

# PRESS RELEASE

Number 22

## WACKER OPTIMIZES ITS GLOBAL PRODUCTION NETWORK

- ◆ CONCENTRATION OF INDIVIDUAL WAFER DIAMETERS AT LEAD SITES AND STRUCTURAL IMPROVEMENTS AT WACKER SILICONES
- ◆ IMPAIRMENTS OF SOME €120 MILLION AT SILTRONIC, EXPECTED REDUCTION OF NEARLY 800 JOBS AT SILTRONIC AND WACKER SILICONES BY END OF 2010
- ◆ CONTROL AND PROFIT TRANSFER AGREEMENT BETWEEN SILTRONIC AND WACKER REDUCES TAX RATE
- ◆ PERSONNEL DIRECTOR SITTENTHALER: "I SEE A GOOD CHANCE OF IMPLEMENTING THE PLANNED JOB CUTS WITHOUT LAYOFFS"
- ◆ CURRENT TRADING CONDITIONS: EBITDA IN Q2 2009 BETTER THAN IN Q1

Munich, July 8, 2009 – Wacker Chemie AG intends to introduce a new site strategy to increase flexibility and further optimize the integrated production network of its Siltronic semiconductor subsidiary. Silicon wafer production is to be concentrated at lead sites according to individual diameters. This was decided today by the relevant WACKER Group committees.

Currently, Siltronic produces the same wafer diameters at several sites worldwide. Concentrating on individual diameters at lead sites will increase future plant capacity utilization and, in turn, improve Siltronic's cost structure, as well as pool individual-diameter

production know-how at lead sites. This approach involves, for example, discontinuing 150 mm wafer production at Freiberg and transferring these production volumes to Burghausen. In the 300 mm wafer segment, the Burghausen site is expected to become the focus of R&D-related tasks, with production being pooled at Freiberg and Singapore. Singapore will become the lead site for 200 mm wafers, too. The new site strategy along with the expected development of the semiconductor market results in impairments on fixed assets totaling some €120 million, which will be accounted for in the financial statements for the first half of 2009.

In addition to these realignments at Siltronic, WACKER will also implement structural improvements at WACKER SILICONES targeting at cost reductions, higher flexibility and improved plant capacity utilization. Compared to March 31, 2009, all these measures are expected to cut nearly 800 positions at Siltronic and WACKER SILICONES by the end of 2010. WACKER has already found a solution for 450 of the employees affected. To implement the remaining job cuts, WACKER will book provisions totaling about €15 million in Q2 2009. Since mid-2008, Siltronic has already reduced its workforce by some 550 employees, including external temporary workers.

“Our goal is to implement the planned job cuts without layoffs – and I see a very good chance we will succeed,” says WACKER’s Executive Board Member and Personnel Director Dr. Wilhelm Sittenthaler. “In the next two years, we will have additional personnel needs at the Group, especially due to the extension of our polysilicon business. And we will, of course, primarily consider our existing staff for these jobs,” stressed Sittenthaler. As a result, he said he remained confident that the necessary job cuts at the semiconductor and silicone businesses could be implemented in a socially-

acceptable manner via natural fluctuation, semi-retirement and severance packages.

In addition, a control and profit transfer agreement will be executed between Siltronic AG and Wacker-Chemie Dritte Venture GmbH, a wholly-owned subsidiary of Wacker Chemie AG. Since such an agreement already exists between Wacker-Chemie Dritte Venture GmbH and Wacker Chemie AG, profits and losses at Siltronic can now be netted with Wacker Chemie AG's resulting net income. WACKER expects this agreement to have a positive effect on 2009's after-tax income ranging in the higher double-digit euro millions.

The Group views the agreed measures as an important step to counter the impact of the economic crisis on the company and further ensure WACKER's competitiveness. "WACKER's business in Q2 2009 was in line with our expectations," said CFO Dr. Joachim Rauhut. "Sales picked up compared to Q1, though price pressure has grown in all segments. Q2 Group EBITDA will be better compared to the first three months of fiscal 2009. For our semiconductor business, we again expect an operational loss in Q2, though it should be somewhat lower than in Q1. The earnings situation at WACKER POLYSILICON continues to remain attractive."

Wacker Chemie AG will publish its Q2 report on July 30, 2009.

*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 €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, 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