



# PERFORMANCE AND RELIABILITY

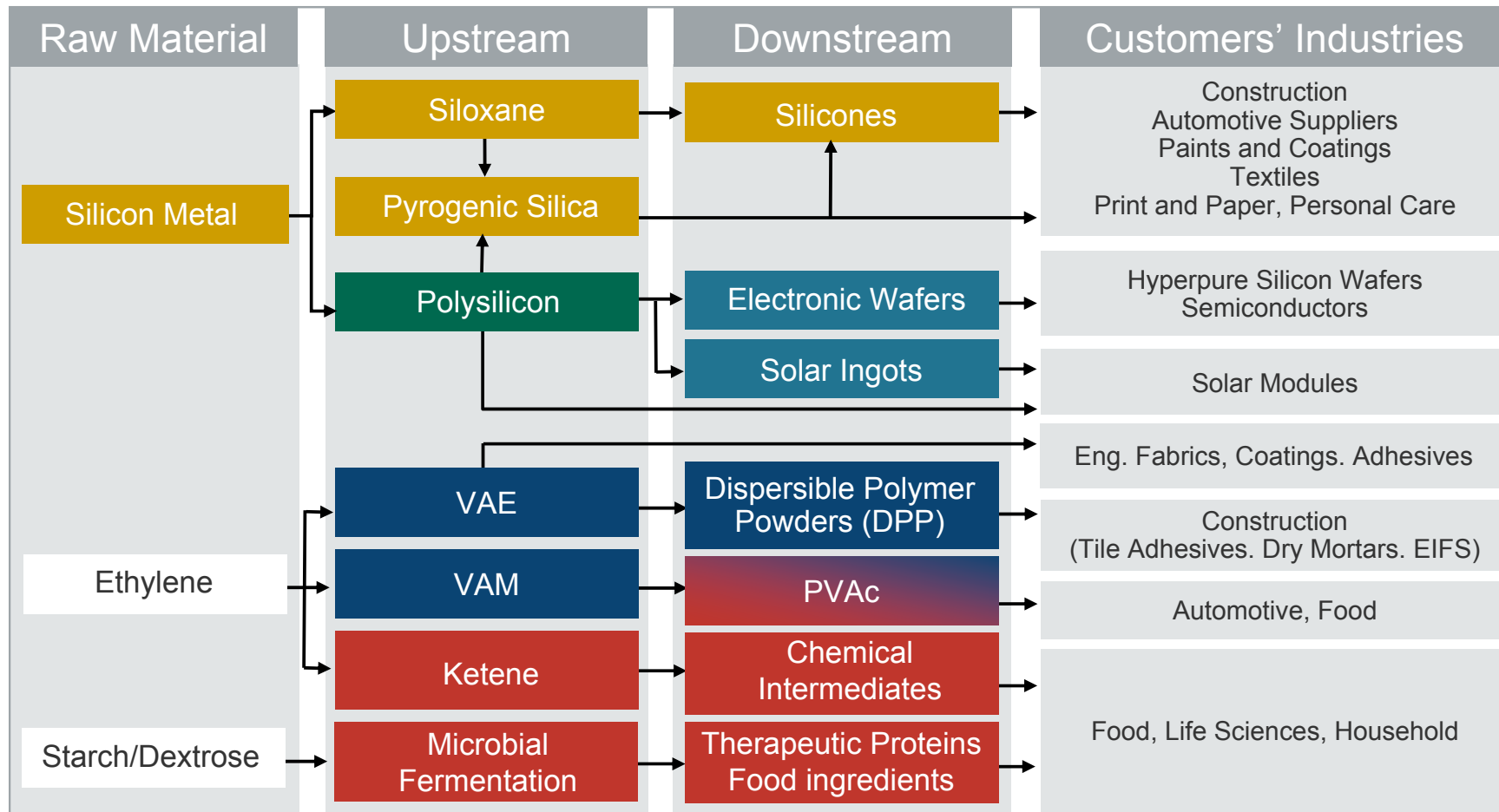
Investor Relations  
November/December 2010

CREATING TOMORROW'S SOLUTIONS

# DISCLAIMER

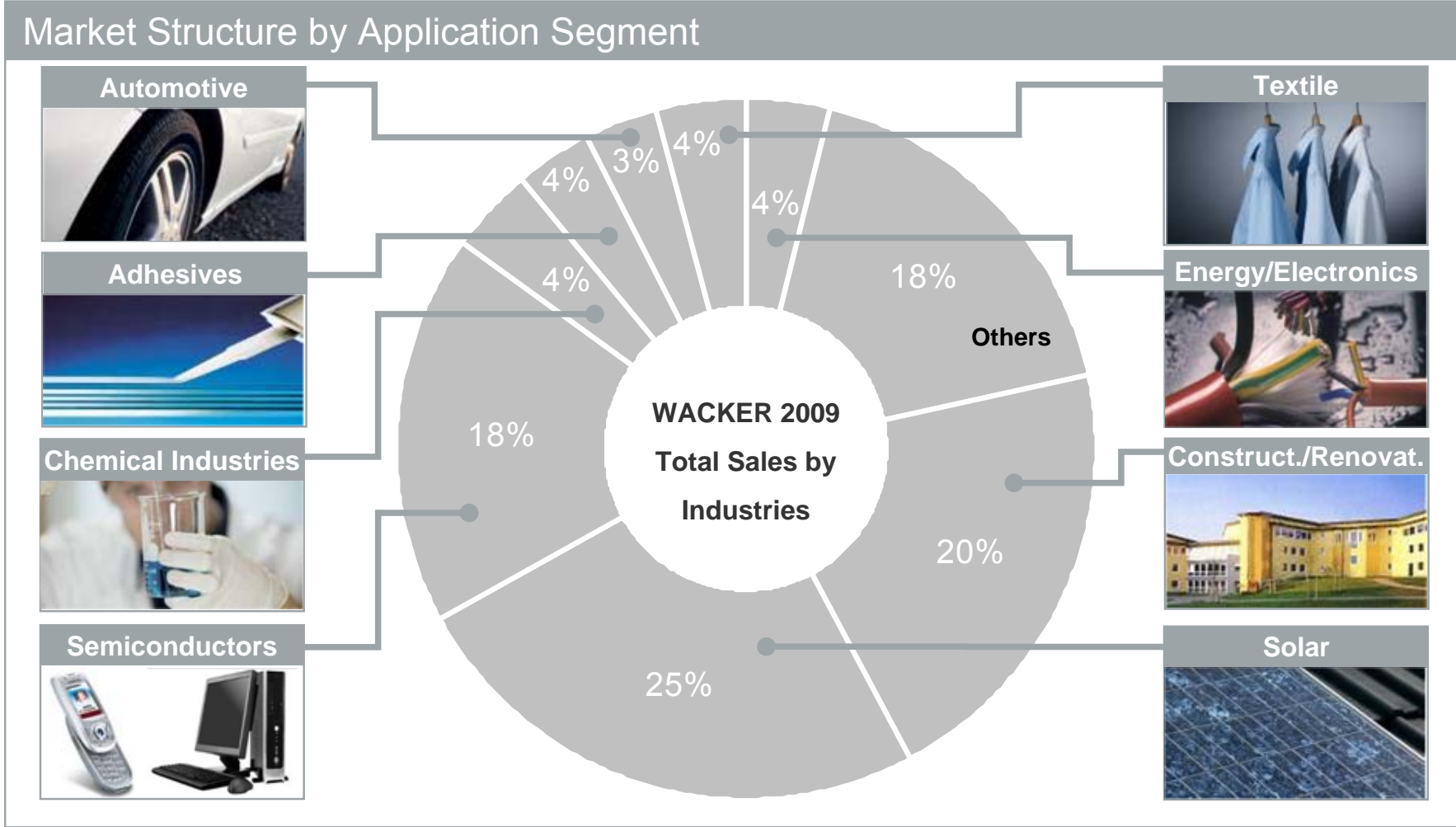
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# WACKER: HIGHLY INTEGRATED OPERATIONS BASED ON THREE KEY RAW MATERIALS

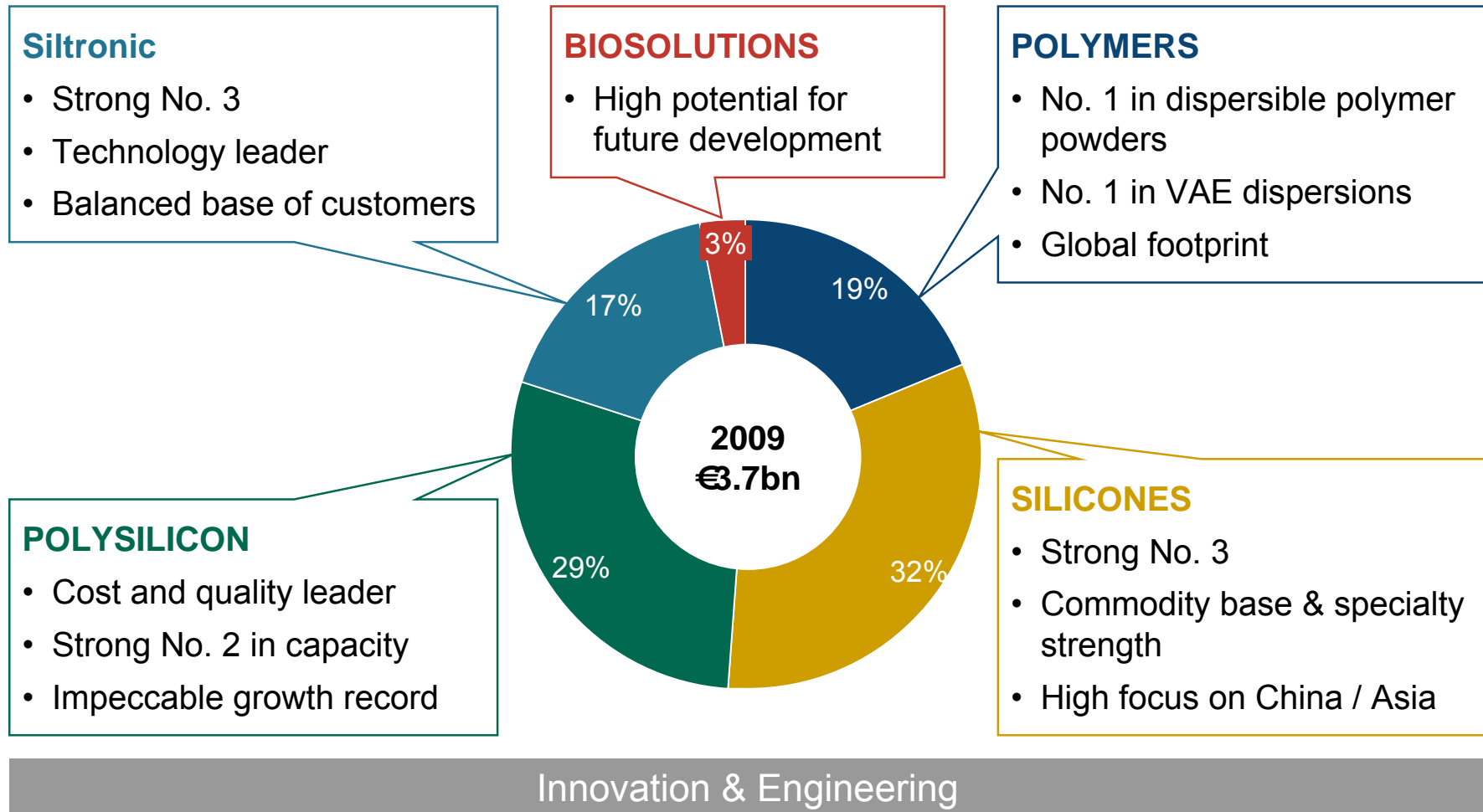


VAM = Vinyl acetate monomer. VAE = Vinyl acetate ethylene, PVAc = Polyvinyl acetate, EIFS = Exterior insulation and finish system

# DIVERSIFIED END MARKET PORTFOLIO



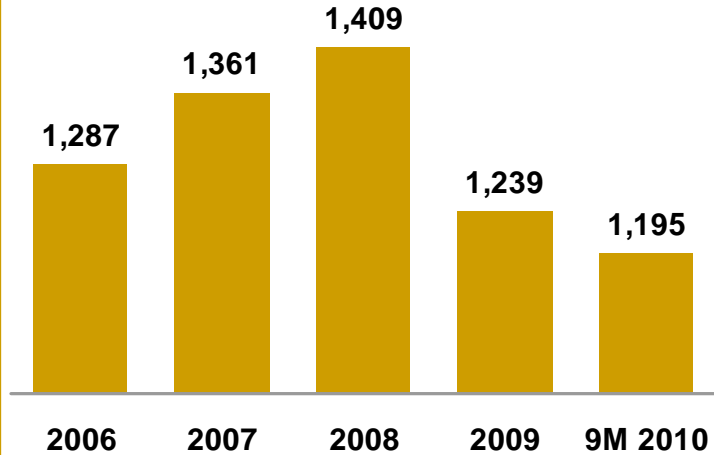
# OUR BUSINESS PORTFOLIO – A FOUNDATION FOR GROWTH



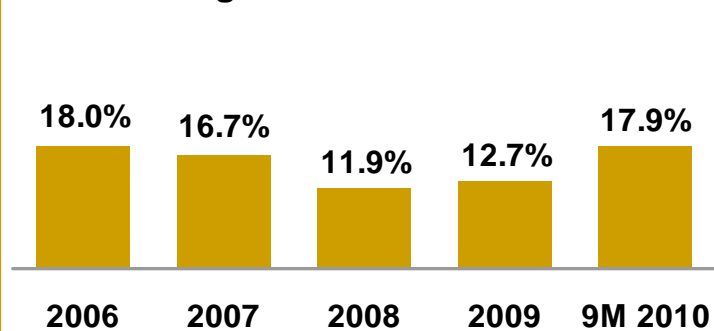
# SILICONES: UNIQUE PROPERTIES SUPPORT GLOBAL MEGATRENDS IN CONSUMER PRODUCTS

## SILICONES Performance

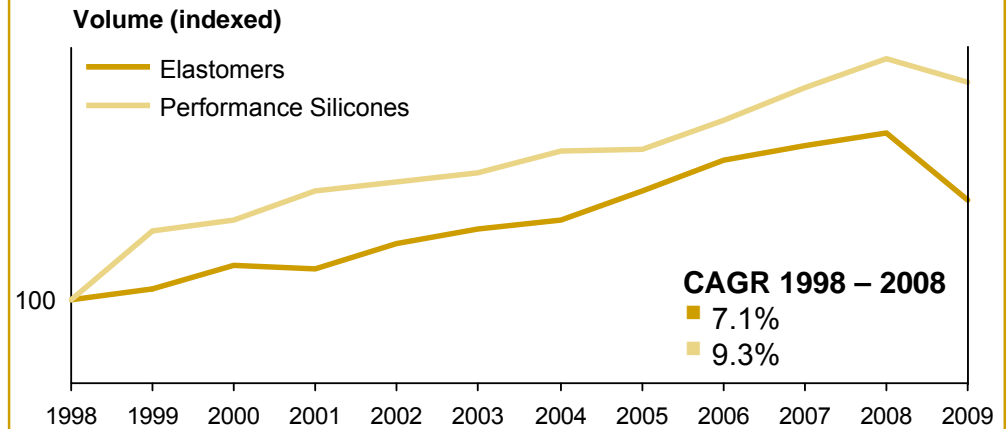
### Sales in €m



### EBITDA Margin



## Solid growth history of SILICONES



## Tailoring of customized solutions



Health & Wellness



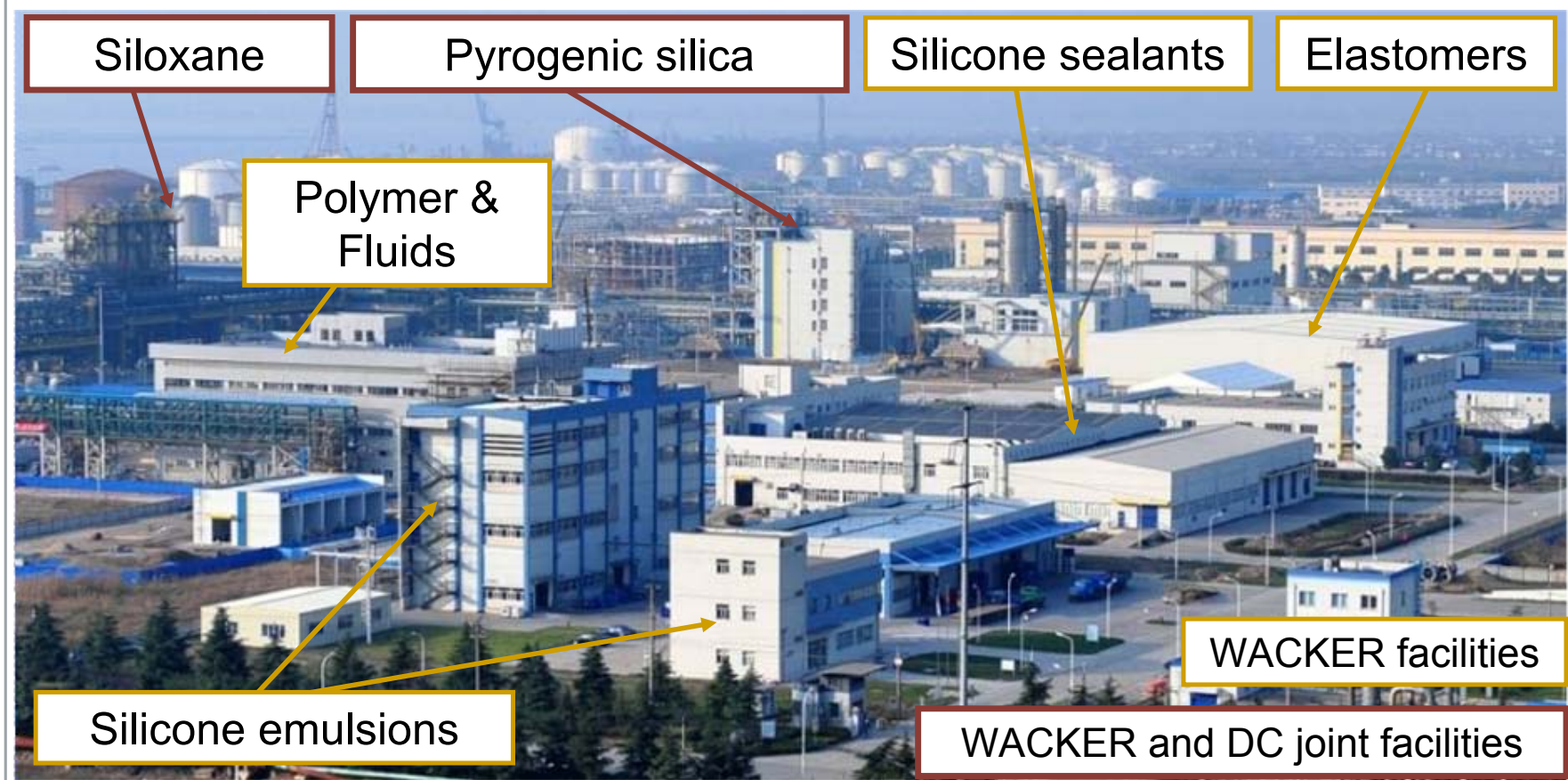
Mobility/Fuel Efficiency



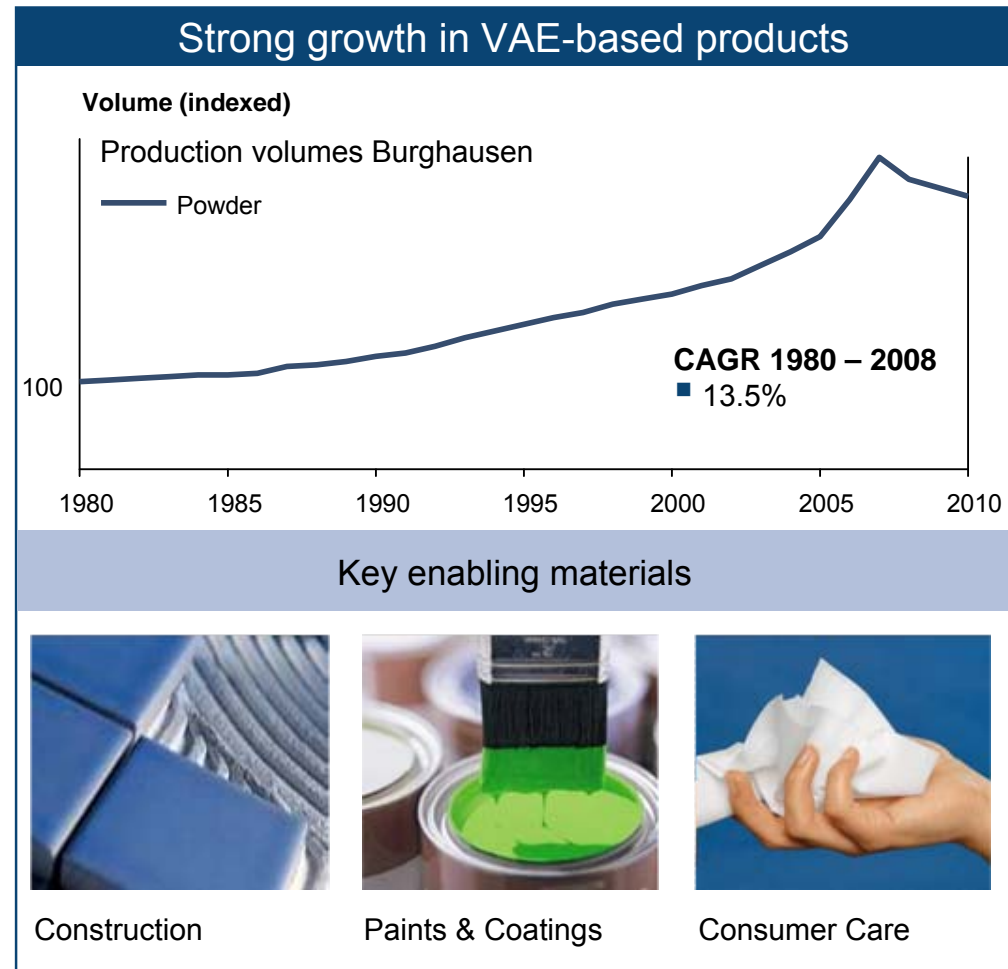
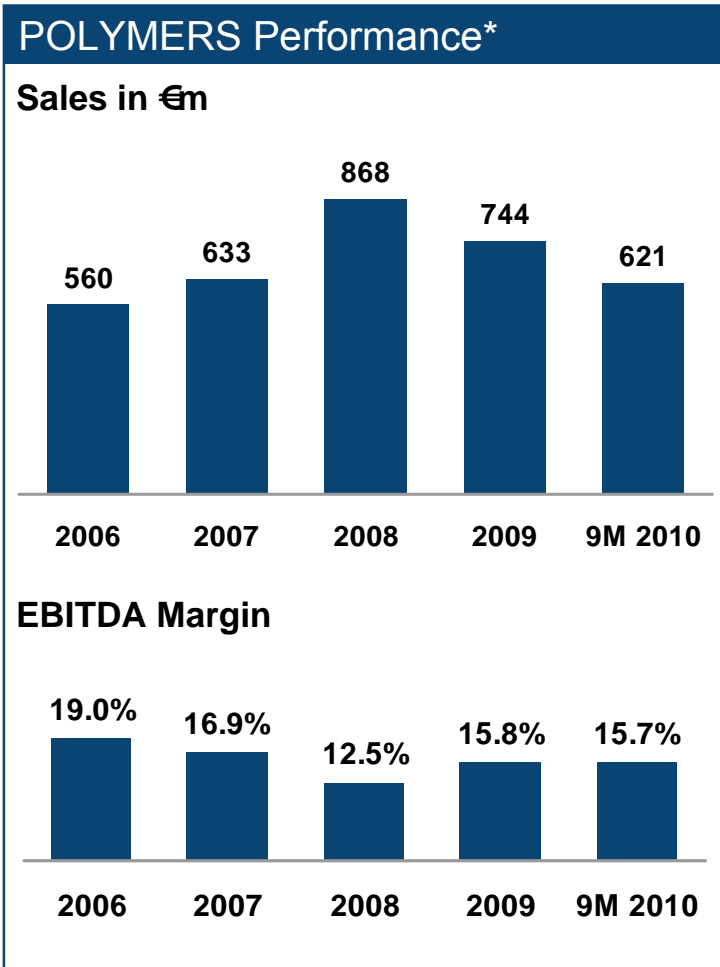
Construction

# THE ZHANGJIAGANG SILICONES COMPLEX – A WORLD-SCALE INTEGRATED PRODUCTION SITE

## Integrated silicones production in Zhangjiagang



# POLYMERS: MARKET LEADER IN VAE BASED BINDERS FOR DIVERSE APPLICATIONS

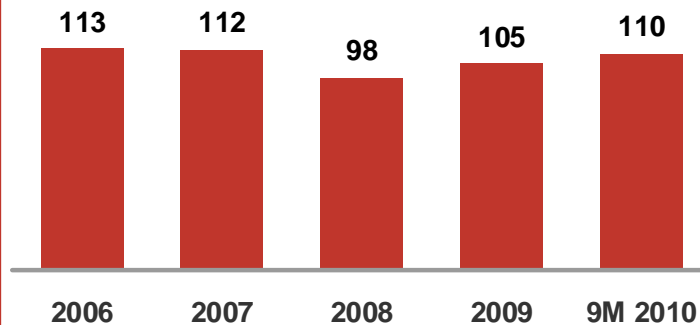


\*incl. structural chances: APP, PVB, Gumbase

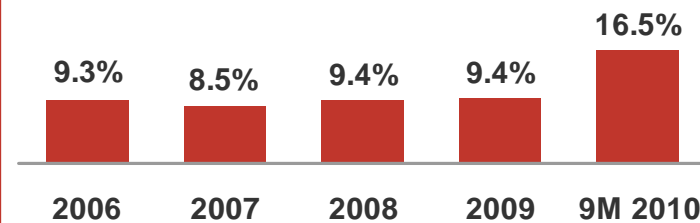
# BIOSOLUTIONS: INGREDIENTS AND SOLUTION PROVIDER FOR THE FOOD AND PHARMA MARKET

## BIOSOLUTIONS Performance

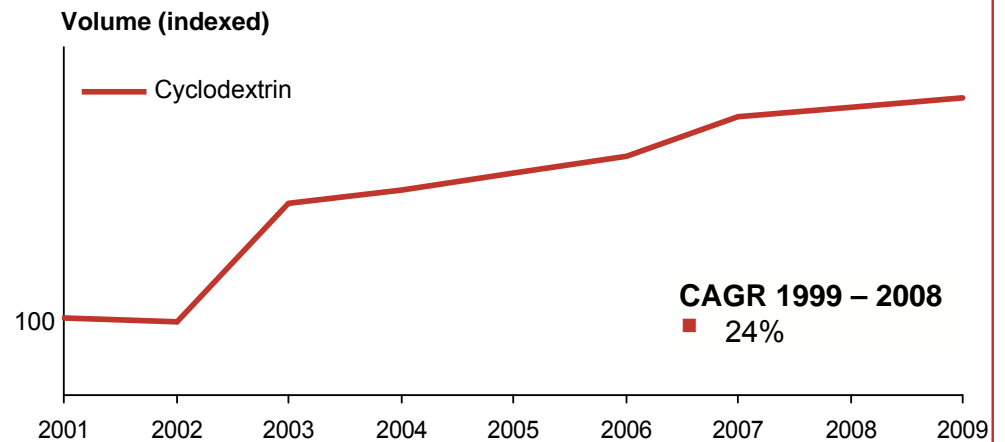
### Sales in €m



### EBITDA Margin



## Solutions for Nutrition and Pharma



### Attractive specialty markets



Nutrition

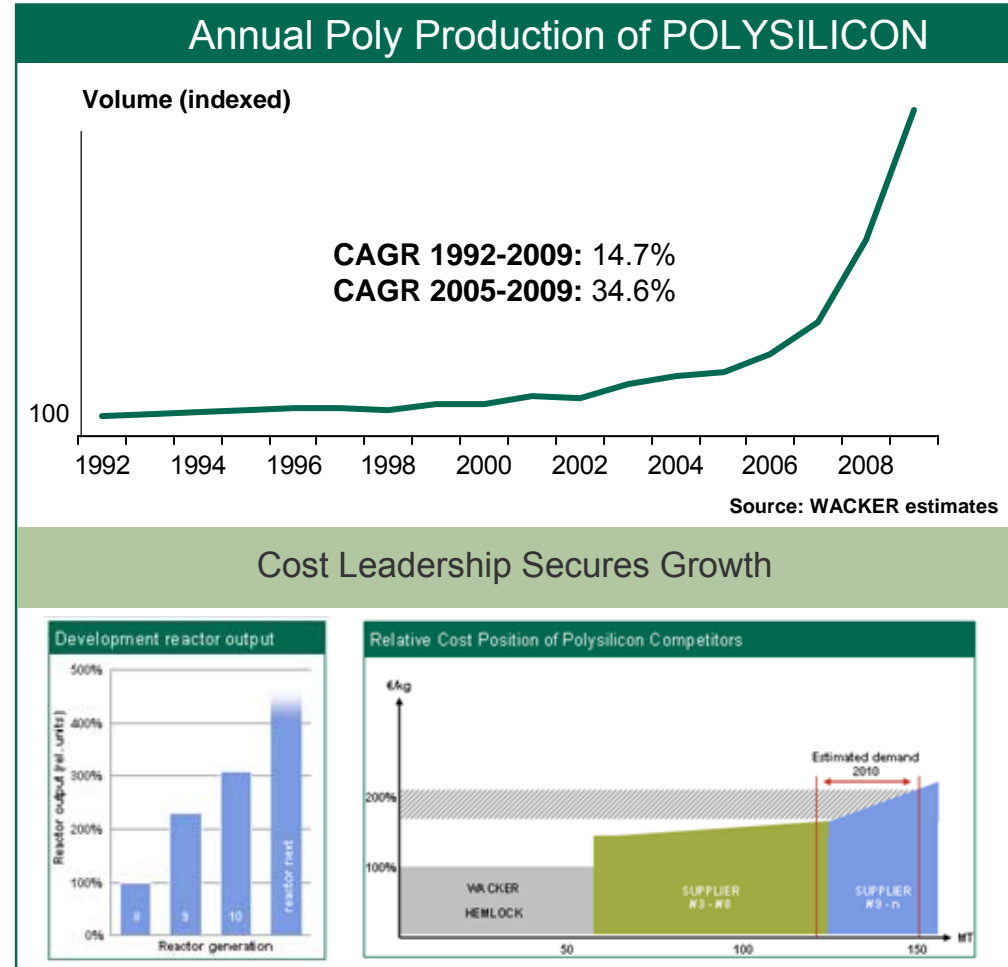
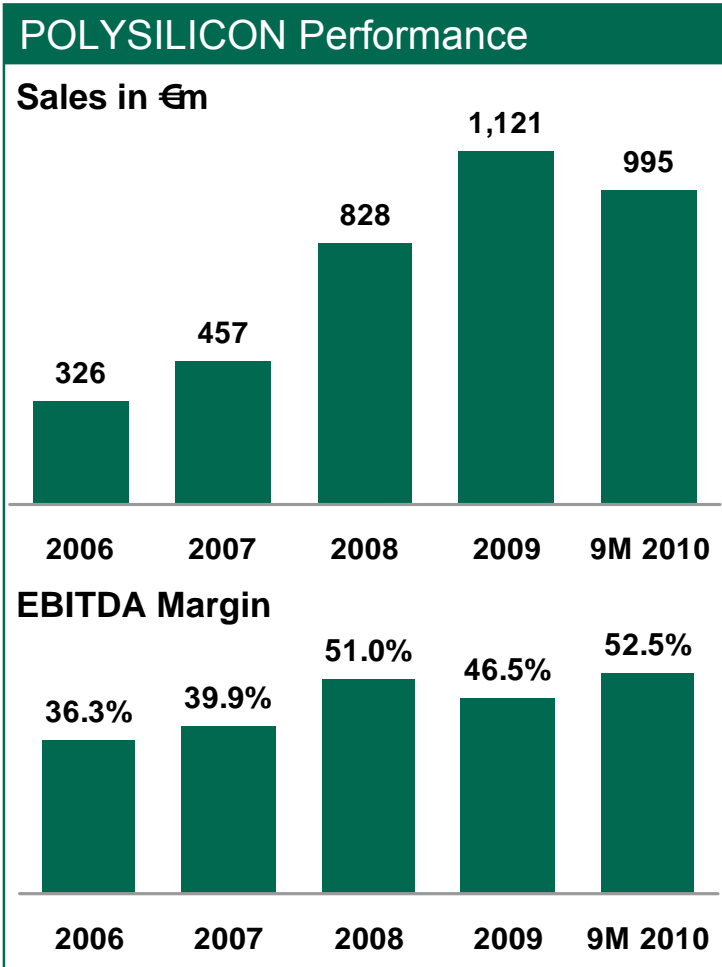


Chewing Gum



Pharma

# POLYSILICON: A RELIABLE PARTNER FOR GROWTH



# NÜNCHRITZ PLANT: GOOD PROGRESS ON POLY 9 – PROJECT ON TRACK

October 2008

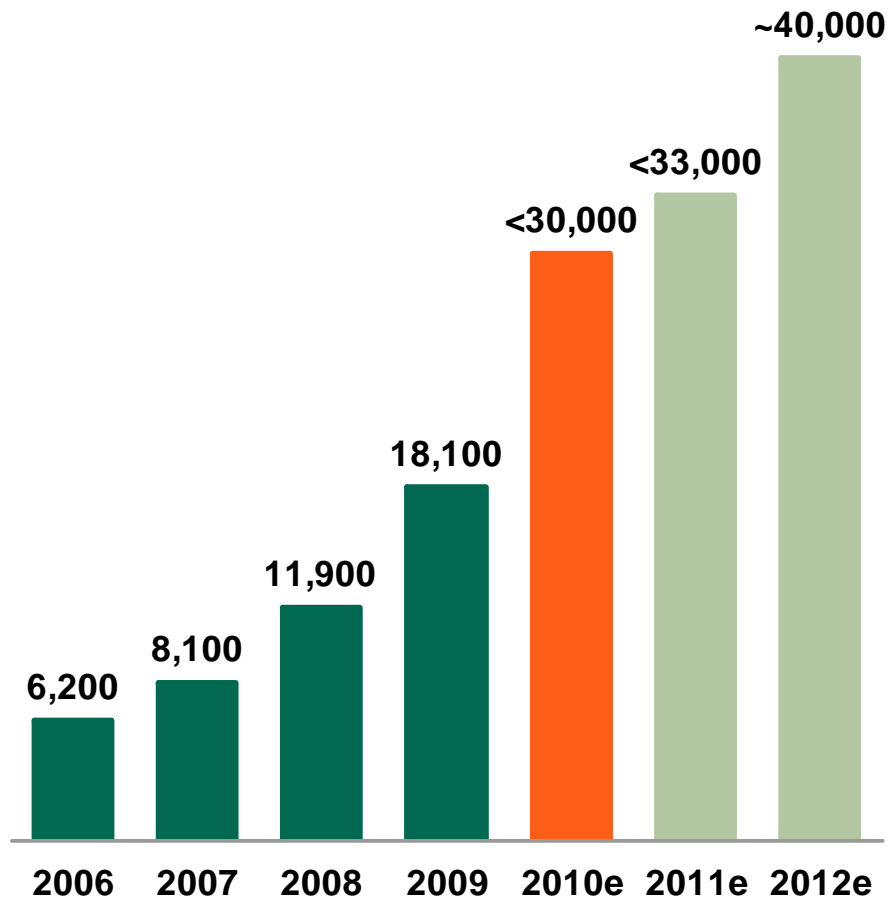


June 2010



# WACKER POLYSILICON – STRONG OUTPUT INCREASE, TARGET 2010 NOW CLOSE TO 30,000 MT

## Polysilicon Production (MT)



### Existing nameplate capacity: ~25,000 MT

- All Burghausen projects concluded
- Strong focus on productivity

### Ongoing expansion: +10,000 MT

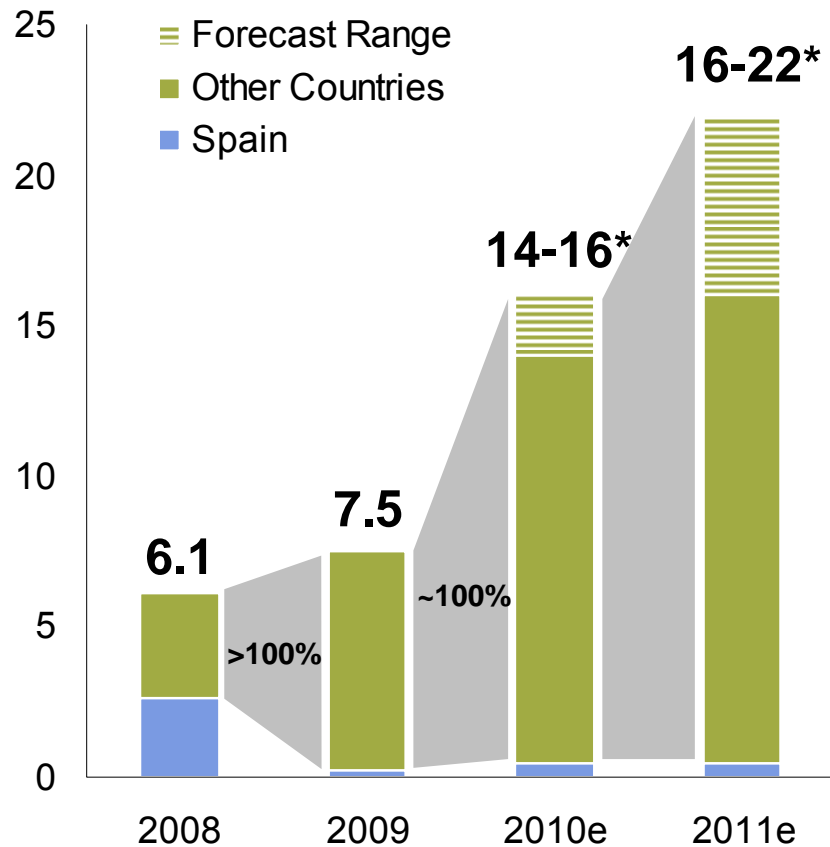
- Poly 9: Well on track
- Ramp costs will weigh on 2011

### Tennessee project update (Poly 11)

- Plans to build a 10kt plant in Bradley County, TN
- Planned capex: USD 1bn
- €10m planning costs expensed in 2010

# 2009: MARKET OUTSIDE OF SPAIN GROWS MORE THAN 100%; FURTHER STRONG GROWTH EXPECTED IN 2010 AND 2011

## Photovoltaic-Volume (GW)



\*WACKER estimate, based on published reports

## Market Dynamics

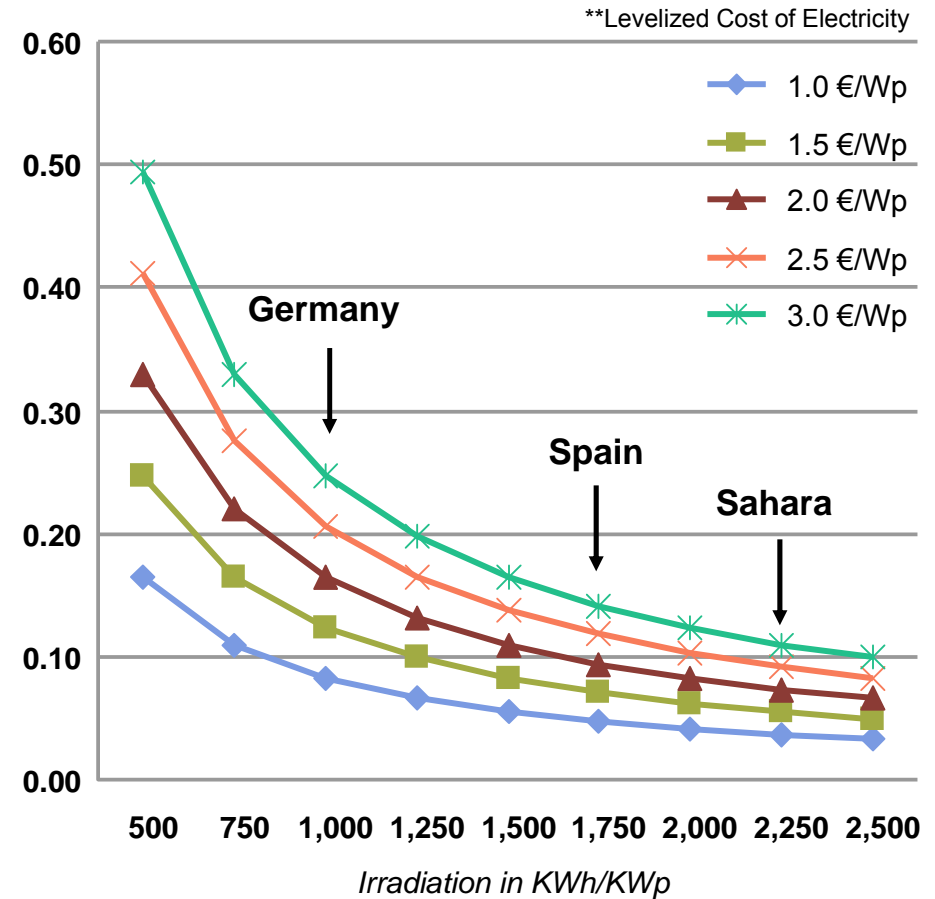
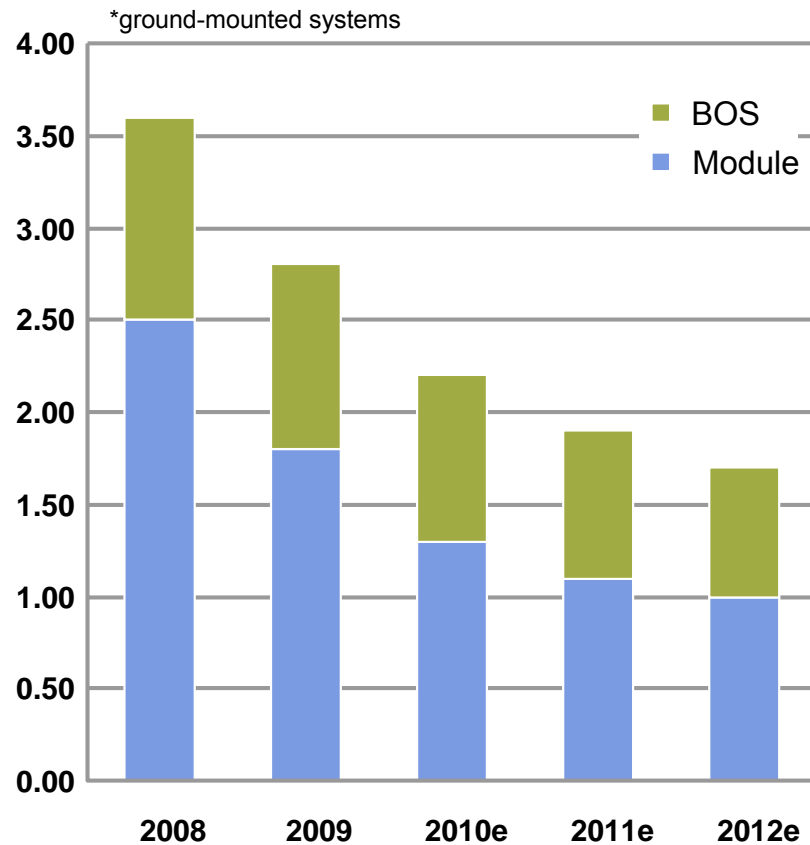
- Despite unfavorable market environment (financial crisis, collapse in Spain) strong overall growth in 2009
- Top PV players report growing shipments and high capacity utilizations in H1/2010
- Strong guidance for full year 2010 and increasingly tightening supply situation

2010

- Recovery of global economy supportive
- Grid parity within reach in many markets
- Regulatory programs in many countries

# DECLINING SYSTEM PRICES WILL BRING DOWN TOTAL COST OF PV ELECTRICITY

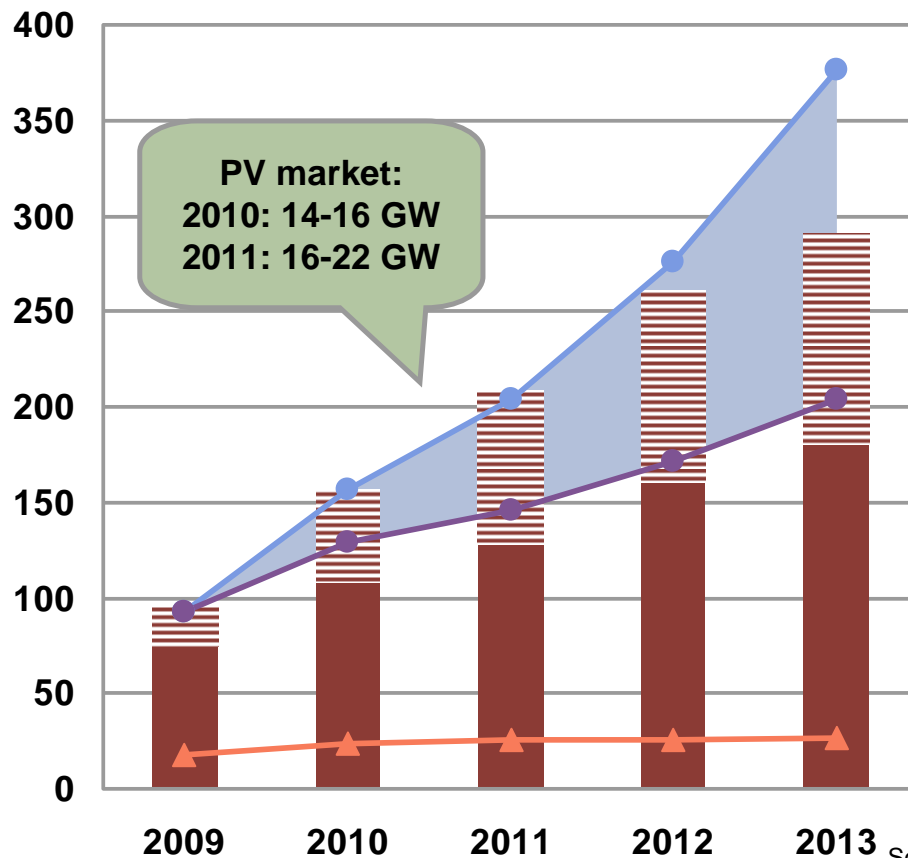
## PV System Price Development\* (€/Wp) and corresponding LCOE\*\* (€/kWh)



Sources: LBBW 02/2009, industry announcements, WACKER estimates

# STRONG GROWTH OF POLYSILICON DEMAND

## Global Polysilicon Supply and Demand (kt, Electronic and Solar)



- Future polysilicon demand will be dominated by solar applications
- High quality polysilicon in short supply
- Quality and cost leaders with sustainable competitive advantage

- Expected Capacities (Other)
- Expected Capacities (Tier 1)
- Electronic Demand
- Total Demand (LOW CASE)\*
- Total Demand (HIGH CASE)\*

Sources: Gartner, market surveys, industry announcements, WACKER estimates

\* HIGH CASE: 2010 (16 GW); 2011 (22 GW); 2012ff (50% CAGR)

\* LOW CASE: 2010 (14 GW); 2011 (16 GW); 2012ff (30% CAGR)

# STRONG MARKET ENVIRONMENT - WACKER POLYSILICON NOW CONTRACTED THROUGH 2013

Number of new contracts	↑
Price	↗
Duration of Contracts	↑
Individual contract volume	↑
Prepayments	↗

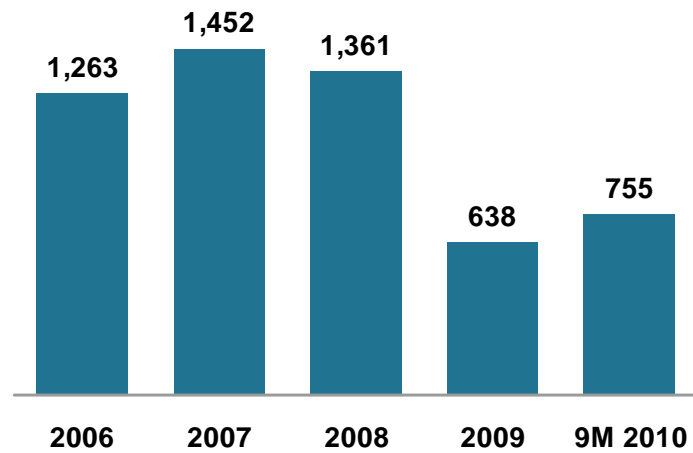
- Customers secure attractive prices on a more long-term basis
- Customers with increased capacities secure raw material supply  
→ 2 GW require ~15 kt p.a. polysilicon
- Cell players expect wafer producers to use poly from high-quality suppliers
- Customers demanding high quality for high yield production

Strong end market demand growth

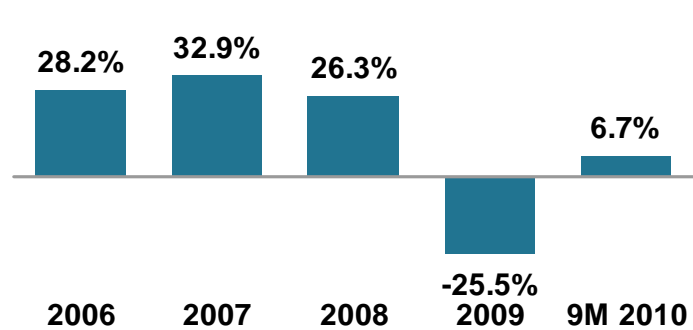
# SILTRONIC: MANAGING A VOLATILE GROWTH MARKET

## SILTRONIC Performance

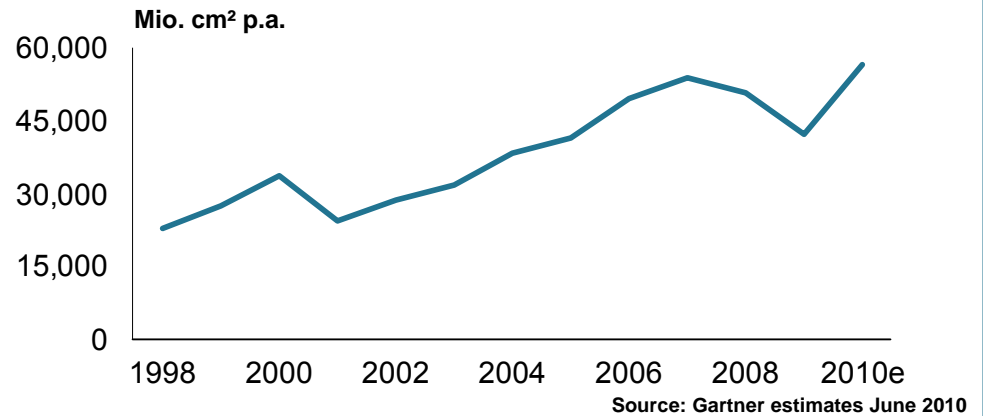
Sales in €m



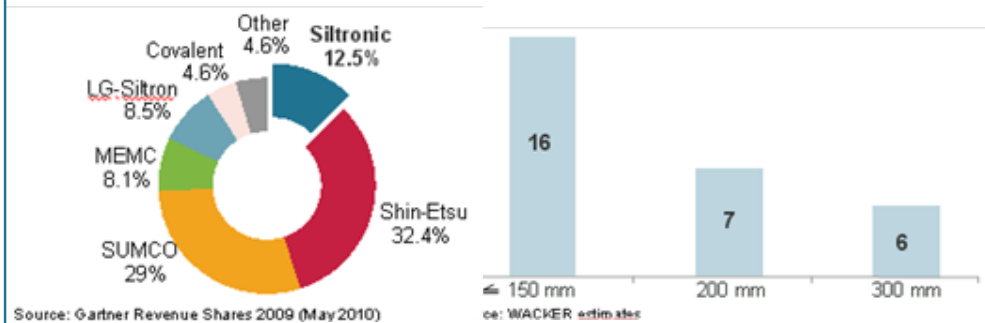
EBITDA Margin



## Semiconductor Industry Growth

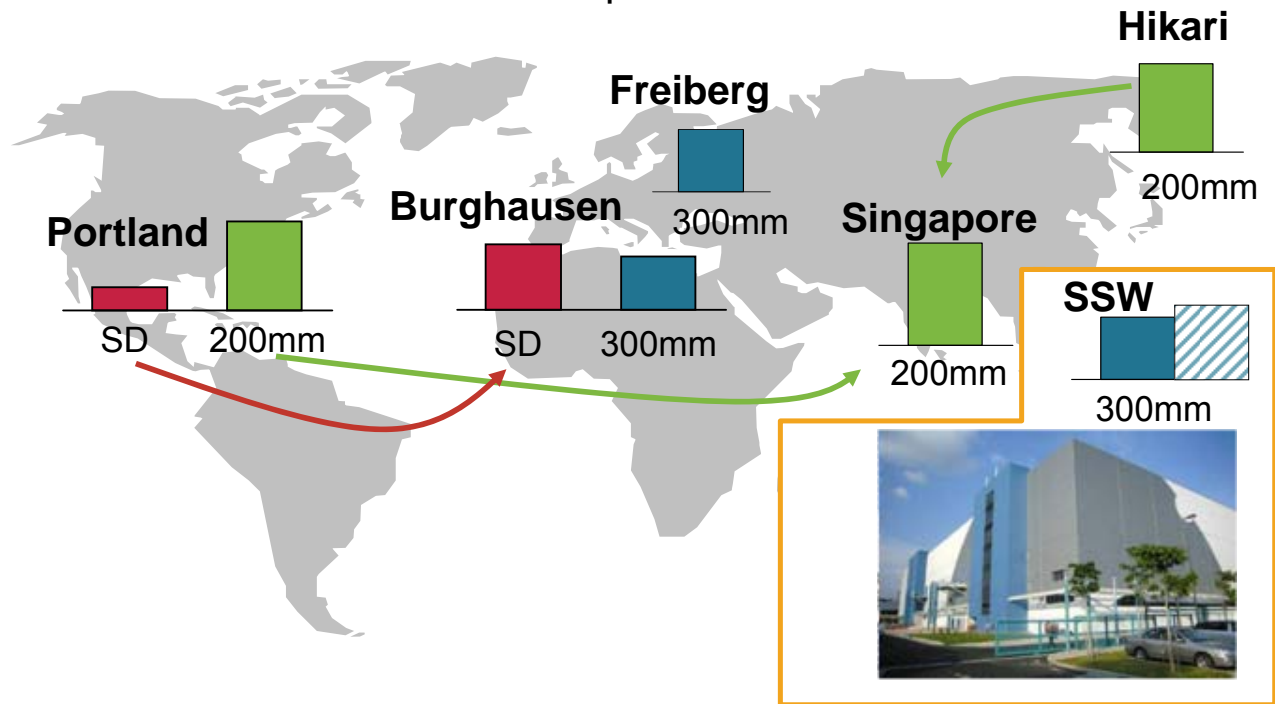


## A Strong No. 3 in the Market



# PREPARED TO GROW IN ASIA

## Lead Site Concept



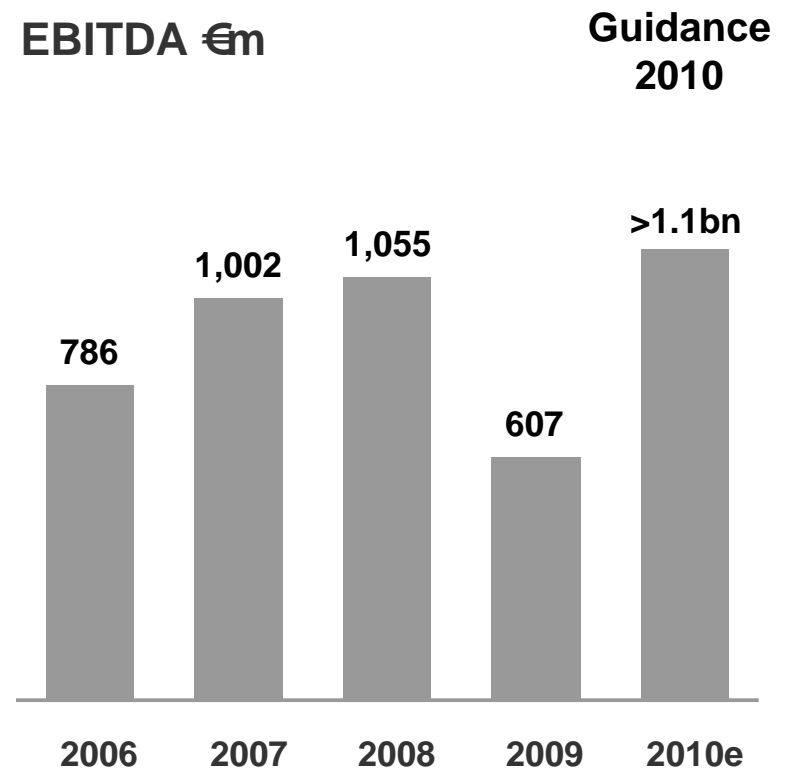
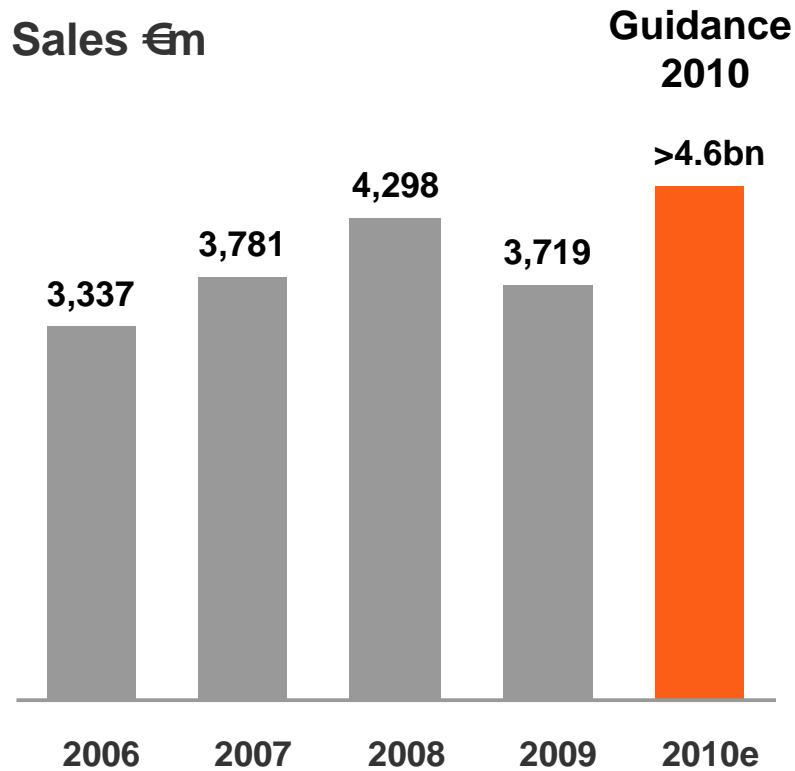
- SD in  $\text{mn cm}^2 / \text{month}$
- 200 mm in  $\text{K W} / \text{month}$
- 300 mm in  $\text{K W} / \text{month}$

- SD line Freiberg was closed in December 09
- Double qualifications for SD Burghausen and 200 mm Singapore are ongoing
- Siltronic-Samsung-Wafer (SSW):
  - A 50:50 joint venture with Samsung
  - Siltronic with option on majority
  - Incremental capacity additions

# WACKER: STRONG DEMAND AND POSITIVE PRICING EFFECTS IN ALL SEGMENTS

<b>WACKER</b> €m	Q3 2010	Q3 2009	Change in %
<b>Sales</b>	<b>1,269.5</b>	<b>986.5</b>	<b>28.7</b>
<b>EBITDA</b>	<b>340.0</b>	<b>184.0</b>	<b>84.8</b>
<i>EBITDA margin</i>	<i>26.8%</i>	<i>18.7%</i>	<i>43.6</i>
<b>EBIT</b>	<b>234.3</b>	<b>82.9</b>	<b>&gt;100</b>
<i>EBIT margin</i>	<i>18.5%</i>	<i>8.4%</i>	<i>&gt;100</i>
<b>Result for the period</b>	<b>155.8</b>	<b>35.9</b>	<b>&gt;100</b>
<b>EPS in €</b>	<b>3.13</b>	<b>0.68</b>	<b>&gt;100</b>

# Q3 2010: GUIDANCE UPDATE FOLLOWING A STRONG QUARTER



- Assumptions:**
- Stable macroeconomic environment
  - FX rates remain at current levels

# STRATEGIC FOCUS IS CLEARLY SET

Creating Shareholder Value through:

## Market Penetration



- Enhance regional competencies
- Channels to market
- Strong customer support

## Operational Excellence



- Structural changes when necessary
- Productivity focus and process excellence
- Global site network

## Innovation



- Megatrends drive innovation focus
- Differentiation lever
- New materials and applications beyond existing core

## Sustainability



- Balance economic, environmental and social factors
- Integral part of production and processes

# WACKER: ISSUER, CONTACT AND ADDITIONAL INFORMATION

## ISSUER AND CONTACT

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## ADDITIONAL INFORMATION

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

## FINANCIAL CALENDER

03/16/11 - Full Year 2010 (4pm CET)  
05/04/11 - Q1 Results 2011  
05/18/11 - Annual Shareholder Meeting  
05/31/11 - Capital Markets Day  
08/02/11 - Q2 Results 2011  
10/28/11 - Q3 Results 2011





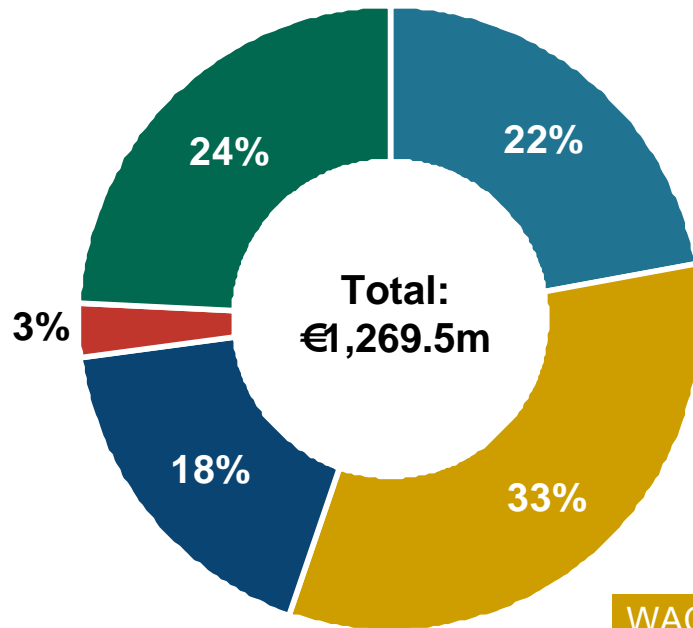
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Investor Relations  
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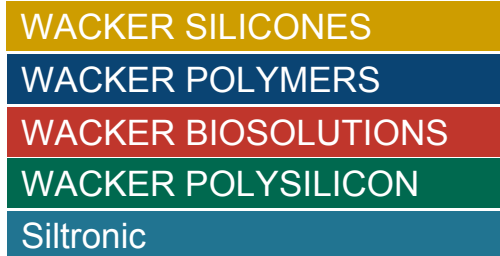
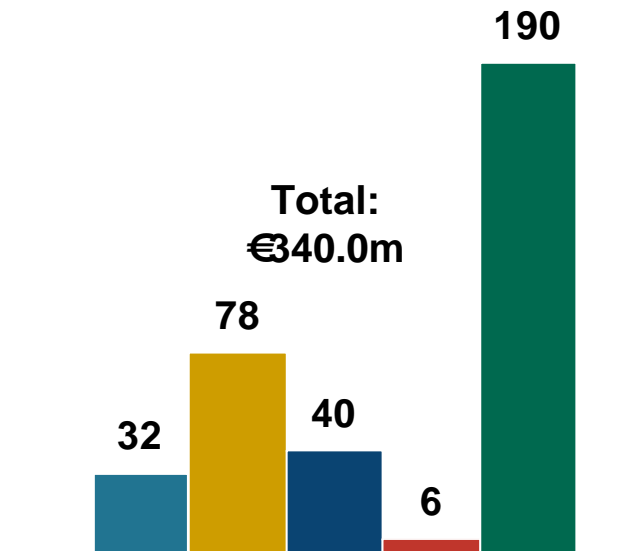
CREATING TOMORROW'S SOLUTIONS

# RECORD SALES AND EARNINGS – STRONG POLYSILICON AND CHEMICALS

Q3 2010 Sales (€m)\*



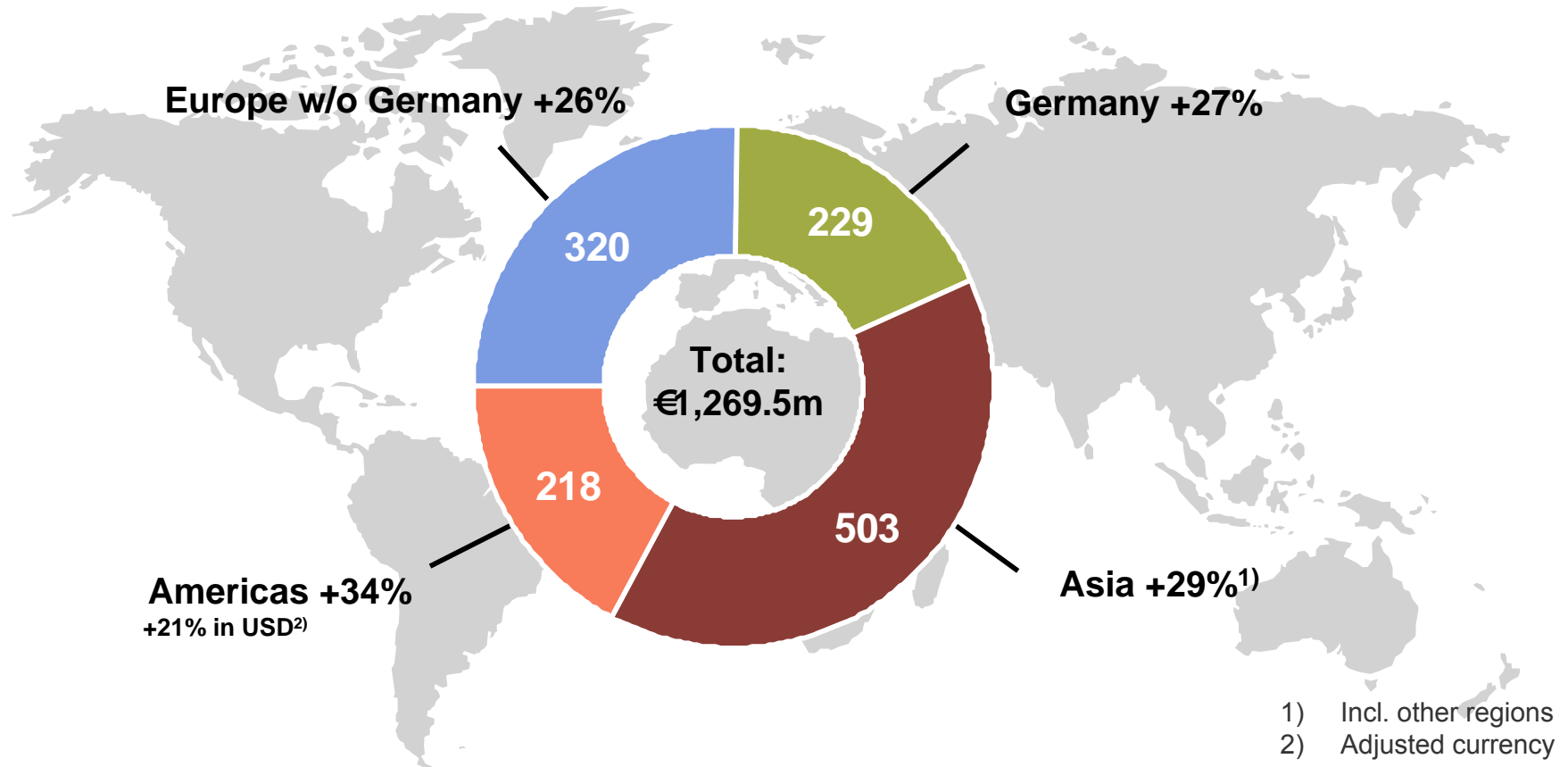
Q3 2010 EBITDA (€m)



\* % based on external sales

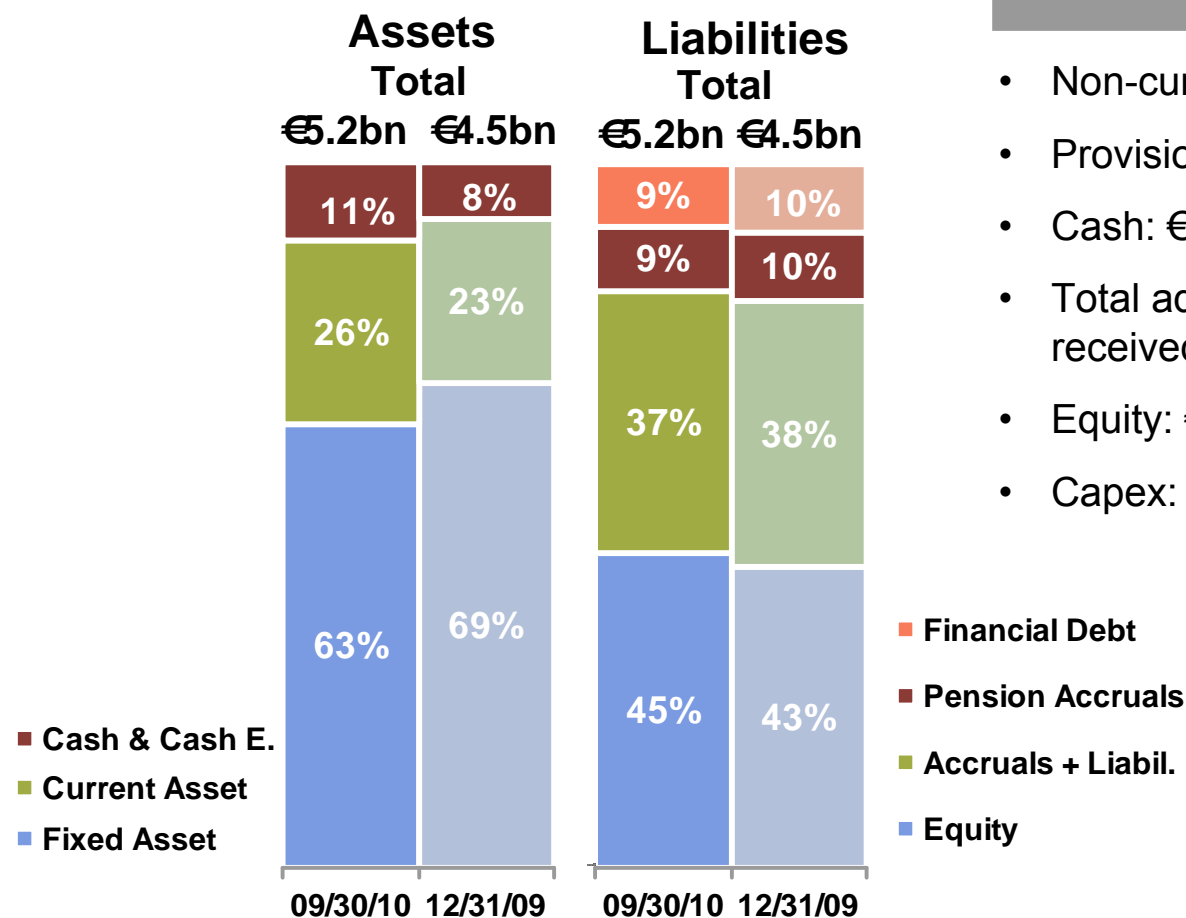
# ASIAN SALES MOST DYNAMIC

## Q3 2010 Sales by Region, Changes YoY (%)



# IMPROVING LIQUIDITY – REPAYING FINANCIAL DEBT IN Q4

## Balance Sheet (%)



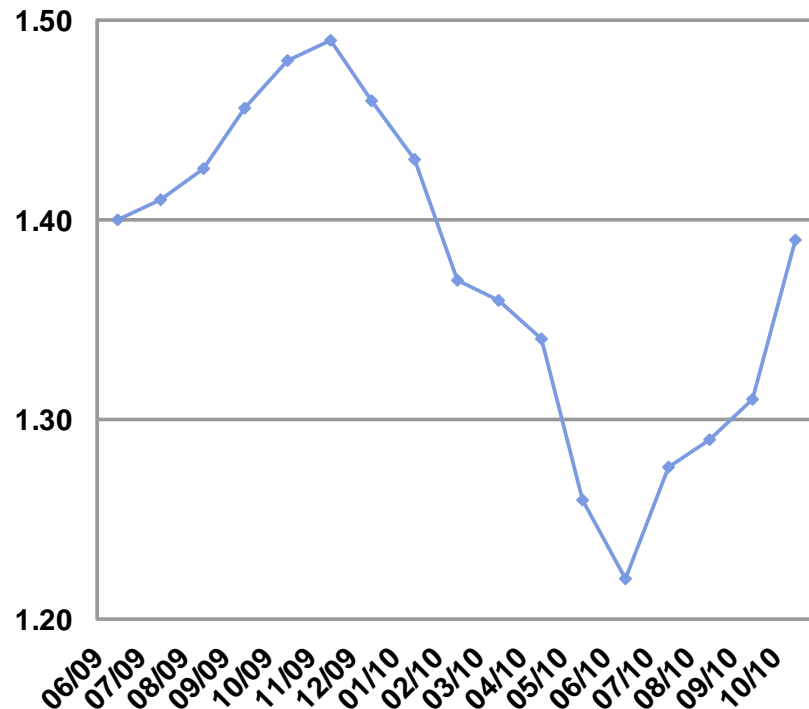
## Characteristics

- Non-current assets: €3,284m
- Provisions for pensions: €471m
- Cash: €622m, net financial debt: €-152m
- Total advance payments polysilicon received (09/30/10): €930m
- Equity: €2,342m
- Capex: €216m in Q3

# 1 CENT CHANGE IN USD/€ EXCHANGE RATE HAS AN IMPACT OF €5M ON FY-EBITDA, UNHEDGED\*

## USD/EURO development

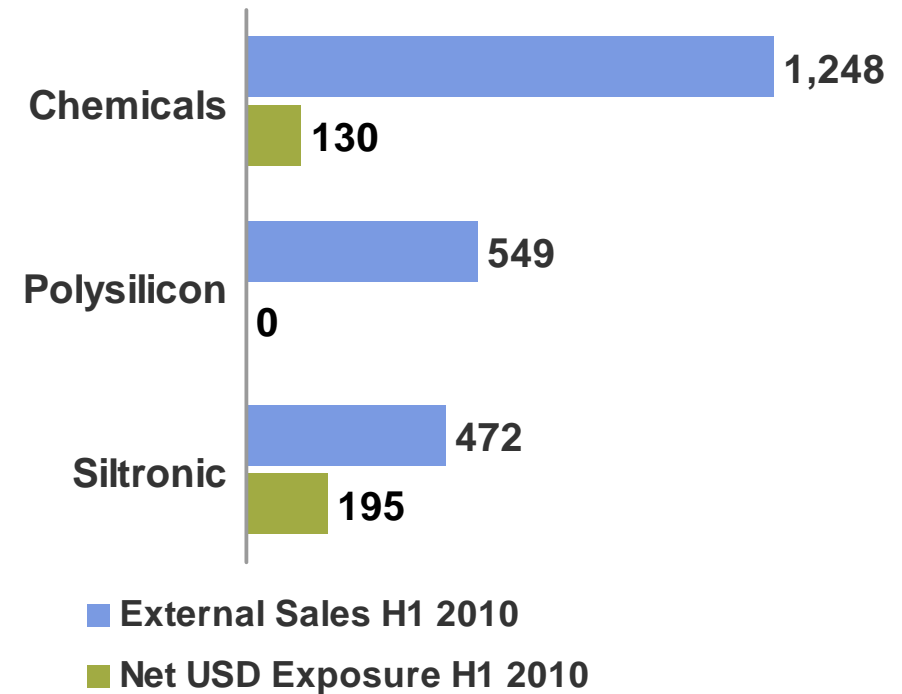
Status: 10/10



Source: www.bundesbank.de

## External sales and net USD exposure H1 2010 (€m)

Status: H1/10

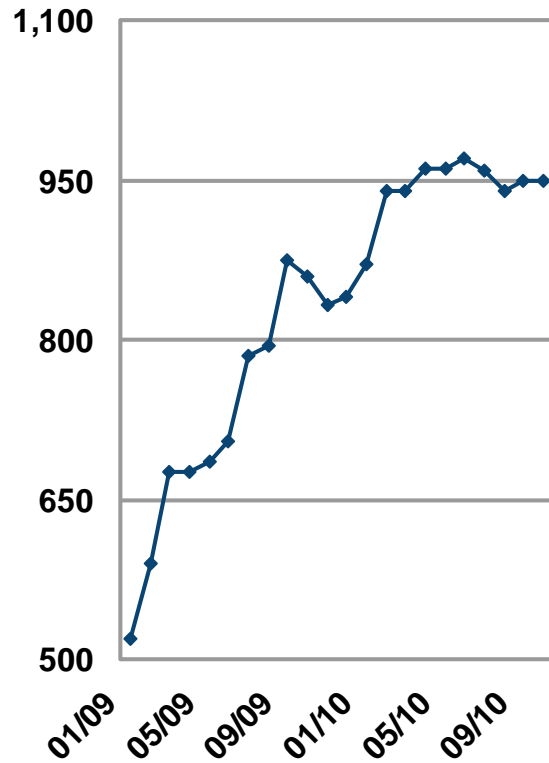


\*Standard Hedging policy = 50% of net exposure, 12 months rolling forward

# SILICON METAL AND ETHYLENE WITH HIGHEST SHARE IN RAW MATERIALS

## Ethylene Contract (EUR/MT)

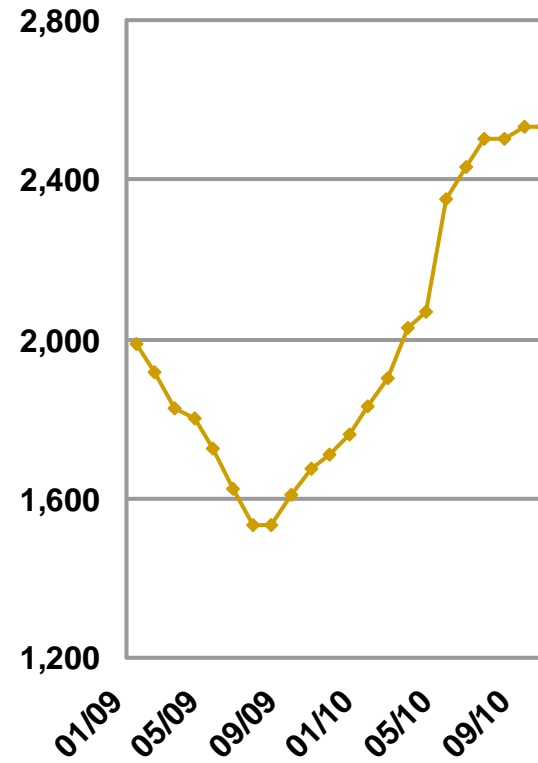
Status: 10/10



Source: ICIS, Ethylene Market Price Europe, free delivered

## Si-Metal Spot (EUR/MT)

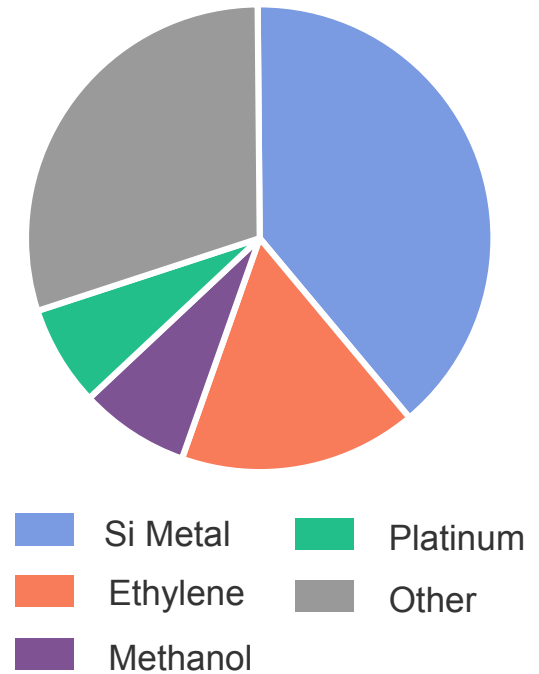
Status: 10/10



Source: CRU-Provider, Si-Metal Market Price Europe free delivered

## Raw Materials (€m) Chemicals

Status: H1/10



Costs of top 4 raw materials 21% of chemicals segment sales