



**WACKER**

# Wacker Chemie AG / SCHOTT Solar GmbH: Creating a Solar Wafer Joint Venture

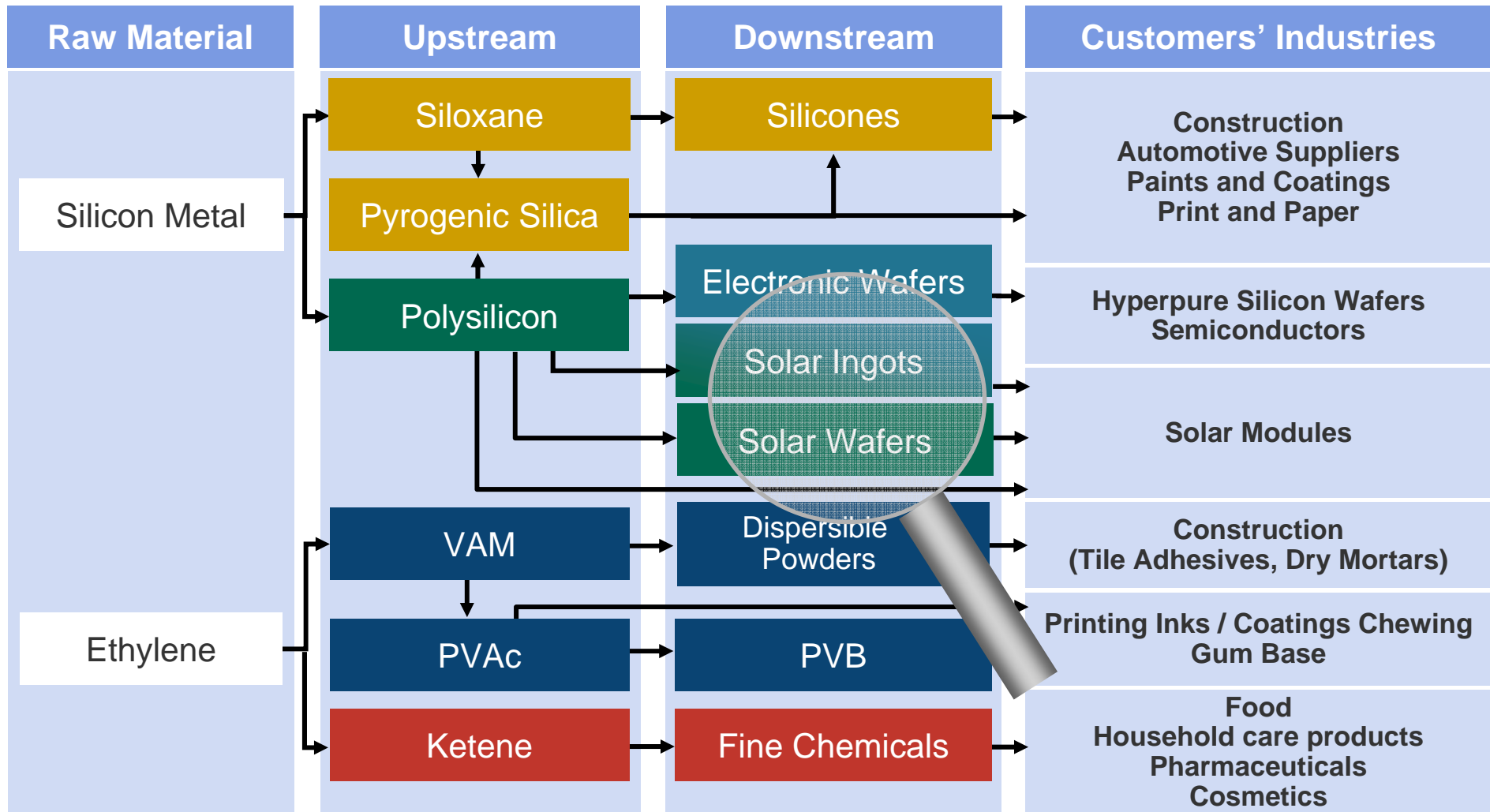
Investor Relations, August 2, 2007

CREATING TOMORROW'S SOLUTIONS

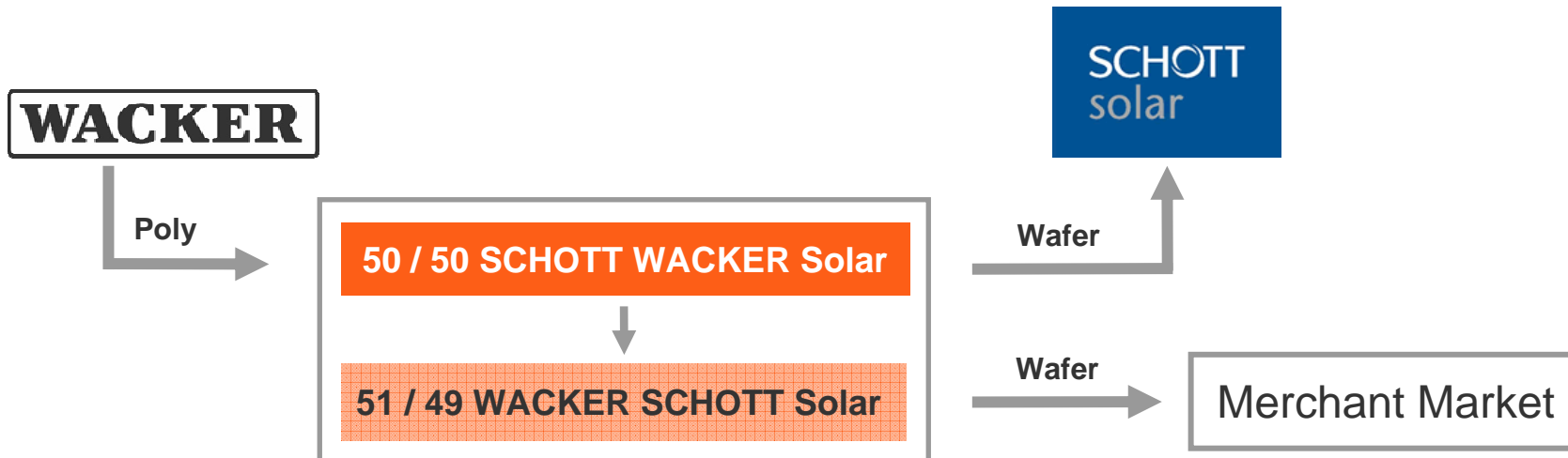
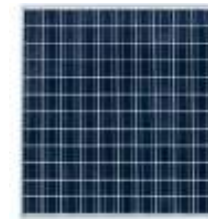
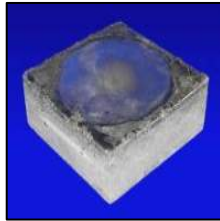
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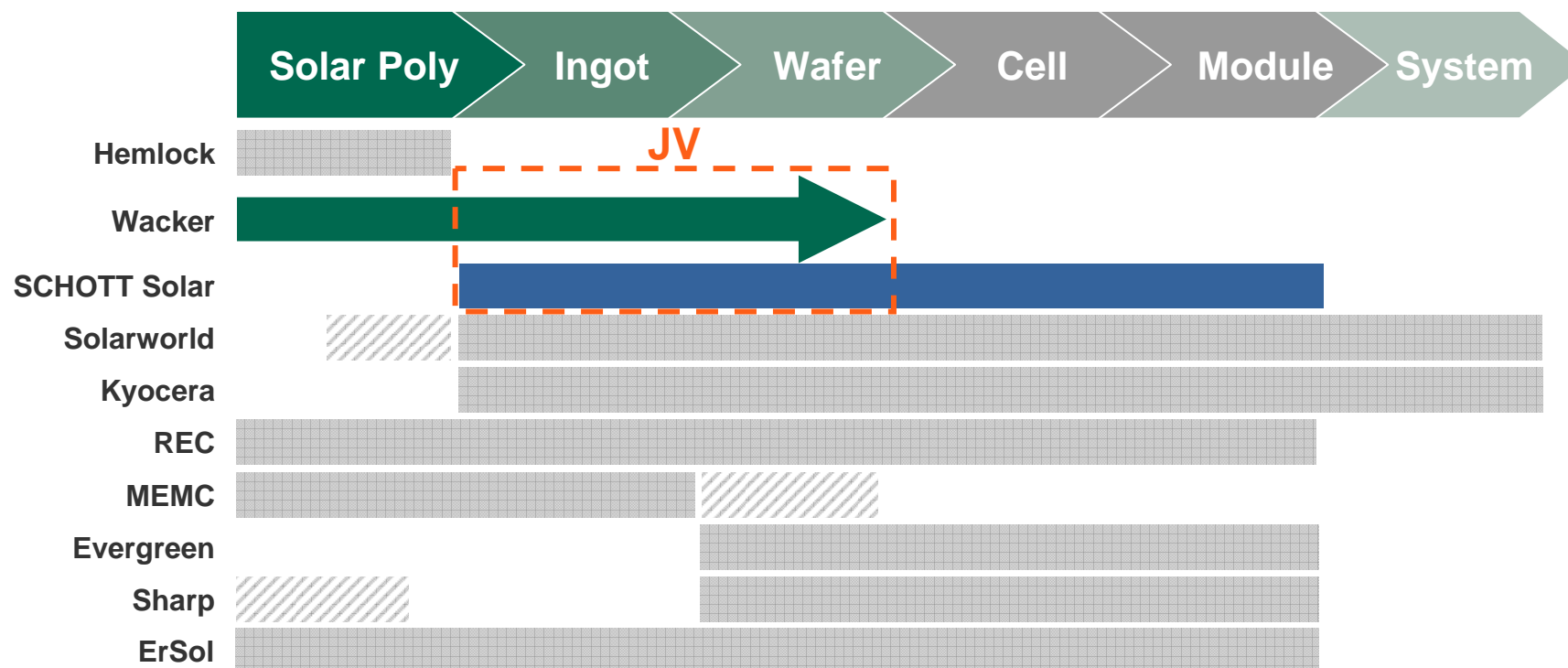
# WACKER SOLAR WAFERS: FORGING A NEW LINK IN THE WACKER VALUE CHAIN



# ADDITIONAL VALUE ADDED BY PARTNERING WITH SCHOTT



# FORWARD INTEGRATION BY PARTNERING TO REDUCE RISK OF MARKET ENTRY



- Concentrate on the most profitable links in the value chain
- Maximizing technological integration through strategic partnering
- Reducing market entry risk with use of existing capacity and proven technology
- Minimizing capital requirements through use of existing facilities and shared investments

# EXPERTISE IN POLYSILICON PRODUCTION FOR MORE THAN 50 YEARS



A worldwide market, technology and quality leader in polysilicon, dedicated to the electronic and solar industries.

## Facts and figures

- Location of production: Burghausen, Germany
- Polysilicon technology: Trichlorosilane CVD (rod and granular)
- Polysilicon capacity: 6,500 t (as of Dec. 31, 2006)
- Sales: 325.6 Million EUR (2006)
- Employees: 875 (as of Dec. 31, 2006)

# SCHOTT SOLAR GMBH: OVER 40 YEARS EXPERTISE IN PV SOLAR COMPONENTS



A worldwide leading Photovoltaic Solar Components Manufacturer. Integrated Production of Wafers, Cells and Solar Modules.

## Facts and figures

- Headquarters: Alzenau, Germany
- Global activities: Production in USA, CZ, GER  
Strong dealer network  
Sales in 18 countries  
Worldwide R&D network  
10% Market share in Germany (2006)
- Wafer technologies: Edge-defined Film-fed Growth  
Crystallisation of mc-Silicon
- Production capacity:

Si-Wafer	40 MW
Cells	130 MW
Modules	100 MW

# COMBINING THE STRENGTHS OF TWO INDUSTRY LEADERS

## Raw material

- Secured high quality Polysilicon supply through WACKER POLYSILICON

## Combined expertise

- Leading edge wafering technology from Siltronic
- Long experience in wafers, cells & modules by SCHOTT Solar GmbH
- Ingot casting by transfer from microlithography through SCHOTT

## Product to market

- Immediate start of wafer supply due to existing manufacturing infrastructure
- Quick start on the learning curve for wafers

## Cost position

- Proprietary processes and know-how generate significant cost benefits
- Industry leading road map due to synergies of expertise
- Close alignment of R&D, impacting poly specifications and production process

## Market channel

- Established supply chain and distribution of downstream products
- High quality wafers by highly qualified market players

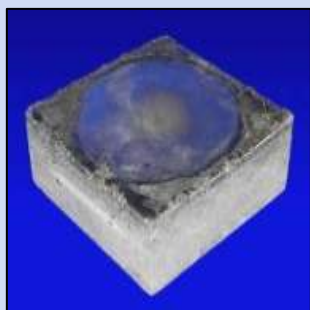
# JOINT VENTURE: FOCUS ON MULTICRYSTALLINE WAFERS – DUAL TRACK

## Site Jena – Delivering premium wafers

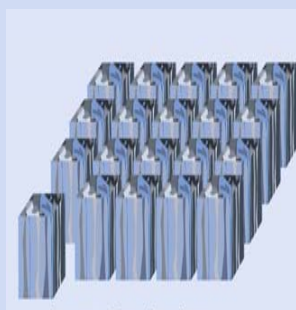
### Casting-Method

Focus on mainstream  
wafer technology

### Crystallization



### Blocking



### Wafering



## SmartSolarFab® Alzenau – Commercializing breakthrough technology

### EFG-Process

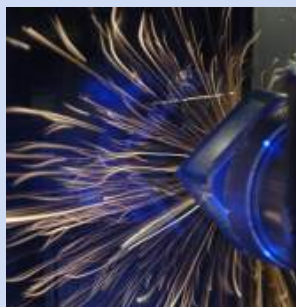
(Edge-Defined Film-Fed Growth)

Proprietary Silicon  
efficient technology

### Pulling



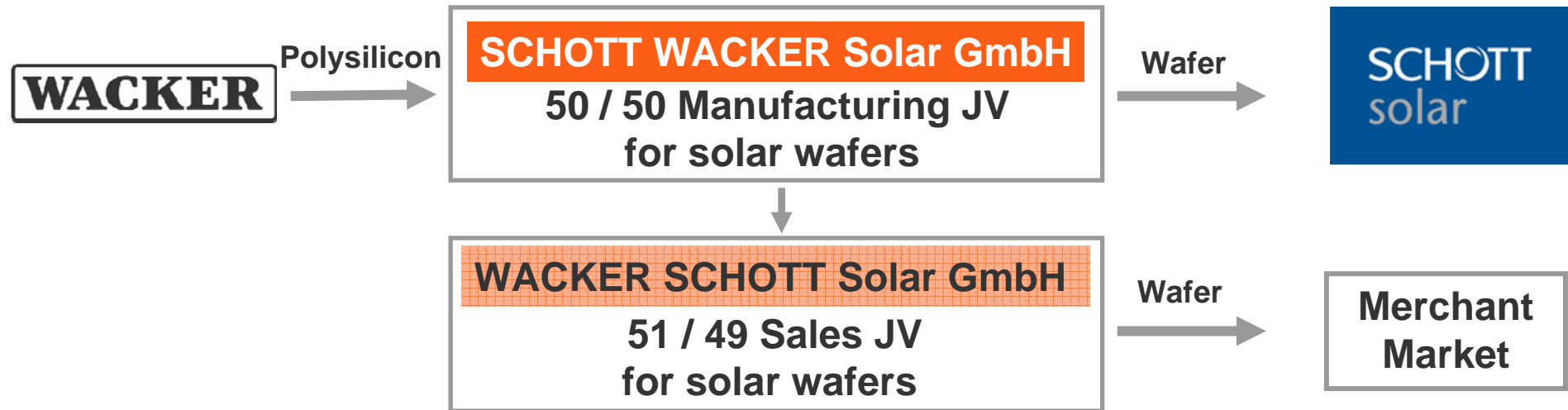
### Cutting by Laser



### Wafering



# IDEAL STRATEGIC FIT FOR BOTH PARTNERS



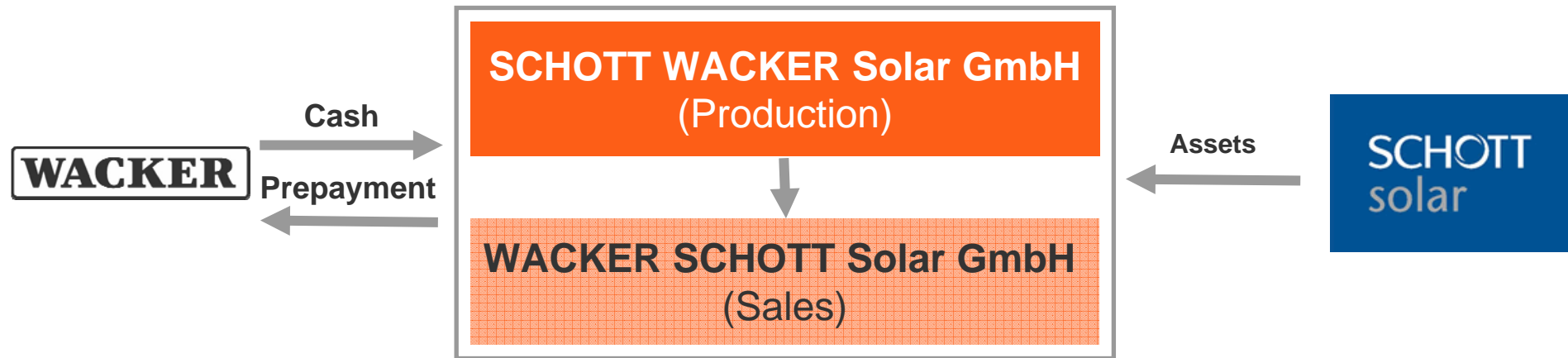
## WACKER

- Forward integration into new technology
- Immediate scale benefits
- Low risk market entry
- Leveraging wafering know-how

## SCHOTT

- Secured strategic poly supply
- Improved utilization of assets
- Optimization of PV Value-Chain
- Global solar distribution network

# FINANCIAL STRUCTURE OF JOINT VENTURE



## WACKER

- Cash contribution
- Prepayment from manufacturing JV
- Polysilicon supply at market conditions
- Production JV consolidated at equity income
- Wafer merchant market JV consolidated at WACKER

## SCHOTT

- Majority of wafer sales to SCHOTT Solar, pricing based on market
- set contribution

# SOLAR WAFERS – AGGRESSIVE TARGETS

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## Solar Wafer Joint Venture

SCHOTT

<b>Foundation:</b>	Q3 2007
<b>Production start:</b>	Q3 2007
<b>Targeted capacity:</b>	1 GW in 2012
<b>Employees:</b>	> 700 in 2012
<b>Investment:</b>	€ ~ 370m until 2012

# GOING FOR MARKET LEADERSHIP

## Contributed assets

### EFG Plant (Alzenau/Germany)



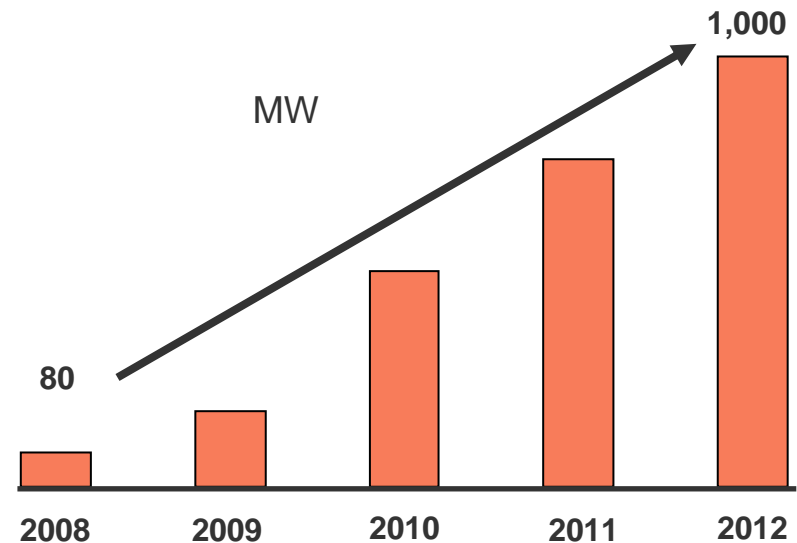
SCHOTT Solar EFG manufacturing site with wafer pulling

### Crystallization Fab (Jena/Germany)



Crystallization fab for high purity Calcium-fluoride converted to mc-Silicon

## Ramp-up plan in MW, year-end



- In-house wafer demand from scratch
- Serving merchant market from 2009
- Technology feedback along entire value chain

# ACCELERATING GROWTH IN SOLAR WAFERS

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**WIN + WIN**

- Partnering with global technology leader
- Limited financial investment
- Secured market entry
- Aggressive expansion and ramp-up
- Largely self-financing
- Linked to global SCHOTT distribution network



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# ISSUER, CONTACT AND ADDITIONAL INFORMATION

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