

**WACKER**

**Annual Shareholder Meeting  
for Fiscal 2007**

Speech by  
Dr. Peter-Alexander Wacker,  
President & CEO of  
Wacker Chemie AG, Munich

on May 8, 2008  
at the International Congress Center, Munich (ICM)

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Dear Shareholders,  
Colleagues,  
Media Correspondents  
Ladies and Gentlemen,

Welcome to Wacker Chemie AG's second Annual Shareholder Meeting! A warm welcome from myself and my Executive Board colleagues!

We held our first Annual Shareholder Meeting here a year ago. We had record results to present to you then – and announced that we felt optimistic about further sales and earnings growth.

Today – almost a year later – we now know that 2007 was the company's best year ever. We managed to set new sales and earnings records. Indeed, we either met or surpassed all our targets.

Let me briefly review the most important figures:

Sales climbed to nearly 3.8 billion euros, rising over 13 percent year on year. Each of our five business divisions contributed to this growth. Siltronic posted the largest gain in absolute terms.

EBITDA grew even stronger than sales. It soared to one billion euros for the first time. That's a gain of over 27 percent. Our EBIDTA margin rose, too, reaching 26.5 percent. These figures make WACKER one of the chemical industry's top performers.

Looking at the bottom line, we generated a net income of 422 million euros in 2007, which means we achieved a 36-percent rise year on year. Accordingly, earnings per share saw substantial growth – from 6.46 to 8.49 euros.

We also greatly increased our capital expenditures in 2007. This didn't stop us, though, from more than tripling net cash flow during the year – to 644 million euros.

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We also succeeded in reducing net financial liabilities – that's the balance of financial liabilities and cash and cash equivalents – by more than 500 million euros against the previous year. On the balance sheet date, cash and cash equivalents exceeded financial liabilities by about 150 million euros. Another highlight is our equity ratio of nearly 50 percent. All these figures prove that WACKER is on an extremely sound financial footing.

Ladies and Gentlemen,

WACKER's outstanding financial performance was evident in our share price. With our stock climbing 100 percent, we ranked among the German capital market's best performers in 2007. WACKER's share price even exceeded the 200-euro-mark briefly on November 8, the day of our Q3 report. The final quote on the balance sheet date was 197.70 euros. WACKER's stock outperformed the MSCI Chemicals Index by 75 percent and the MDAX by as much as 95 percent.

WACKER's success is also due to you, our shareholders, ladies and gentlemen! I would like to thank you for your interest in the company during the past year and for remaining loyal. Naturally, we want you to benefit from the company's positive results.

The Executive and Supervisory Boards propose that the Annual Shareholder Meeting approves a dividend of 2.25 euros per share – 25 cents more than last year. This base dividend is in line with our minimum payout ratio target of 25 percent of net income. On top of this, WACKER intends to issue a special bonus of 0.75 euros, so that you can participate in its excellent results. The base dividend involves a payout of 112 million euros, given the number of applicable shares on December 31, 2007. As for the special bonus, it will lead to the distribution of an additional 37 million euros. Combined, these two dividend components equal a payout ratio of 35.3 percent of net income.

Ladies and Gentlemen,

Everything WACKER achieved last year was the result of excellent teamwork. Close collaboration characterized the efforts of my colleagues on the Executive Board, our managerial staff and, above all, our employees, whose extraordinary dedication secured our success. I sincerely thank everyone for their hard work. Only a team that functions as well as ours can produce such outstanding results.

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Other success factors, though, were involved, too. In many target markets, customer demand for our products was very high – and so, in turn, was capacity utilization at our production facilities. At the same time, we were able to obtain higher market prices for many of our products. This helped drive sales and earnings up even further.

Our success in the marketplace is built firmly on five pillars – they enable us to act from a position of strength.

The foremost pillar is our product portfolio. WACKER's products are optimally geared to satisfying global megatrends. Here are a few examples:

- Firstly – the high and sustained level of construction activity around the globe. The building boom – especially in Asia – fuels demand for our polymer and silicone products for construction applications.
- Second – the increase in environmental and energy-conservation awareness. This trend is responsible not only for the solar industry's demand for polysilicon, but also for the growing interest in thermal insulation and energy-efficient construction materials.
- Third – increasing digitalization; a megatrend that especially benefits Siltronic, our semiconductor division.
- And fourth – the rising standard of living in emerging markets, which boosts demand for all of our products.

The second key pillar is our global presence. WACKER operates production sites in the world's major markets. We also have an extensive service and sales network, which we have substantially expanded over the last few years. Let me quote a percentage that highlights our international strength – today, we generate over 80 percent of our sales abroad.

The third key pillar is our customers. WACKER enjoys a degree of independence from individual, high-volume customers. We have a broad customer base and are highly customer oriented. In our 2007 Annual Report, we described our customer focus in detail. Each and every day, we are committed to giving customers maximum value. By offering top-quality

products, excellent service, skilled local technical support, and innovations. This is supplemented by our approach to collaborations with our customers, as a fair and highly professional partner.

The fourth pillar is our innovative strength. We are technological leaders in many sectors. This allows us to develop products that offer significant advantages over mass-produced goods. Take, for example, our dispersible polymer powders. Compared to conventionally mixed mortars, they offer significantly better properties. Faster to process, they improve the flexural and breaking strength of the finished plaster or screed. In tile adhesives, our polymer powders ensure firm adhesion, even to difficult substrates. The use of our advanced products directly adds value for our customers. We will continue to build on this technological edge in the years ahead, with a clear focus on launching products with high substitution potential.

Efficient production is the company's fifth pillar. Our integrated and unique production system gives us manufacturing cost advantages that are quite considerable. Our production plants are world-class, especially in terms of productivity and cost optimization. By-products and co-products are recycled in other manufacturing stages.

These five pillars are WACKER's five great strengths. And high market-entry barriers for new competitors! So, WACKER usually has little competition to face in virtually all its business fields. It was also largely due to these strengths that we were able to generate such good results in a challenging landscape. Of this, we are proud.

The global economy did grow last year. Despite this positive trend, however, general economic conditions undoubtedly became more difficult. The strong euro and higher energy and raw-material costs didn't make life any easier for us.

A few examples: Prices for our key raw materials – silicon, methanol and ethylene – climbed substantially during the year. In some cases by well over 10 percent. Energy costs were no exception – the natural gas we use to generate electricity and heat is about 10 percent more expensive than a year ago. Overall, we had to shoulder an extra 35 million euros for key raw materials and energy.

The strong euro also had an impact. After all, the Group generates around half of its sales outside of the eurozone. Let me put things in perspective: in early 2007, the dollar/euro exchange rate was still at 1.30 and now we are seeing rates exceeding 1.50! The bottom line here is that the strong euro depressed our earnings by 84 million euros before hedging. Obviously, we are keeping a close eye on the situation. And we're not just passive spectators. We are using hedging to try and gain a bit more immunity from exchange rates. We're also reinforcing our supply chain outside the eurozone. Moreover, we've partly offset higher energy and raw-material costs by raising our product prices.

Ladies and Gentlemen,

Last year, we pressed ahead with our growth strategy. One aspect here was production-capacity expansion, which has taken our investment activities into a completely new dimension. WACKER spent 700 million euros on production expansion and financial investments – more than ever before, even though we have several construction projects running at different production sites simultaneously. In each case, we've managed to stay on schedule. Not a simple achievement, given the complexity of the facilities involved. In fact, quite a remarkable feat on the part of WACKER's engineering team!

Our investment focus was – and is – on the following major projects.

At Burghausen, WACKER POLYSILICON continued to expand its capacities for hyperpure polycrystalline silicon – a response not only to soaring demand from the booming photovoltaics industry, but also to the increasing needs of semiconductor manufacturers.

Q4 2007 saw Expansion Stage 6 ramped up to its full annual capacity of 3,500 metric tons – three months ahead of schedule. Expansion Stages 7 and 8 are fully on track, as is a new facility for granular polysilicon. As a result, our annual capacity will rise to over 22,000 metric tons by the end of 2010. The investment earmarked for these projects total to some 800 million euros.

We expect the polysilicon business to remain attractive over the next few years. There are certainly no signs of an impending poly surplus at the moment. Indeed, 80 percent of our

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production output has already been sold for several years ahead. Some of our supply contracts run until 2018.

Last year, Siltronic's expansion program for 300 mm silicon wafers progressed strongly. Demand is growing – and we're making the most of it! More and more chipmakers are upgrading their plants to accommodate these large wafers.

The reason why 300 mm wafers are booming is quite simple: with over double the surface area of their 200 mm counterparts, they offer customers cost savings of about 30 percent. In response, we have expanded Burghausen's 300 mm wafer operation to today's 135,000 wafers per month – virtually doubling the output.

In Singapore, our 300-mm joint venture with Samsung has already produced its first wafers. The building, infrastructure and equipment were ready in record time. The new facility is set to start a speedy ramp-up in the first half of 2008 – following customer qualification. By the end of 2010, it should reach a monthly capacity of 300,000 wafers. Siltronic and Samsung are jointly investing about one billion U.S. dollars there.

WACKER SILICONES has expanded its facilities at Nünchritz, Germany, and Zhangjiagang, China, to meet the enormous demand for silicone, a truly all-purpose material. As I'm sure you know, silicones are highly versatile. Their properties can be adjusted as required. Not surprisingly, silicones are emerging as the material of choice for an increasing number of applications – both in industry and everyday life. In the automotive, electronics, textile and medical-engineering sectors, to name just a few examples.

At Nünchritz, we've expanded siloxane capacity once again – from 100,000 to today's 120,000 metric tons per year. Siloxane serves as the starting material for silicones. The expansion was achieved by debottlenecking specific points in the production process.

At Zhangjiagang, we made good progress expanding our integrated silicones site. Sealant and silicone-elastomer production plants came on stream there. And additional facilities to manufacture silicone emulsions started up only a few days ago.

The siloxane facility being built with our partner Dow Corning remains on track, as you know. Start-up is scheduled for 2010. Another joint venture with Dow Corning has been completed – a pyrogenic silica plant. It's ramp-up is the next step. WACKER's share of the investment in these two joint ventures amounts to 200 million U.S. dollars. Once the Zhangjiagang project is complete, WACKER and Dow Corning will have the world's largest and most modern silicones site.

WACKER POLYMERS continues to expand its capacity for dispersible polymer powders in response to soaring construction-sector demand. Its polymer powders find application, for example, in thermal insulation systems, tile adhesives and dry mortar mixes.

At Burghausen, a new polymer-powder spray dryer came on stream in fall 2007. With an annual capacity of 30,000 metric tons, it is the largest facility of its kind to date anywhere in the world. Another facility of the same size is under construction in Nanjing. It will reinforce and expand WACKER POLYMERS' leading position in China – a key growth market. If everything goes as planned, we will begin polymer-powder production there in early 2009. The total investment in these two spray dryers amounts to some 130 million euros.

Ladies and Gentlemen,

By expanding production capacity, we gain new opportunities for growth. In fact, 2007 saw the realization of two other growth-oriented projects.

The first involves photovoltaics – WACKER and SCHOTT are manufacturing solar wafers in Jena, Germany. To this end, we established two joint ventures with SCHOTT Solar to produce and to market silicon wafers for the solar industry. Over the next few years, WACKER and SCHOTT will invest a total of some 370 million euros in facilities at Jena and Alzenau, Germany. Last October, we laid the cornerstone for a solar-wafer production plant in Jena. Capacity is set to expand in stages, reaching about one gigawatt per year by 2012.

What does this mean for WACKER? The partnership will boost our share of added value during the manufacturing process. Well-established as a semiconductor-wafer manufacturer, we can now apply all this experience profitably to another sector. Our goal is quite clear. We want WACKER SCHOTT Solar to become one of the world's largest solar-wafer producers.

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The second key project involves the expansion of our polymers business. At the end of 2007, we acquired the shares of our long-term partner Air Products in two joint ventures – Air Products Polymers, or APP for short, and Wacker Polymer Systems, or WPS. For ten years, APP and WPS split the polymers business between themselves. APP produced dispersions and WPS polymer powders for the construction industry. In the future, WACKER will once again manufacture both dispersions and powders – worldwide. This backward integration into dispersions strengthens our supply chain. We now possess fully integrated production sites in Europe, the USA and Asia. And with the addition of APP's business, sales at WACKER POLYMERS are set to rise to about one billion euros.

Ladies and Gentlemen,

How did WACKER perform last year on the regional front and in its business divisions?

Regionally speaking, Asia is our main growth driver. It's where we generated nearly 1.3 billion euros in sales. So, it is by far our largest market. Asia's share of consolidated Group sales exceeds 33 percent – with China as the key market. In fact, we're experiencing growth rates of over 40 percent in China.

Asia will become even more important for our overall performance in coming years. Just consider all our expansion programs underway there! What makes Asia so vital to us is the huge potential demand for our products – especially in the electronics, photovoltaics and construction sectors.

In our European markets excluding Germany, we generated sales of over 1 billion euros, an increase of 8 percent year on year. Growth was especially strong in Eastern Europe – above all in the construction sector.

In the Americas, we posted sales of 643 million euros for 2007, almost 3 percent below the prior-year figure. The weak dollar had an impact here. Adjusted for currency effects, however, sales grew 7 percent.

Turning to Germany, business was very robust. We definitely felt the economic upturn here! Domestic sales reached 724 million euros in 2007 – up 10 percent.

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As I mentioned in my opening remarks, a glance at each business division reveals the following picture: WACKER's four largest divisions contributed to sales growth. WACKER FINE CHEMICALS was the only division to stay at the previous year's level.

Siltronic and WACKER POLYSILICON posted the highest sales and earnings gains. Siltronic, our largest division, increased its sales to 1.45 billion euros – a rise of 15 percent. This was primarily due to higher production volumes.

On top of this, Siltronic's earnings growth outpaced sales gains. EBITDA reached 478 million euros despite negative exchange-rate effects. That's 34 percent up year on year! Key factors in this rise were product-mix shifts toward 300 mm wafers, sales to the solar industry and, above all, efficiency gains.

Looking at WACKER POLYSILICON, it clearly outperformed even the company's other excellent growth rates. WACKER POLYSILICON beat its prior-year sales by 40 percent and EBITDA by over 50 percent. The primary drivers were higher prices and volume gains. Above all, our polysilicon business was spurred on by sustained and surging solar-industry demand. The division's sales amounted to 457 million euros and EBITDA 182 million euros.

The situation was rather more complex at WACKER's chemicals divisions. Our silicones and polymers operations benefited from higher production volumes and, in some cases, higher prices. This led to sales gains. Earnings, however, were depressed by higher energy and raw-material costs, and negative exchange-rate effects. All in all, our chemicals divisions' EBITDA roughly matched the prior-year level.

At WACKER SILICONES, sales climbed 6 percent to 1.36 billion euros. EBITDA was 227 million euros, slightly below the prior-year level. Sales growth stemmed chiefly from strong volume gains. Higher prices also played a role in some cases. To underpin its innovative silicones strength, WACKER showcased many new products last year at the world's largest plastics tradeshow – the "K" in Düsseldorf, Germany.

WACKER POLYMERS generated sales of 633 million euros in 2007 – up 13 percent. Growth was chiefly fueled by construction-industry demand for dispersible polymer powders. At 107 million euros, EBITDA was slightly above the prior-year figure. EBITDA didn't climb as strongly as sales chiefly because it was burdened by higher raw-materials prices. A plant shutdown at our largest supplier also lost us earnings. As with WACKER SILICONES, we managed to push through price increases to offset WACKER POLYMERS' higher raw-material costs.

At WACKER FINE CHEMICALS, we pressed ahead in 2007 with our strategic realignment. Custom fine chemicals and catalog products experienced further sales declines. In contrast, we secured further sales gains for bioengineered pharma proteins, cyclodextrins and cysteine. At 112 million euros, sales stayed at last year's level. EBITDA amounted to 10 million euros.

Looking at the overall picture, we can ascertain the following: 2007 has left WACKER stronger than ever before. We are optimistic that we can build on this success. Despite the financial crisis, the unfavorable exchange rates and the higher energy and raw-material costs, we got off to a good start in 2008's first quarter. That's obvious from the figures we published eight days ago.

WACKER generated first-quarter sales of over one billion euros, 8 percent above Q1 2007. EBITDA also grew – by 9 percent to over 290 million euros. Our EBITDA margin climbed to 28.6 percent. EBIT was almost 200 million euros. That's 6 percent more than in Q1 2007! Our earnings per share rose accordingly. It reached 2 euros and 63 cents for the period from January through March – a gain of 14 percent.

Ladies and Gentlemen,

Let me, for a moment, look at 2007 in the light of some other aspects that are of decisive importance for the Group's development.

First and foremost are our employees. Their number rose again. As of December 31, 2007, WACKER had 15,044 employees worldwide, which is a year-on-year increase of

2.6 percent. Of the total, 11,624 work in Germany and 3,420 abroad. The staff increase stems from capacity expansions, especially at our silicones, polymers and polysilicon divisions.

Through their commitment, our 15,000 employees around the globe help ensure that more and more customers are opting for WACKER. Our employees play a decisive role in the company's success. I sincerely thank them for their efforts.

Our personnel policy is based on:

- Performance and success-oriented compensation
- A work environment conducive to high performance
- An attractive company pension, and
- An outstanding basic and advanced training program

We actively promote training as the foundation for our employees' qualifications and quality standards. Overall, 616 young trainees are learning a profession at WACKER's German locations.

We know how valuable a good education is. That's why the Vocational Training Center in Burghausen educates more young people than necessary to cover our own needs. We see this as part of our social responsibility. The main focus is on scientific and technical careers. In this area alone, as many as 538 young trainees are currently receiving a solid education. In addition, we offer university graduates the chance to enroll in our 18-month General Trainee Program. At this very moment, some of our young talent is working right here. About 50 trainees are helping to ensure that this Annual Shareholder Meeting runs smoothly.

At WACKER, learning doesn't stop on graduation day. We need employees who continually deepen and broaden their skills. With over 50,000 e-learning training sessions completed and over 11,600 participants in seminars, workshops and conferences, our commitment is clear. Last year, we invested 6.2 million euros in career-development and other training measures for our employees.

How can we improve our work practices? WACKER's management are not the only ones to be dwelling on this question. Last year, staff submitted 4,400 improvement suggestions and ideas. A new record! This input translates into cost benefits of 7.6 million euros.

People issues will continue to require our close attention in the future. Demographic change poses a great challenge. The average age of our workforce is rising. At the same time, the number of graduates is on the decline. But the need for highly qualified staff is growing. It's already apparent today that, in our specialized sector, there is more work available than suitable applicants.

WACKER is facing up to this challenge by intensifying its efforts to hire graduates. We want them to perceive us as an attractive employer.

R&D has always been a top priority at WACKER. Our innovative skills are crucial for the way ahead. We cooperate closely with our customers on numerous R&D projects. In 2007, WACKER invested over 150 million euros in R&D. That means R&D spending amounts to 4 percent of consolidated sales.

At WACKER, R&D is firmly anchored in a competence network, which we have steadily expanded over the years. Silicon and silicone chemistry makes up 80 percent of our sales. We are convinced that there is still plenty of potential for new developments, applications and products. Particularly promising areas are macromolecular silicon chemistry, conductive silicon polymers and hybrid polymers. They harbor enough potential to revolutionize silicon chemistry.

We have an exceptional partner to help us in this quest – the Technical University of Munich, which was given the status of an elite German university in 2006. And that is not all. Our partner was awarded first place by the German Science and Humanities Council (or "Wissenschaftsrat") in a research-related study that pitted it against 77 other universities.

Our decision to endow an "Institute for Silicon Chemistry" (at the Technical University of Munich) is a vital investment for the future. We are funding the institute to the tune of 6 million euros – money that will be used to equip laboratories and finance research projects

and grants. The institute will carry the name of WACKER and its official inauguration is scheduled for July 2008.

Ladies and Gentlemen,

What exactly are the criteria for measuring corporate success? At WACKER, financial indicators, such as sales, EBITDA and cash flow, are not the only criteria. We attach a lot of importance to how we reach our targets. For us, there's no success without sustainability. That's why we reduce resource consumption and protect the environment. Furthermore, we believe that sustainability also involves social and cultural responsibility.

We joined the chemical industry's Responsible Care® initiative right from the outset and all our sites have adopted its principles. WACKER's integrated management system – or IMS for short – underpins Responsible Care®. Our IMS governs workflows, functions and responsibilities. In doing so, it attaches equal importance to health, safety, quality, productivity and the environment.

Allow me to mention a few of the aspects that shape our IMS:

- legal stipulations
- voluntary commitment to Responsible Care®, and to
- the Global Compact, a United Nations initiative
- plus, national and international standards

Our actions should be measurable. So, we set ourselves clear goals, which we carefully assess to ensure they are in line with our sustainability policies. WACKER invests continuously in environmental protection. In 2007, we spent 8 million euros on new environmental measures.

I'd like to cite one example. At a pyrogenic silica plant in Burghausen, we installed a novel technology that our own scientists had developed. This WACKER invention helps us recover chlorinated hydrocarbons. In 2007 alone, it resulted in the recovery of some 2,000 metric tons of chlorinated hydrocarbons. It also reduced our need for auxiliary materials on about the same scale.

Occupational safety is one of the most important aspects of corporate responsibility at WACKER. We do a lot to provide a safe and healthy work environment for our employees. Safety is also essential in order to ensure production processes are running smoothly. In 2007, we launched a global initiative – entitled “New Workplace Safety Impetus” – to minimize accidents. Although our accident rate is very low, this initiative aims to reduce it further.

Across the Group, WACKER promotes a variety of scientific, social and cultural projects.

I've already mentioned the shortage of young talent a few minutes ago. In 2007, we reissued our experiment kit for schools, which is designed to promote education in the natural sciences. Under the motto “learning by doing,” students can conduct a wide range of chemical experiments. WACKER has produced 2,250 kits and issued them to schools.

One social challenge I feel particularly strongly about is the lives of our children. Not just anywhere in the world. It's horrifying how many children are living on the poverty line – even in a wealthy country like Germany. I find the situation most troubling. We must change things.

That's why we decided to support the “Ark” – a charity that helps five-to-twelve year olds in a number of German cities. Most of the children come from socially disadvantaged families. The “Ark” provides them with hot meals and a caring atmosphere. It organizes tutoring and, in some cases, psychological counselling. Two weeks ago, we made another donation to the “Ark” in Munich – a check for 100,000 euros to help fund the vital work they do.

Ladies and Gentlemen,

2007 was a successful year for WACKER in every respect. And we got off to an excellent start to 2008. Our strong first quarter is a sound basis for sustaining our robust performance during the rest of the year.

How do we judge the outlook for fiscal 2008? My Executive Board colleagues and I are optimistic about 2008, too. Of course, no one can currently predict how strongly the financial

crisis will impact the real economy. The experts hold varying opinions, though all agree that the global economy is very likely to slow down somewhat.

The challenges in 2008 are even more intense than last year's:

- Ever-increasing raw-material and energy costs
- And, above all, a strong euro

Despite the difficult climate, we still expect to continue on our growth course. Demand for our products remains strong. We see further growth potential in Asia, Eastern Europe and South America. So, the chances for successfully pressing ahead with our growth strategy are good.

And our confidence is backed up by the fact that we are going to invest one billion euros just in 2008. In relation to sales, this is unmatched in our industry.

This year will see us starting up a number of new production facilities. Among them is the new plant for 300 mm silicon wafers in Singapore – a joint venture with Samsung - and a plant for producing pyrogenic silica at Zhangjiagang in China.

We hope to generate additional growth potential, as already mentioned, via our joint venture with SCHOTT. The solar-wafer production plant in Jena officially came on stream three weeks ago – after a construction period of only six months. By the end of the year, we expect nominal capacity to reach 120 megawatts. As you see, WACKER SCHOTT Solar is completely on schedule.

At this point, let me briefly look at our expectations for the solar industry. The world, we're sure, is standing on the threshold of a new energy age. And photovoltaics will play an ever-increasing role. It currently accounts for about 2 percent of the power generated in Germany.

Photovoltaics is the cleanest form of electricity generation. Traditional resources such as coal pollute the environment. Oil and gas are becoming increasingly more expensive. Just a few days ago, oil jumped above 120 dollars a barrel after starting the year at about 90 dollars. The concerns about rising carbon-dioxide emissions and climate change provide additional impetus for choosing solar power.

At the same time, we are making headway in reducing solar-power-generation costs substantially. Currently, the payback period for the energy used to manufacture a solar cell is two years. To put things in perspective, ten years ago the payback period was six-and-a-half years. And there's still plenty of potential to optimize the manufacturing chain, from the starting material, polysilicon, right through to the finished solar module. Exploiting this potential will further increase solar electricity's competitiveness.

With this in mind, we are not overly concerned by the recent discussions about lowering government subsidies for solar power. Even if subsidies drop substantially, this won't stop solar power from becoming an important mainstay of the power generation industry. On the contrary. We, for our part, are convinced that WACKER will continue to benefit from advances made in the solar-power sector.

Something else with great promise is the integration of the two joint ventures we had with Air Products. After successfully concluding the acquisition as of February 1, 2008, we have been making excellent progress with the full-scale integration process. Perhaps I should add – better than expected. In fact, through this acquisition and by continuing the growth of our polymers business, we expect to increase WACKER POLYMERS' sales to almost 1 billion euros.

Overall, we expect consolidated sales to increase by clearly over 10 percent in 2008. EBITDA will also rise. In view of the current climate and all the uncertainties involved, I feel that my words are a clear statement of confidence.

Ladies and Gentlemen,

Today is the last time that I will address you at an Annual Shareholder Meeting as President and CEO. At this Meeting, I will step down and stand for a seat on the Supervisory Board. There, I intend to put my knowledge to good use and do everything in my power to keep WACKER on its successful course.

We notified you and the general public of the reasons back in December 2007. The current office holder, Dr. Karl Heinz Weiss, will be stepping down upon reaching the age limit for Supervisory Board members.

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It was of overriding importance for us, as a company, to fill this leadership gap in such a way as to ensure long-term continuity in WACKER's management.

My designated successor, Dr. Rudolf Staudigl, stands for this continuity. I have worked very closely with Rudolf Staudigl for over ten years now. No one knows the company better than he does. In fact, he was one of the main people driving the company's strategic realignment.

Dr. Wilhelm Sittenthaler will join Wacker Chemie AG's Executive Board in May, too. His appointment means that the Executive Board will continue to have four members.

Ladies and Gentlemen,

turning to my own decision, it definitely wasn't an easy one. I am certain that quite a few people would love to have this position. And, in fact, I couldn't have imagined a better job than my post at WACKER. It was never easy – but I enjoyed it immensely!

Over the past twelve years, we have taken several steps that are crucial for the Group's successful future. Let me highlight three of them:

- The strategic realignment of our portfolio
- The reorganization of our ownership structure
- And last, but not least, our successful IPO of 2006

I'm convinced that the strategic course we charted meant that the company was able to change so positively – holding on to its roots and motivating its employees to adopt the new path. All of these changes have enabled WACKER to be better positioned now than ever before in its 93-year history. Naturally, this has made it easier for me to hand over the reins.

I would like to thank WACKER's employees, customers, suppliers and shareholders for their trust during my term as President and CEO. I am especially grateful to our employees for all their hard work over the years, helping to ensure WACKER's success. I cannot stress enough how much I value their commitment!

Ladies and Gentlemen,

I am convinced that Rudolf Staudigl will firmly pursue the course we have been charting. I wish him a decisive hand. And above all that extra bit of luck every businessman needs.

I'm just as strongly convinced that WACKER has plenty of opportunities for further growth and for shaping its future. We are set to seize and to exploit these chances. I ask you to remain loyal to Wacker Chemie AG – the rewards will make it worth your while.