



WACKER

WACKER CHEMIE AG – 1st Quarter 2006 Conference Call

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TODAYS PRESENTERS



Dr. Peter-Alexander Wacker
CEO
Wacker Chemie AG



Dr. Joachim Rauhut
CFO
Wacker Chemie AG

1ST QUARTER 2006 HIGHLIGHTS

WACKER (€m)	Q1 2006	Change
Sales	798.5	Up 31%
EBITDA	183.6	Doubled
EBIT	105.7	Up 96.5
Net Profit	66.2	Up 86.5
Net Profit per share in €	1.49	Up 1.88

- *Focused on growth and margins*
- *Expanding presence in Asia*
- *Delivering results*

SALES Q1 2006

<i>in € million</i>	Q1 2006	Q1 2005	<i>in %</i>
Group	798.5	608.2	21
WACKER SILICONES	323.0	266.5	21
WACKER POLYMERS	121.4	99.8	22
WACKER FINE CHEMICALS	33.5	27.4	22
WACKER POLYSILICON	85.5	79.7	7
Siltronic	286.4	172.7	66

EBITDA Q1 2006

<i>in € million</i>	Q1 2006	Q1 2005	<i>in %</i>
Group	183.6	92.0	100
WACKER SILICONES	64.8	45.6	42
WACKER POLYMERS	23.7	17.6	35
WACKER FINE CHEMICALS	5.8	4.8	21
WACKER POLYSILICON	30.9	25.3	22
Siltronic	69.3	1.8	>100

BUSINESS OVERVIEW

- **WACKER Silicones**

- *Swaps accelerated market development*
- *Innovations driving new sales*

- **WACKER Polymers**

- *New 30,000t dryer in Burghausen announced*

- **Wacker Fine Chemicals**

- *Campaign business drove sales growth*

BUSINESS OVERVIEW

- **WACKER Polysilicon**

- *Sales capacity constrained*
- *Expansion plan to 10,000t*
- *Siltronic demand increased*

- **Siltronic**

- *Cost reduction programs deliver to bottom line*
- *>50% of sales in Asia*
- *Regained strength*

SHIFTING INVESTMENT FOCUS

	SILICONES/ POLYMERS/ FINE CHEMICALS	POLYSILICON	Siltronic
Sales growth (Q1/05 – Q1/06)	21%	7%	66%
EBITDA growth (Q1/05 – Q1/06)	39%	22%	>100%
EBITDA (Q1/06)	94.3	30.9	69.3
EBITDA margin (Q1/06)	19.7%	36.1%	24.2%
Total Capex on sales (2003-2005)	7%	17%	16%
thereof Base Capex (2003-05)*	5%	5%	5%
Investment Focus	→	↗	↘

* 6% on sales including shared infrastructure

FINANCIAL PERFORMANCE

P&L Q1 2006			Highlights	
(€m)	Q1 2005	Q1 2006		
External sales	608.2	798.5	→	- Total impact of currency +5%
Gross profit	130.2	226.1	→	- Siltronic turnaround, 66% growth
<i>% margin</i>	<i>21.4</i>	<i>28.3</i>	→	- Chemicals with 21% growth
SG&A	-78.7	-76.7	→	- Raw material and energy cost increases
R&D	-38.7	-36.5	→	- Economies of scale in all divisions
Other inc/exp.	-3.9	-7.9	→	- Continuous R&D commitment, low SG&A
Associates	0.3	0.6	→	- Exposure to US\$ more than 50% hedged
EBIT	9.2	105.7	→	- Strong margin improvement to 23%
<i>% margin</i>	<i>1.5</i>	<i>13.2</i>	→	- Cash tax rate of 35%
EBITDA	92.0	183.6		
<i>% margin</i>	<i>15.1</i>	<i>23.0</i>		
Net income	-20.3	66.2		

OUTLOOK

We expect all business to continue the upward trend during 2006 with a favorable economic environment. Uncertain factor, however, is the impact of higher oil prices on the global economy. Profitability benefits from higher capacity utilizations and price increases, moderated by an increasingly strong Euro. Mainly our Chemicals business will also be impacted by higher raw material and energy costs. For the full year 2006 we now expect sales growth slightly higher than 10%, which was last year's growth rate. Full year EBITDA 2006 is expected between €640 and 680 million.



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