

**WACKER**

# WACKER CHEMIE AG – 1<sup>st</sup> Quarter 2008 – Call Note

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April 30 2008

CREATING TOMORROW'S SOLUTIONS

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# WACKER: KEY MESSAGES FOR 2008

## WACKER GROUP

Sales growth clearly above 10 per cent  
EBITDA increase expected

## WACKER SILICONES

Growth 3 per cent above worldwide GDP  
Currency impact of US Dollar

## WACKER POLYMERS

Including organic growth and VAE acquisition –  
Sales approaching ~€1bn

## WACKER POLYSILICON

Sales to grow beyond €700 million  
EBITDA margin not below 45 percent

## SILTRONIC

Maintain number three position in the market for  
semi wafers; opportunistic sales of solar ingots

# WACKER: RECORD Q1 – DESPITE RISING RAW MATERIAL COSTS AND USD WEAKNESS

<b>WACKER</b> €m	Q1 2008	Q1 2007	Change in %
Sales	1,019.5	943.7	+8
EBITDA	291.1	265.5	+10
<i>EBITDA margin</i>	28.6%	28.1%	+1
EBIT	198.7	187.9	+6
<i>EBIT margin</i>	19.5%	19.9%	-2
Net Income	130.6	114.5	+14
EPS in €	2.63	2.30	+14

# WACKER: STEEP SALES INCREASE IN POLYSILICON AND POLYMERS

<i>Sales in million €</i>	Q1/2008	Q1/2007	Change in %
<b>CHEMICALS</b>	<b>586.5</b>	<b>531.7</b>	<b>10.3</b>
- WACKER SILICONES	360.3	348.0	3.5
- WACKER POLYMERS	198.5*	148.7	33.5
- WACKER FINE CHEMICALS	27.7	35.0	-20.9
<b>WACKER POLYSILICON</b>	<b>155.9</b>	<b>92.2</b>	<b>69.1</b>
<b>Siltronic</b>	<b>346.1</b>	<b>377.3</b>	<b>-8.3</b>
Others	68.4	62.0	10.3
Consolidation	-137.4	-119.5	15.0
<b>WACKER</b>	<b>1,019.5</b>	<b>943.7</b>	<b>8.0</b>

\*Includes €44m from VAE acquisition

# WACKER: EBITDA MORE THAN DOUBLE IN POLYSILICON

<b>EBITDA in million €</b>	<b>Q1/2008</b>	<b>Q1/2007</b>	<b>Change in %</b>
<b>CHEMICALS</b>	<b>106.1</b>	<b>102.1</b>	<b>3.9</b>
- WACKER SILICONES	64.8	64.3	0.8
- WACKER POLYMERS	38.1*	34.2	11.4
- WACKER FINE CHEMICALS	3.2	3.6	-11.1
<b>WACKER POLYSILICON</b>	<b>71.3</b>	<b>33.5</b>	<b>&gt;100</b>
<b>Siltronic</b>	<b>114.0</b>	<b>130.4</b>	<b>-12.6</b>
Others	1.2	0.8	50.0
Consolidation	-1.5	-1.3	15.4
<b>WACKER</b>	<b>291.1</b>	<b>265.5</b>	<b>9.6</b>

\*Includes €10m badwill from VAE acquisition (first time consolidation)

# WACKER: COMMENTS ON THE FIRST QUARTER 2008

## WACKER SILICONES

- Higher volumes and improved productivity
- Effect of price increases
- USD weakness and higher raw material costs

## WACKER POLYMERS

- Higher volumes and included APP external sales €~44m
- Strong demand for dispersible powders in Eastern Europe and Asia
- Higher raw material costs and impact of force majeure in January
- Asset impairment South Brunswick €5.5m
- Badwill €9.7 million increases EBITDA

## WACKER FINE CHEMICALS

- Strong demand for ingredients
- Reorganization effects reduce sales, increase earnings

## WACKER POLYSILICON

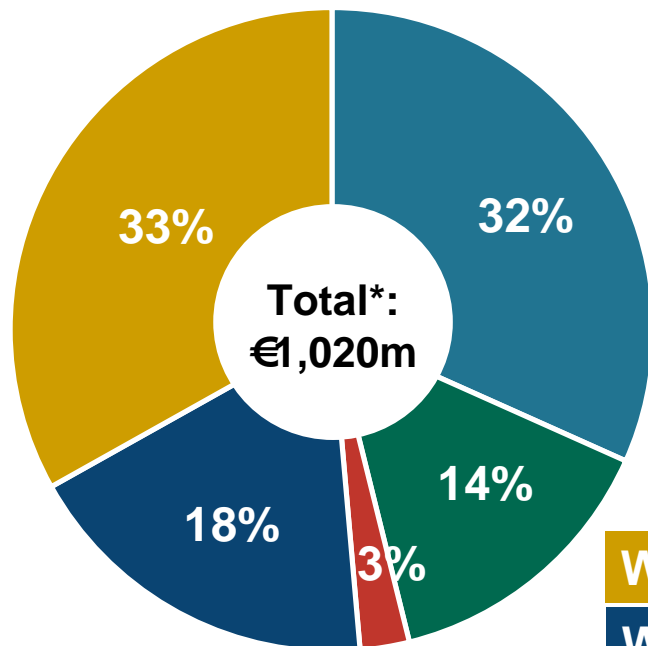
- Increasing volumes
- Strong demand persists
- Pricing environment positive

## Siltronic

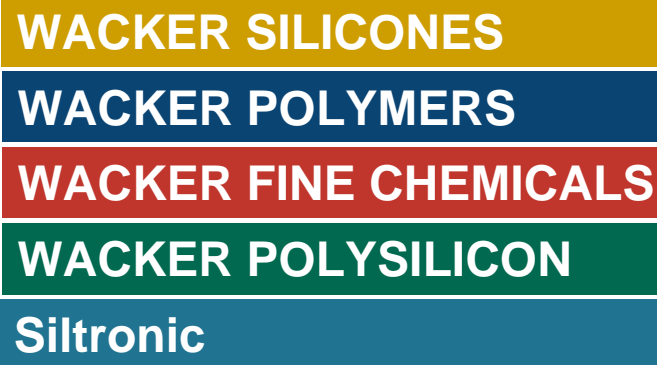
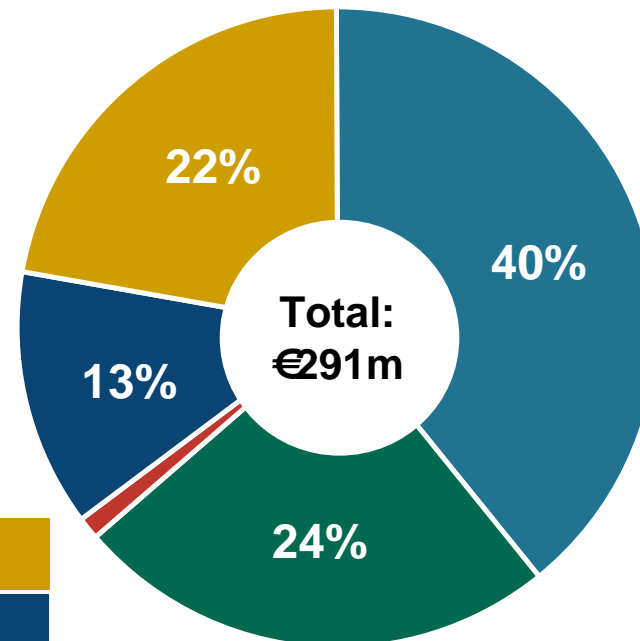
- Strong Euro → Slow down of sales
- 300mm continues to grow
- Strengthened sales to solar industry

# WACKER: VAE ACQUISITION DRIVES SALES IN POLYMERS

Q1 2008 Sales (€m)



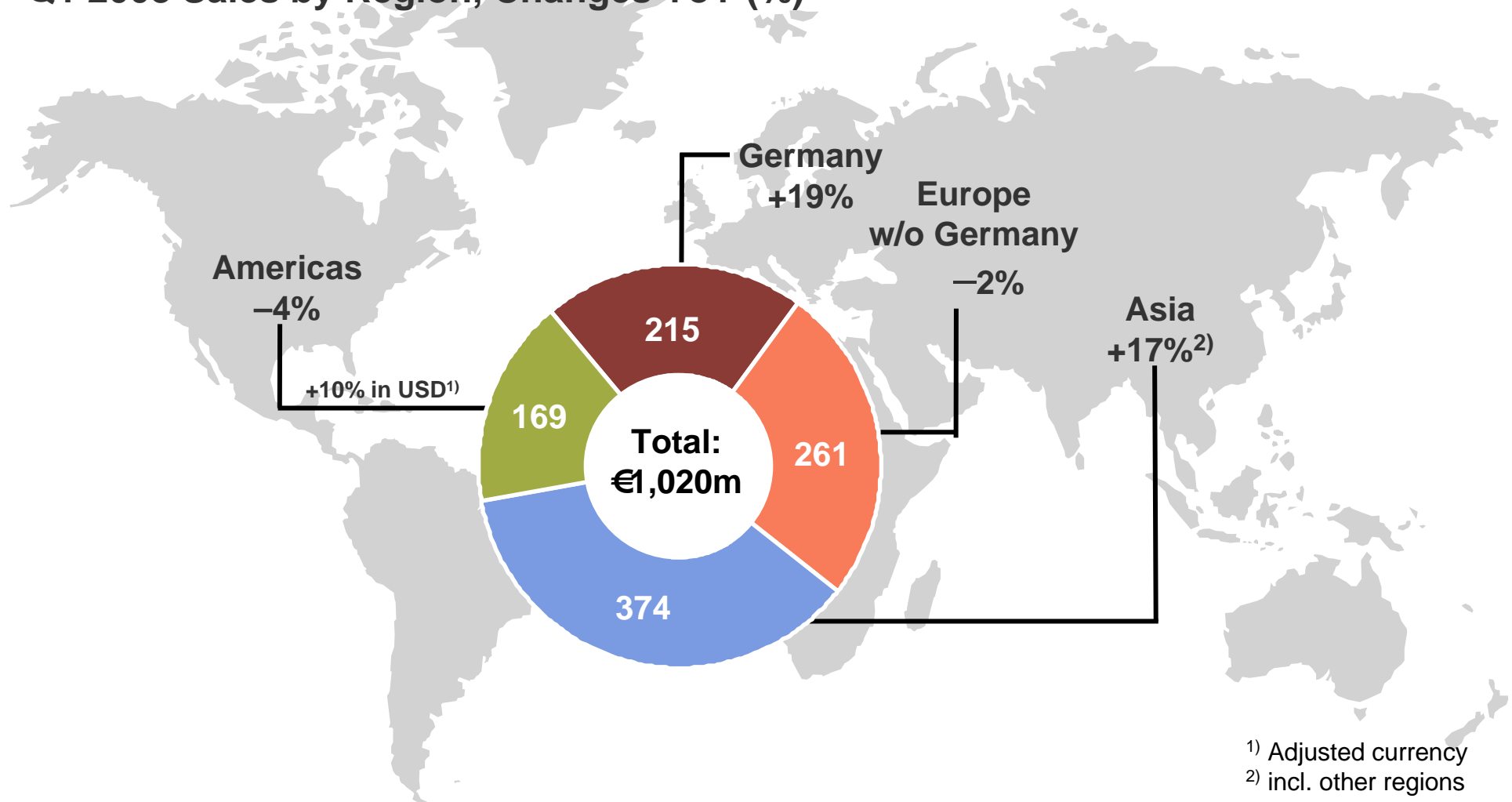
Q1 2008 EBITDA (€m)



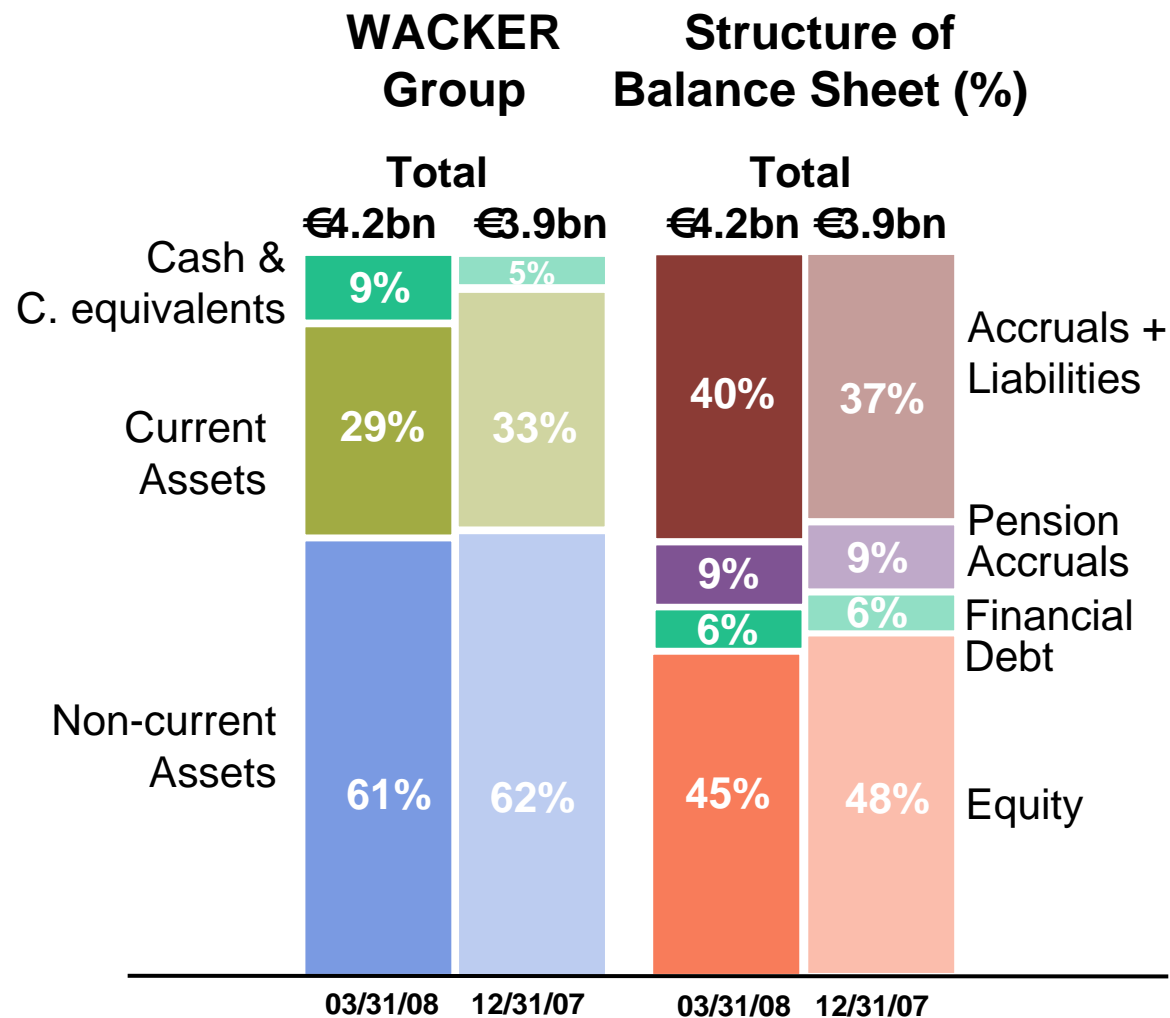
\*Sales split of business divisions incl. internal sales

# WACKER: ONGOING GROWTH IN ASIA AND GERMANY

## Q1 2008 Sales by Region, Changes YoY (%)



# WACKER: SOLID FOUNDATION FOR GROWTH



## Characteristics

- Non-current assets: € 1,651m
- Provisions for pensions: € 374m
- Net financial debt: € -153m
- Total prepayments received: € 753m
- Equity: € 1,909m
- Capex in Q1:  
Additions to intangibles & PPE: €146m  
Acquisition payment: €173m

# WACKER POLYMERS: VAE ACQUISITION CLOSED

- Net purchase price: €173m
- Closing: Jan 31<sup>st</sup>, 2008
- Sites:
  - Allentown (PA, US)
  - Calvert City (KY, US)**
  - Cologne (DE)
  - Burghausen (DE)
  - South Brunswick (NJ, US)
  - Ulsan (Korea)
- Headquarter: Lehigh Valley (PA, US)
- Integration of business has began
- Site consolidation: Closure of South Brunswick in 2009 (€5.5m asset impairment)



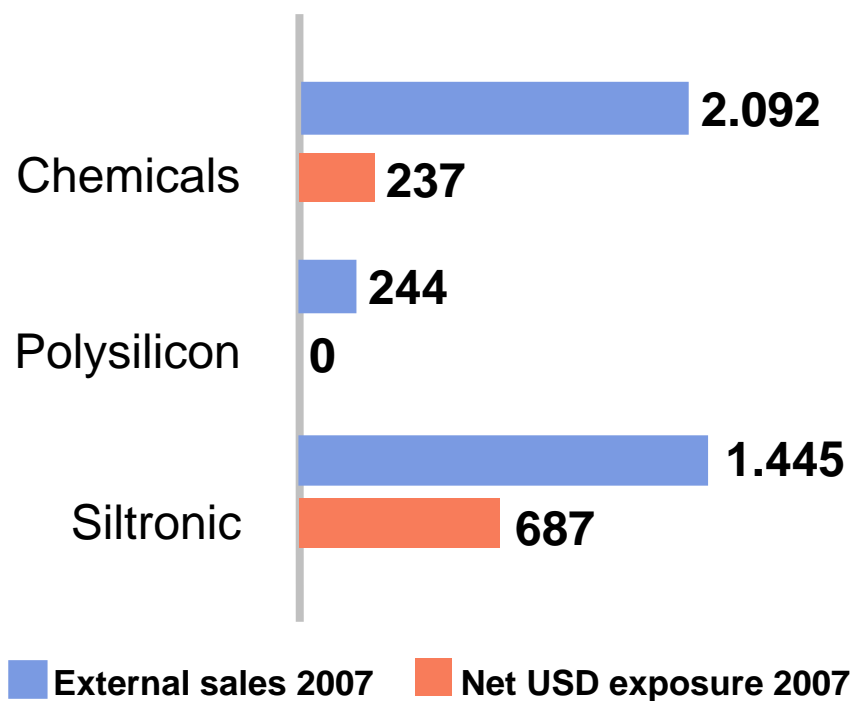
**Establishing a New Growth Platform in North America**

# PRICING: THREE PRICING MODELS IN CHEMICALS

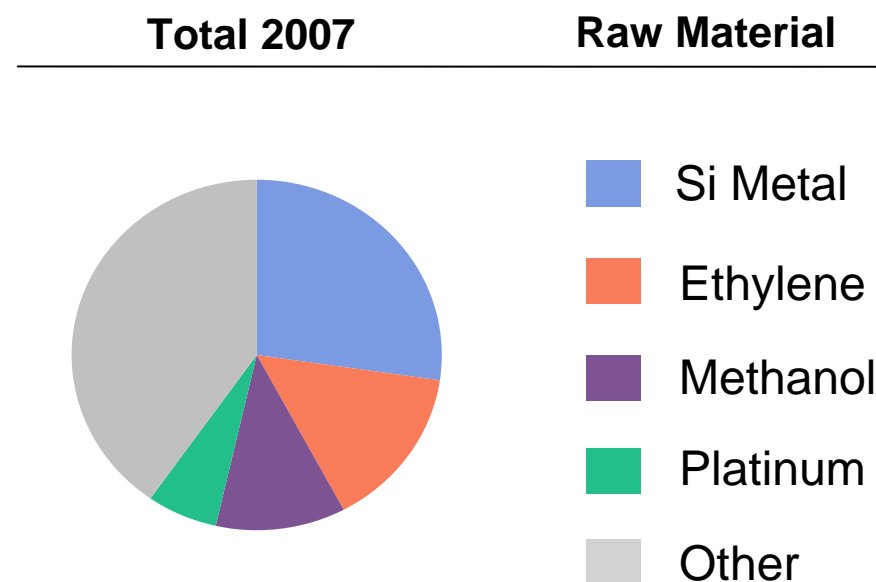
	<b>Commodity Pricing Model</b>	<b>Value Add Pricing Model</b>	<b>Formula Pricing Model</b>
	<b>SILICONES</b>	<b>SILICONES</b>	<b>SILICONES</b>
	<b>POLYMERS</b>	<b>POLYMERS</b>	
<b>Price Adjustments</b>	Frequently during the year	Often on a yearly date	Regularly/Ongoing
<b>Delay in passing through</b>	Relatively low	Up to 12 months	Relatively low
<b>Product type</b>	Typically high content of raw material and less value added	Special Material; Design driven by customer specification	Customer specific grades; e.g. paper products

# WACKER: STATISTICS - FX AND RAW MATERIALS COSTS

External sales and net USD exposure 2007 (€m)



Wacker Chemical divisions  
Major Raw Materials (€m)



2007: 1 ct change in USD/Euro ratio has an impact of €7m on EBITDA unhedged.

Costs of 4 top raw materials 17% of chemicals sales

# WACKER: ISSUER, CONTACT AND ADDITIONAL INFORMATION

## ISSUER AND CONTACT

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## FINANCIAL CALENDER

May 8, 2008	Annual Shareholder Meeting
June 12, 2008	Capital Market Day, London
July 31, 2008	2nd Quarter 2008
Nov. 4, 2008	3rd Quarter 2008

## ADDITIONAL INFORMATION

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



Call Note – 1st Quarter 2008

Dr. P.-A. Wacker, CEO / Dr. J. Rauhut, CFO – Wacker Chemie AG – 30th April 2008

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