

PRESS RELEASE

Number 42

WACKER TO FURTHER EXPAND POLYSILICON PRODUCTION CAPACITY

- ◆ NEW PRODUCTION PLANT WITH ANNUAL CAPACITY OF 10,000 METRIC TONS AT WACKER'S NÜNCHRITZ SITE
- ◆ SOME 450 NEW JOBS EXPECTED FROM €760 MILLION INVESTMENT
- ◆ NOMINAL ANNUAL-CAPACITY TARGET FOR BURGHAUSEN'S EXPANSION STAGE 8 CURRENTLY UNDER CONSTRUCTION UPPED FROM 7,000 to 10,000 METRIC TONS
- ◆ CEO RUDOLF STAUDIGL: "WE EXPECT CRYSTALLINE SOLAR TECHNOLOGY TO SHOW CONTINUED STRONG GROWTH"

Munich, October 17, 2008 – Wacker Chemie AG plans to construct a new polysilicon production plant at its Nünchritz site (Saxony, Germany) with a nominal annual capacity of 10,000 metric tons. The Munich-based chemical company announced this decision today. The first batch of polysilicon from this "capacity expansion phase 9" project is scheduled for Q1 2011. The new plant is expected to achieve full capacity by the end of 2011. WACKER has budgeted some €760 million for this project, which should create around 450 new jobs. The company has additionally decided to raise the nominal annual capacity planned for Burghausen's "expansion phase 8" (currently under construction) from 7,000 to 10,000 metric tons. Thanks to these and other ongoing expansion measures, WACKER's polysilicon capacity by year-end 2011 will reach 35,500 metric tons annually, compared to today's 10,000 metric tons.

Output expansion will enable WACKER to meet the accelerating global demand it expects for hyperpure polycrystalline silicon. For

coming years, WACKER anticipates continued double-digit annual growth in polysilicon demand by the solar-industry. The company likewise expects higher polysilicon demand from the electronics industry.

“We expect crystalline solar technology to show continued strong growth and customer demand for polysilicon to remain high,” said Dr. Rudolf Staudigl, CEO of Wacker Chemie AG. “Already the world’s second-largest polysilicon producer, we intend to reinforce and extend our market position by intensifying capacity expansion. Nünchritz’s highly advanced infrastructure and integrated production loops make it the logical choice for this expansion from a business and technical viewpoint.” According to the CEO, the closed material loops obtained by perfectly integrating the new facility into Nünchritz’s existing production environment will not only be highly resource-efficient but also essential for achieving the lowest-possible polysilicon manufacturing costs.

For over 50 years, WACKER has been producing hyperpure polycrystalline silicon for the semiconductor industry. With rising solar-silicon demand, WACKER POLYSILICON has been expanding capacity step by step and, since 2000, increasingly supplying the photovoltaics industry. Supplementing Burghausen, Nünchritz will be WACKER’s second site to manufacture solar silicon. The German state of Saxony, in which it is located, is among the world’s leading solar-industry centers.

WACKER in Nünchritz

At Nünchritz, WACKER SILICONES (a WACKER division) produces pyrogenic silica, chlorosilanes, silicates, silicone fluids, silicone emulsions, antifoam agents, siliconates and silicone rubber, as well as the necessary precursors. In the past 10 years, WACKER has invested more than €550 million to transform this site into one of the world’s largest and most modern silicone production complexes. The

Munich-based chemical company currently employs some 930 staff in Nünchritz.

This press release contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update the forward-looking statements, nor does it assume the obligation to do so.

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The company in brief:

WACKER is a globally active chemical company with some 15,000 employees and annual sales of around €3.78 billion (2007). WACKER has 27 production sites and over 100 sales offices worldwide.

WACKER SILICONES

Silicone fluids, emulsions, rubber and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetate and vinyl acetate copolymers in the form of dispersible polymer powders, dispersions and solid resins used as binders for construction chemicals, coatings, adhesives, paints, plasters and nonwovens

WACKER FINE CHEMICALS

Fine chemicals, biologics and other biotech products, such as cyclodextrins and cysteine

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaics industries; solar wafers

Siltronic

Hyperpure silicon wafers and monocrystals for semiconductor devices