



**WACKER**



Morgan Stanley TMT Conference, Barcelona

W. Sittenthaler, President and CEO, 2007-11-14

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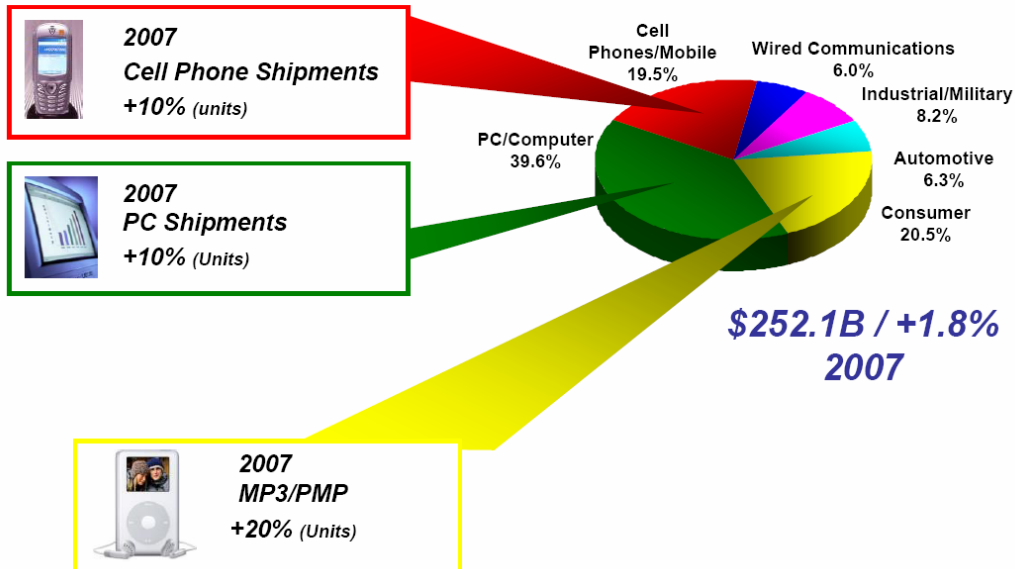
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# AGENDA

- Market Environment
- Introduction of Siltronic

# SEMICONDUCTOR DEMAND GROWING MORE DIVERSIFIED THROUGH CONSUMER PRODUCTS: ITS NOT JUST THE PC!

## Semiconductor Growth: 2007



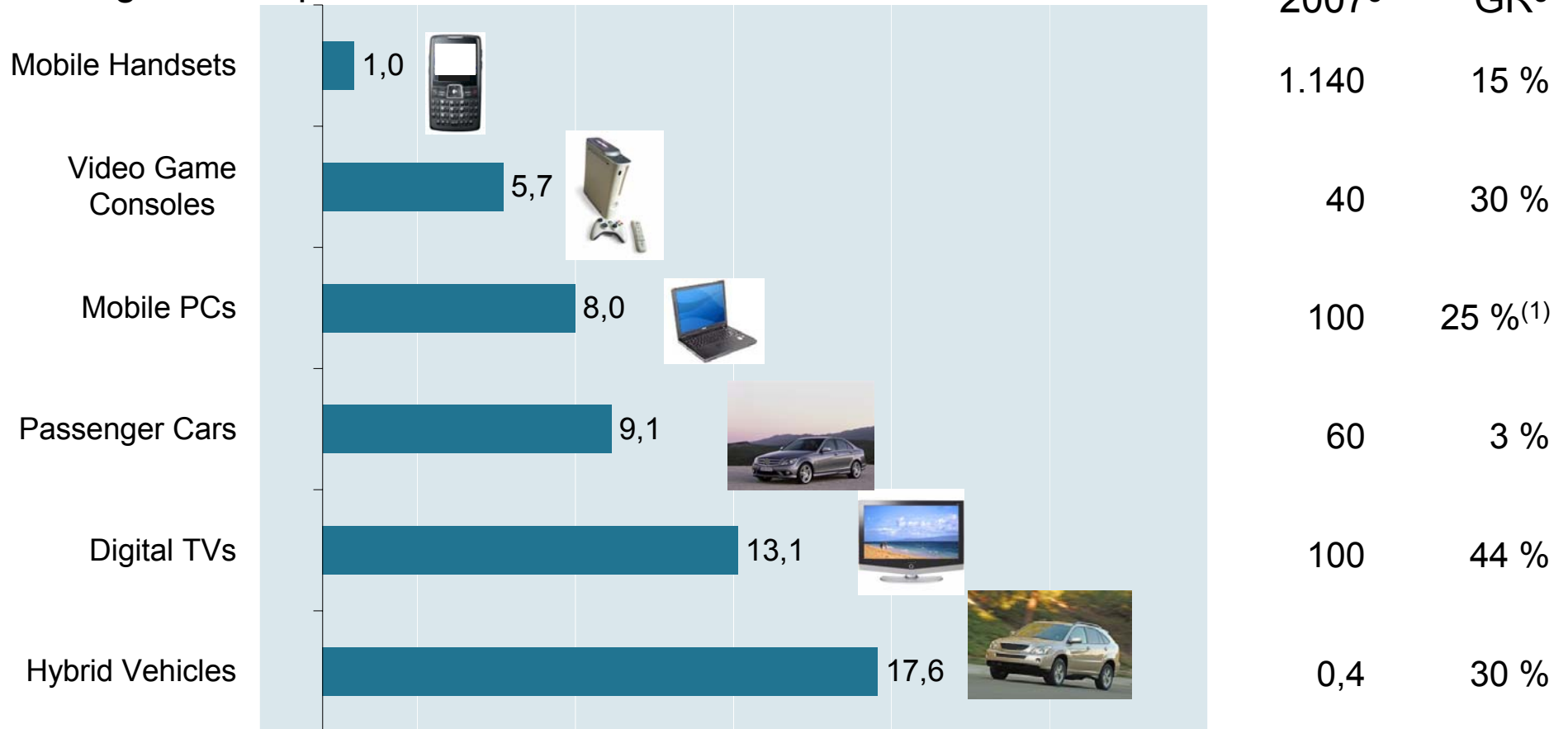
Unit growth	2006	2007
Mobile Phones	+20 %	+15 %
PCs	+10 - 12 %	+10 %
Digital Cameras	+16 %	+6.5 %
MP3 Players	+52 %	+20 %
Digital TV	+52 %	+44 %

Diversified consumer applications drive semiconductor demand

Source: iSuppli, Gartner, SIA June 2007

# HIGH GROWTH MARKETS HAVE HIGH SILICON INTENSITY

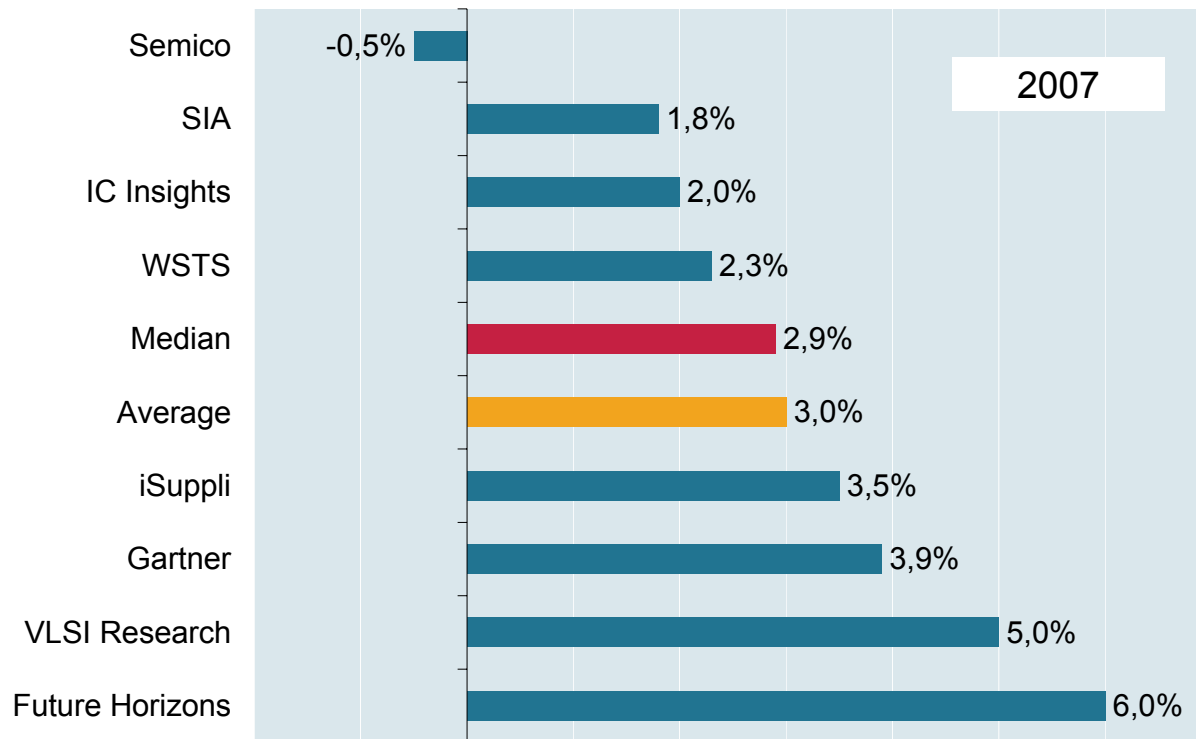
## Average Silicon per Electronic Device in Relation to a Mobile



(1) Note, page 4 shows total PC growth rate  
Source: market and company reports

# 2007 – A SLOWER YEAR – SEMICONDUCTOR REVENUE GROWTH CONSENSUS OF 3 PERCENT

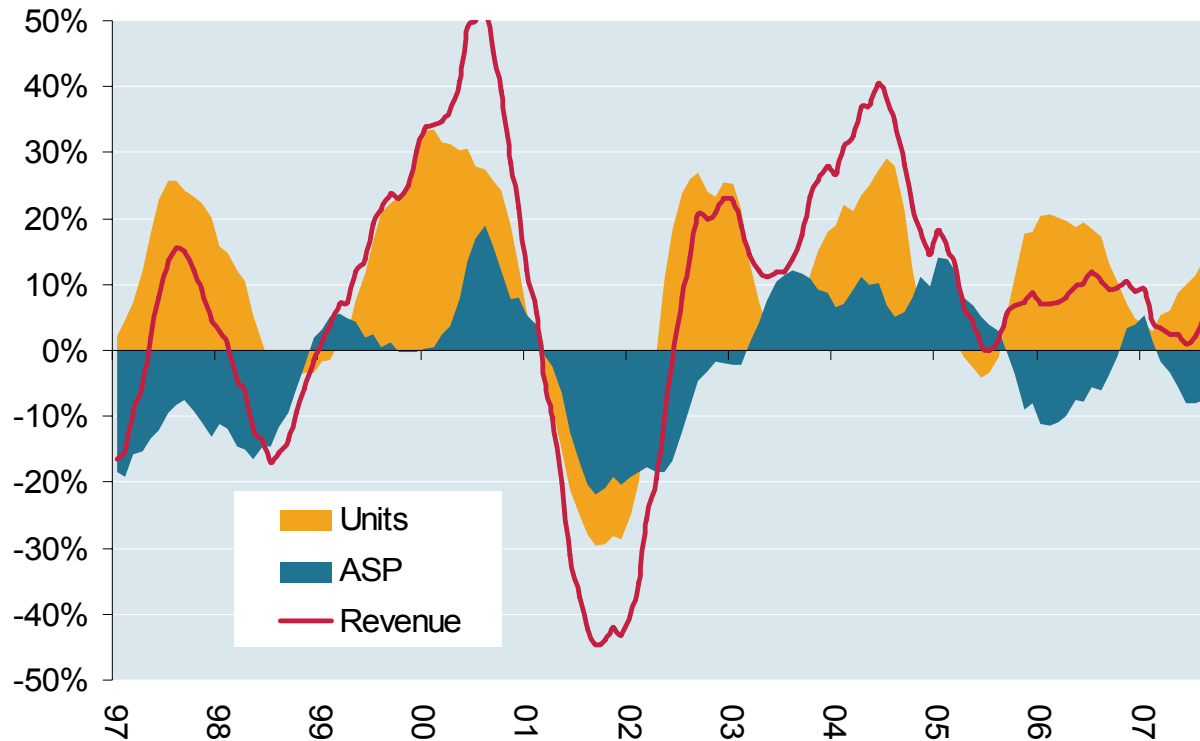
## Semiconductor Revenue Forecasts for 2007 (Actual YoY Growth Forecast in Percent)



Sources: Company information

# SEMICONDUCTOR REVENUE FORECASTS ONLY TELL 1/3 OF THE STORY

## Monthly Semiconductor YoY Growth (3MMA) in Percent

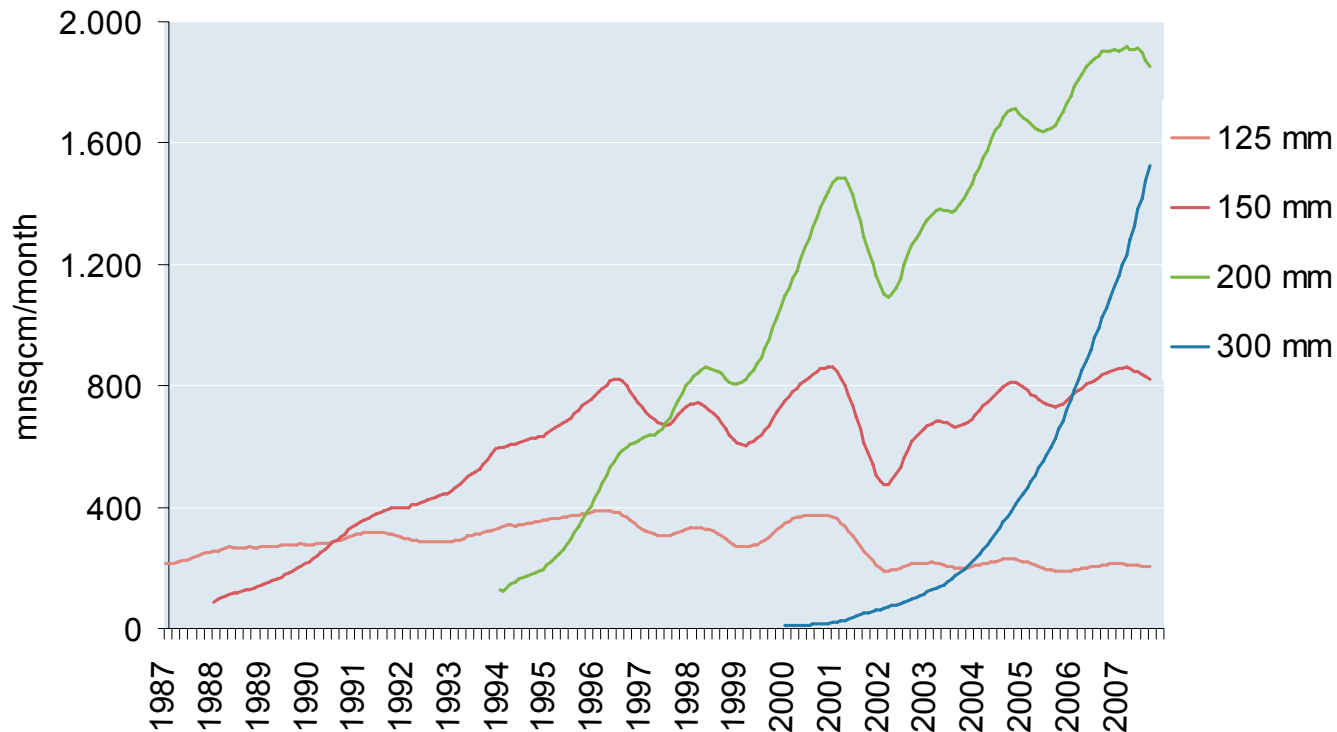


- Semiconductor revenue is determined by units and by ASP.
- Units are what the wafer market cares about.
- The current semiconductor market adjustment is more on the ASP side than on the unit volume side.

Source: WSTS, September 2007

# 300 MM WITH STABLE GROWTH, 200 MM PERHAPS AT ITS PEAK, 150 MM REACHES ITS PEAK AFTER 10 YEARS YET AGAIN

## Development of Semi Wafers in mn cm<sup>2</sup> [12 Months Moving Average (MMA)]



September data in mn cm<sup>2</sup> per month (12 MMA)

- 200 mm: ~ 1.850 (42 %)
- 300 mm: ~ 1.530 (34 %)
- 150 mm: ~ 820 (18 %)
- 125 mm: ~ 200 (4 %)

Total area in September in mn cm<sup>2</sup> per month: ~ 4.450 (100 %)

In K wafers per month (12 MMA)

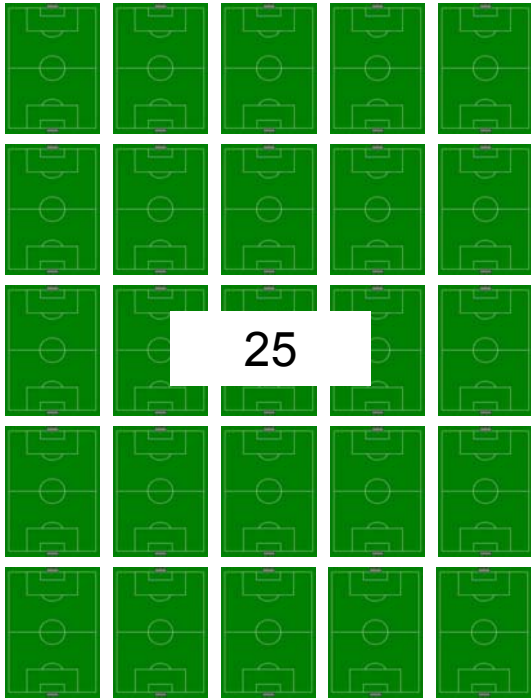
- 200 mm: ~ 5.890
- 300 mm: ~ 2.160
- 150 mm: ~ 4.640
- 125 mm: ~ 1.630

Remark: graph is excluding diameters equal or below 100 mm making up for 53 mn cm<sup>2</sup> in September 2007 (12 MMA); equals 2 % of total market

Source: SEMI up to September 2007

# WHAT ARE 1.850 MILLION CM<sup>2</sup> 200 MM WAFERS PER MONTH?

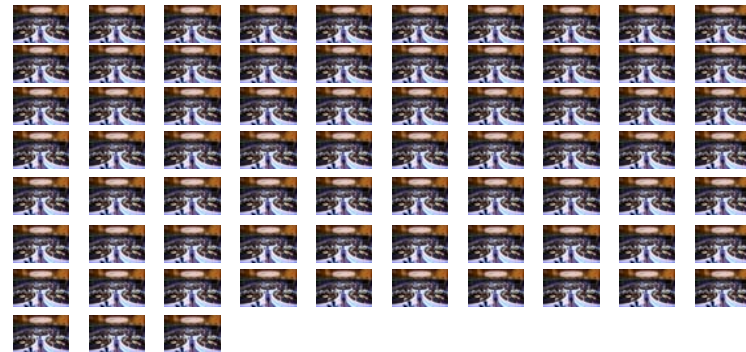
## In Soccer Fields<sup>(1)</sup>



## In Floor Areas of the Frankfurt Stock Exchange Trading Room<sup>(2)</sup>



plus 73



- (1) If you see black dots between the soccer fields, that vanish while focusing, don't worry, it's the Hermann-Gitter effect (after Ludimar Hermann in 1870) – 200 mm Silicon wafer area is no optical illusion
- (2) Only main floor without bond trading floor, second tier stock trading floor and trader boxes at the walls

# 200 MM SEGMENT OF OUR BUSINESS MAY OR MAY NOT BE AT A CROSSROAD

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- Shutdown Intel Fab in New Mexico, USA
- Shutdown AMD Fab 30 in Dresden
- Technological change from 200 to 300 mm wafer

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- Infineon's ramp in Kulim, Malaysia
- Toshiba and Kaga new 200 mm power semiconductor fab opening
- Technological change from 150 to 200 mm

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- Transfer of Elpida equipment to China
- TSMC buying 200 mm Atmel equipment
- Samsung's statement in Q3 call of no current plans to reduce 200mm

# AGENDA

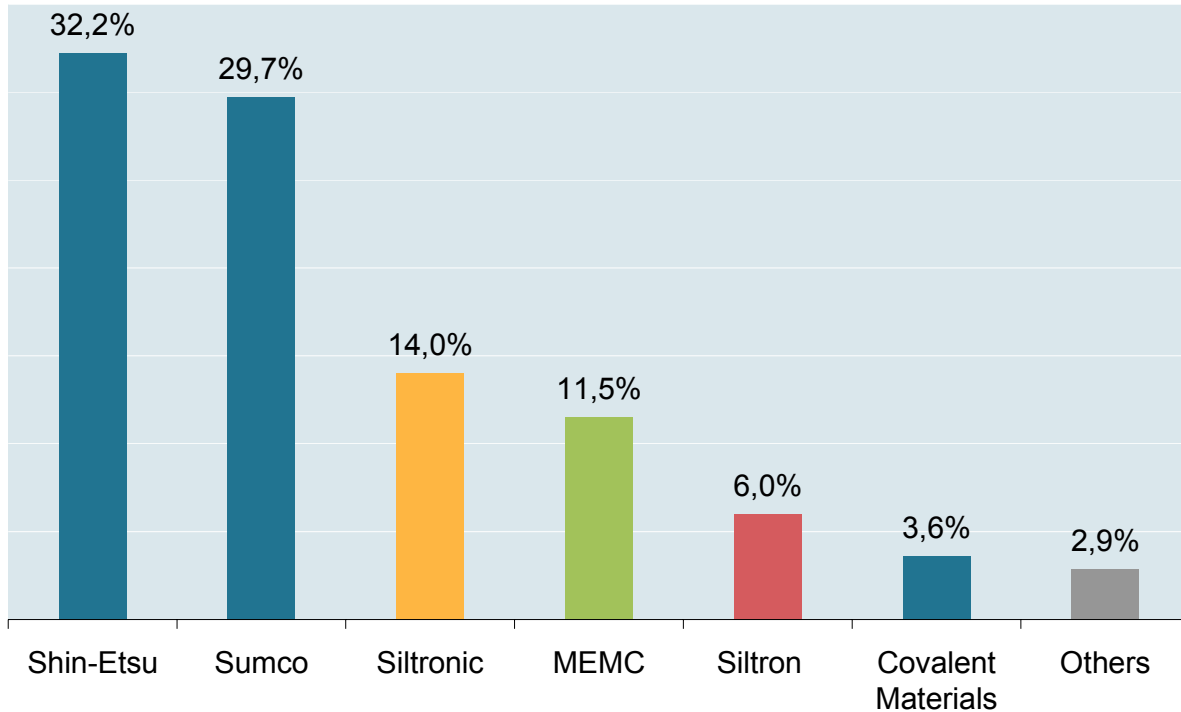
- Market Environment
- Introduction of Siltronic

# SILTRONIC FOCUSES ON SEMICONDUCTOR WAFERS

- Siltronic is a global leader in silicon wafers for Semiconductors
- Siltronic is a one product company (focus on Semiconductors)
- Siltronic manufactures diameters up to 300 mm
- Siltronic's wafers meet current and future technology requirements
- Siltronic has a backward integrated value chain with a secure Polysilicon supply (Wacker)

# SILTRONIC IN THE TOP LEAGUE

## 2006 Market Share by Wafer Revenues



Based in: ■ Japan ■ Europe ■ USA ■ Asia

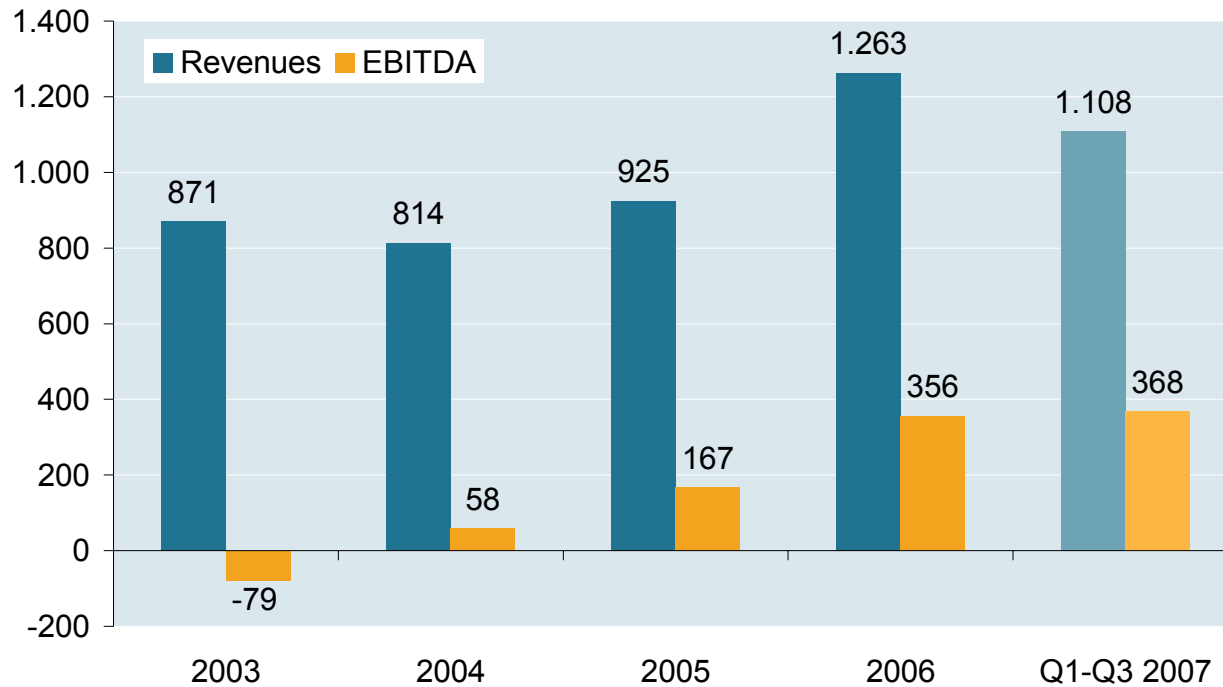
## Market share change 2006 vs. 2005:

- Shin-Etsu: - 0.2 %
- Sumco: - 1.5 %
- **Siltronic: + 0.4 %**
- MEMC: - 0.3 %
- Siltron: + 0.8 %
- Covalent Mat.: - 0.2 %

Source: Gartner Dataquest; Share By Revenue (June 2007)

# SILTRONIC'S SUCCESSES CONTINUE THROUGH 2007

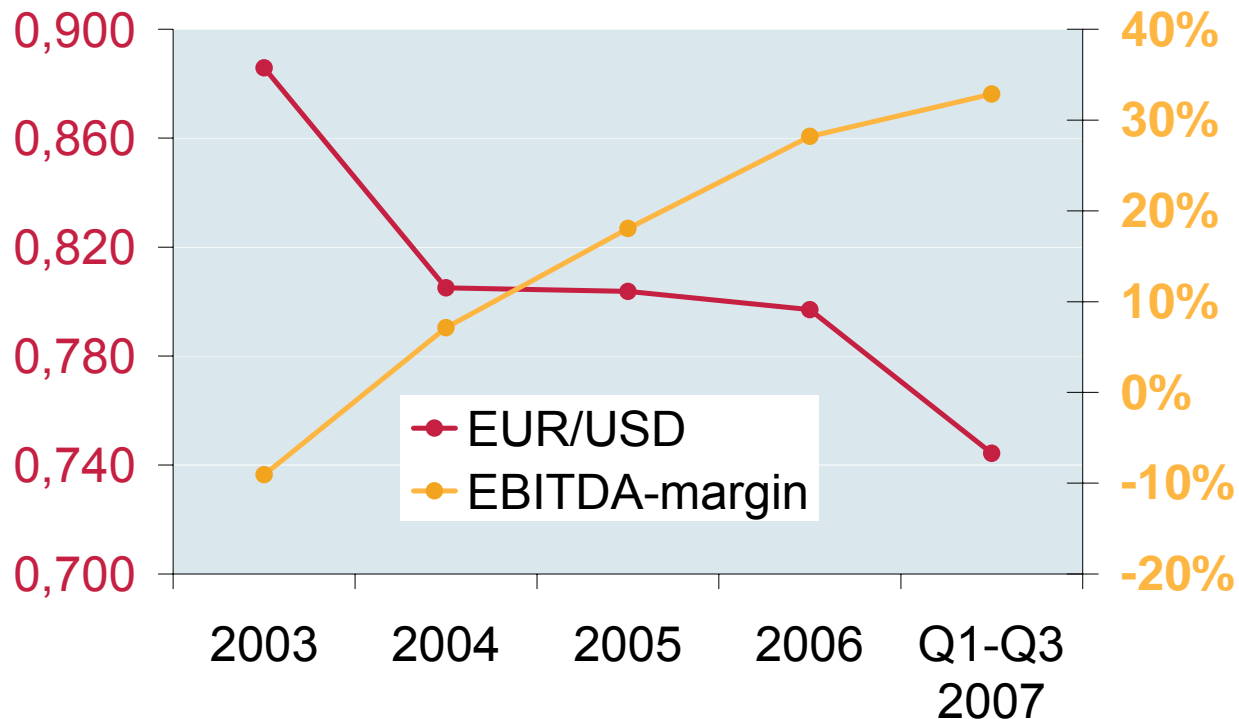
## Siltronic Revenue and EBITDA Development in mn EUR



- Q1-Q3 2007:
  - + 21 % Revenues YoY
  - + 53 % EBITDA YoY

# INCREASING PROFITABILITY DESPITE DAMPENING EFFECT OF DISADVANTAGEOUS FX-DEVELOPMENT

Development of EUR/USD FX rate and Siltronic EBITDA margin

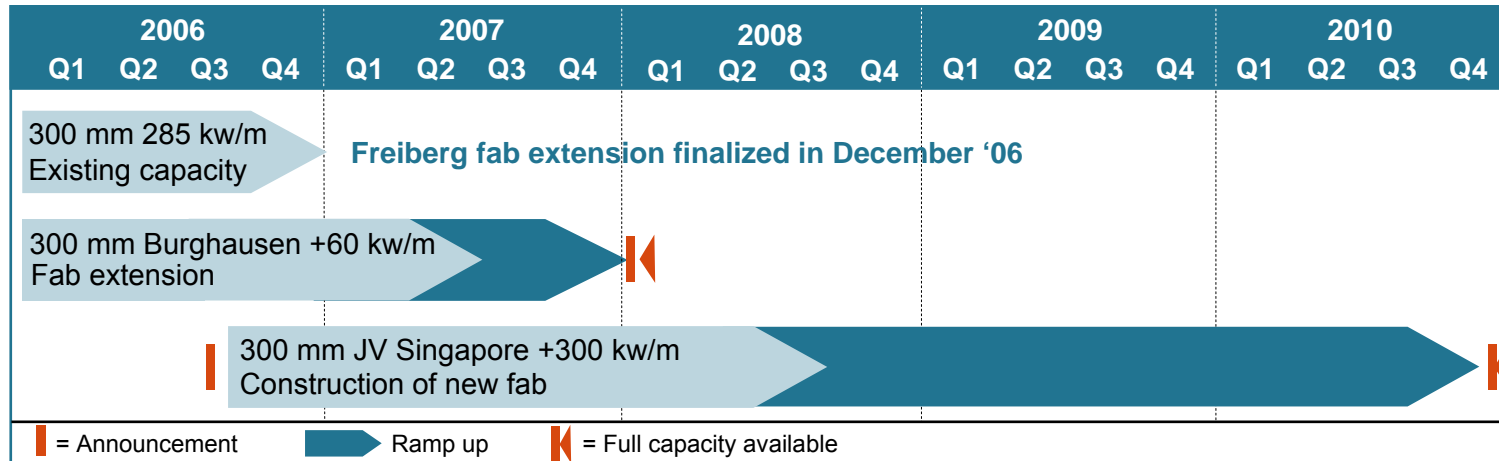


Remark: For 2003 – 2006 EUR/USD rates are yearly average rates; for 2007 it's the average rate for the first three quarters

Source: Siltronic Reporting; FX rates based upon Reuters

# GROW WITH THE MARKET WITH FOCUS ON 300 MM AND ASIA

## Construction of new fab



## Construction Progress of Siltronic Samsung Wafer Pte. Ltd.



August 2006:  
Preparing the ground



September 2006:  
Piling started



May 2007:  
Raising the shell



July 2007:  
Clean room set up

# SPEED IS ESSENTIAL: SILTRONIC AND SAMSUNG JOINTLY BUILDING 300 MM WAFER CAPACITY AT RECORD PACE

August 2006: Preparing the ground



July 2007: Clean room set up



# GLOBALLY PRESENT AND WELL POSITIONED FOR SUSTAINED AND PROFITABLE GROWTH

## Industry and position

- Industry track record: growth
- Strong customer base
- Third largest wafer supplier

## 300 mm

- 300 mm, the growth engine
- Full market access on 300 mm
- Partnering with customers

## Asia

- Asia: The largest market is growing the fastest, > 50 % of sales
- Well positioned at key customers
- Moving East and “Asia mindset” throughout the firm

## Operational efficiency

- Engineered cost reduction in our DNA: Further ambitious cost targets
- Accelerating cash generation
- Quality leadership

## Polysilicon

- Solar demand elevates poly supply to competitive advantage
- Siltronic among privileged few that can build growth on secure poly supply

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