

PRESS RELEASE

Number 44

WACKER'S EARNINGS GROW STRONGLY IN Q3 2009 DESPITE HIGH ONE-TIME CHARGES

- ◆ GROUP SALES UP 7 PERCENT ON Q2 2009 TO €987 MILLION
- ◆ EBITDA CLIMBS 8 PERCENT QUARTER-ON-QUARTER TO €184 MILLION DESPITE NON-RECURRING CHARGES OF €52 MILLION
- ◆ NET INCOME FOR THE PERIOD REACHES €35.9 MILLION
- ◆ HIGHER DEMAND AND SALES VOLUMES IN THIRD QUARTER DRIVE CONFIDENCE

Munich, November 5, 2009 – Wacker Chemie AG posted strong quarter-on-quarter sales and earnings growth in July through September 2009. Fueled chiefly by higher volumes, sales reached €986.5 million (Q3 2008: €1,156.9m). Although 15 percent lower than a year ago, sales at the Munich-based chemical group were up 7 percent against Q2 2009. More favorable year-on-year exchange rates supported this growth, while lower prices hampered business performance. Despite incurring an investment loss of €51.9 million due to exiting former joint venture WACKER SCHOTT Solar, the Group reported earnings before interest, taxes, depreciation and amortization (EBITDA) of €184.0 million (Q3 2008: €327.5m), 8 percent higher than Q2 2009 (€170.1m). The EBITDA margin reached 18.7 percent (Q3 2008: 28.3 percent). Without the non-recurring effect of WACKER SCHOTT Solar, the Group's third-quarter EBITDA margin would have been 23.9 percent. Higher production capacity utilization in chemicals and semiconductors positively

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impacted operating profitability, as did ongoing and rigorous cost management. After special items, earnings before interest and taxes (EBIT) amounted to €82.9 million in 2009's third quarter (Q3 2008: €237.9m). The EBIT margin for the period was 8.4 percent (Q3 2008: 20.6 percent). Q3 net income was €35.9 million (Q3 2008: €170.8m). Thus, earnings per share amounted to €0.68 for July through September 2009 (Q3 2008: €3.44).

WACKER reported substantial profitability gains in chemicals. EBITDA at its three chemical divisions reached €116.0 million, outperforming not only the prior-year quarter (Q3 2008: €92.7m) but also Q2 2009 (€83.4m). At WACKER POLYSILICON, EBITDA of €86.5 million was below Q3 2008 (€130.7m) and Q2 2009. This decline stemmed from exceptional items of €51.9 million due to exiting the joint venture with SCHOTT Solar. As for Siltronic, the semiconductor division more than halved its quarter-on-quarter losses. Nonetheless, its EBITDA remained in negative territory at €-21.6 million (Q3 2008: €108.1m).

For full-year 2009, WACKER still expects its sales and operating result to be significantly lower than last year. In all probability, 2009's fourth quarter will again reflect the usual seasonal effects that normally tend to dampen WACKER's business during the final months. For fiscal 2010, the Munich-based chemical company is cautiously optimistic. Providing the economic recovery continues – especially in WACKER's key markets and regions – the company sees a good chance of increasing both consolidated sales and operating result in the coming year.

“Our third-quarter performance is an encouraging sign that the economy is picking up,” said CEO Rudolf Staudigl in Munich on Thursday. “Sales volumes, capacity utilization, sales and earnings all

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grew strongly compared to the second quarter. Nevertheless, there is still uncertainty about how stable the recovery is going to be. So, we must remain firmly focused on cutting costs and improving operational efficiency. Above all, we will be keeping an eye on WACKER's cash flow and liquidity."

Regions

In Q3 2009, the momentum for recovery was strongest for WACKER in Asia, especially China. The Group's third-quarter sales reached €354.4 million in Asia, slightly up on last year (Q3 2008: €349.8m). With 36 percent of Group sales now generated in Asia (Q3 2008: 30 percent), the region's importance as a WACKER market continues to grow. In Germany, sales amounted to €180.4 million for the July to September quarter, down 27 percent year-on-year (Q3 2008: €246.2m). At €253.8 million, sales in the rest of Europe were just below the prior-year level (€261.5 million). As for the Americas, although third-quarter sales fell 38 percent year-on-year to €162.7 million (Q3 2008: €263.5m), they showed a 9 percent improvement against the previous quarter. In other regions, Q3 sales totaled €35.2 million (Q3 2008: €35.9m).

Investments and Net Cash Flow

WACKER made further progress on production capacity expansion, investing €171.8 million (Q3 2008: €219.3m) during the 2009 July to September quarter. Despite the high investment outflow for this strategic program, WACKER generated a positive net cash flow of €92.7 million (Q3 2008: €86.0m), largely due to the operational strength of its chemical divisions and WACKER POLYSILICON.

Third-quarter investments focused on the ongoing expansion of polysilicon capacities at Burghausen and Nünchritz. WACKER POLYSILICON accounted for nearly two-thirds of the Group's overall

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investment volume. At Burghausen, the ramp-up of new production capacities for hyperpure polycrystalline silicon is now under way, as planned. Nünchritz's new facility is under construction and is expected to start production before the end of 2011. Further capital expenditures went into the ongoing development of the silicones site at Zhangjiagang.

Employees

On the September 30, 2009 reporting date, WACKER had 15,685 employees (June 30, 2009: 15,721) – 11,979 at German sites (June 30, 2009: 12,002) and 3,706 outside Germany (June 30, 2009: 3,719). At the start of 2009, WACKER had responded to the slump in demand by reducing work hours at its German production sites. During the course of the year, improving sales volumes have positively impacted capacity utilization, enabling the company to significantly lower the number of employees working reduced hours. From a peak of 3,100 employees in April 2009, the number was down to just over 100 by mid-October.

Business Divisions

The **WACKER SILICONES** division generated total sales of €343.9 million in the third quarter of 2009 – a 13 percent gain on the preceding quarter but 7 percent lower than a year ago (Q3 2008: €370.6m). Sales developed especially positive in the medical technology and power transmission/distribution segments. Sales volumes for automotive and electronics customers also picked up, though were still well below last year's third quarter. Capacity utilization gains made since the first-half year lowered specific manufacturing costs and bolstered WACKER SILICONES' earnings. Additionally, third-quarter raw-material and energy costs were not as high as in the comparable period last year. For Q3 2009, the division

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generated EBITDA of €69.4 million (Q3 2008: €61.0m). This corresponds to an EBITDA margin of 20.2 percent (Q3 2008: 16.5 percent).

Thanks to robust dispersible powder demand in Q3 2009, **WACKER POLYMERS** was able to keep sales at about Q2's level. In the July through September period, sales totaled €200.2 million (Q3 2008: €238.9m). Asian business experienced the strongest demand growth. Price pressures, though, persisted during the quarter. WACKER POLYMERS' earnings performance benefited from cost savings and lower year-on-year raw-material prices. As a result, the division posted substantial profitability gains in Q3 2009. At €42.6 million, EBITDA was 45 percent above the year-earlier quarter (Q3 2008: €29.3m). The corresponding EBITDA margin was 21.3 percent (Q3 2008: 12.3 percent).

WACKER FINE CHEMICALS reported total sales of €32.6 million for the July through September quarter (Q3 2008: €22.7m). The year-on-year sales gain was mainly due to the division taking over responsibility for gumbase activities from WACKER POLYMERS as of July 1, 2009. Business with pharmaceutical proteins developed positively and sales for bioengineered cysteine and gamma cyclodextrins were also higher than a year earlier. In Q3 2009, the division's EBITDA amounted to €4.0 million (Q3 2008: €2.4m). This translates into a 67 percent year-on-year increase, with an EBITDA margin of 12.3 percent (Q3 2008: 10.6 percent).

In the third quarter of 2009, **WACKER POLYSILICON** profited from the market success of initial sales volumes generated by the ramp-up at Burghausen's new hyperpure polycrystalline silicon facilities. Thanks to its Q3 production and sales-volume records, the division increased total sales to €268.6 million – a good 12 percent above the

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year-on-year figure (€238.9m), even though prices for short-term orders were lower than a year earlier. On the earnings front, the benefits of moderate operating costs and high capacity utilization did not offset the strain on investment income due to exiting the WACKER SCHOTT Solar joint venture. The exit-related expenses and pro-rata losses totaled €51.9 million in the period under review. This meant that Q3 EBITDA amounted to only €36.5 million (Q3 2008: €130.7m) and the EBITDA margin was 32.2 percent (Q3 2008: 54.7 percent). Without the non-recurring items due to WACKER SCHOTT Solar, WACKER POLYSILICON would have posted an EBITDA margin of 51.5 percent.

At **Siltronic**, third-quarter sales and earnings showed improvement, but remained unsatisfactory. Higher sales volumes for all wafer diameters resulted in total sales of €174.0 million in Q3 2009 (Q3 2008: €359.4m). Although 52 percent down year-on-year, sales climbed nearly 14 percent against the preceding quarter (Q2 2009: €153.1m). Market prices for silicon wafers declined slightly quarter-on-quarter, but now appear to be bottoming out. Thanks to the higher sales volumes, plant capacity utilization rose significantly against Q2 – in some cases to as much as 80 percent, depending on the wafer diameter. Bolstered by increased capacity utilization, EBITDA grew by €36.6 million quarter-on-quarter. Although improved, EBITDA remained in negative territory at €-21.6 million (Q3 2008: €108.1m). Siltronic has been pressing ahead with its new strategy (announced in early July) of defining lead sites to make its production network more efficient and flexible. To be able to supply customers from the lead sites designated, Siltronic is swiftly putting the wafers produced there through the necessary customer qualification processes.

Outlook

After the current phase of economic stabilization, all the present forecasts and predictions for the months ahead assume that the global economy will pick up steadily. There is uncertainty, though, about just how stable the recovery is going to be. Currently, most experts forecast a moderate rebound for 2010. At the moment, WACKER's customers are continuing to act cautiously and are placing rather short-term orders. The US dollar's current weakness is a further strain.

All of this makes it difficult for WACKER to reliably forecast business development in the fourth quarter. While the company does not expect the economic upturn to weaken in the fourth quarter, it anticipates the presence of the usual seasonal factors, which normally subdue business in this period. WACKER continues to assume that the Group's sales and operating result for the full year 2009 will remain well below the levels achieved in 2008.

If the economic recovery continues, in particular in WACKER's key sales sectors and regions, the company sees good chances of increasing both Group sales and the operating result again in the year ahead. WACKER meets all the conditions for continuing to successfully overcome the effects of the crisis and proceeding along its course of profitable growth.

Information for editorial offices: The Q3 2009 report can be downloaded from WACKER's website (www.wacker.com) under Investor Relations.

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WACKER's Key Figures

in € million

	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales	986.5	1,156.9	-14.7	2,784.5	3,299.4	-15.6
EBITDA ¹	184.0	327.5	-43.8	511.9	936.5	-45.3
EBITDA margin ²	18.7%	28.3%	-33.9	18.4%	28.4%	-35.2
EBIT ³	82.9	237.9	-65.2	87.4	661.5	-86.8
EBIT margin ²	8.4%	20.6%	-59.2	3.1%	20.0%	-84.5
Financial result	-6.6	-4.6	43.5	-20.0	-8.5	>100
Income before taxes	76.3	233.3	-67.3	67.4	653.0	-89.7
Net income for the period	35.9	170.8	-79.0	-33.1	454.0	n.a.
Earnings per share in €	0.68	3.44	-80.2	-0.62	9.14	n.a.
Investments (incl. financial assets)	171.8	219.3	-21.7	542.9	546.2	-0.6
Investments in acquisitions	-	-	-	-	-171.2	-100.0
Net cash flow	92.7	86.0	7.8	53.4	187.5	-71.5

in € million

	Sept. 30, 2009	Sept. 30, 2008	Dec. 31, 2008
Equity	1,984.7	2,080.1	2,082.8
Financial liabilities	517.9	306.8	272.4
Provisions for pensions	394.9	387.1	376.1
Net financial debt	50.2	-188.8	-32.9
Total assets	4,734.4	4,605.1	4,625.1
Employees (number at end of reporting period)	15,685	15,843	15,922

¹ EBITDA is EBIT before depreciation and amortization.

² Margins are calculated based on sales.

³ EBIT is the result from continuing operations for the reporting period before interest and other financial result, limited partnership interests and income taxes.

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 15,900 employees and annual sales of around €4.3 billion (2008). 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, PVAc solid resins, biologics and other biotech products such as cyclodextrins and cysteine

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaics industries

Siltronic

Hyperpure silicon wafers and monocrystals for semiconductor devices