

PRESS RELEASE

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WACKER CLOSES SEMICONDUCTOR WAFER PRODUCTION IN JAPAN

- ◆ 200 MILLIMETER WAFER AND MONOCRYSTALLINE SILICON INGOT PRODUCTION IN JAPAN SCHEDULED TO BE DISCONTINUED BY MID-2012
- ◆ TRANSFER OF PRODUCTION VOLUMES TO SINGAPORE AND PORTLAND (OREGON, USA) SITES WILL INCREASE CAPACITY UTILIZATION THERE, THUS OPTIMIZING FIXED-COST COVERAGE
- ◆ SILTRONIC CEO VON PLOTHO: "WE ARE STRIVING TO MITIGATE PLANT CLOSURE EFFECTS ON EMPLOYEES AS MUCH AS WE CAN"

Munich, December 8, 2011 – Siltronic, Wacker Chemie AG's semiconductor division, intends to streamline its 200 mm wafer production capacities. As a result, Siltronic plans to close its production site in Hikari, Japan, by mid-2012. The Munich-based chemical group announced this decision today. Hikari's production volumes shall be transferred to Siltronic's existing 200 mm wafer plants in Singapore and Portland (Oregon, USA), optimizing capacity utilization at these sites' facilities. The planned closure is expected to involve expenses of some €70 million. Thereof, around €45 million will be cash-relevant. These expenses had not been included in WACKER's most recent earnings forecast for fiscal 2011 which calls for earnings before interest, taxes, depreciation and amortization (EBITDA) at last year's level. Currently, Siltronic is producing at its Hikari site wafers for the semiconductor industry as well as monocrystalline silicon ingots, employing a staff of some 500. To ensure optimum support of its Japanese customers,

Siltronic will continue to employ a local sales force and application engineering in Japan.

By closing its Hikari site, Siltronic continues with the structural improvements already successfully executed and adapts its production capacities to market demand. Two years ago, Siltronic has implemented a lead-site strategy enabling wafer production to be concentrated at single sites according to individual diameters. This allows for a flexible reaction on changing market trends. Discontinuing production at Siltronic's Hikari site translates into optimized utilization rates at the company's remaining 200 mm production facilities, higher fixed-cost coverage as well as economies of scale, resulting in a sustainably improved cost position.

"We are striving to mitigate effects on employees from the plant closure as much as we can", says Dr. Christoph von Plotho, Siltronic's Chief Executive Officer. According to von Plotho, Siltronic plans to offer its Hikari staff severance packages as well as consultancy and support in their search for a new employment outside the company. "At the same time, we are working hard to reap the earnings benefits resulting from this step as fast as possible", von Plotho continued.

About Siltronic

Siltronic is a global leader in the market for hyperpure silicon wafers and a partner to many top-tier chip manufacturers. Wacker Chemie AG's semiconductor division operates production facilities in Europe, Asia and the USA. Siltronic develops and manufactures wafers with diameters of up to 300 mm. Silicon wafers form the basis of the modern micro and nanoelectronics. They are used, for instance, in computers, smartphones, flat-panel displays, navigation systems, automotive engine control systems and many other applications.

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 16,300 employees and annual sales of around €4.75 billion (2010). WACKER has a global network of 26 production sites, 20 technical competence centers and 50 sales offices.

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, solid resins and solutions used as binders for construction chemicals, paints and coatings, adhesives, plasters, textiles and nonwovens, as well as for polymeric materials based on renewable resources

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaics industries

Siltronic

Hyperpure silicon wafers and monocrystals for semiconductor devices