, especially in noncurrent assets and financial liabilities, increased the balance sheet total by €367.4 million. The increase in operating activities led to higher trade receivables and higher inventory levels. On the equity and liabilities side, in addition to the increase in financial liabilities, there was a rise of €459.9 million in provisions for pensions due to lower discount rates. As a result, equity was reduced by €340.1 million relative to the end of 2014.

Noncurrent Assets

Compared with the end of last year, noncurrent assets climbed by €426.4 million to €5.28 billion (Dec. 31, 2014: €4.85 billion), accounting for 71 percent of total assets (Dec. 31, 2014: 70 percent). Intangible assets, property, plant and equipment, and investment property grew by €331.6 million, amounting to €4.68 billion as of March 31, 2015 (Dec. 31, 2014: €4.35 billion). This increase was mainly attributable to exchange-rate effects. Property, plant and equipment rose by €330.7 million as of March 31, 2015. Current investment spending on property, plant and equipment amounted to €174.9 million, with more than 70 percent of this amount going toward construction of the production site in Charleston, Tennessee (USA). Depreciation reduced noncurrent assets by €141.3 million in the first three months of 2015 (Q1 2014: €151.4 million). Changes in exchange rates increased the value of noncurrent assets by €301.3 million.

Investments in joint ventures and associates accounted for using the equity method rose slightly due to higher earnings, amounting to €22.4 million (Dec. 31, 2014: €20.5 million).

Other noncurrent assets totaled €580.8 million as of March 31, 2015 (Dec. 31, 2014: €487.9 million), an increase of 19 percent from year-end 2014. The reasons for this rise were that loans receivable grew as a result of exchange-rate effects and deferred tax assets increased by €104.8 million. The latter was mainly due to higher actuarial losses from the provisions for pensions, which increased because the discount rates used to determine the provisions were lowered. Other noncurrent assets also include noncurrent securities and noncurrent tax receivables. Noncurrent securities totaling €29.2 million were reclassified as current.

Current Assets

Compared with December 31, 2014, current assets rose by €57.1 million to €2.15 billion, an increase of almost 3 percent. Their share in total assets decreased to 29 percent over the same period. Inventory levels grew from €734.3 million to €795.3 million, among other things because of exchange-rate effects. That represented a year-on-year increase of 8 percent. Trade receivables amounted to €826.8 million at the end of the first quarter (Dec. 31, 2014: €684.0 million). While this increase of 21 percent was primarily due to the change in the value of the euro against the US dollar and other currencies, the higher volume of business was another contributing factor. Inventories and trade receivables together accounted for 22 percent of total assets, an increase of 2 percentage points over December 31, 2014. Exchange-rate effects increased inventories and trade receivables by around €60 million.

Other current assets mainly comprise securities, and cash and cash equivalents. Current securities amounted to €125.8 million at the end of the first quarter (Dec. 31, 2014: €157.4 million). Liquid funds decreased from €325.9 million at year-end 2014 to €251.4 million as of March 31, 2015, following payments made during the reporting quarter to redeem a bank loan. Other current assets included income tax receivables of €13.7 million (Dec. 31, 2014: €15.2 million) and other tax receivables of €32.9 million (Dec. 31, 2014: €49.6 million). Other current assets accounted for 7 percent of total assets (Dec. 31, 2014: 10 percent).

Equity Reduced by 7 Percent

Group equity decreased by €129.5 million compared with year-end 2014, amounting to €1.82 billion as of March 31, 2015 (Dec. 31, 2014: €1.95 billion). The resulting equity ratio was 24.5 percent (Dec. 31, 2014: 28.0 percent). Retained earnings increased by €70.4 million as a result of the net income for the first three months of 2015. Other equity items reduced equity, essentially as a result of the adjustment to provisions for pensions that was not recognized in the income statement. The remeasurement of defined benefit plans at the end of Q1 2015 resulted in higher actuarial losses, which reduced equity by €340.1 million. Foreign currency translation effects, however, increased equity by €178.7 million.

Noncurrent Liabilities

As of March 31, 2015, noncurrent liabilities amounted to €4.33 billion (Dec. 31, 2014: €3.84 billion). Up 13 percent from the end of the previous year, they accounted for 58 percent of total equity and liabilities (Dec. 31, 2014: 55 percent). Provisions for pensions grew by €459.9 million to €2.22 billion, an increase of 26 percent. This was due to remeasurement of defined benefit plans using a discount rate that was substantially lower than at year-end 2014. Provisions for pensions accounted for 30 percent of total equity and liabilities (Dec. 31, 2014: 25 percent). Other noncurrent provisions increased marginally.

Noncurrent financial liabilities grew by €39.2 million to €1.36 billion (Dec. 31, 2014: €1.32 billion). This increase was mainly attributable to exchange-rate effects, as a portion of WACKER's bank loans and promissory notes are denominated in US dollars or other currencies. On the whole, other noncurrent liabilities fell slightly, to €510.1 million (Dec. 31, 2014: €533.9 million). This was due to the change in noncurrent advance payments received, which amounted to €494.5 million as of the reporting date (Dec. 31, 2014: €523.0 million).

Current Liabilities

Current liabilities increased by 11 percent, from €1.16 billion at year-end 2014 to €1.29 billion. Their share in total equity and liabilities was 17 percent, unchanged over December 31, 2014. Trade payables climbed by 16 percent compared with year-end 2014, amounting to €432.5 million as of the balance sheet date (Dec. 31, 2014: €374.5 million). At €629.3 million, other current provisions and liabilities rose by 24 percent relative to year-end 2014 (€507.1 million). The increase reflects the creation of current income tax provisions and the accrual of personnel liabilities during the year, including those related to vacation and flextime credits. The change in the euro/US-dollar exchange rate also caused liabilities from currency-hedging derivatives to increase by €66.4 million to €111.4 million. Current advance payments received amounted to €151.7 million as of the reporting date (Dec. 31, 2014: €166.1 million).

WACKER Posts Net Financial Debt of Around €1.2 Billion

Current financial liabilities decreased by 20 percent, amounting to €226.3 million as of March 31, 2015 (Dec. 31, 2014: €283.3 million). The main reason for this reduction was extinguishment of a promissory note (German Schuldschein) in the amount of €150 million. Conversely, exchange-rate effects caused financial liabilities to increase. Compared with year-end 2014 (€1,601.5 million), financial liabilities remained roughly unchanged, totaling €1,583.7 million. Their share in total equity and liabilities held constant at 21 percent. The fall in value of the euro against the US dollar and other currencies during Q1 2015 caused financial liabilities to rise by about €90 million. Current liquidity (current securities, cash and cash equivalents) declined compared with December 31, 2014, amounting to €377.2 million (Dec. 31, 2014: €483.3 million). This decline of €106.1 million primarily reflects repayment of the promissory note (German Schuldschein). Noncurrent securities decreased from €37.6 million to €8.4 million. As of the balance sheet date of March 31, 2015, WACKER had net financial debt (the balance of gross financial debt and noncurrent and current liquidity) totaling €1,198.1 million (Dec. 31, 2014: €1,080.6 million), up 11 percent compared with year-end 2014.

Off-Balance-Sheet Financing Instruments

WACKER does not use any off-balance-sheet financing instruments.

Condensed Statement of Cash Flows – Financial Position

January 1 through March 31, 2015

Condensed Statement of Cash Flows

T 2.6

€ million	Q1 2015	Q1 2014	Change in %
Net income for the period	70.6	64.2	10.0
Depreciation / appreciation of noncurrent assets	140.8	151.4	–7.0
Changes in inventories	–36.1	–17.4	>100
Changes in trade receivables	–115.6	–83.8	37.9
Changes in other assets	39.1	–24.9	n.a.
Changes in advance payments received	–42.9	–35.4	21.2
Changes from equity accounting	0.8	0.1	>100
Other non-cash expenses, income and other items	106.3	94.6	12.4
Cash flow from operating activities (gross cash flow)	163.0	148.8	9.5
Cash receipts and payments for acquisitions	–	25.8	–100.0
Cash receipts and payments for investments	–188.5	–105.5	78.7
Cash flow from long-term investing activities before securities	–188.5	–79.7	>100
Acquisition / disposal of securities and fixed-term deposits	59.5	1.6	>100
Cash flow from investing activities	–129.0	–78.1	65.2
Changes in financial liabilities	–114.1	–144.1	–20.8
Cash flow from financing activities	–114.1	–144.1	–20.8
Changes due to exchange-rate fluctuations	5.6	0.1	>100
Changes in cash and cash equivalents	–74.5	–73.3	1.6
At the beginning of the period	325.9	431.8	–24.5
At the end of the period	251.4	358.5	–29.9

Net Cash Flow

T 2.7

€ million	Q1 2015	Q1 2014	Change in %
Cash flow from operating activities (gross cash flow)	163.0	148.8	9.5
Changes in advance payments received	42.9	35.4	21.2
Cash flow from long-term investing activities before securities	–188.5	–79.7	>100
Additions from finance leases	–	–	n.a.
Net cash flow	17.4	104.5	–83.3

Our key financial-management goal is to maintain WACKER's financial strength. The central task is to sufficiently cover the financial needs of our operations and investment projects. WACKER's operations and the incoming payments they generate are the company's key source of liquidity. Long-term loans were added to the financing strategy in order to enhance the financial scope for ongoing investment projects.

Net cash flow serves as the internal indicator for liquidity measurement. Net financial debt is an indicator of the Group's level of debt.

Gross Cash Flow

The cash flow from operating activities (gross cash flow) totaled €163.0 million in the first three months of 2015 (Q1 2014: €148.8 million), an increase of almost 10 percent. The higher net income for the period of €70.6 million had a positive impact. This income included depreciation and appreciation of €140.8 million (Q1 2014: €151.4 million). The increase in working capital (trade receivables less trade payables, plus inventories) reduced gross cash flow by €101.7 million. In particular, trade receivables and inventories were substantially higher because business volumes increased. As expected, advance payments received for polysilicon deliveries changed by €–42.9 million in the first three months of 2015 (Q1 2014: €–35.4 million) due to deliveries made during the period. The item "Other non-cash expenses, income and other items" produced a positive effect of €106.3 million. It includes higher personnel liabilities and liabilities relating to vacation and flextime credits as well as increased liabilities from derivatives. Provisions for taxes also had a positive impact on cash flow from operating activities.

Cash Flow from Investing Activities

The cash flow from long-term investing activities amounted to €–188.5 million and essentially comprised the cash outflow for investing activities. Relative to the prior-year period (€–79.7 million), the investment volume was substantially higher. Over 70 percent of the funds went toward ongoing construction at the polysilicon site in Charleston, Tennessee (USA). As the project has now reached a more intensive phase of construction than was the case in 2014, WACKER is making substantially higher payments. Acquisitions had led to a cash inflow of €25.8 million in Q1 2014. This figure essentially represented the sum of cash and cash equivalents at Siltronic Silicon Wafer Pte. Ltd. (SSW), which was included in the consolidated financial statements for the first time.

Cash flow from investing activities came to €–129.0 million in the reporting quarter (Q1 2014: €–78.1 million). Alongside investments in noncurrent assets and acquisitions, it included cash receipts and payments for securities and fixed deposits with maturities of more than three months.

Net Cash Flow

Net cash flow comprises cash flow from operating activities (excluding advance payments received) and cash flow from long-term investing activities (excluding securities), taking account of additions from finance leases. It amounted to €17.4 million in the first three months of 2015 compared with €104.5 million in the prior-year period.

Cash Flow from Financing Activities

The cash flow from financing activities came to €–114.1 million in the reporting period (Q1 2014: €–144.1 million). It mainly comprised the cash outflow from the repayment of liabilities to banks. In the previous year, SSW's external financial debt had been repaid following Siltronic's acquisition of a majority stake in that company.

Relative to December 31, 2014, cash and cash equivalents were down €74.5 million (Q1 2014: change of €–73.3 million), and amounted to €251.4 million as of March 31, 2015 (Dec. 31, 2014: €325.9 million).

Division Results

January 1 through March 31, 2015

Sales

T 2.8

€ million	Q1 2015	Q1 2014	Change in %
WACKER SILICONES	474.8	425.3	11.6
WACKER POLYMERS	284.6	238.7	19.2
WACKER BIOSOLUTIONS	49.4	40.7	21.4
WACKER POLYSILICON	289.4	262.0	10.5
SILTRONIC	238.7	203.8	17.1
Corporate functions / Other	51.8	40.4	28.2
Consolidation	–53.8	–53.5	0.6
Group sales	1,334.9	1,157.4	15.3

EBIT

T 2.9

€ million	Q1 2015	Q1 2014	Change in %
WACKER SILICONES	47.6	29.5	61.4
WACKER POLYMERS	51.4	26.7	92.5
WACKER BIOSOLUTIONS	6.0	2.9	>100
WACKER POLYSILICON	21.7	121.7	–82.2
SILTRONIC	8.7	–26.7	n.a.
Corporate functions / Other	–8.5	–18.3	–53.6
Consolidation	–0.6	–2.0	–70.0
Group EBIT	126.3	133.8	–5.6

EBITDA

T 2.10

€ million	Q1 2015	Q1 2014	Change in %
WACKER SILICONES	67.7	49.1	37.9
WACKER POLYMERS	59.9	34.2	75.1
WACKER BIOSOLUTIONS	8.8	5.4	63.0
WACKER POLYSILICON	78.7	180.0	–56.3
SILTRONIC	40.0	15.0	>100
Corporate functions / Other	12.7	3.5	>100
Consolidation	–0.7	–2.0	–65.0
Group EBITDA	267.1	285.2	–6.3

Reconciliation with Segment Results

T 2.11

€million	Q1 2015	Q1 2014	Change in %
EBIT of reporting segments	**135.4**	154.1	–12.1
Corporate functions / Other	**–8.5**	–18.3	–53.6
Consolidation	**–0.6**	–2.0	–70.0
Group EBIT	**126.3**	133.8	–5.6
Financial result	**–7.0**	–23.7	–70.5
Income before taxes	**119.3**	110.1	8.4

WACKER SILICONES

WACKER SILICONES

T 2.12

€million	Q1 2015	Q1 2014	Change in %
Sales			
External sales	474.8	425.3	11.6
Internal sales	–	–	–
Total sales	474.8	425.3	11.6
EBIT	47.6	29.5	61.4
EBIT margin (%)	10.0	6.9	–
Depreciation	20.1	19.6	2.6
EBITDA	67.7	49.1	37.9
EBITDA margin (%)	14.3	11.5	–
Investments	13.7	15.5	–11.6
As of	March 31, 2015	Dec. 31, 2014	
Number of employees	4,305	4,240	1.5

WACKER SILICONES increased its sales and earnings in Q1 2015. The division posted total sales of €474.8 million (Q1 2014: €425.3 million) in the period January through March 2015, almost 12 percent more than a year ago. Relative to Q4 2014 (€419.6 million), sales rose by 13 percent. Positive exchange-rate effects from the weaker euro, and somewhat higher volumes year on year and quarter on quarter, were the main reasons for this growth. Sales were also lifted by slightly better year-on-year prices in several product groups.

The first-quarter business trend was particularly strong in the electronics, automotive and medical-technology segments. Business was somewhat slower for industrial-coating and personal-care products and, due to the weather, for construction-application products in Europe. Compared with Q1 2014, sales growth was especially robust in Asia and, as a result of exchange-rate effects, in the Americas. Quarter on quarter, sales increased in Germany, the rest of Europe and the Americas. WACKER SILICONES' siloxane and pyrogenic silica production facilities ran at full capacity in the reporting quarter.

EBITDA Grows 38 Percent Year on Year

In Q1 2015, WACKER SILICONES generated EBITDA (earnings before interest, taxes, depreciation and amortization) of €67.7 million (Q1 2014: €49.1 million), up almost 38 percent on the prior-year quarter. This increase largely stemmed from higher volumes and favorable exchange-rate effects. In specific product groups, a slight improvement in prices also had a positive impact on profitability. Thanks to high plant utilization, fixed-cost coverage was good, which also had a positive influence on EBITDA. Compared with Q4 2014 (€33.8 million), the division's EBITDA more than doubled. The corresponding EBITDA margin increased to 14.3 percent after 11.5 percent in Q1 2014 and 8.1 percent in Q4 2014.

WACKER SILICONES invested a total of €13.7 million in Q1 2015 (Q1 2014: €15.5 million). Capital expenditures primarily went toward expanding capacities for downstream silicone products.

As of March 31, 2015, the number of employees at WACKER SILICONES was 4,305 (Dec. 31, 2014: 4,240).

WACKER POLYMERS

WACKER POLYMERS

T 2.13

€million	Q1 2015	Q1 2014	Change in %
Sales			
External sales	278.1	233.4	19.2
Internal sales	6.5	5.3	22.6
Total sales	284.6	238.7	19.2
EBIT	51.4	26.7	92.5
EBIT margin (%)	18.1	11.2	–
Depreciation	8.5	7.5	13.3
EBITDA	59.9	34.2	75.1
EBITDA margin (%)	21.0	14.3	–
Investments	13.3	6.9	92.8
As of	March 31, 2015	Dec. 31, 2014	
Number of employees	1,415	1,408	0.5

In Q1 2015, WACKER POLYMERS posted total sales of €284.6 million (Q1 2014: €238.7 million), a good 19 percent more than a year ago. Compared with Q4 2014 (€252.2 million), sales grew by close to 13 percent. Volumes were higher both year on year and quarter on quarter, and were a key reason for the increase in sales. Growth was also spurred by positive exchange-rate effects.

Dispersible polymer powder volumes grew markedly in the reporting quarter. In the dispersions segment, demand was strong in the coatings and carpet industries, as well as for polymer products for sealing applications. Business was somewhat slower for technical textiles and adhesives. With the exception of Germany, sales in all regions were higher year on year and quarter on quarter. WACKER POLYMERS' plant utilization averaged around 80 percent in the quarter under review.

The division's EBITDA improved substantially in Q1 2015, climbing some 75 percent to €59.9 million after €34.2 million in the prior-year quarter. Compared with Q4 2014 (€23.6 million), EBITDA more than doubled. This increase was mainly the result of higher volumes and favorable exchange-rate effects. Additionally, WACKER's measures to improve productivity noticeably strengthened the division's profitability. The lower price of ethylene more or less compensated for significantly higher vinyl acetate monomer prices compared with a year ago. The division's EBITDA margin increased to 21.0 percent in the reporting quarter (Q1 2014: 14.3 percent). The corresponding Q4 2014 figure was 9.4 percent.

WACKER Expanding Production Capacity to Meet Demand

WACKER POLYMERS invested €13.3 million in the first quarter of 2015 (Q1 2014: €6.9 million). These funds primarily went toward demand-driven expansion of production capacity for dispersions and dispersible polymer powders. For example, WACKER is expanding its production plants for vinyl acetate-ethylene copolymer dispersions at Calvert City, Kentucky (USA), where it is building a new reactor with an annual capacity of 85,000 metric tons and a new ethylene pipeline to secure the site's long-term supply of raw materials. About €50 million has been set aside for the expansion of production and infrastructure. The new reactor is expected to begin operating in mid-2015.

At Burghausen, WACKER POLYMERS started up a new spray dryer for dispersible polymer powders with an annual capacity of 50,000 metric tons. WACKER is also building a new specialty-monomer plant for vinyl neodecanoate and vinyl laurate at Burghausen, with an annual capacity of some 4,000 metric tons. The Group has budgeted around €8 million for this project. Both the monomers mentioned are key raw materials for producing specialty polymer powders that offer tailored properties, such as water repellency. The new plant is scheduled to come on stream in the second quarter of 2015.

These new facilities will enable WACKER to meet growing demand for high-quality polymeric binders and strengthen its position as the world's leading manufacturer of ethylene-based dispersions and dispersible polymer powders.

WACKER POLYMERS had 1,415 employees as of March 31, 2015 (Dec. 31, 2014: 1,408).

WACKER BIOSOLUTIONS

WACKER BIOSOLUTIONS

T 2.14

€million	Q1 2015	Q1 2014	Change in %
Sales			
External sales	49.4	40.7	21.4
Internal sales	–	–	–
Total sales	49.4	40.7	21.4
EBIT	6.0	2.9	>100
EBIT margin (%)	12.1	7.1	–
Depreciation	2.8	2.5	12.0
EBITDA	8.8	5.4	63.0
EBITDA margin (%)	17.8	13.3	–
Investments	1.0	1.2	–16.7
As of	March 31, 2015	Dec. 31, 2014	
Number of employees	495	484	2.3

WACKER BIOSOLUTIONS achieved total sales of €49.4 million in the period January through March 2015 (Q1 2014: €40.7 million), an increase of more than 21 percent year on year, and about 13 percent quarter on quarter (Q4 2014: €43.7 million). Higher volumes and positive exchange-rate effects were the main factors driving this increase. Additionally, prices in one product group rose following raw-material increases. Sales were higher than a year ago at all WACKER BIOSOLUTIONS business segments, with pharmaceutical proteins and cyclodextrins performing particularly well.

Earnings grew even more strongly than sales. WACKER BIOSOLUTIONS generated EBITDA of €8.8 million in Q1 2015 (Q1 2014: €5.4 million), up 63 percent on last year. Relative to Q4 2014 (€4.6 million), EBITDA almost doubled. The EBITDA margin rose accordingly, reaching 17.8 percent after 13.3 percent in Q1 2014 and 10.5 percent in Q4 2014. This earnings growth was chiefly the result of higher volumes and favorable exchange-rate effects.

WACKER BIOSOLUTIONS invested €1.0 million in the reporting quarter after €1.2 million a year ago. The division's new production plant for food-grade polyvinyl acetate (PVAc) solid resins at Nanjing (China) officially came on stream in late March. With an annual capacity of 20,000 metric tons, the plant is the largest of its kind in Asia and is certified to the highest food standards. One use for PVAc solid resins is to manufacture gumbase. The Group invested around €20 million in the new Nanjing plant. WACKER's PVAc site at Wuxi in China is to be closed down later this year.

WACKER BIOSOLUTIONS had 495 employees as of March 31, 2015 (Dec. 31, 2014: 484).

WACKER POLYSILICON

WACKER POLYSILICON

T 2.15

€million	Q1 2015	Q1 2014	Change in %
Sales			
External sales	267.9	235.4	13.8
Internal sales	21.5	26.6	–19.2
Total sales	289.4	262.0	10.5
EBIT	21.7	121.7	–82.2
EBIT margin (%)	7.5	46.5	–
Depreciation	57.0	58.3	–2.2
EBITDA	78.7	180.0	–56.3
EBITDA margin (%)	27.2	68.7	–
Investments	133.6	53.0	>100
As of	March 31, 2015	Dec. 31, 2014	
Number of employees	2,168	2,093	3.6

WACKER POLYSILICON continued to grow its sales, mainly thanks to substantially higher volumes. In Q1 2015, the division achieved total sales of €289.4 million (Q1 2014: €262.0 million), up almost 11 percent. Relative to Q4 2014 (€261.5 million), sales also climbed almost 11 percent. Volume growth and somewhat better solar-silicon prices contributed to the year-on-year sales trend. Prices declined slightly compared with Q4 2014. WACKER POLYSILICON's production plants continued to run at full capacity in Q1 2015.

Adjusted for Special Income, EBITDA Grows Around 12 Percent

In the reporting quarter, WACKER POLYSILICON's EBITDA of €78.7 million was around 56 percent lower than a year ago (€180.0 million). The main reason for the decrease was a non-recurring effect: in Q1 2014, WACKER POLYSILICON had restructured its contractual relationship with a solar-industry customer. In this connection, the division retained advance payments and received damages, resulting in special income of €114.0 million. The comparable income for the reporting quarter was €4.7 million. Adjusted for these non-recurring effects, the division's EBITDA improved by around 12 percent year on year.

Compared with the fourth quarter of last year (€88.8 million), WACKER POLYSILICON's EBITDA decreased by over 11 percent. The decline was partly due to start-up costs for the new polysilicon site in Charleston, Tennessee (USA) that rose in line with the project's progress. In Q1 2015, the EBITDA margin at WACKER POLYSILICON came in at 27.2 percent, after 68.7 percent in Q1 2014 and 34.0 percent in Q4 2014.

In Q1 2015, investments at WACKER POLYSILICON more than doubled year on year due to project-related factors. They amounted to €133.6 million (Q1 2014: €53.0 million), the vast majority of which went toward the ongoing completion of the new polysilicon site at Charleston, Tennessee (USA). This project remained on schedule between January and March. The plant's start-up phase is expected to begin in the second half of this year. In parallel, production output at existing facilities for hyperpure polycrystalline silicon at Burghausen and Nünchritz in Germany is to be expanded by optimizing the processes already in place. WACKER POLYSILICON intends to increase its overall annual production capacity for polysilicon to about 80,000 metric tons by 2017.

Employee numbers at WACKER POLYSILICON reached 2,168 on March 31, 2015 (Dec. 31, 2014: 2,093).

SILTRONIC

SILTRONIC

T 2.16

€million	Q1 2015	Q1 2014	Change in %
Sales			
External sales	**237.2**	202.8	17.0
Internal sales	**1.5**	1.0	50.0
Total sales	**238.7**	203.8	17.1
EBIT	**8.7**	–26.7	n.a.
EBIT margin (%)	**3.6**	–13.1	–
Depreciation/appreciation	**31.3**	41.7	–24.9
EBITDA	**40.0**	15.0	>100
EBITDA margin (%)	**16.8**	7.4	–
Investments	**4.4**	6.6	–33.3
As of	March 31, 2015	Dec. 31, 2014	
Number of employees	**4,103**	4,165	–1.5

Siltronic made a good start to 2015 with strong sales growth. The division's total first-quarter sales climbed some 17 percent to €238.7 million, after €203.8 million a year ago. This increase was mainly due to significantly higher volumes and positive exchange-rate effects compared with the prior-year quarter. On the other hand, prices for silicon wafers were lower year on year. Sales rose by almost 7 percent relative to Q4 2014 (€223.2 million). Overall, volumes and prices for silicon wafers were largely unchanged quarter on quarter.

With the exception of Germany, sales in the reporting quarter were higher in all regions compared with the respective prior-year figures. The increase was particularly large in the Americas due to the strong US dollar. Siltronic's overall plant-utilization rate was above 90 percent from January through March 2015, while capacity utilization across all wafer diameters was higher year on year.

Earnings Growth Fueled by Higher Volumes and Favorable Exchange-Rate Effects

At Siltronic, first-quarter EBITDA more than doubled year on year, totaling €40.0 million (Q1 2014: €15.0 million). This rise stemmed chiefly from volume increases, favorable exchange-rate effects and higher plant utilization rates. Relative to Q4 2014 (€37.7 million), EBITDA rose by around 6 percent. The earnings trend also shows that Siltronic's measures to reduce its costs and increase productivity are having an enduring effect. Siltronic's first-quarter EBITDA margin was 16.8 percent, after 7.4 percent in Q1 2014 and 16.8 percent in Q4 2014.

Siltronic invested €4.4 million in the reporting quarter (Q1 2014: €6.6 million), with the focus on technology enhancements.

Siltronic had 4,103 employees as of March 31, 2015 (Dec. 31, 2014: 4,165).

Other

The WACKER Group's sales posted under "Other" totaled €51.8 million in Q1 2015 after €40.4 million a year ago. "Other" EBITDA for the reporting quarter was €12.7 million (Q1 2014: €3.5 million). The increase in sales and EBITDA was partially attributable to strong first-quarter volumes for road salt.

As of March 31, 2015, the "Other" segment had 4,358 employees (Dec. 31, 2014: 4,313). This figure includes, for example, site-management and infrastructure-unit employees at Burghausen and Nünchritz.

Risks and Opportunities

Risk Management and Opportunity Management Are Integral Parts of Corporate Management

As a global specialty-chemical and semiconductor company, WACKER is exposed to numerous risks directly connected with the operating activities of its five divisions. The Group also has a particular responsibility to ensure plant safety and to protect human health and the environment. Active risk management is therefore an integral part of corporate management at the WACKER Group.

The risk management and control system we use to identify, evaluate, manage and monitor risks is described and explained in detail in our 2014 Annual Report, on pages 142 to 146. No changes were made to this system in the period under review. The same applies to the opportunity management system, which is presented on page 162 of the 2014 Annual Report.

Current Assessment and Evaluation of Key Risks Facing the WACKER Group

WACKER has defined categories for describing the probability that specific risks will occur. These categories provide a framework for understanding our evaluations of individual areas of risk. The categories define the range of probability as follows:

- Unlikely: under 25 percent
- Possible: 25 –75 percent
- Likely: over 75 percent

Categories are also used to describe how the occurrence of the risks listed might impact the Group's earnings, net assets and financial position. The possible effect on earnings is assessed using the net method, i.e. after taking appropriate countermeasures, such as establishing provisions or hedging. We have defined the possible financial impact of our three probability categories as follows:

- Low: up to €25 million
- Medium: up to €100 million
- High: over €100 million

The following table shows our current estimation of the likelihood of the main risks facing WACKER and their possible impact on Group earnings, net assets and financial position. The status describes any changes that may have occurred between the end of the period under review and the evaluation stated in the 2014 Annual Report. The appraisals refer to 2015.

Probability and Possible Impact of Our Risks in 2015

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Risk/Category	Probability	Possible Impact	Status
Overall economic risks			
Chemical business	Unlikely	Medium	●
Siltronic	Unlikely	Medium	●
Polysilicon	Unlikely	Medium	●
Sales-market risks			
Chemical-segment overcapacity	Unlikely	Medium	●
Cyclical fluctuations and intense competition on the semiconductor market	Possible	Medium	●
Polysilicon overcapacities and price risks	Possible	High	●
Procurement-market risks	Unlikely	Low	●
Market-trend risks	Unlikely	Low	●
Investment risks	Possible	Medium	●
Production risks	Unlikely	Medium	●
Financial risks			
Credit risks	Unlikely	Low	●
Market-price risks and risks of fluctuating payment flows	Unlikely	Low	●
Liquidity risk	Unlikely	Low	●
Pensions	Unlikely	Low	●
Legal risks	Possible	Low	●
Environmental risks	Possible	Low	●
Tax-related risks	Possible	Low	●
Other risks	Unlikely	Low	●
Regulatory risks			
Energy transition	Possible	Low	●
Anti-dumping proceedings to do with polysilicon	Possible	Low	●
New regulations for upstream, intermediate and downstream products and for production processes	Likely	Low	●
IT risks	Unlikely	Medium	●
Personnel-related risks	Unlikely	Low	●
External risks	Unlikely	Low	●

● Unchanged ▼ Decreased ▲ Increased

WACKER's Evaluations of Risk Areas, Probability of Occurrence and Possible Impact Remain Unchanged

Following WACKER's good start to 2015, there is every chance that – all political and economic uncertainties notwithstanding – operating activities at the Group's five business divisions will continue to develop favorably in the course of the year. From today's perspective, the chemical divisions and polysilicon and semiconductor-wafer operations are all likely to post full-year sales gains.

The opportunities and risks in relation to our product portfolio and the specific opportunities and risks facing the individual divisions, corporate functions, market segments and sales regions are described in detail in our 2014 Annual Report. On pages 146 to 161 of the Risk Management Report and in the Opportunities Report (pages 162 to 164), we additionally discuss the measures we take to counter these risks, how we evaluate their probability and how risk occurrence might impact the Group's earnings, net assets and financial position.

The appraisals and evaluations made there did not change during the period under review and continue to apply.

Executive Board Assessment of Overall Risk

The global economy is projected to continue growing both this year and next. This will open up potential for us to post further volume gains in many product segments. At the same time, we will take advantage of any opportunities to increase the prices of our products, market conditions permitting.

The political and military conflicts in the Middle East and Eastern Europe, though, continue to pose threats to the stability of global trade relations and to raw-material and energy supply security. Current concerns regarding Greece's solvency and its ability to remain in the European Monetary Union further underscore the challenges to eurozone stability stemming from high sovereign-debt levels in certain European countries. In our estimation, however, these risks are on the whole manageable.

Overall, at the time this report was published, the Group's Executive Board did not see any individual or aggregate risks that could endanger WACKER's future in any material way. We remain confident that WACKER is strategically, financially and operationally so well positioned that we can take advantage of any opportunities that arise.

Munich, April 30, 2015
Wacker Chemie AG's Executive Board

Events after the Balance Sheet Date

March 31, 2015

No material events occurred between the balance sheet date of March 31, 2015 and the publication of this Interim Report. There were no fundamental changes in the WACKER Group's overall economic and business environment. The company's legal and organizational structures likewise remained unchanged.

Outlook and Forecast

Overall Economic Situation and Sector-Specific Conditions

Regional Differences in Global Growth Intensify

Consensus estimates of economic experts indicate that the global economy is set to continue growing moderately through the rest of 2015 and in the following year. This, however, presupposes that there will be no further escalation of geopolitical conflicts and financial risks. As long as prices for crude oil, energy and raw materials remain at their current relatively low levels, global growth drivers will continue to strengthen. The regional differences in economic trends are expected to persist, and in some cases intensify further, in the foreseeable future.

The International Monetary Fund (IMF) anticipates that the world economy will grow by 3.5 percent in 2015 and 3.8 percent next year. Gross domestic product in the major advanced economies is expected to increase by 2.4 percent both this year and next. In the developing and emerging economies, the upturn is projected to gather pace, with the IMF predicting that GDP in this group of countries will rise by 4.3 percent in 2015 and by 4.7 percent in 2016.[1]

According to the IMF's estimates, the economies of emerging and developing Asia will grow by 6.6 percent this year and by 6.4 percent in 2016. In China, the economy is expected to continue losing momentum, with growth rates of 6.8 percent in 2015 and 6.3 percent a year later. In India, on the other hand, GDP is likely to expand by 7.5 percent both this year and the next.[1]

In Japan, the economic recovery is projected to stabilize at a low level, with GDP growth of 1.0 percent in the current year and 1.2 percent next year.[1]

The US economy remains on a solid growth trajectory. The IMF forecasts healthy US growth of 3.1 percent in both 2015 and 2016.[1]

Economic Recovery in Europe Slow to Gain Momentum

The economic recovery in the eurozone is slow to gain momentum. The IMF anticipates an increase in economic output of 1.5 percent for the region this year and 1.6 percent next year.[1] The Organisation for Economic Co-operation and Development (OECD) is slightly more optimistic for 2016. Its analysts are predicting economic growth of 1.4 percent in 2015 and 2.0 percent in 2016.[2]

The German economy is projected to continue growing. After an increase of 1.6 percent this year, the IMF is expecting a rise of 1.7 percent for 2016.[1] This makes the IMF more cautious than leading German economic institutes, whose spring report predicts that Germany's gross domestic product will grow by 2.1 percent in the current year and by 1.8 percent in 2016.[3]

[1] International Monetary Fund, World Economic Outlook: Short- and Long-Term Factors, Washington, April 17, 2015

[2] Organisation for Economic Co-operation and Development (OECD), Interim Economic Assessment: Tailwinds driving a modest acceleration … but storm clouds on the horizon?, Paris, March 18, 2015

[3] Joint Economic Forecast Project Group, A Strong Upswing Thanks to Cheap Oil and Weak Euro, Munich, April 14, 2015

Growth Potential in Markets and Industries Relevant to WACKER

The German Chemical Industry Association (VCI) expects the country's chemical industry to achieve a moderate increase in chemical production of 1.5 percent in 2015. The VCI anticipates that prices for chemical products will fall by roughly 2 percent and that, as a result, chemical-industry sales will decline by 0.5 percent to €192.2 billion for the full year.[1]

In the semiconductor industry, demand for silicon wafers is expected to rise moderately this year. According to the market research experts at Gartner, global volumes by surface area sold will rise by 3.6 percent in the current year, with the 300 mm wafer segment reinforcing and expanding its share of the overall market. Gartner estimates that worldwide sales of semiconductor wafers will grow to $8.96 billion in 2015 – an increase of 7.9 percent.[2]

Forecasts for the solar industry are optimistic. The substantial fall in prices of recent years has made photovoltaics even more competitive compared with other energy sources, helping to create new markets and promote growth in the global photovoltaic-application market. For 2015, the experts at Bloomberg New Energy Finance are projecting newly installed photovoltaic capacity to range from just under 53 to 58 gigawatts worldwide.[3] WACKER's own market surveys indicate that this year's new photovoltaic capacity will range between 50 and 60 gigawatts.

WACKER's Profitable Growth and Demand-Driven Investments Follow Its Recipe for Success: Excellent Quality at Extremely Low Production Costs

Three levers will continue to determine WACKER's business strategy both this year and next: expansion into emerging markets and regions, innovations, and the substitution of competitor products with WACKER products.

The focal regions for further growth remain unchanged: Brazil, China, India, Southeast Asia and the Middle East. Of these, China offers the greatest potential. We continue to see good opportunities for growth in India. There is also potential for expanding our sales in the USA, an established market.

The completion of the new production site for polysilicon in Tennessee in 2015 will conclude our investments in large-scale plants for upstream products. In the future, our strategy will focus more closely on less capital-intensive investments in plants for downstream chemical products.

WACKER will continue to drive forward its international expansion over the next two years. We will be transferring even more operational responsibility to the regions in the future so that our products can be tailored even more closely to local requirements. We are systematically expanding our network of technical competence centers and WACKER ACADEMY sites. For our silicone customers, the two technical centers in Moscow and Dubai will be expanded in order to develop new applications on-site for silicone rubber and silicone elastomers.

[1] VCI (German Chemical Industry Association), Report on the business situation of the German chemical industry in the 4th quarter 2014: weak end to the year for the German chemical industry, Frankfurt, February 28, 2015

[2] Gartner Market Statistics, Forecast: Semiconductor Silicon Wafers, Worldwide, 4Q14 Update, Stamford (USA), December 18, 2014

[3] Bloomberg New Energy Finance, Chinese PV shipments surge in Q4 2014 according to BNEF shipment survey, London, February 3, 2015

We will continue with our targeted measures to improve profitability. The principal aspects are the following:

- Productivity measures relating to the Wacker Operating System (WOS) program
- Productivity and cost measures at WACKER POLYSILICON and Siltronic
- Prudent HR planning

Please refer to the "Outlook" section on pages 172 to 176 of WACKER's 2014 Annual Report for detailed comments on future products and services, R&D, production, procurement and logistics, sales and marketing, employees and sustainability. The "Group Business Fundamentals" (pages 55 to 63), "Goals and Strategies" (pages 64 to 65) and "Management Processes" (pages 66 to 71) sections of WACKER's 2014 Annual Report provide detailed explanatory notes on the individual aspects of the Group's structure and activities, its management-process organization, its corporate goals, strategies, financing and operational-control instruments, and the strategies of the five individual WACKER divisions.

The targets, strategies and processes presented there did not change substantially in Q1 2015.

On March 10, 2015, WACKER announced that the Group would be looking at a number of strategic options to reshape the present ownership structure of Siltronic, its semiconductor subsidiary. The possible steps under consideration also include an IPO of Siltronic, which is currently 100-percent WACKER-owned. A divestment to a strategic investor is also a possibility. A detailed analysis of all the possible courses of action will be necessary before deciding whether a change in Siltronic's ownership structure is appropriate.

Apart from steps that might result from the aforementioned investigations, we do not envisage any major changes in the business policies, corporate goals or organizational orientation of the WACKER Group for the time being.

Sales to Grow in 2015 Thanks to Higher Volumes and Favorable Exchange-Rate Effects

WACKER's main planning assumptions relate to raw-material and energy costs, personnel expenses and exchange rates. For the remainder of 2015, we are planning on an exchange rate of $1.10 (previously 1.15) and ¥130 (previously 135) to €1.

WACKER estimates that volumes will rise at every division in 2015. Group sales are expected to increase by about 10 percent (previously: to increase by a high single-digit percentage), partly due to favorable exchange rates.

From today's perspective, sales will climb at our chemical divisions and at WACKER POLYSILICON and Siltronic. We anticipate that Asia will deliver the biggest sales gains for our products. In our planning, we are assuming that prices for silicon wafers will remain flat and those for polysilicon will be around the Q4 2014 level. Underlying economic factors mean the actual performance of the WACKER Group and its divisions could depart from our assumptions, either positively or negatively.

The WACKER Group's EBITDA margin will be lower in 2015 than in the previous year. This is because special income from damages received and from the restructuring of contractual and delivery relationships with solar-sector customers is not expected to recur at such a high level. Other factors weighing on our EBITDA margin are the start-up costs for our new polysilicon site at Charleston, Tennessee (USA), and the slightly lower, overall price level in our business.

Changes in exchange rates principally pertain to the rise in value of the US dollar against the euro, which will have a positive impact of about €125 million on EBITDA in 2015. However, since additional effects from the currency translation of receivables and the hedging result come into play, only about €70 million of this amount will actually be reflected in EBITDA. Relative to last year, EBITDA should rise modestly, adjusted on a comparable basis to exclude special solar-sector income from damages received and from restructured contractual and delivery relationships with customers.

With depreciation slightly up year on year, Group net income will come in below the 2014 figure, due to lower special income and a tax rate of slightly more than 50 percent.

ROCE will be somewhat lower (previously: lower) compared with the 2014 figure of 8.4 percent.

With capital expenditures up, we expect net cash flow in 2015 to be markedly positive (previously: slightly positive), but noticeably below the prior-year level. A major reason for the contraction is the year-on-year decline in damages received.

At about €725 million (previously: about €700 million), investments will be higher in 2015 due to the progress made with the Tennessee project and altered exchange rates. Investments will exceed depreciation. In 2015, depreciation will amount to around €625 million, slightly higher than in 2014. Most of the investments will go toward constructing the new production site in Charleston, Tennessee (USA).

Net financial debt will increase by €200 – 300 million year on year (2014: €1.08 billion) due to investments in the new production site in Charleston, Tennessee (USA), and to changes in exchange rates.

From our present viewpoint, the key performance indicators at the Group level will develop in 2015 as follows:

Outlook for 2015

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	Reported for 2014	Outlook for 2015
Key Financial Performance Indicators		
EBITDA margin (%)	21.6	Substantially lower
EBITDA (€ million)	1,042.3	Slight rise (after adjustment for special income)
ROCE (%)	8.4	Somewhat lower
Net cash flow (€ million)	215.7	Markedly positive
Supplementary Financial Performance Indicators		
Sales (€ million)	4,826.4	Increase of about 10 percent
Investments (€ million)	572.2	Approx. 725
Net financial debt (€ million)	1,080.6	Increase of between 200 and 300
Depreciation (€ million)	599.0	Approx. 625

Divisional Sales and EBITDA Trends

At WACKER SILICONES, we expect substantial sales growth in 2015 relative to the previous year. Particular areas of growth are products and applications for personal care and medical technology, as well as for the electrical and electronics sectors. Given the high capacity utilization of our plants, we want to increase the share of specialty products in overall sales at an above-average rate. EBITDA should be markedly above the prior-year figure. However, higher silicon-metal prices in particular will dampen that increase somewhat.

We are also forecasting substantial full-year sales growth at WACKER POLYMERS, with both dispersions and dispersible polymer powders expected to help drive this growth. In dispersions, we predict that momentum will come primarily from construction and packaging applications. In dispersible polymer powders, increasing polymer modification will be the main growth driver. For EBITDA, we anticipate a marked year-on-year increase.

At WACKER BIOSOLUTIONS, we anticipate a substantial sales increase in 2015. Now that Scil Proteins Production GmbH in Halle (Germany) has been integrated, we see further growth potential for our biologics business. Thanks to new product developments, we also expect substantial growth in the nutrition segment. EBITDA at WACKER BIOSOLUTIONS should also show a clear year-on-year increase.

We estimate that WACKER's polysilicon business will generate both volume and sales growth in 2015. Our assumption is that the photovoltaic market will continue on its growth trajectory. Nevertheless, overcapacity persists along the entire supply chain. That being the case, our unchanged key objective is to continue to reduce polysilicon production costs. Our EBITDA forecast is for a significant year-on-year decline, since we expect less special income in 2015 in the form of advance payments retained and damages received than was posted in 2014. EBITDA will also be reduced by start-up costs at our new polysilicon production site in Charleston, Tennessee (USA).

We also expect sales growth for Siltronic in the current year. Somewhat higher volumes and more favorable exchange rates than last year will be the main contributors to higher sales. We expect the market for 300 mm silicon wafers to continue growing. In the 200 mm segment, our projection is for stable demand. And for smaller wafer diameters demand will be slightly lower. Our EBITDA expectations are for a marked increase on last year.

Executive Board Statement on Overall Business Expectations

We remain of the opinion that the world economy will grow in 2015, despite the many crises and uncertainties. Our expectations for the remainder of 2015 are for Group sales to rise by about 10 percent on last year, with all five business divisions increasing their sales. Compared with 2014, we anticipate a moderate rise in EBITDA – when adjusted on a comparable basis, thus without special income items. The EBITDA margin, on the other hand, will be lower, partly due to the start-up costs for our new production site in Charleston, Tennessee (USA). In total, energy and raw-material costs will climb slightly compared with last year (previously: decline slightly). Overall, we expect certain sectors of our business to see slightly lower prices.

Capital expenditures will be higher than last year, climbing to about €725 million. Depreciation will amount to around €625 million, slightly higher than the prior-year level. Net cash flow will be markedly positive. Net financial debt will rise by €200 – 300 million, mostly because of the investments at the new Charleston site in the USA. Group net income is projected to be lower than last year.

WACKER supplies outstanding products and holds at least a No. 3 position in the markets of its four biggest divisions. Our technological and innovative strength and strong presence in key markets provide the foundation for reinforcing and even expanding our market positions. We see good opportunities in 2015 for further sales gains and for moderate growth in EBITDA, adjusted on a comparable basis to exclude special income. Based on our current strategy, we consider the Group well-equipped to continue growing profitably in 2015 and beyond.

Munich, April 30, 2015
Wacker Chemie AG's Executive Board

Consolidated Statement of Income

January 1 through March 31, 2015

Consolidated Statement of Income

T 3.1

€ million	Q1 2015	Q1 2014	Change in %
Sales	1,334.9	1,157.4	15.3
Cost of goods sold	−1,043.3	−993.0	5.1
Gross profit from sales	291.6	164.4	77.4
Selling expenses	−75.0	−67.8	10.6
Research and development expenses	−44.7	−47.9	−6.7
General administrative expenses	−34.2	−30.1	13.6
Other operating income	112.2	143.0	−21.5
Other operating expenses	−122.8	−27.7	>100
Operating result	127.1	133.9	−5.1
Result from investments in joint ventures and associates	−0.8	−0.1	>100
EBIT (earnings before interest and taxes)	126.3	133.8	−5.6
Interest income	1.8	1.8	–
Interest expenses	−6.9	−11.7	−41.0
Other financial result	−1.9	−13.8	−86.2
Financial result	−7.0	−23.7	−70.5
Income before taxes	119.3	110.1	8.4
Income taxes	−48.7	−45.9	6.1
Net income for the period	70.6	64.2	10.0
Of which			
Attributable to Wacker Chemie AG shareholders	70.4	67.0	5.1
Attributable to non-controlling interests	0.2	−2.8	n.a.
Earnings per share in € (basic / diluted)	1.42	1.35	5.1
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–

Consolidated Statement of Comprehensive Income

January 1 through March 31, 2015

January to March

T 3.2

€million	2015			2014		
	Before taxes	Deferred taxes		Before taxes	Deferred taxes	
Net income for the period			70.6			64.2
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	–434.9	94.8	–340.1	–137.7	37.3	–100.4
Sum of items not reclassified to the statement of income	–434.9	94.8	–340.1	–137.7	37.3	–100.4
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	178.7	–	178.7	–18.8	–	–18.8
Of which recognized in profit and loss	–	–	–	–17.5	–	–17.5
Changes in market values of the securities available for sale	–0.8	–	–0.8	–	–	–
Changes in market values of derivative financial instruments (cash flow hedge)	–43.7	2.4	–41.3	–3.5	1.0	–2.5
Of which recognized in profit and loss	17.9	–1.8	16.1	–3.2	1.0	–2.2
Effects of net investments in foreign operations	–	–	–	2.6	–	2.6
Of which recognized in profit and loss	–	–	–	2.6	–	2.6
Share of cash flow hedge in associates accounted for using the equity method	–	–	–	0.1	–	0.1
Non-controlling interests	3.4	–	3.4	0.4	–	0.4
Sum of items reclassified to the statement of income	137.6	2.4	140.0	–19.2	1.0	–18.2
Income and expenses recognized in equity	–297.3	97.2	–200.1	–156.9	38.3	–118.6
Total income and expenses reported			–129.5			–54.4
Of which						
Attributable to Wacker Chemie AG shareholders			–133.1			–52.0
Attributable to non-controlling interests			3.6			–2.4

Consolidated Statement of Financial Position

As of March 31, 2015

Assets

T 3.3

€ million	March 31, 2015	March 31, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets	**33.8**	37.7	–10.3	32.9	2.7
Property, plant and equipment	**4,642.0**	4,038.4	14.9	4,311.3	7.7
Investment property	**1.5**	1.5	–	1.5	–
Investments in joint ventures and associates accounted for using the equity method	**22.4**	16.6	34.9	20.5	9.3
Financial assets	**117.1**	98.8	18.5	104.8	11.7
Noncurrent securities	**8.4**	126.7	–93.4	37.6	–77.7
Other assets	**11.1**	4.1	>100	6.1	82.0
Income tax receivables	**5.1**	29.5	–82.7	5.1	–
Deferred tax assets	**439.1**	217.4	>100	334.3	31.3
Noncurrent assets	5,280.5	4,570.7	15.5	4,854.1	8.8
Inventories	**795.3**	674.1	18.0	734.3	8.3
Trade receivables	**826.8**	699.3	18.2	684.0	20.9
Other assets	**137.2**	187.2	–26.7	176.3	–22.2
Income tax receivables	**13.7**	36.5	–62.5	15.2	–9.9
Current securities and fixed-term deposits held to maturity	**125.8**	62.9	100.0	157.4	–20.1
Cash and cash equivalents	**251.4**	358.5	–29.9	325.9	–22.9
Current assets	2,150.2	2,018.5	6.5	2,093.1	2.7
Total assets	7,430.7	6,589.2	12.8	6,947.2	7.0

Equity and Liabilities

T 3.4

€million	March 31, 2015	March 31, 2014	Change in %	Dec. 31, 2014	Change in %
Subscribed capital of Wacker Chemie AG	**260.8**	260.8	–	260.8	–
Capital reserves of Wacker Chemie AG	**157.4**	157.4	–	157.4	–
Treasury shares	**–45.1**	–45.1	–	–45.1	–
Retained earnings	**2,223.3**	2,040.9	8.9	2,152.9	3.3
Other equity items	**–807.1**	–287.2	>100	–603.6	33.7
Equity attributable to Wacker Chemie AG shareholders	1,789.3	2,126.8	–15.9	1,922.4	–6.9
Non-controlling interests	**27.7**	28.7	–3.5	24.1	14.9
Equity	1,817.0	2,155.5	–15.7	1,946.5	–6.7
Provisions for pensions	**2,218.1**	1,226.6	80.8	1,758.2	26.2
Other provisions	**194.1**	148.3	30.9	181.8	6.8
Income tax provisions	**45.9**	37.2	23.4	43.7	5.0
Deferred tax liabilities	**4.0**	3.8	5.3	3.6	11.1
Financial liabilities	**1,357.4**	1,157.6	17.3	1,318.2	3.0
Other liabilities	**506.1**	534.1	–5.2	530.3	–4.6
Noncurrent liabilities	4,325.6	3,107.6	39.2	3,835.8	12.8
Other provisions	**109.7**	88.6	23.8	99.8	9.9
Income tax provisions	**76.5**	66.0	15.9	54.2	41.1
Income tax liabilities	**0.3**	1.5	–80.0	0.1	>100
Financial liabilities	**226.3**	290.4	–22.1	283.3	–20.1
Trade payables	**432.5**	329.5	31.3	374.5	15.5
Other liabilities	**442.8**	550.1	–19.5	353.0	25.4
Current liabilities	1,288.1	1,326.1	–2.9	1,164.9	10.6
Liabilities	5,613.7	4,433.7	26.6	5,000.7	12.3
Total equity and liabilities	7,430.7	6,589.2	12.8	6,947.2	7.0

Consolidated Statement of Cash Flows

January 1 through March 31, 2015

Consolidated Statement of Cash Flows

T 3.5

€million	Q1 2015	Q1 2014	Change in %
Net income for the period	**70.6**	64.2	10.0
Depreciation / appreciation of noncurrent assets	**140.8**	151.4	–7.0
Changes in provisions	**56.2**	28.4	97.9
Changes in deferred taxes	**–6.5**	–12.5	–48.0
Changes in inventories	**–36.1**	–17.4	>100
Changes in trade receivables	**–115.6**	–83.8	37.9
Changes in other assets	**39.1**	–24.9	n.a.
Changes in advance payments received	**–42.9**	–35.4	21.2
Changes in other liabilities	**107.8**	75.2	43.4
Changes from equity accounting	**0.8**	0.1	>100
Other non-cash expenses, income and other items	**–51.2**	3.5	n.a.
Cash flow from operating activities (gross cash flow)	**163.0**	148.8	9.5
Cash receipts and payments for investments	**–189.7**	–106.6	78.0
Proceeds from the disposal of noncurrent assets	**1.2**	1.1	9.1
Cash receipts and payments for acquisitions	**–**	25.8	–100.0
Cash flow from long-term investing activities before securities	**–188.5**	–79.7	>100
Cash receipts and payments for the acquisition / disposal of securities	**59.5**	1.6	>100
Cash flow from investing activities	**–129.0**	–78.1	65.2
Changes in financial liabilities	**–114.1**	–144.1	–20.8
Cash flow from financing activities	**–114.1**	–144.1	–20.8
Changes due to exchange-rate fluctuations	**5.6**	0.1	>100
Changes in cash and cash equivalents	**–74.5**	–73.3	1.6
At the beginning of the period	**325.9**	431.8	–24.5
At the end of the period	**251.4**	358.5	–29.9

Consolidated Statement of Changes in Equity & Reconciliation of Other Equity Items

January 1 through March 31, 2015

Consolidated Statement of Changes in Equity

T 3.6

€ million	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other equity items	Total	Non-controlling interests	Total
January 1, 2014	260.8	157.4	–45.1	1,973.9	–168.2	2,178.8	18.3	2,197.1
Net income for the period	–	–	–	67.0	–	67.0	–2.8	64.2
Income and expenses recognized in equity	–	–	–	–	–119.0	–119.0	0.4	–118.6
Change in scope of consolidation	–	–	–	–	–	–	12.8	12.8
March 31, 2014	260.8	157.4	–45.1	2,040.9	–287.2	2,126.8	28.7	2,155.5
January 1, 2015	260.8	157.4	–45.1	2,152.9	–603.6	1,922.4	24.1	1,946.5
Net income for the period	–	–	–	70.4	–	70.4	0.2	70.6
Income and expenses recognized in equity	–	–	–	–	–203.5	–203.5	3.4	–200.1
March 31, 2015	260.8	157.4	–45.1	2,223.3	–807.1	1,789.3	27.7	1,817.0

Reconciliation of Other Equity Items

T 3.7

€ million	Changes in market values of securities available for sale	Difference from foreign currency translation adjustments	Changes in market values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Effects of net investments in foreign operations	Total (excluding non-controlling interests)
January 1, 2014	0.8	–50.9	10.4	–125.9	–2.6	–168.2
Changes recognized in other comprehensive income	–	–	–0.2	–100.4	–	–100.6
Reclassification in the statement of income	–	–17.5	–2.2	–	2.6	–17.1
Changes in exchange rates	–	–1.3	–	–	–	–1.3
March 31, 2014	0.8	–69.7	8.0	–226.3	–	–287.2
January 1, 2015	0.5	70.5	–28.5	–646.1	–	–603.6
Changes recognized in other comprehensive income	–0.8	–	–57.4	–340.1	–	–398.3
Reclassification in the statement of income	–	–	16.1	–	–	16.1
Changes in exchange rates	–	178.7	–	–	–	178.7
March 31, 2015	–0.3	249.2	–69.8	–986.2	–	–807.1

Notes

January 1 through March 31, 2015

Accounting and Valuation Methods

The interim consolidated financial statements of Wacker Chemie AG as of March 31, 2015 have been prepared in accordance with Section 37x of the German Securities Trading Act (WpHG: Wertpapierhandelsgesetz) and with the rules of International Accounting Standard (IAS) 34 as applicable in the European Union, and are presented in condensed form. The accounting and valuation methods applicable in the 2014 fiscal year remain unchanged, but have been supplemented by the new accounting standards to be applied for the first time in 2015. The interim Group management report has been prepared in compliance with the applicable requirements of the German Securities Trading Act. New accounting standards were introduced in 2015, but they had no substantial impact on WACKER's accounting and valuation methods.

When the interim financial statements are being prepared, it is necessary to make assumptions and estimates affecting the amounts and the reporting of the recognized assets and debts, income and expenses, and contingent liabilities. All assumptions and estimates are based on projections that were valid on the reporting date. The actual values may differ from assumptions and estimates if the economic conditions referred to do not develop in line with the expectations as of the reporting date. Taxes are calculated using the same methods as at year-end, by determining the tax expenses as of the interim reporting date. The option pursuant to IAS 34 of making an estimate is not exercised.

As of each reporting date, the net defined benefit liability must be reassessed and the discount factor newly determined. The net defined benefit liability as of March 31, 2015 was calculated using discount factors of 1.65 percent in Germany and 3.6 percent in the USA (March 31, 2014: 3.5 percent in Germany and 4.34 percent in the USA). As of December 31, 2014, the actuarial interest rate was 2.3 percent in Germany and 3.8 percent in the USA.

As an information tool, interim financial reporting builds on the consolidated financial statements as of the end of the fiscal year. The accounting, valuation and consolidation methods used and the exercising of options envisaged in IFRS are explained in detail in the Notes.

The Group's parent company, Wacker Chemie AG, is a listed company with headquarters in Munich, Germany. Its address is: Wacker Chemie AG, Hanns-Seidel-Platz 4, 81737 München, Germany. It is registered at the Munich District Court (Amtsgericht) under HRB 159705.

Seasonal Influences

Sales of polymer and silicone products to the construction industry are subject to seasonal fluctuations over the year. Because of the weather, volumes are higher in the summer months than in the winter, when the construction industry's order books are low. This effect can be cushioned by overseas business. Sales, particularly for the WACKER POLYMERS segment, are usually lower in Q1 and Q4 than in Q2 and Q3.

Other Financial Obligations

For information on disclosures of other financial obligations, please refer to the Notes to the consolidated financial statements in the 2014 Annual Report.

No material changes arose in the period under review compared with the information provided in the Annual Report for 2014.

New Accounting Standards

The following standards and interpretations of the IASB were applied for the first time in the first three months of 2015:

Standard/ Interpretation		Manda-tory from	Endorsed by EU	Anticipated Impact on WACKER
IFRIC 21	Levies	Jan. 1, 2015	June 13, 2014	IFRIC 21 "Levies" contains rules for the recognition of obligations to pay public levies that are not defined as taxes within the meaning of IAS 12 "Income Taxes." Application of this interpretation may result in an obligation to pay a levy being recognized in the accounts at a different point in time than previously, especially if the obligation to pay arises only if certain circumstances occur at a certain time. The amendments in connection with IFRIC 21 have no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Improvements to IFRS (2011–2013)		July 1, 2014	Dec. 18, 2014	The amendments affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. Their application has no substantial impact on WACKER's earnings, net assets or financial position.

The following standards were approved by the IASB between 2009 and 2015, but their application is not yet mandatory for the period under review or they have not yet been adopted by the EU.

Standard/ Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Nov. 21, 2013	Feb. 1, 2015	Dec. 17, 2014	The amendments clarify those regulations that concern the allocation of contributions by employees or third parties to service periods in cases where the contributions are linked to the same period of service. In addition, relief is granted in cases where the contributions are independent of the number of years of service. The amendments have no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Improvements to IFRS (2010–2012)		Dec. 12, 2013	Feb. 1, 2015	Dec. 17, 2014	The amendments affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. Their application has no substantial impact on WACKER's earnings, net assets or financial position.
IFRS 9	Financial instruments	July 24, 2014	Jan. 1, 2018	Expected in second half of 2015	In addition to the recognition and measurement of financial assets, the updated version of IFRS 9 contains new stipulations for accounting impairments of financial assets and revised requirements for the classification and measurement of financial instruments as part of hedge accounting. In the future, financial assets will be measured either at amortized cost or at fair value, depending on the business model of the company in question. The classification model for financial liabilities will be retained. The recognition of impairments will change fundamentally since credit losses will no longer be recognized when actually incurred, but as soon as they are expected to be incurred. The goal of the new hedge accounting model under IFRS 9 is to better reflect risk management activities in the financial statements. Cash flow hedge accounting, fair value hedge accounting and hedging of a net investment in a foreign operation remain admissible hedging relationships. In each case, the number of qualifying underlying and hedging transactions was extended. At the moment, WACKER cannot conclusively assess what impacts the first-time application of this standard will have on its earnings, net assets or financial position, or on the presentation of its financial statements, should it be endorsed by the EU in its current form.

Standard/ Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
IFRS 14	Regulatory Deferral Accounts	Jan. 30, 2014	Jan. 1, 2016	To be determined	This standard allows entities preparing IFRS statements for the first time in accordance with IFRS 1 “First-Time Adoption of the International Financial Reporting Standards” to include in these statements so-called regulatory deferral accounts recognized under current national accounting standards for rate-regulated activities, and to allow the entities to continue to prepare their financial statements according to previously applicable accounting methods. The amendments have no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements since WACKER is not a first-time adopter in accordance with IFRS 1.
IFRS 15	Revenue from Contracts with Customers	May 28, 2014	Jan. 1, 2017	Q3 2015	IFRS 15 sets out that an entity shall recognize revenue whenever the customer obtains control of, and can draw an economic benefit from, the promised goods and services. The transfer of significant risks and rewards of ownership is no longer of primary importance, as was still the case under the old IAS 18 “Revenue” rules. Revenue must be recognized in an amount that reflects the consideration to which an entity expects to be entitled. The new model provides a five-step framework for recognizing revenue, which first identifies the contract with a customer and the performance obligations it entails, and then determines and allocates the transaction price. The revenue must be recognized for each individual performance obligation when the customer obtains control of the good or service. WACKER is currently evaluating the new standard to determine its impact on the recognition of revenue. The effects cannot be conclusively assessed at the present. The new standard will result in broader disclosure details in WACKER’s financial statements.
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	May 6, 2014	Jan. 1, 2016	Expected in Q3 2015	This amendment clarifies that the acquisition and accumulation of interests in joint operations that represent a business (as defined by IFRS 3 “Business Combinations”) should be recognized by applying the accounting principles for business combinations in IFRS 3 and other applicable IFRSs, unless these conflict with IFRS 11. This clarification currently has no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements.

Standard/ Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	May 12, 2014	Jan. 1, 2016	Expected in Q3 2015	The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate since depreciation does not reflect consumption of the expected future economic benefits embodied in the asset. This also applies to intangible assets with a limited useful life. The presumption here, however, can be rebutted. The amendment also clarifies that a decline in sales prices of the goods produced can serve as an indicator of the commercial obsolescence of property, plant and equipment. Since WACKER uses only straight-line depreciation over the expected useful life of such assets, the clarification has no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Amendments to IAS 16 and IAS 41	Financial Reporting for Bearer Plants	June 30, 2014	Jan. 1, 2016	Expected in Q3 2015	IAS 41 currently requires all biological assets related to agricultural activity to be measured at fair value less estimated costs to sell. According to the amendments, bearer plants are henceforth to be accounted for in the same way as property, plant and equipment in IAS 16 because they are utilized in a similar way. However, the produce growing on bearer plants will remain within the scope of IAS 41. In the absence of relevant circumstances, the amendment has no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Amendments to IAS 27	Separate Financial Statements (Equity Method)	Aug. 12, 2014	Jan. 1, 2016	Expected in Q3 2015	In the future, this revision of IAS 27 will allow an entity to apply the equity method to account for investments in subsidiaries, joint ventures and associates in its separate IFRS financial statements. Application of the revised standard has no impact on WACKER since it does not compile separate financial statements in accordance with IFRS.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sept. 11, 2014	Jan. 1, 2016 – under revision	Postponed – awaiting IASB exposure draft	In accordance with these two revised standards, the investor's gain or loss must always be recognized in full if a transaction constitutes a business as defined in IFRS 3. If this is not the case and the transaction concerns assets that do not constitute a business, the gain or loss is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The application of these two revised standards currently has no impact on WACKER's earnings, net assets or financial position.
Improvements to IFRS (2012–2014)		Sept. 25, 2014	Jan. 1, 2016	Expected in Q3 2015	The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34. Their application has no substantial impact on WACKER's earnings, net assets or financial position.
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities – Applying the Consolidation Exception	Dec. 18, 2014	Jan. 1, 2016	Expected in Q1 2016	The amendments serve to clarify various questions relating to application of the consolidation exception as per IFRS 10 should the parent company meet the definition of an "investment entity." In the absence of relevant circumstances, these amendments have no impact on WACKER's earnings, net assets or financial position.

Standard/ Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IAS 1	Disclosure Initiative	Dec. 18, 2014	Jan. 1, 2016	Expected in Q4 2015	The amendments concern various reporting issues and clarify that information which is not material need not be disclosed in the notes. This explicitly also applies if an IFRS requires a list of minimum information. Additionally included are explanations of aggregation and disaggregation of items in the balance sheet and statement of comprehensive income. The amendments also clarify how shares in other comprehensive income arising from equity-accounted investments are presented in the statement of comprehensive income. Furthermore, they propose changing the standard structure of the notes in order to enhance their understandability and comparability. The clarification has no impact on WACKER's earnings, net assets or financial position, nor any substantial impact on the presentation of its financial statements.

Changes in the Scope of Consolidation

As of March 31, 2015, the scope of consolidation comprised 55 companies, including Wacker Chemie AG, and a special-purpose entity. The interim financial statements comprised 51 companies. Compared with December 31, 2014, the scope of consolidation changed as follows.

Changes in the Scope of Consolidation

Disposals/mergers of fully consolidated subsidiaries	
Scil Proteins Production GmbH, Halle	
(merged with Wacker Biotech GmbH, Jena, as of January 1, 2015)	100%

On January 2, 2014, Wacker Biotech GmbH acquired Scil Proteins Production GmbH, based in Halle, Germany. The merger of these two companies took place on January 1, 2015.

Segment Reporting

Please refer to the interim management report for the required information on segments.

Information on Fair Value

The fair value of a financial instrument is the price that would be achieved in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table shows the carrying amounts and fair values of the Group's financial assets and liabilities.

Carrying Amounts and Fair Values of Financial Instruments (IFRS 7)

T 3.8

€million	March 31, 2015		Dec. 31, 2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Trade receivables	826.8	826.8	684.0	684.0
Other financial assets[1]	–	331.6	–	416.2
Held-to-maturity securities	–	–	10.0	10.0
Available-for-sale securities	135.3	135.3	188.7	188.7
Loans and receivables	176.9	176.9	202.1	202.1
Available-for-sale financial assets[2]	n.a.	11.2	n.a.	11.2
Derivative financial instruments	8.2	8.2	4.2	4.2
Cash and cash equivalents	251.4	251.4	325.9	325.9
Financial liabilities	1,580.9	1,556.7	1,590.0	1,572.7
Liabilities from finance leases	27.0	27.0	28.8	28.8
Trade payables	432.5	432.5	374.5	374.5
Other financial liabilities[3]	286.8	286.8	177.4	177.4
Financial liabilities recognized at amortized cost	166.1	166.1	127.7	127.7
Derivative financial instruments	120.7	120.7	49.7	49.7

[1] Does not include tax receivables, advance payments made, or accruals and deferrals.
[2] This item contains available-for-sale financial assets the market values of which cannot be calculated reliably and which have been recognized at cost. This item, along with noncurrent loans, is shown in the statement of financial position under noncurrent financial assets.
[3] Includes other liabilities shown in the statement of financial position, with the exception of advance payments received, accruals and deferrals, and tax liabilities.

It was not possible to calculate the fair value of the equity instruments that WACKER measures at amortized cost as no stock market prices or market values are available. The instruments in question are shares in unlisted companies for which there was no indication of a lasting impairment on the reporting date and the fair value of which cannot reliably be determined. WACKER had no intention of selling any of the shares reported as of March 31, 2015.

The financial assets and liabilities measured at fair value in the balance sheet were allocated to one of three categories in accordance with the fair value hierarchy described in IFRS 13. Allocation to these categories reveals which of the fair values reported were settled through market transactions and the extent to which the measurement was based on models in the absence of observable market transactions. Please refer to the Financial Instruments chapter in the Notes to the consolidated financial statements in the 2014 Annual Report for a definition of the fair value hierarchy and the allocation of financial assets and liabilities to the categories in this hierarchy.

The following table shows the fair-value-hierarchy classification of financial assets and liabilities measured at fair value:

Fair Value Hierarchy

T 3.9

€million	Fair value hierarchy March 31, 2015				Fair value hierarchy December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value through profit or loss								
Derivatives not qualifying for hedge accounting (assets held for trading)	–	1.3	–	1.3	–	1.4	–	1.4
Fair value through other comprehensive income / through profit or loss								
Derivatives that qualify for hedge accounting	–	6.9	–	6.9	–	2.8	–	2.8
Available-for-sale financial assets	135.3	–	–	135.3	188.7	–	–	188.7
Total	135.3	8.2	–	143.5	188.7	4.2	–	192.9
Financial liabilities measured at fair value								
Fair value through profit or loss								
Derivatives not qualifying for hedge accounting (liabilities held for trading)	–	45.7	–	45.7	–	13.7	–	13.7
Fair value through other comprehensive income / through profit or loss								
Derivatives that qualify for hedge accounting	–	75.0	–	75.0	–	36.0	–	36.0
Total	–	120.7	–	120.7	–	49.7	–	49.7

The market value determined in Level 1 is based on quoted, unadjusted prices in active markets for the assets and liabilities in question or identical ones. The financial instruments allocated to Level 2 are measured using valuation methods based on parameters that are either directly or indirectly derived from observable market data. These include hedging and non-hedging derivative financial instruments, loans and financial debt. In Level 3, the market value is determined on the basis of parameters for which no observable prices are available. At the respective reporting date of each quarter, WACKER reviews whether its financial instruments are still appropriately allocated to the fair-value-hierarchy levels. As was the case in the consolidated financial statements for 2014, no reclassifications were carried out between the levels of the fair value hierarchy in the first three months of 2015.

In the period under review, no non-recurring fair value measurements were carried out.

Related Party Disclosures

IAS 24 stipulates that a person or company which controls, or is controlled by, Wacker Chemie AG must be disclosed unless the person or company is already included in Wacker Chemie AG's consolidated financial statements as a consolidated company. A shareholder is deemed to have control if it has more than half of the voting rights in Wacker Chemie AG or, by virtue of provisions in the Articles of Association or contractual arrangements, has the possibility of controlling the financial and business policy of the WACKER Group's Executive Board.

The WACKER Group is affected by the IAS 24 rules mainly with respect to the business relations with Wacker Chemie AG's joint ventures, major shareholders, and Executive and Supervisory Board members. The principles of IAS 24 also apply to all transactions with non-consolidated subsidiaries, associated companies and joint ventures, since Wacker Chemie AG exercises significant influence over them.

The WACKER Group is controlled by its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, which holds over 50 percent of the voting shares in Wacker Chemie AG.

Provision of services between Wacker Chemie AG and its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, as well as with the shareholders of Dr. Alexander Wacker Familiengesellschaft mbH and their close family members, is of subordinate importance, and concerns the renting of office space and exchange of services. None of these services is of significant business scope. These transactions are conducted at arm's length terms.

Wacker Chemie AG's pension fund is also considered a related party pursuant to IAS 24. Provision of services takes place between the two entities in the area of company pension plan benefits. WACKER makes payments to plan assets to cover pension obligations. Wacker Chemie AG also rents the headquarters building and the land on which it stands from a subsidiary of Pensionskasse der Wacker Chemie VVaG. Overall, expenditures in the quarter under review amounted to €10.6 million (Q1 2014: €10.7 million). As of March 31, 2015, WACKER had outstanding receivables from the pension fund of €30.5 million (Dec. 31, 2014: €40.4 million).

Apart from that, WACKER Group companies have not conducted any material transactions with members of Wacker Chemie AG's Executive or Supervisory Boards or with any other key management personnel or with companies of which these persons are members of executive or supervisory bodies. The same applies to close relatives of the aforementioned persons.

Business with non-consolidated subsidiaries, the pension fund, and joint ventures and associated companies is carried out under conditions that are customary between unrelated third parties (at arm's length). Contractually agreed transfer-price formulas have been defined for joint-venture and associated-company product shipments.

The following table shows the volume of trade receivables with the above-mentioned related parties:

Related Party Disclosures

T 3.10

€ million	3M 2015		2015 March 31, 2015		3M 2014		2014 Dec. 31, 2014	
	Income	Expenses	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities
Associated companies	1.9	33.6	2.1	13.1	2.3	26.8	2.1	15.9
Joint ventures	7.3	0.3	5.7	0.1	7.0	0.6	4.3	0.2
Other	–	–	–	0.1	–	–	–	–

In addition, there is a loan to an associated company totaling €105.9 million (Dec. 31, 2014: €93.6 million).

For further information, please refer to the consolidated financial statements of Wacker Chemie AG as of December 31, 2014.

Exchange Rates

During the reporting period and/or the previous year, the following exchanges rates were used for translating foreign currency items and for the financial statements of companies with functional currencies other than the euro.

Exchange Rates

T 3.11

€ million	Exchange rate as of			Average exchange rate	
	March 31, 2015	March 31, 2014	Dec. 31, 2014	March 31, 2015	March 31, 2014
USD	1.08	1.38	1.22	1.13	1.37
JPY	129.20	141.64	145.35	134.23	140.85
SGD	1.48	1.73	1.61	1.53	1.74
CNY	6.66	8.56	7.54	7.03	8.36

Major Events during the Reporting Period

Events during the reporting period that are considered significant in terms of impact, nature and frequency are described in the interim management report.

Events after the Balance Sheet Date

No material events occurred between the balance sheet date of March 31, 2015 and the publication of this Interim Report.

Munich, April 30, 2015
Wacker Chemie AG's Executive Board

Rudolf Staudigl **Tobias Ohler**

Joachim Rauhut **Auguste Willems**

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the Group's earnings, net assets and financial position, and the Group's interim management report includes a fair review of the development and performance of the Group's business and position, together with a description of the principal opportunities and risks associated with the Group's expected development for the remaining months of the fiscal year.

Munich, April 30, 2015
Wacker Chemie AG's Executive Board

Rudolf Staudigl **Tobias Ohler**

Joachim Rauhut **Auguste Willems**

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2015 Financial Calendar

May 8
Annual Shareholders' Meeting

August 3
Interim Report on the 2nd Quarter of 2015

October 29
Interim Report on the 3rd Quarter of 2015

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This report contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update the forward-looking statements, nor does it assume the obligation to do so.

Due to rounding, numbers presented throughout this and other reports may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

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