



**WACKER**

# WACKER CHEMIE AG – 1<sup>st</sup> Quarter 2010 – CALL NOTE

Dr. Rudolf Staudigl (CEO), Dr. Joachim Rauhut (CFO)  
April 29, 2010

CREATING TOMORROW'S SOLUTIONS

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# WACKER: STRONG RECOVERY IN ALL SEGMENTS, ESPECIALLY IN SILTRONIC AND SILICONES

<b>WACKER</b> €m	Q1 2010	Q1 2009	Change in %
<b>Sales</b>	<b>1,067.0</b>	<b>872.5</b>	<b>22</b>
<b>EBITDA</b>	<b>253.7</b>	<b>157.8</b>	<b>61</b>
<i>EBITDA margin</i>	23.8%	18.1%	32
<b>EBIT</b>	<b>153.7</b>	<b>58.2</b>	<b>&gt;100</b>
<i>EBIT margin</i>	14.4%	6.7%	>100
<b>Result for the period</b>	<b>105.9</b>	<b>5.5</b>	<b>&gt;100</b>
<b>EPS in €</b>	<b>2.15</b>	<b>0.17</b>	<b>&gt;100</b>

# WACKER SILICONES: STRONG DEMAND AND HIGHER UTILIZATION RATES

WACKER SILICONES		
€m	Q1 2010	Q1 2009
<b>Sales</b>	<b>367.0</b>	<b>264.9</b>
<b>EBITDA</b>	<b>62.1</b>	<b>27.7</b>
<i>EBITDA margin</i>	<i>16.9%</i>	<i>10.5%</i>
<b>EBIT</b>	<b>44.9</b>	<b>5.5</b>
<i>EBIT margin</i>	<i>12.2%</i>	<i>2.1%</i>
<b>Capex</b>	<b>18.6</b>	<b>13.1</b>

## COMMENTS YOY

- Very good quarter with strong demand almost across all industries and regions
- Capacity utilization rates in some areas over 90%
- Lower production costs through high capacity utilization
- Pricing pressure and higher methanol costs with negative effect on EBITDA
- Strong order intake in Q1

# WACKER POLYMERS: NEGATIVE IMPACT ON DEMAND DUE TO STRONG WINTER

WACKER POLYMERS		
€m	Q1 2010	Q1 2009
<b>Sales</b>	<b>170.8</b>	<b>172.3</b>
<b>EBITDA</b>	<b>20.1</b>	<b>21.5</b>
<i>EBITDA margin</i>	<i>11.8%</i>	<i>12.5%</i>
<b>EBIT</b>	<b>11.1</b>	<b>12.7</b>
<i>EBIT margin</i>	<i>6.5%</i>	<i>7.4%</i>
<b>Capex</b>	<b>2.6</b>	<b>11.0</b>

## COMMENTS YOY

- Slow start into 2010 due to cold winter, but seasonal upturn started mid March
- Increasing demand towards the end of Q1 came mainly from Asia
- Pricing pressure continued
- Increasing raw material costs despite cost reductions had negative effect on EBITDA

# WACKER BIOSOLUTIONS: SALES INCREASE DRIVEN BY GUMBASE INTEGRATION AND INGREDIENTS

## WACKER BIOSOLUTIONS

€m	Q1 2010	Q1 2009
<b>Sales</b>	<b>34.4</b>	<b>21.6</b>
<b>EBITDA</b>	<b>4.8</b>	<b>1.9</b>
<i>EBITDA margin</i>	<i>14.0%</i>	<i>8.8%</i>
<b>EBIT</b>	<b>3.2</b>	<b>1.0</b>
<i>EBIT margin</i>	<i>9.3%</i>	<i>4.6%</i>
<b>Capex</b>	<b>2.0</b>	<b>3.5</b>

## COMMENTS YOY

- Good Q1 performance
- Integration of gumbase business
- Strong demand for Cysteine and Cyclodextrins

# WACKER POLYSILICON: ONGOING STRONG PERFORMANCE

WACKER POLYSILICON		
€m	Q1 2010	Q1 2009
<b>Sales</b>	<b>323.9</b>	<b>315.0</b>
<b>EBITDA</b>	<b>157.5</b>	<b>168.1</b>
<i>EBITDA margin</i>	<i>48.6%</i>	<i>53.4%</i>
<b>EBIT</b>	<b>123.0</b>	<b>146.5</b>
<i>EBIT margin</i>	<i>38.0%</i>	<i>46.5%</i>
<b>Capex</b>	<b>52.2</b>	<b>113.9</b>

## COMMENTS YOY

- Demand very strong in Q1
- We sold everything produced
- Ongoing strong order intake
- Short-term prices below Q4 but stabilizing

# WACKER POLYSILICON: POLY 8 - ADDITIONAL POLYCRYSTALLINE-SILICON PRODUCTION FACILITIES COMING ON STREAM

## DEPOSITION REACTOR HALL

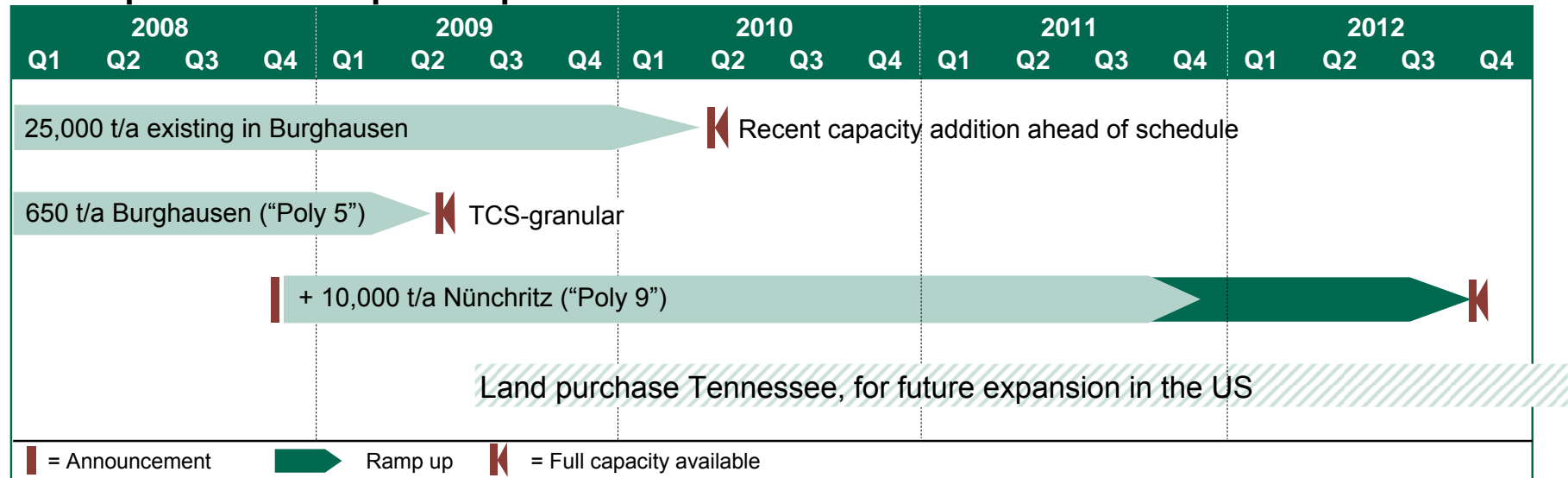


## POLY 8 FACTS

- Announced on July 14, 2007  
Expansion Stage 8: 7,000 tons  
Full ramp expected end of 2010
- Announced on October 18, 2008  
Additional capacity: +3,000 tons  
Full ramp expected end of 2010
- Full design capacity achieved in Q2/2010
- Total Capacity: 10,000 tons
- Investment: ~€500m

# ONGOING CAPACITY EXPANSION TO MEET OUR CUSTOMERS' DEMAND

## Development of nameplate capacities



### Construction progress "Poly 8"



July 2009  
Deposition reactor hall



March 2010  
Distillation

### Construction progress "Poly 9"



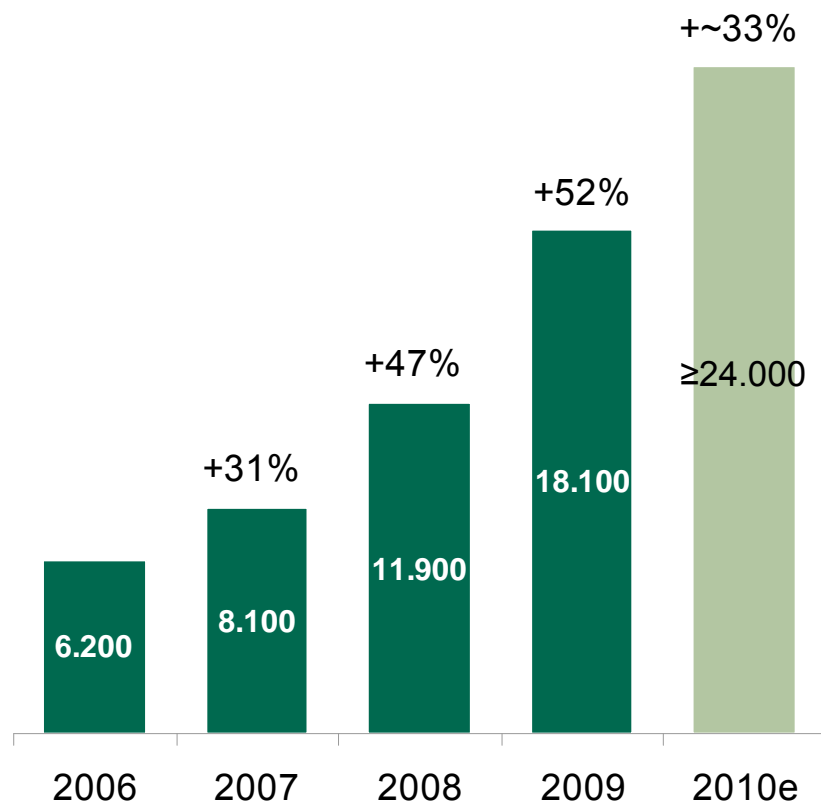
November 2009  
Deposition reactor hall



March 2010  
View on construction site

# WACKER POLYSILICON – STRONG OUTPUT INCREASE

## Polysilicon Production (MT)



**Existing capacity: ~25,000 MT**

- Poly 5 Fully ramped
- Poly 7 Fully ramped
- Poly 8 Fully ramped

**Ongoing expansion: +10,000 MT**

- Poly 9 Well on track

**Nameplate capacity: ~35,000 MT  
(end of 2012)**

# SILTRONIC: HIGHER UTILIZATION RATES RESULTED IN POSITIVE EBITDA

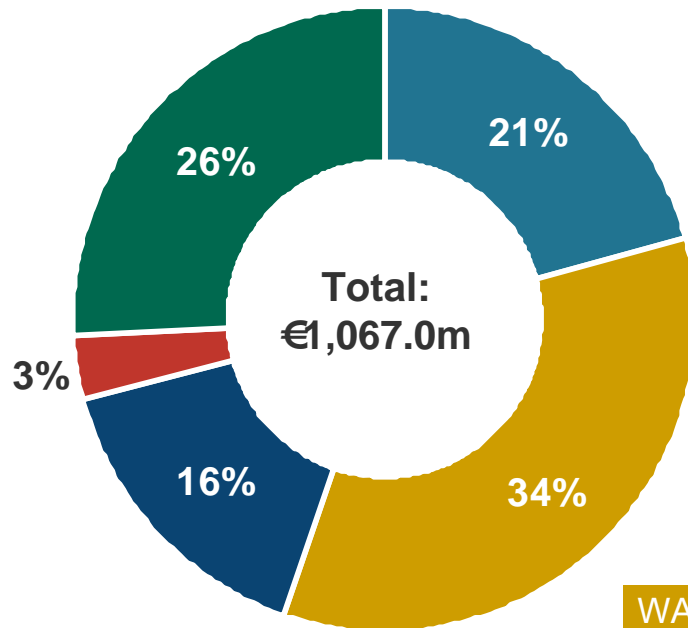
Siltronic		
€m	Q1 2010	Q1 2009
<b>Sales</b>	<b>219.1</b>	<b>126.0</b>
<b>EBITDA</b>	<b>1.2</b>	<b>-60.0</b>
<i>EBITDA margin</i>	<i>0.5%</i>	<i>-47.6%</i>
<b>EBIT</b>	<b>-20.5</b>	<b>-94.5</b>
<i>EBIT margin</i>	<i>-9.4%</i>	<i>-75.0%</i>
<b>Capex</b>	<b>10.2</b>	<b>20.5</b>

## COMMENTS YOY

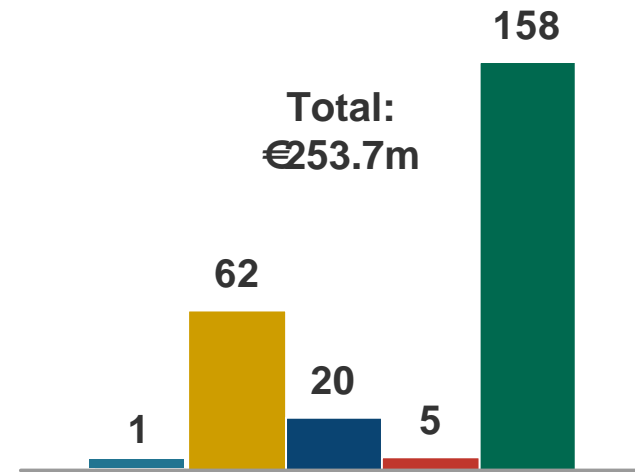
- Volume improvements, predominately driven by Asia
- Utilization rates on average 80%, in some areas higher
- Positive price sentiment intact
- EBITDA break even reached due to increased utilization rates, pricing, cost improvements and FX

# SILICONES AND POLYSILICON WITH BIGGEST SALES CONTRIBUTION

Q1 2010 Sales (€m)\*



Q1 2010 EBITDA (€m)

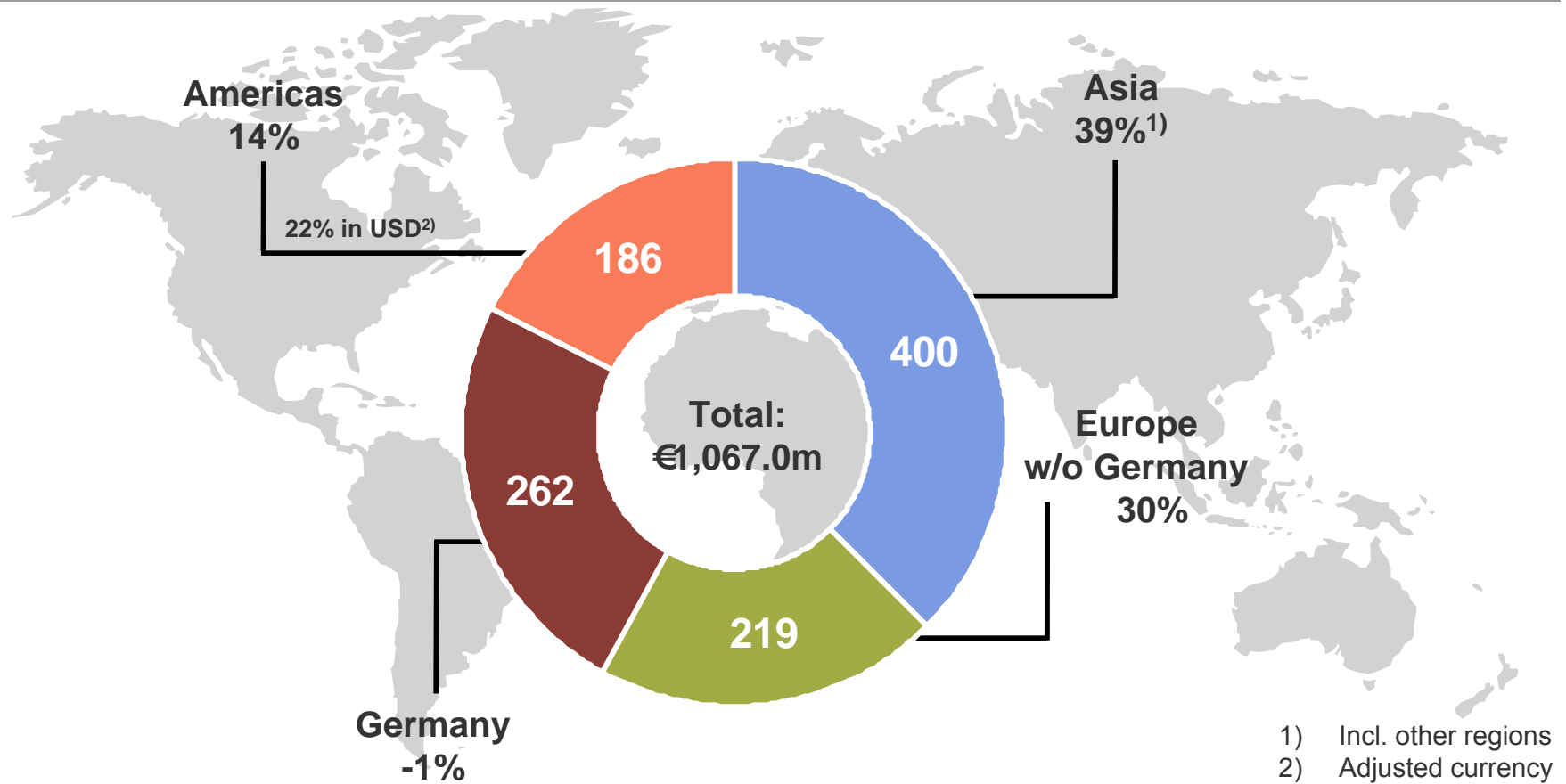


- WACKER SILICONES
- WACKER POLYMERS
- WACKER BIOSOLUTIONS
- WACKER POLYSILICON
- Siltronic

\* % based on external sales

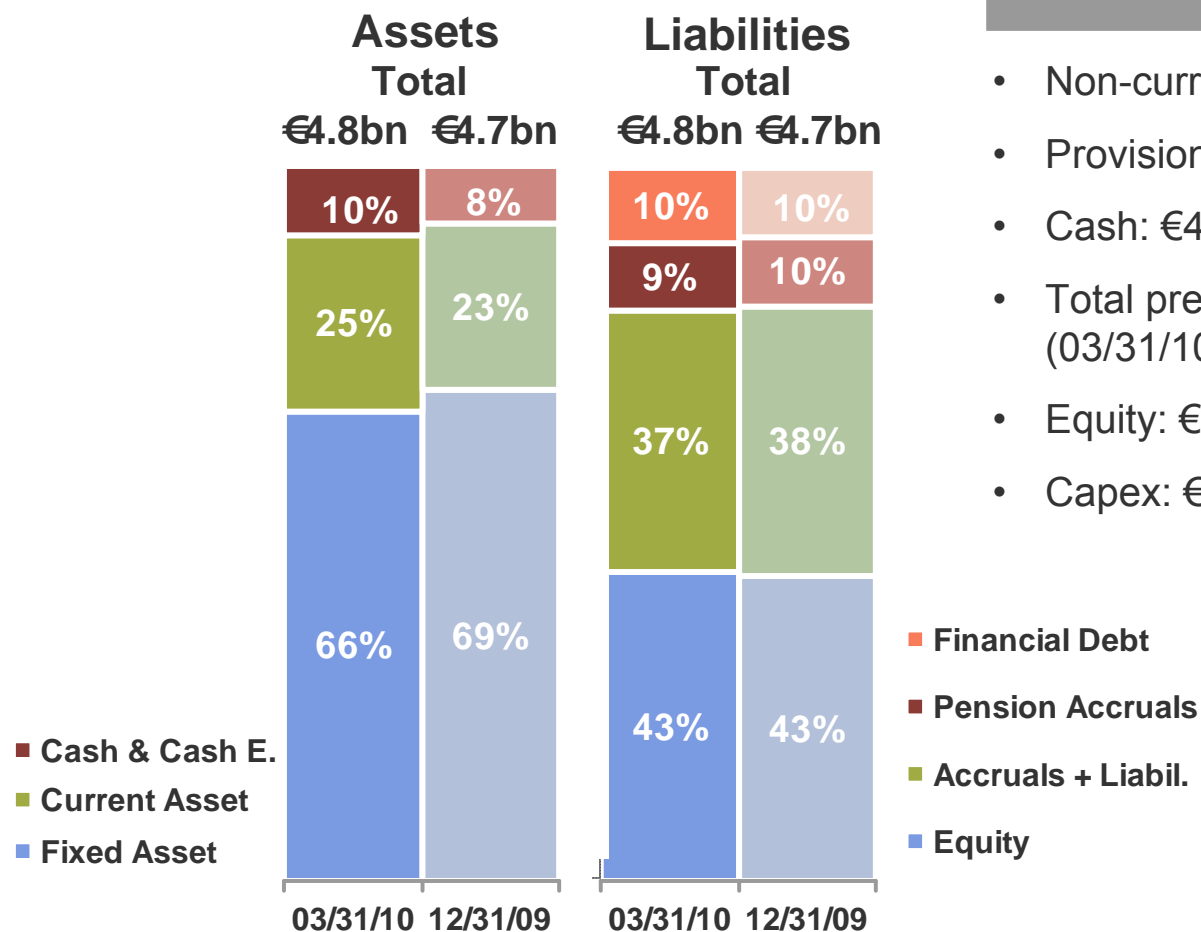
# POSITIVE BUSINESS DEVELOPMENT IN ASIA → MORE THAN 50 PERCENT FROM CHINA AND TAIWAN

## Q1 2010 Sales by Region, Changes YoY (%)



# STRONG BALANCE SHEET PER END OF Q1

## Balance Sheet (%)



## Characteristics

- Non-current assets: €3,149m
- Provisions for pensions: €454m
- Cash: €471m, net financial debt: €32m
- Total prepayments Polysilicon received (03/31/10): €857m
- Equity: €2,073m
- Capex: €98m

# OUTLOOK 2010 (1/2)

## WACKER GROUP

- Sales to increase above €4bn, EBITDA should grow significantly
- Net earnings to be considerably positive again
- Slightly higher leverage planned
- Investments of €600-700m for 2010 and 2011 each
- Equity ratio should improve compared to 2009
- R&D expenses to increase slightly

## WACKER POLYSILICON

- Production 2010  $\geq$  24 MT, capacity of > 25 MT
- FY EBITDA margin in the high forties

## SILTRONIC

- Further volume improvements in 2010
- Prices sequentially improving, smaller diameters move faster than 300 mm
- FY EBITDA expected positive

# OUTLOOK 2010 (2/2)

## WACKER SILICONES

- Broad based sales growth, especially in Asia
- Some impact from raw material inflation

## WACKER POLYMERS

- Increase in volumes, primarily driven by demand in Asia
- Powder started slow (strong winter)
- Raw material costs to increase significantly
- Increased competition puts pressure on the sales-prices

## WACKER BIOSOLUTIONS

- Double digit sales growth in 2010 and a corresponding increase in profitability

# SAVE-THE-DATE: WACKER'S 4TH CAPITAL MARKETS DAY IN BURGHAUSEN

## **CAPITAL MARKETS DAY 28 - 29 June 2010 in Burghausen, Germany**



### **June 28, 2010**

7:00 pm Meet the Wacker Chemie leadership team

### **June 29, 2010**

9:00 am – 1:00 pm Management presentations

2:00 pm – 5:00 pm Guided site visit of Wacker Chemie's major production site in Burghausen

We are looking forward to seeing you in June and will be delighted if you can join us.

For registration, please contact: [investor.relations@wacker.com](mailto:investor.relations@wacker.com)



# WACKER: ISSUER, CONTACT AND ADDITIONAL INFORMATION

## ISSUER AND CONTACT

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## FINANCIAL CALENDER

May 21, 2010	Annual Shareholder Meeting
June 28/29, 2010	CMD, Burghausen
July 30, 2010	2 <sup>nd</sup> Quarter 2010
Nov. 5, 2010	3 <sup>rd</sup> Quarter 2010

## ADDITIONAL INFORMATION

**ISIN:** DE000WCH8881

**WKN:** WCH888

**Deutsche Börse:** WCH

**Ticker Bloomberg:** CHM/WCK.GR

**Ticker Reuters:** CHE/WCHG.DE

**Listing:** Frankfurt Stock  
Exchange  
Prime Standard



Call Note – 1<sup>st</sup> Quarter 2010

Dr. Rudolf Staudigl, CEO / Dr. Joachim Rauhut, CFO – Wacker Chemie AG – 29<sup>th</sup> April 2010

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# GROUP SALES GREW 22 PERCENT – STRONG SALES BY SILTRONIC

Sales in €m	Q1 2010	Q1 2009	Change in %
<b>CHEMICALS</b>	<b>572.2</b>	<b>458.8</b>	<b>25</b>
- WACKER SILICONES	367.0	264.9	39
- WACKER POLYMERS	170.8	172.3	-1
- WACKER BIOSOLUTIONS	34.4	21.6	59
<b>WACKER POLYSILICON</b>	<b>323.9</b>	<b>315.0</b>	<b>3</b>
<b>Siltronic</b>	<b>219.1</b>	<b>126.0</b>	<b>74</b>
Others	34.3	53.1	-36
Consolidation	-82.5	-80.4	3
<b>WACKER</b>	<b>1,067.0</b>	<b>872.5</b>	<b>22</b>

# GROUP EBITDA MARGIN AT 23.8 PERCENT - POSITIVE EBITDA IN SILTRONIC

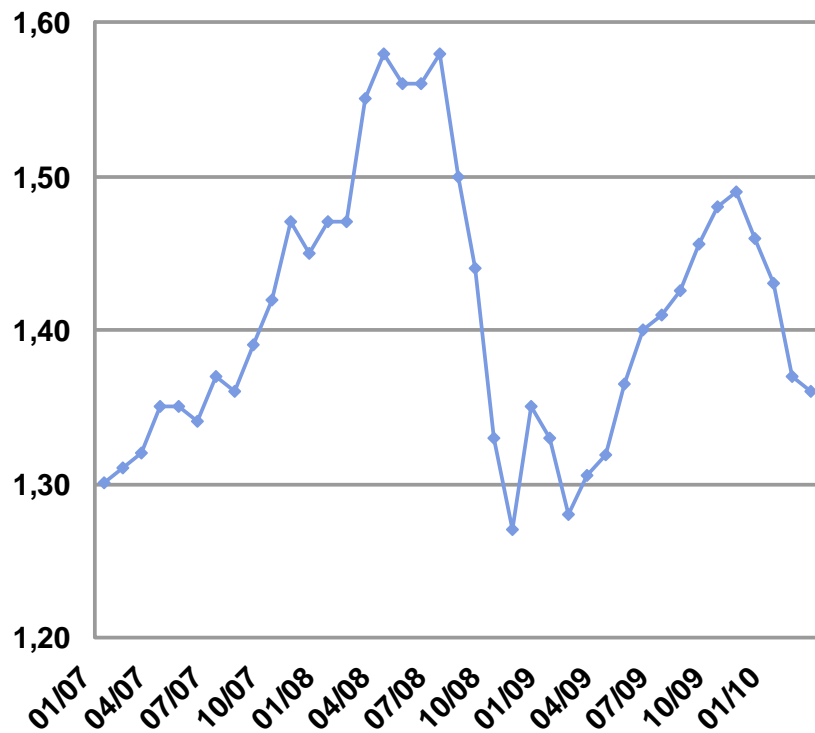
EBITDA in €m	Q1 2010	Q1 2009	Change in %
<b>CHEMICALS</b>	<b>87.0</b>	<b>51.1</b>	<b>70</b>
- WACKER SILICONES	62.1	27.7	>100
- WACKER POLYMERS	20.1	21.5	-7
- WACKER BIOSOLUTIONS	4.8	1.9	>100
<b>WACKER POLYSILICON</b>	<b>157.5</b>	<b>168.1</b>	<b>-6</b>
<b>Siltronic</b>	<b>1.2</b>	<b>-60.0</b>	<b>n.a.</b>
Others	8.7	1.7	>100
Consolidation	-0.7	-3.1	77.4
<b>WACKER</b>	<b>253.7</b>	<b>157.8</b>	<b>61</b>

# TIME LAG ON RELIEF FROM FAVORABLE FX DUE TO HEDGING STRATEGY

## USD/EURO development

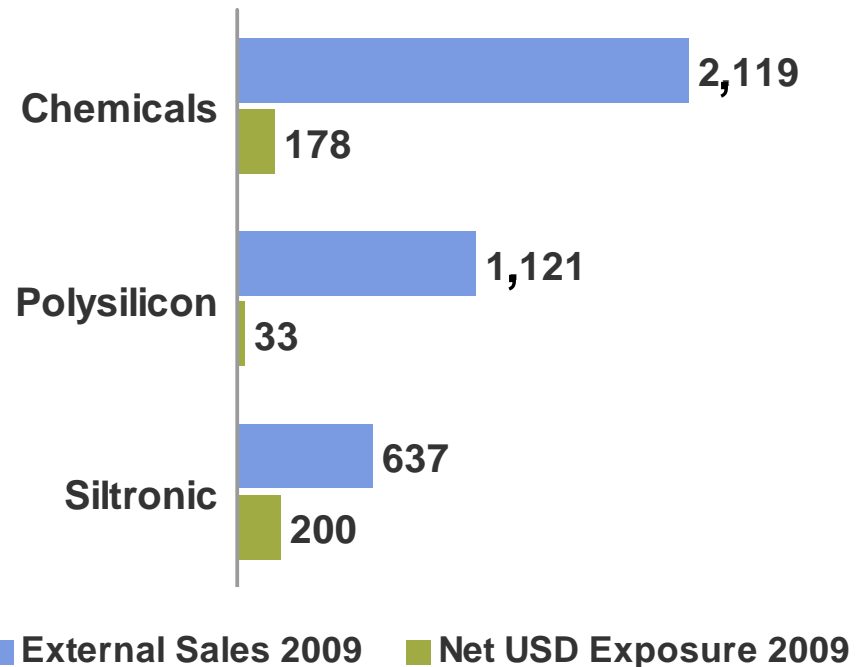
Status: 03/10

Peak: 1.58



Source: Credit Suisse

## External sales and net USD exposure 2009 (€m)

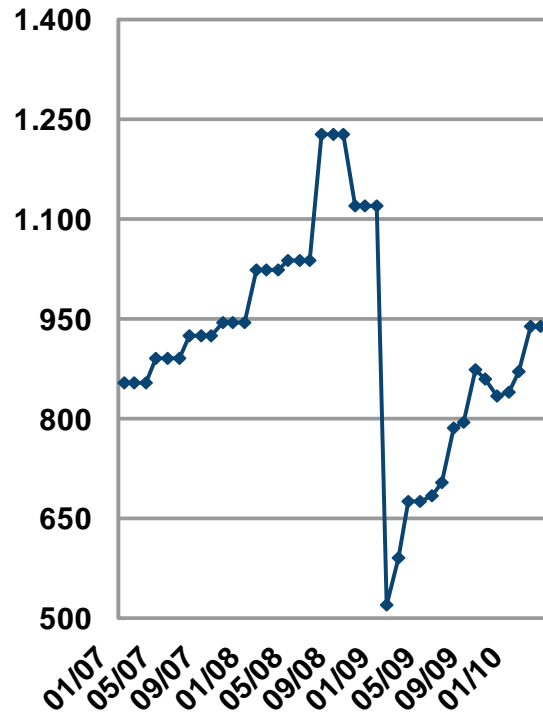


2009: 1 ct change in USD/Euro ratio has an impact of €3m on EBITDA unhedged.

# INCREASING RAW MATERIAL COSTS IN 2010 EXPECTED

Ethylene Contract (EUR/MT)

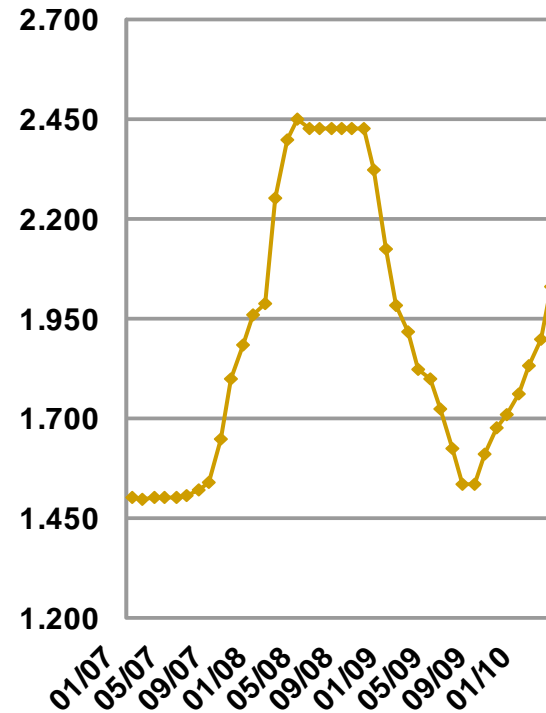
Status: 03/10



Source: CRU – Provider, Ethylene Market Price Europe, free delivered

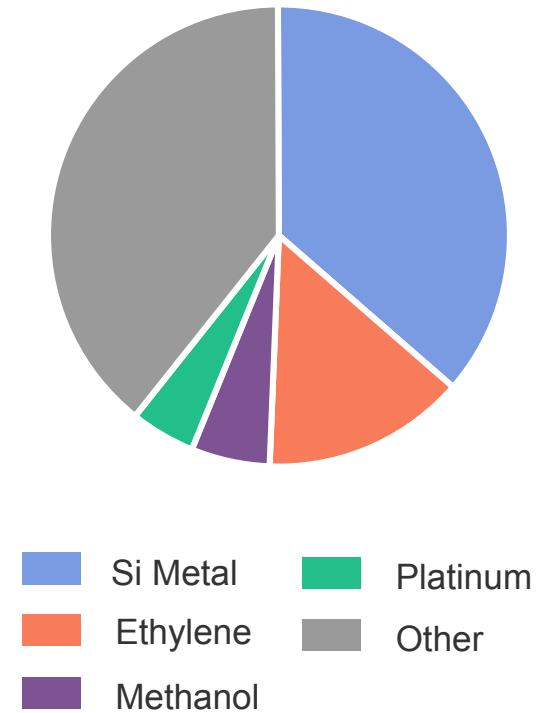
Si-Metal Spot (EUR/MT)

Status: 03/10



Source: ICIS, Si-Metal Market Price Europe free delivered

Raw Materials (€m) Chemicals



Costs of top 4 raw materials 18% of chemicals segment sales