

The Wacker logo is a rectangular box with a black border containing the word "WACKER" in a bold, black, sans-serif font. The background of the slide is a vibrant orange with abstract, flowing liquid-like patterns that create a sense of movement and depth.

**WACKER**

# VERY SUCCESSFUL 2008 - EXPERIENCING ROUGHER WATERS NOW

Dr. Rudolf Staudigl (CEO), Dr. Joachim Rauhut (CFO)  
March / April 2009

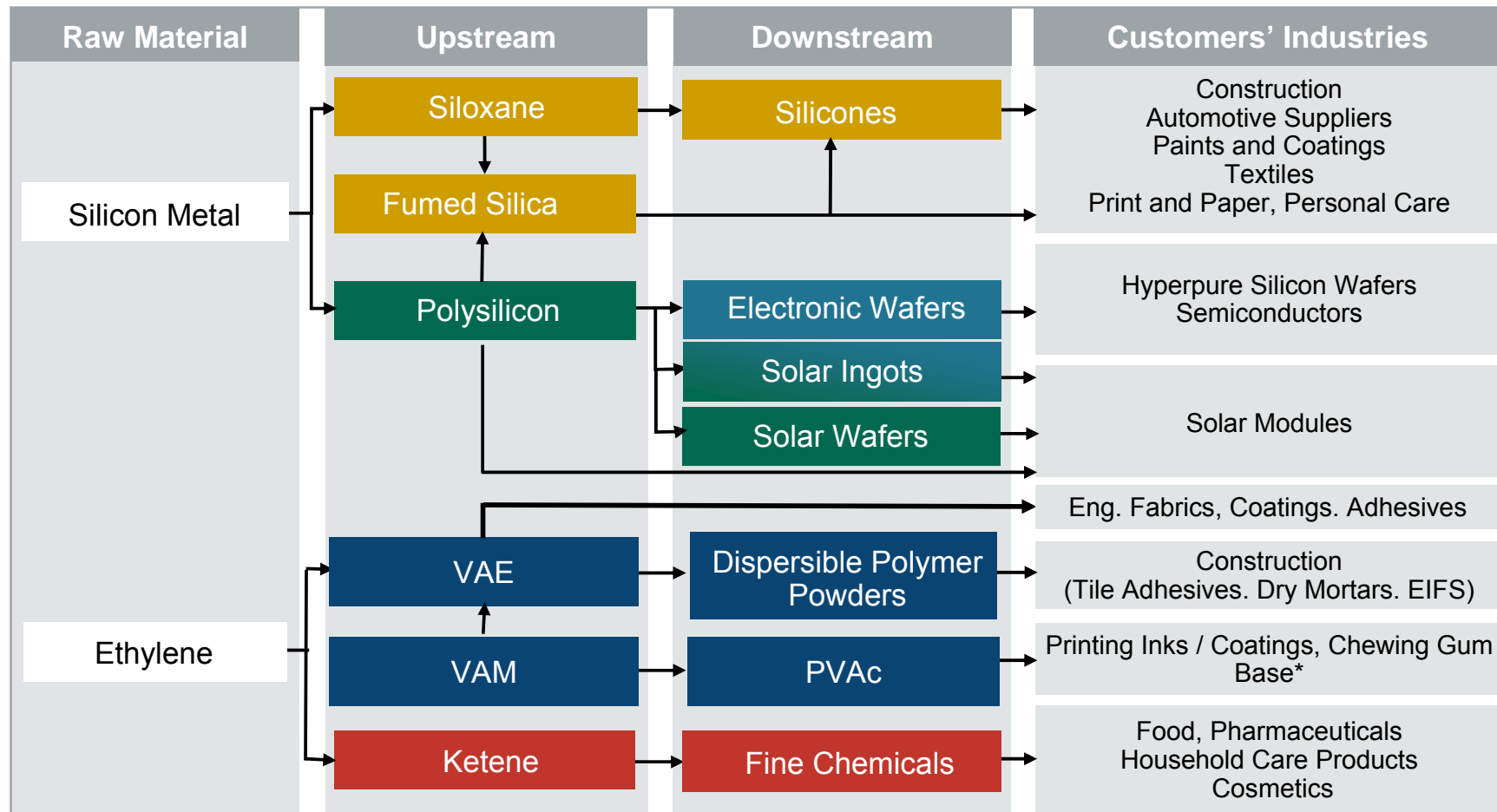
Q4 Roadshow Presentation

CREATING TOMORROW'S SOLUTIONS

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# HIGHLY INTEGRATED OPERATIONS BASED ON TWO KEY RAW MATERIALS



VAM = Vinyl acetate monomer. PVAc = Polyvinyl acetate. PVB = Polyvinyl butyral

\* Responsibility for sales with Fine Chemicals

# SUCCESSFUL YEAR 2008, BUT A DIFFICULT FOURTH QUARTER

<b>WACKER</b> €m	FY 2008	FY 2007	Change in %
<b>Sales</b>	<b>4,298.1</b>	<b>3,781.3</b>	<b>+14</b>
<b>EBITDA</b>	<b>1,055.2*</b>	<b>1,001.5</b>	<b>+5</b>
<i>EBITDA margin</i>	24.6%	26.5%	-7
<b>EBIT</b>	<b>647.9</b>	<b>649.6</b>	<b>-1</b>
<i>EBIT margin</i>	15.1%	17.2%	-12
<b>Net Income</b>	<b>438.3</b>	<b>422.2</b>	<b>+4</b>
<b>EPS in €</b>	<b>8.84</b>	<b>8.49</b>	<b>+4</b>

\*Includes €40m pension effect (slide 16)

# WACKER SILICONES: ENVIRONMENT TOUGH IN 2009

WACKER SILICONES			COMMENTS YOY
€m	FY 2008	FY 2007	
<b>Sales</b>	<b>1,408.6</b>	<b>1,361.0</b>	<ul style="list-style-type: none"> <li>• Sales increase driven by volume and price increases</li> <li>• EBITDA hit by currency, energy and historically high raw material costs</li> <li>• Pension effect: €11.6m</li> </ul>
<b>EBITDA</b>	<b>167.9</b>	<b>226.9</b>	
<i>EBITDA margin</i>	<i>11.9%</i>	<i>16.7%</i>	
<b>EBIT</b>	<b>86.3</b>	<b>144.6</b>	
<i>EBIT margin</i>	<i>6.1%</i>	<i>10.6%</i>	
<b>Capex</b>	<b>107.0</b>	<b>102.2</b>	

# WACKER POLYMERS: CONSTRUCTION SALES SLUGGISH

WACKER POLYMERS		
€m	FY 2008	FY 2007
<b>Sales</b>	<b>867.9</b>	<b>632.8</b>
<b>EBITDA</b>	<b>108.9</b>	<b>107.0</b>
<i>EBITDA margin</i>	<i>12.5%</i>	<i>16.9%</i>
<b>EBIT</b>	<b>64.9</b>	<b>80.5</b>
<i>EBIT margin</i>	<i>7.5%</i>	<i>12.7%</i>
<b>Capex</b>	<b>74.4</b>	<b>41.0</b>

## COMMENTS YOY

- Sales increase due to capacity expansions and VAE business
- Price increases could not offset lower volumes, raw materials costs and negative FX effects
- EBITDA negatively affected by lower volumes in DPP, higher raw materials and energy costs, personnel & integrations costs APP
- Pension effect: €3.0m

# WACKER FINE CHEMICALS: CYSTEINE AND CYCLODEXTRIN BUSINESSES ARE GROWING NICELY

## WACKER FINE CHEMICALS

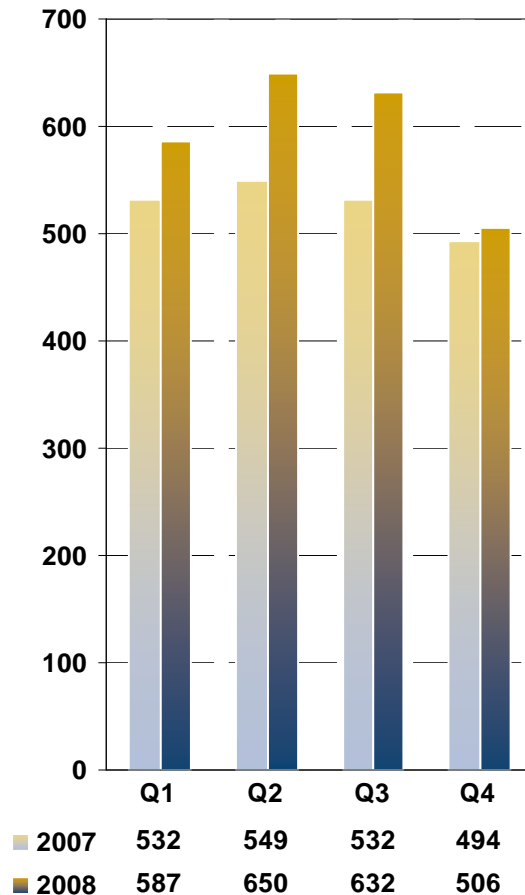
€m	FY 2008	FY 2007
<b>Sales</b>	<b>97.7</b>	<b>112.4</b>
<b>EBITDA</b>	<b>9.2</b>	<b>9.5</b>
<i>EBITDA margin</i>	<i>9.4%</i>	<i>8.5%</i>
<b>EBIT</b>	<b>6.0</b>	<b>-7.5</b>
<i>EBIT margin</i>	<i>6.1%</i>	<i>-6.7%</i>
<b>Capex</b>	<b>16.5</b>	<b>7.5</b>

## COMMENTS YOY

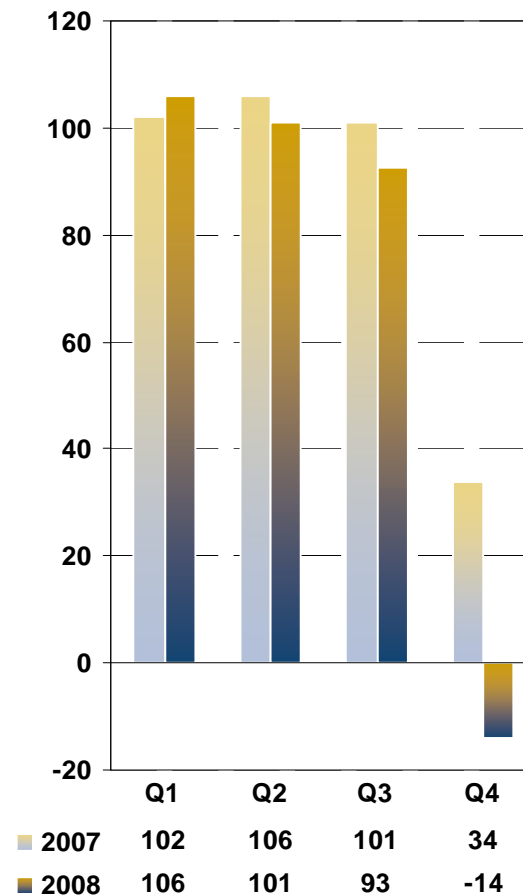
- Strong demand from pharma and food for biologics and ingredients
- EBITDA slightly below due to special effects
- Pension effect: €0.6m

# CHEMICALS: SALES TO CONSTRUCTION, AUTOMOTIVE AND GENERAL INDUSTRY SIGNIFICANTLY BELOW PRIOR YEAR

**Sales (Mio. €)**



**EBITDA (Mio. €)**



## Q4 2008

- **SILICONES:**
  - Geographic sales dropped in Asia and Germany (-25% yoy)
  - Negative EBITDA due to lower capacity utilization, personnel costs
- **POLYMERS:**
  - Significant sales drop due to slowing construction industry
  - Lower EBITDA due to lower volumes, high raw material and energy costs
- **FINE CHEMICALS:**
  - Sales lower due to restructuring, as planned
- Total pension contribution: €15.2m

# WACKER POLYSILICON: SALES GROWTH OF 81 PERCENT AND EBITDA GROWTH OF 132 PERCENT IN 2008

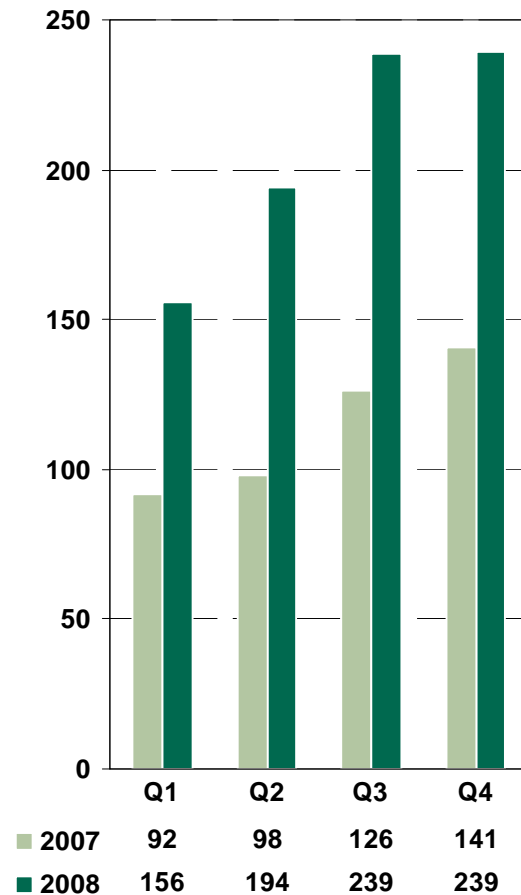
WACKER POLYSILICON		
€m	FY 2008	FY 2007
<b>Sales</b>	<b>828.1</b>	<b>456.9</b>
<b>EBITDA</b>	<b>422.0</b>	<b>182.2</b>
<i>EBITDA margin</i>	<i>51.0%</i>	<i>39.9%</i>
<b>EBIT</b>	<b>349.8</b>	<b>135.0</b>
<i>EBIT margin</i>	<i>42.2%</i>	<i>29.5%</i>
<b>Capex</b>	<b>410.3</b>	<b>259.5</b>

## COMMENTS YOY

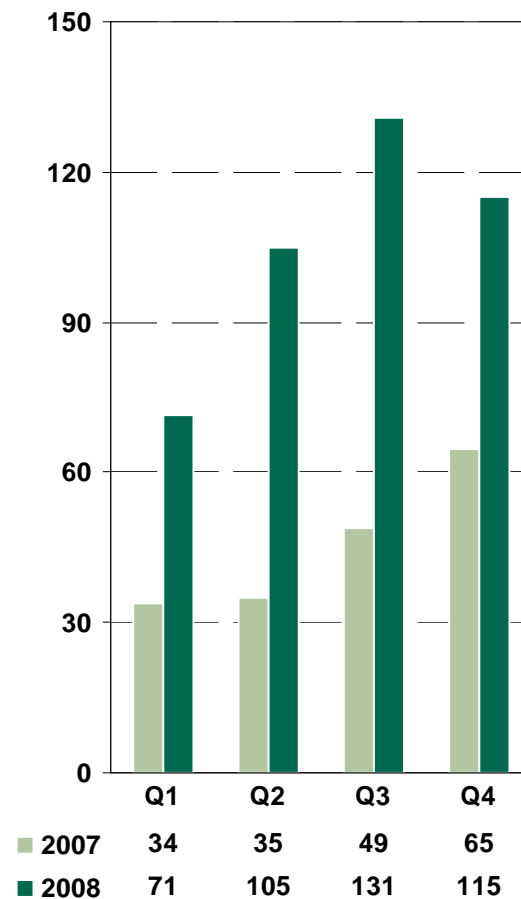
- Price and volume increases offset raw material and energy costs significantly
- Total 2008 production volume 11,900 tons
- Total prepayments reached €860m
- Pension effect: €4.2m

# WACKER POLYSILICON: EXPANSION STAGE POLY 7 FULLY RAMPED

Sales (Mio. €)



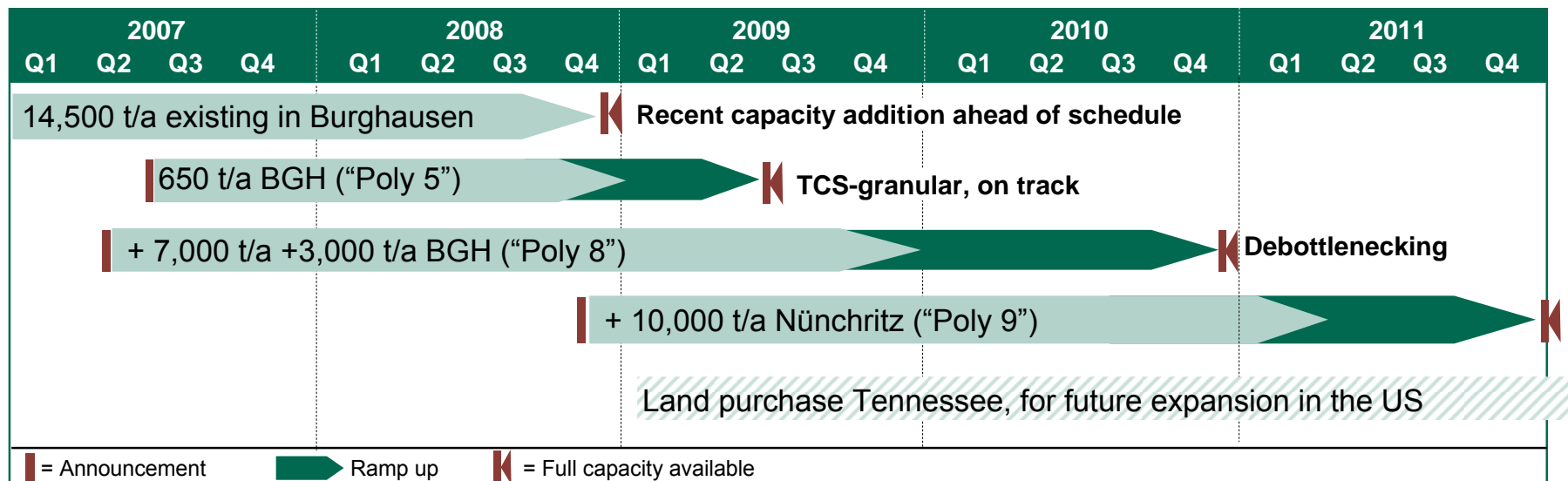
EBITDA (Mio. €)



## Q4 2008

- Growth driver external poly sales with increasing volumes and prices
- €7m contractual payment to Siltronic
- In total around 75% of overall production capacity contracted
- ~ 20% of volumes to spot

# 14.5KT CAPACITY AT YEAR END 2008 – GROWING TO 35.5KT WITH POLY 9



## Construction Progress "Poly 8"



December 2008  
Distillation



December 2008  
New reactor hall

## Construction Progress "Poly 9"



October 2008  
Grounding



March 2009  
Site preparation

# SILTRONIC: SIGNIFICANT VOLUME DECLINES IN Q4

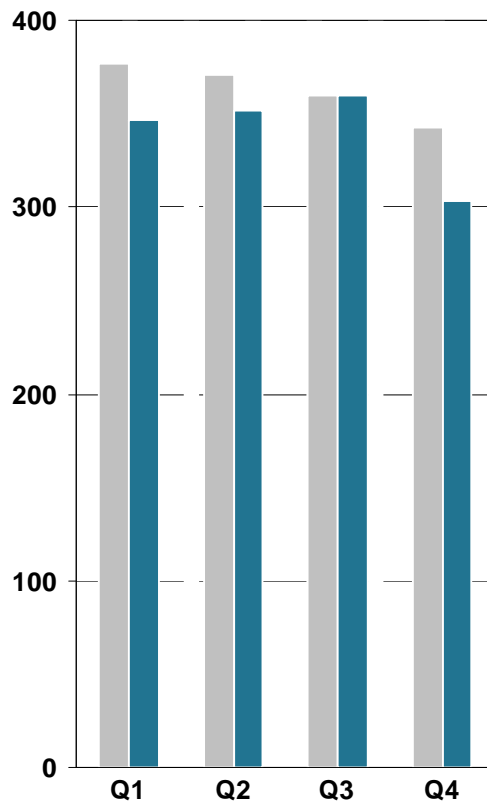
Siltronic		
€m	FY 2008	FY 2007
<b>Sales</b>	<b>1.360,8</b>	<b>1,451.6</b>
<b>EBITDA</b>	<b>357.3</b>	<b>478.1</b>
<i>EBITDA margin</i>	<i>26.3%</i>	<i>32.9%</i>
<b>EBIT</b>	<b>193.8</b>	<b>337.2</b>
<i>EBIT margin</i>	<i>14.2%</i>	<i>23.2%</i>
<b>Capex</b>	<b>199.6</b>	<b>200.0</b>

## COMMENTS YOY

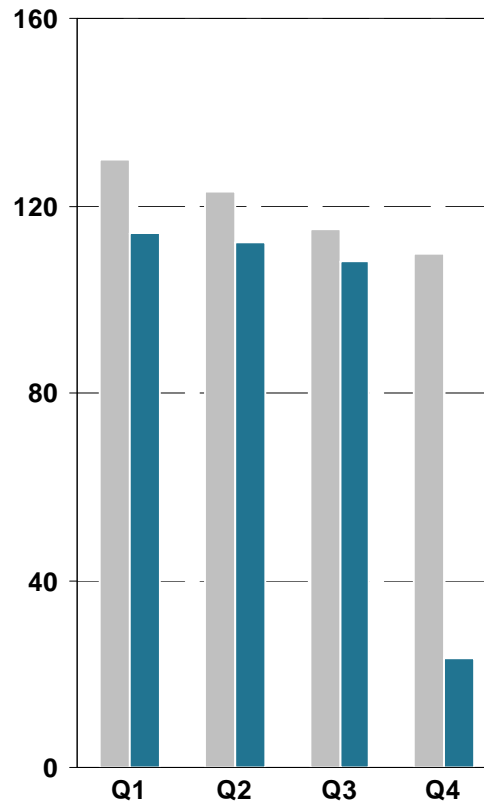
- Lower wafer pricing and volumes
- Negative FX effect
- Ramp costs for Singapore JV included
- Pension effect: €7.7m

# SILTRONIC: LOW UTILIZATION AND PRICE DECLINES RESULT IN OPERATING LOSSES

Sales (Mio. €)



EBITDA (Mio. €)



## Q4 2008

- Massive volume decline
- Low double digit price declines in 300 mm qoq
- Siltronic Samsung wafer fab with relatively high utilization

# SLOPE OF SILICON WAFER AREA DECLINE STEEPER THAN DURING DOT.COM BURST

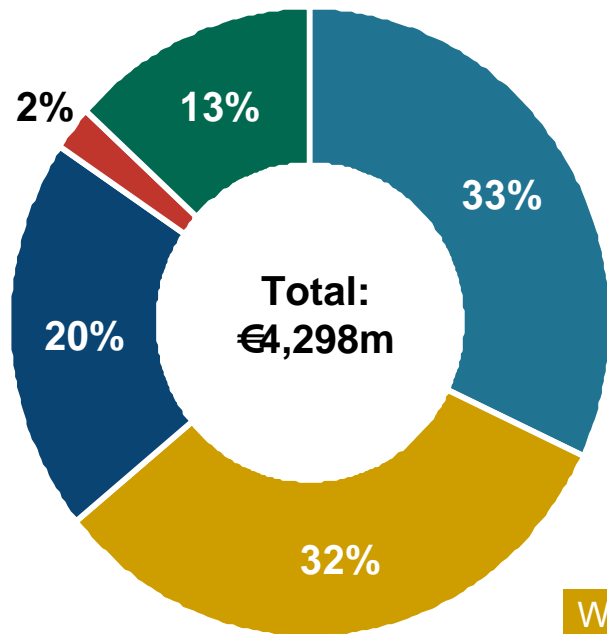


- According to METI, Jan09 wafer area sales have declined 18% sequentially
- Slope of decline (indicated by red lines) steeper than during dot.com period
- Market likely has not reached bottom yet
- Demand collapse of DRAM's
- High wafer inventories

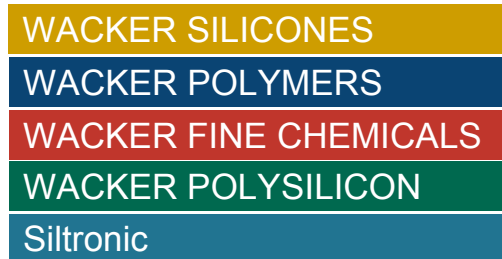
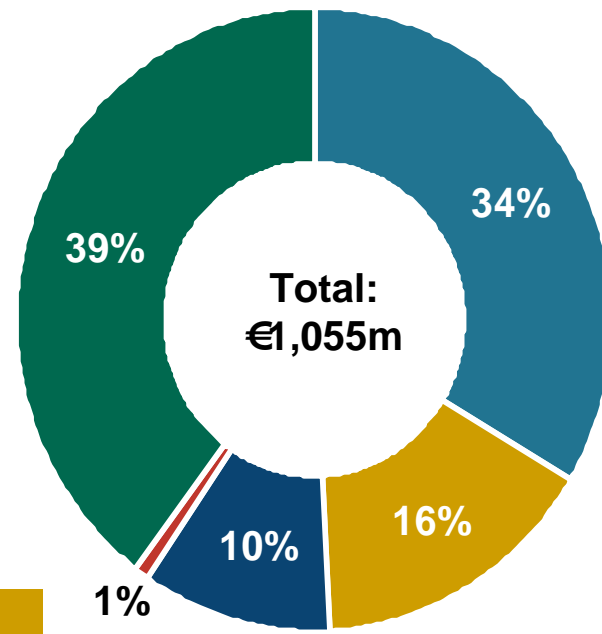
Source: SMG: <http://semi.org/en/MarketInfo/SiliconShipmentStatistics/index.htm>

# POLYSILICON WAS THE MAJOR DRIVER OF SALES AND PROFITABILITY IN 2008

FY 2008 Sales (€m)\*



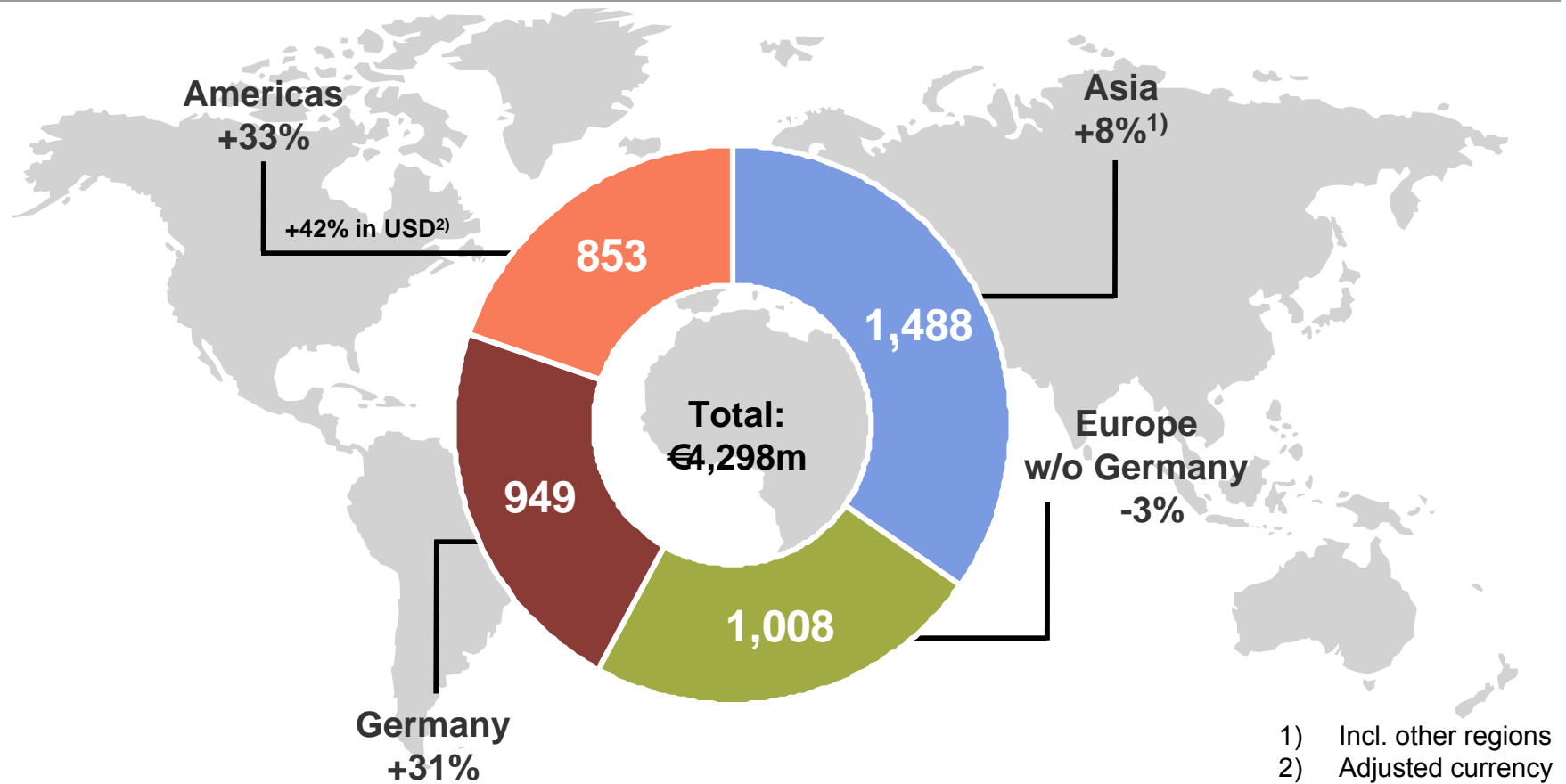
FY 2008 EBITDA (€m)



\* % based on external sales

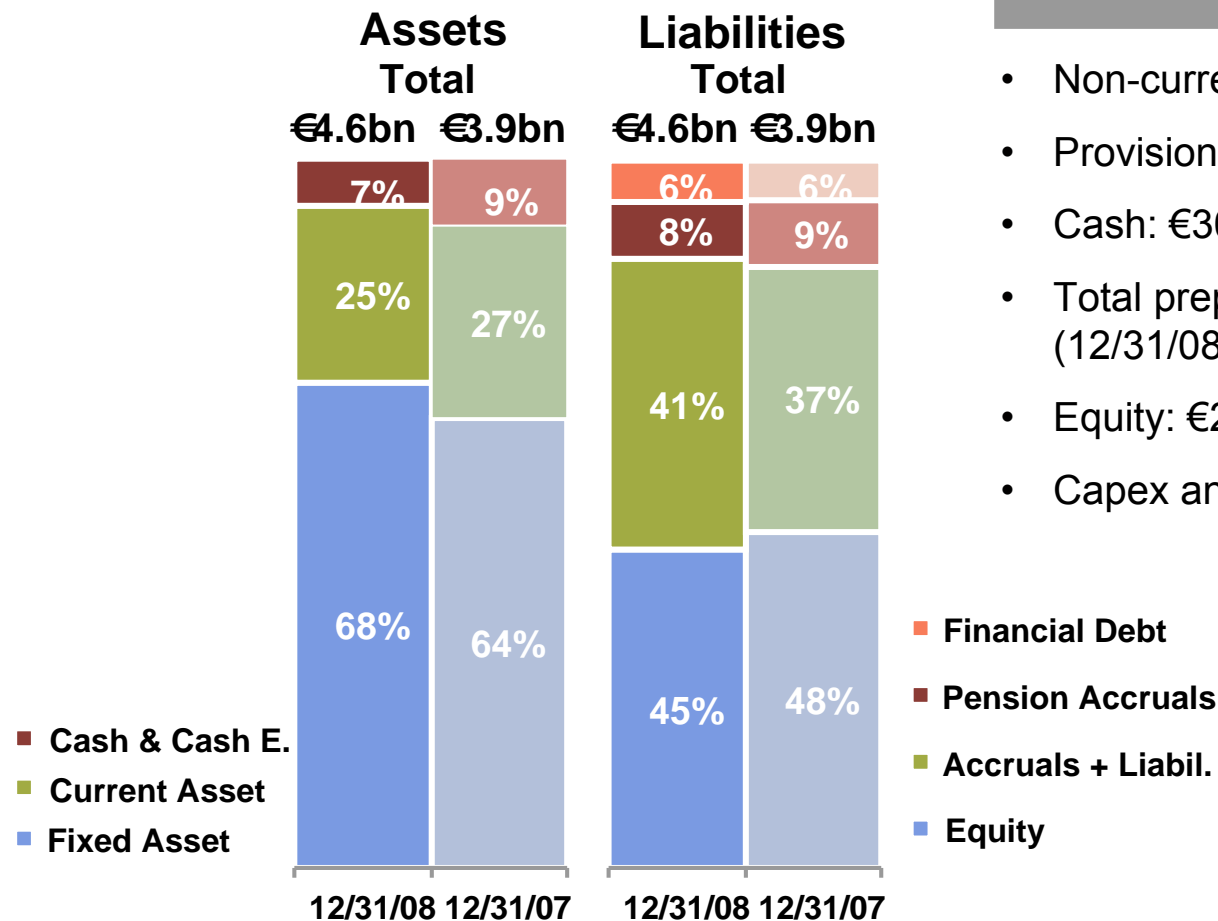
# MARKETS ARE SERVED GLOBALLY

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



# €1.1BN IN CAPEX AND ACQUISITIONS - STRONGEST GROWTH YEAR IN OUR NEARLY 100-YEAR HISTORY

## Balance Sheet (%)



## Characteristics

- Non-current assets: €3,161m
- Provisions for pensions: €376m
- Cash: €305m, net financial debt: €-33m
- Total prepayments Polysilicon received (12/31/08): €860m
- Equity: €2,083m
- Capex and acquisition: €1.1bn

# PENSION EFFECTS ON EBITDA: €40 MILLION IN Q4 2008

## Germany

### Issue:

- Depreciation on plan assets

### Action:

- Release of hidden reserves
- Allowance of €40 million via P&L of Wacker Chemie AG
- Due to asset ceiling (IAS 19) no capitalization of overfunded plan assets

€40 million effect on EBITDA

## USA

### Issue:

- 2007: Plan assets 96% of pension liabilities
- 2008E: Plan assets 85% of pension liabilities
- If funding < 80% restrictions due to US pension laws (minimum funding required)

### Action:

- Allowance of €15 million via Balance Sheet
- Asset Ceiling (IAS 19) not effective in US subsidiaries

€15 million without effect on EBITDA

# RAPID RESPONSE - CASH MANAGEMENT IN FOCUS

Actions in Q4/08 and Q1/09...

## Siltronic

- Short time work in production and administration (1.800 FTE)
- Block shutdowns and similar actions at overseas sites
- Rotating global fab shutdowns
- Cost cutting program accelerated

## SILICONES

- Siloxane maintenance shutdown pulled forward
- Short time work in production (~700 FTE)
- Reduced production of siloxane, silicones and silica
- Cost optimization program accelerated

## POLYMERS

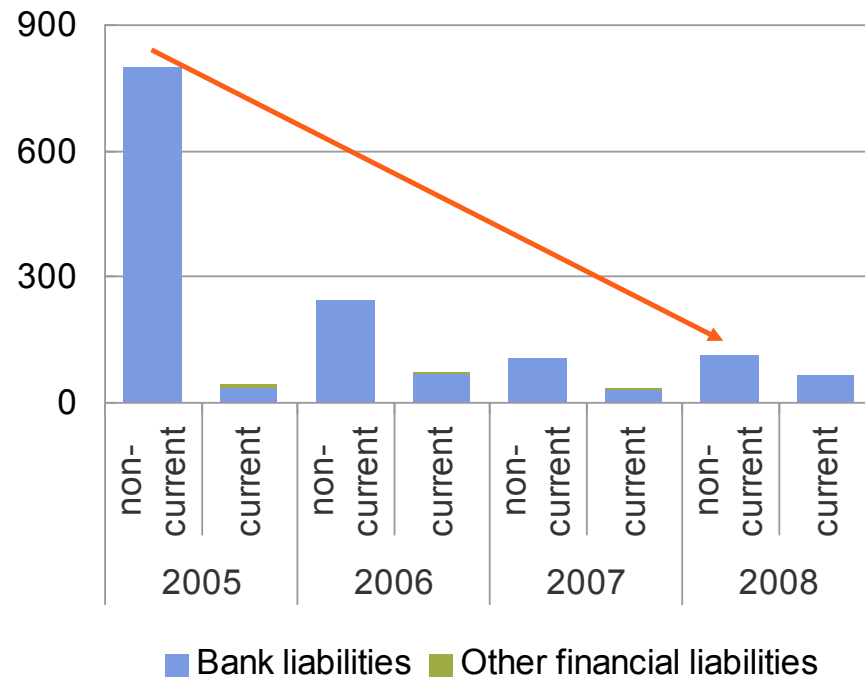
- Production focused on most productive units
- Short time work in production (~200 FTE)
- Extended holidays
- Cost optimization program accelerated
- Closure South Brunswick

...further actions implemented

- In total, personnel cost reduction of about 15 per cent for 2009
- On-going shutdowns in Siltronic and extension of short-term work
- Stringent review of capex budget and focus on strategic projects only
- Employee transfer from Siltronic and other divisions to WACKER POLYSILICON
- Hiring freeze, no backfilling of vacant positions

# SOLID FINANCIAL POSITION – FINANCING SUPPORTS GROWTH

## Maturity Profile Financial Debt



## Financial Key Figures

- Cash position of €305m (12/31/08)
- Net Debt\* / EBITDA
  - 2008 = -0.03x
  - 2007 = -0.15x
  - 2006 = 0.47x

\*Financial Debt

## Credit Lines

- Sufficient long-term credit lines of €500m secured
- Project financing Poly 9 with governmental support in progress

**With credit lines and strong internal cash generation  
→ Adequately positioned to weather the crisis.**

# NAVIGATING THE CRISIS – OUR FOCUS TODAY

## TRADING CONDITIONS

- Slow market demand semi/auto/construction
- Plant utilizations in line with industry
- Temporary work reduction, short-time work and personnel cost reduction
- Poly sales continue strong

## KEY METRICS

- Working capital management
- Review of non-strategic CapEx
- Close watch on customers/suppliers

**Focus on Customers and Cash**

# WACKER: ISSUER, CONTACT AND ADDITIONAL INFORMATION

## ISSUER AND CONTACT

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D-81737 Munich

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Mr. Joerg Hoffmann

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Fax +49 89 6279 2933

joerg.hoffmann@wacker.com  
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## FINANCIAL CALENDER

April 29, 2009	1st Quarter 2009
May 8, 2009	Annual Shareholder Meeting
July 30, 2009	2nd Quarter 2009
Sept. 17, 2009	Capital Market Day, London
Nov. 5, 2009	3rd Quarter 2009

## 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



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# GROUP SALES UP 14% - STRONG PERFORMANCE OF WACKER POLYSILICON

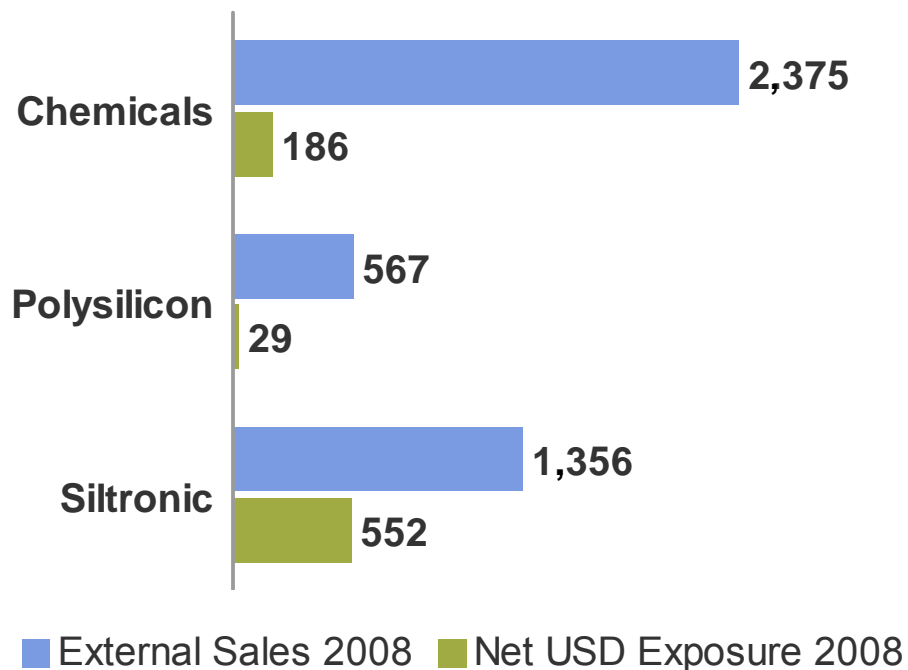
Sales in €m	FY 2008	FY 2007	Change in %
<b>CHEMICALS</b>	<b>2,374.2</b>	<b>2,106.2</b>	<b>+13</b>
- WACKER SILICONES	1,408.6	1,361.0	+3
- WACKER POLYMERS	867.9	632.8	+37
- WACKER FINE CHEMICALS	97.7	112.4	-13
<b>WACKER POLYSILICON</b>	<b>828.1</b>	<b>456.9</b>	<b>+81</b>
<b>Siltronic</b>	<b>1,360.8</b>	<b>1,451.6</b>	<b>-6</b>
Others	265.4	247.2	+7
Consolidation	-530.4	-480.6	n.a.
<b>WACKER</b>	<b>4,298.1</b>	<b>3,781.3</b>	<b>+14</b>

# GROUP EBITDA MARGIN AT 24.6% - WACKER POLYSILICON REACHED 51%

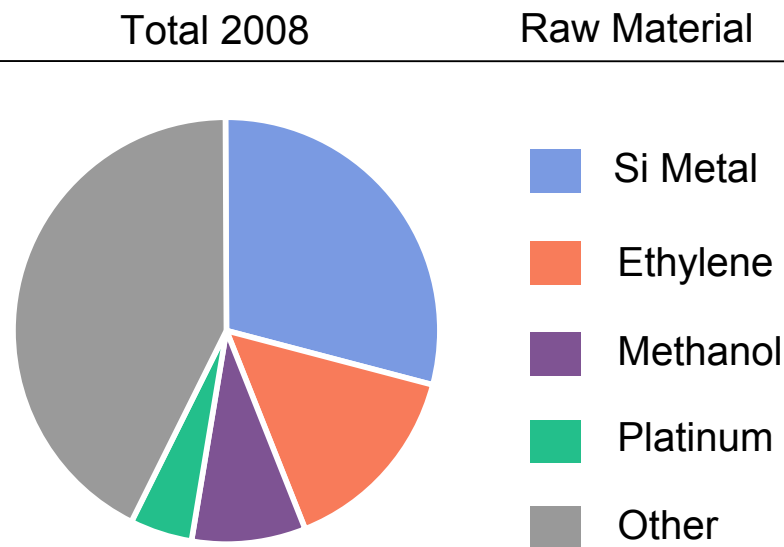
EBITDA in €m	FY 2008	FY 2007	Change in %
<b>CHEMICALS</b>	<b>286.0</b>	<b>343.4</b>	<b>-17</b>
- WACKER SILICONES	167.9	226.9	-26
- WACKER POLYMERS	108.9	107.0	+2
- WACKER FINE CHEMICALS	9.2	9.5	-3
<b>WACKER POLYSILICON</b>	<b>422.0</b>	<b>182.2</b>	<b>&gt;100</b>
<b>Siltronic</b>	<b>357.3</b>	<b>478.1</b>	<b>-25</b>
Others	-8.9	-2.8	n.a.
Consolidation	-1.2	0.6	n.a.
<b>WACKER</b>	<b>1,055.2</b>	<b>1,001.5</b>	<b>+5</b>

# WACKER: STATISTICS - FX AND RAW MATERIALS COSTS

External sales and net USD exposure 2008 (€m)



WACKER Chemical Divisions  
Major Raw Materials (€m)



**2008: 1 ct change in USD/Euro ratio has an impact of €5m on EBITDA unhedged.**

**Costs of 4 top raw materials 22% of chemicals sales**