



1st Quarter 2015 – Conference Call Note

Dr. Rudolf Staudigl (CEO), Dr. Joachim Rauhut (CFO), April 30th, 2015

WACKER: Efficiency Gains, High Utilization and Currency Effects Improve EBITDA

in €m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	1,334.9	1,194.5	11.8	1,157.4	15.3
EBITDA	267.1	180.1	48.3	285.2	-6.3
EBITDA margin	20.0%	15.1%	-	24.6%	-
EBIT	126.3	31.1	>100	133.8	-5.6
EBIT margin	9.5%	2.6%	-	11.6%	-
Result for the period	70.6	-17.2	n.a.	64.2	10.0
EPS in €	1.42	-0.32	n.a.	1.35	5.2

Sales to Increase by around 10% for FY 2015

WACKER

Q1 2015 Comments

- Strong demand drives increase in volumes in all divisions
- Significant FX effect supports sales
- Efficiency gains and high utilization in all segments improve EBITDA
- Capex €175m, mostly for Tennessee, POLYSILICON
- Net Cash Flow of €17m
- Net debt €1,198m
- Net income of €71m



2015 Challenges and Opportunities

- Volume growth in all segments
- Slightly lower prices in some businesses expected
- FX planned at 1.10 USD/€ and 130¥/€ for the full year
- Sales, supported by FX, to increase by around 10% for FY '15
- Lower special effects than 2014 (€206m) expected
- EBITDA excluding special effects should increase slightly over FY14

WACKER SILICONES: Significant Support from FX in Q1

€m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	474.8	419.6	13.2	425.3	11.6
EBITDA	67.7	33.8	>100	49.1	37.9
EBITDA margin	14.3%	8.1%	-	11.5%	-
EBIT	47.6	13.0	>100	29.5	61.4
EBIT margin	10.0%	3.1%	-	6.9%	-
Capex	13.7	34.0	-59.7	15.5	-11.6

FY EBITDA Significant Above Previous Year Expected

WACKER SILICONES

Q1 2015 Comments

- Volume growth e.g. in automotive, medical-technology and electronics
- Significant support from FX
- Price development regionally different
- Negative impact from silicon metal (price/FX) but positive impact from methanol
- High utilization



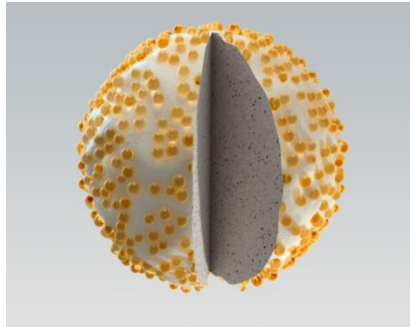
2015 Challenges and Opportunities

- Volume growth, especially in personal care, medical application and electronics
- Significant increase in FY sales, supported by FX
- High asset utilization expected
- FY EBITDA significant above previous year
- Raw material price development varying

SILRES® BS POWDER S – SILICONES' Answer for Gypsum: Water Resistance Improved for Dry Mix Applications

Challenge

Outdated Technologies



Liquid active substance
on **ineffective** particle



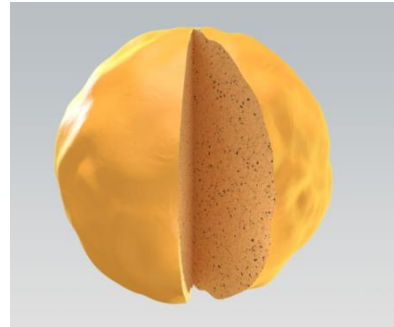
Mixing time 3 min 30 sec

Drawbacks of the traditional technologies

- ▶ Only around 30 % active substance; low efficiency
- ▶ Mixing problems and dust formation at the construction site due to poor wetting properties of finished dry mix formulations
- ▶ VOC release

Our Solution

New Technology



Pure powdered
active substance



Mixing time 1 min 45 sec

Advantages of SILRES® BS POWDER S

- ▶ Silicone hydrophobizing powder additive optimized for gypsum dry mix materials
- ▶ Highly efficient in water absorption reduction
- ▶ Excellent mixing properties
- ▶ Supports dust suppression during mixing

▶ **Strong global growth in gypsum wallboard pushes demand for joint fillers (=gypsum)***

* Sources: Global Gypsum Magazine, Sept. 2014; World Drywall & Building Plaster Industry Studies by Freedonia Group August 2012/July 2014

WACKER POLYMERS: Positive Mix Effects and Productivity Gains Supported EBITDA

€m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	284.6	252.2	12.8	238.7	19.2
EBITDA	59.9	23.6	>100	34.2	75.1
EBITDA margin	21.0%	9.4%	-	14.3%	-
EBIT	51.4	15.6	>100	26.7	92.5
EBIT margin	18.1%	6.2%	-	11.2%	-
Capex	13.3	20.1	-33.8	6.9	92.8

Volume Increase in Powder Driven by New Markets

WACKER POLYMERS

Q1 2015 Comments

- Higher volumes especially in powder (low double digit % yoy)
- Slight price increase qoq and yoy
- FX effects compensated raw material cost increase yoy
- Utilization globally around 80%
- Positive mix effect and productivity gains supported EBITDA



2015 Challenges and Opportunities

- Volume increase in powder driven by new markets
- Dispersions growth mainly in coatings and packaging
- Significant increase in sales expected
- FY EBITDA margin in high teens
- Expansion of VAE-dispersions in USA and specialty monomers in Burghausen, DE
- Completion of ethylene pipeline in Calvert City, USA secures raw material sourcing

VINNAPAS® 4800 G – POLYMERS' Answer for Gypsum: Jointing Compounds and Joint Fillers



Why gypsum?

- ▶ **Green building material**
- ▶ **Fast and flexible** construction, **light-weight** construction possible
- ▶ Easily **adaptable** to demographic needs, **comfortable** indoor climate
- ▶ Fire protection: highly **flame retardant**
- ▶ Effective **noise insulation**
- ▶ **Cost-effective**, outstanding **workability**

Why VINNAPAS® 4800 G?

- ▶ Improved **workability & smoothability**
- ▶ Higher **tensile adhesion strength**
- ▶ Better **adhesion to paper bands**
- ▶ **Eco-friendly, low VOC** end products
- ▶ Ideal VAE-based binder to enhance gypsum-based joint fillers

WACKER BIOSOLUTIONS: Q1 Supported by Higher Volumes, FX and Price

€m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	49.4	43.7	13.0	40.7	21.4
EBITDA	8.8	4.6	91.3	5.4	63.0
EBITDA margin	17.8%	10.5%	-	13.3%	-
EBIT	6.0	2.0	>100	2.9	>100
EBIT margin	12.1%	4.6%	-	7.1%	-
Capex	1.0	4.1	-75.6	1.2	-16.7

Further Growth Potential with the now fully Integrated Scil Proteins Production

WACKER BIOSOLUTIONS

Q1 2015 Comments

- New plant for PVAc resins in Nanjing came into operation for gumbase (20kt)
- Q1 EBITDA supported by higher volumes in pharma and agro applications, FX effects and price increases



2015 Challenges and Opportunities

- FY sales and EBITDA to rise substantially

WACKER POLYSILICON: Tennessee Project on Track, but FX increases ramp-costs

€m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	289.4	261.5	10.7	262.0	10.5
EBITDA	78.7	88.8	-11.4	180.0	-56.3
EBITDA margin	27.2%	34.0%	-	68.7%	-
EBIT	21.7	31.4	-30.9	121.7	-82.2
EBIT margin	7.5%	12.0%	-	46.5%	-
Capex	133.6	132.3	1.0	53.0	>100

Ongoing Focus on Cost Roadmap and Process Improvements

WACKER POLYSILICON

Q1 2015 Comments

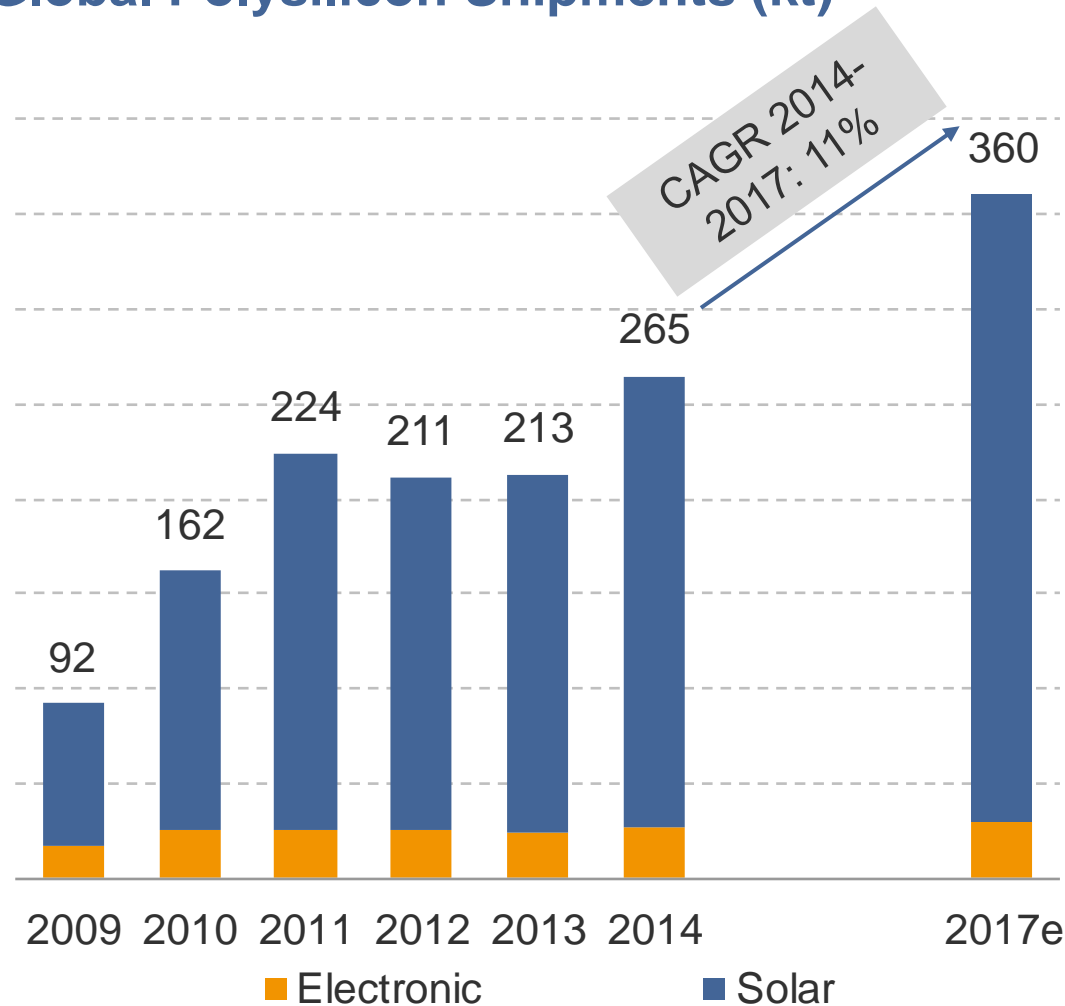
- Higher volumes yoy and qoq
- USD prices softer, but pricing in € broadly stable
- Utilization at full rate, logistical optimization yielded additional volume
- Q1 2015 includes €5m retained prepayments and damages from a cancelled contract (Q1 2014: €114m)
- EBITDA excluding special effects +12% yoy, but 17% under Q4
- Pre-operational costs for Tennessee higher qoq/yoy
- €133,6m capex, mainly for Tennessee

2015 Challenges and Opportunities

- PV Market size expected to reach 50 – 60 GW (~265 – 325 kt polysilicon incl. semi)
- Slightly higher volumes and sales
- Due to FX development higher pre-operational and ramp-up costs
- Ongoing focus on cost roadmap
- Optimization of German plants continues
- On track to achieve a capacity of 80kt in 2017

Polysilicon Market: 11% Volume Growth Expected in 2015

Global Polysilicon Shipments (kt)

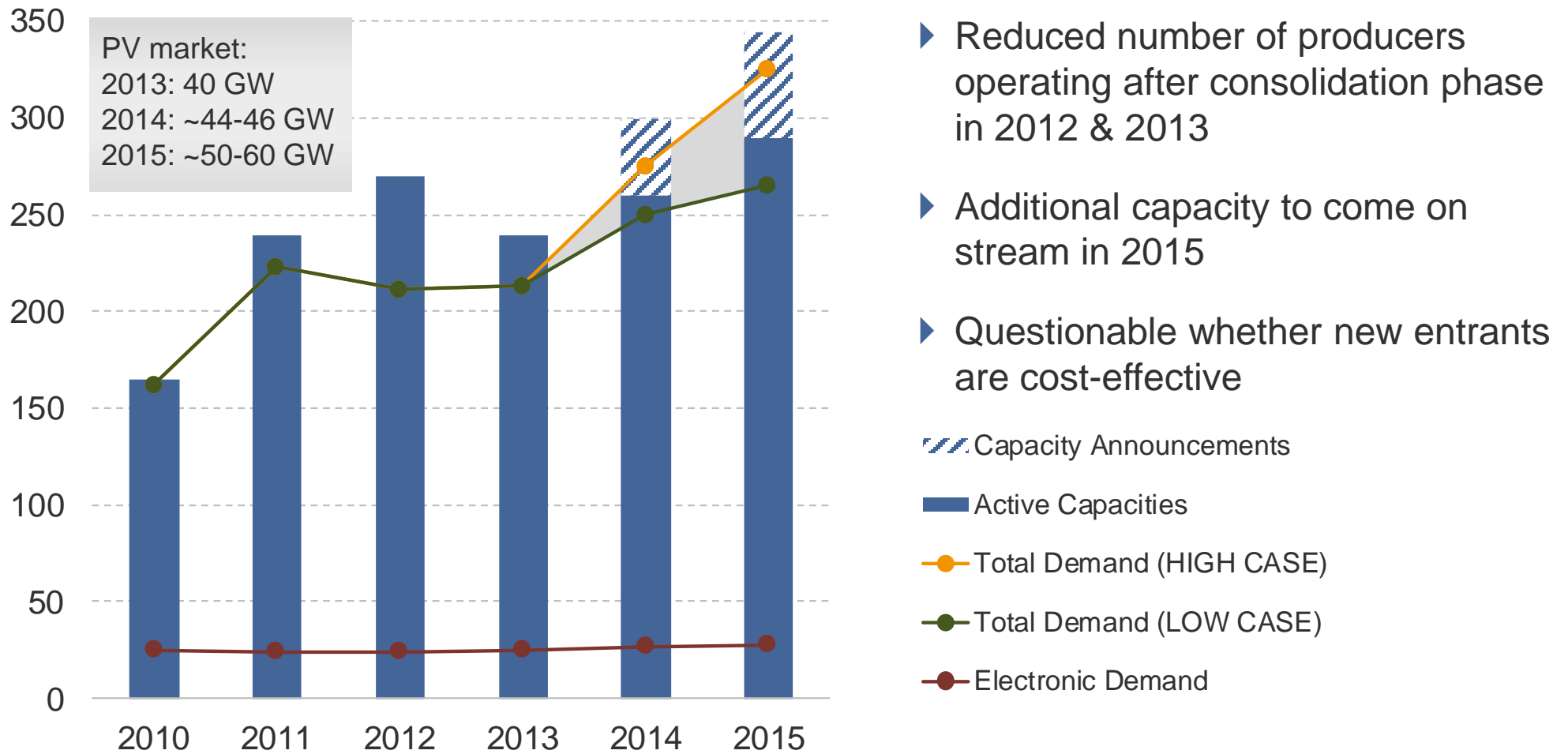


- ▶ Stable quarterly shipments throughout 2014
- ▶ Increasingly competitive C-Si PV drives polysilicon demand
- ▶ Silicon-based PV offers highest conversion efficiencies and proven long-term stability at lowest cost

Assumption: 2017: 80 GW (incl. 10% thin-film share); Silicon consumption < 5 g/Wp in 2017; Shipment figures incl. time-delay shipment/installation

Polysilicon Supply & Demand Broadly Balanced – High Quality Poly Supply Tightening

Global Polysilicon Demand (kt) versus Capacity of Active Manufacturers



- ▶ Reduced number of producers operating after consolidation phase in 2012 & 2013
- ▶ Additional capacity to come on stream in 2015
- ▶ Questionable whether new entrants are cost-effective

Sources: market surveys, industry announcements, WACKER estimate

Siltronic: Positive EBIT since Q4 2014

€m	Q1 2015	Q4 2014	% QoQ	Q1 2014	% YoY
Sales	238.7	223.2	6.9	203.8	17.1
EBITDA	40.0	37.7	6.1	15.0	>100
EBITDA margin	16.8%	16.9%	-	7.4%	-
EBIT	8.7	0.04	>100	-26.7	n.a.
EBIT margin	3.6%	0.0%	-	-13.1%	-
Capex	4.4	19.2	-77.1	6.6	-33.3

Successful Cost Reductions and High Utilization Rates Support Results

Siltronic

Q1 2015 Comments

- Higher volumes and utilization yoy
- Pricing stabilizing qoq
- Q1 net effect from FX and hedging at negative ~€3m due to transaction effects on accounts receivable
- Positive in EBIT for the second quarter in a row

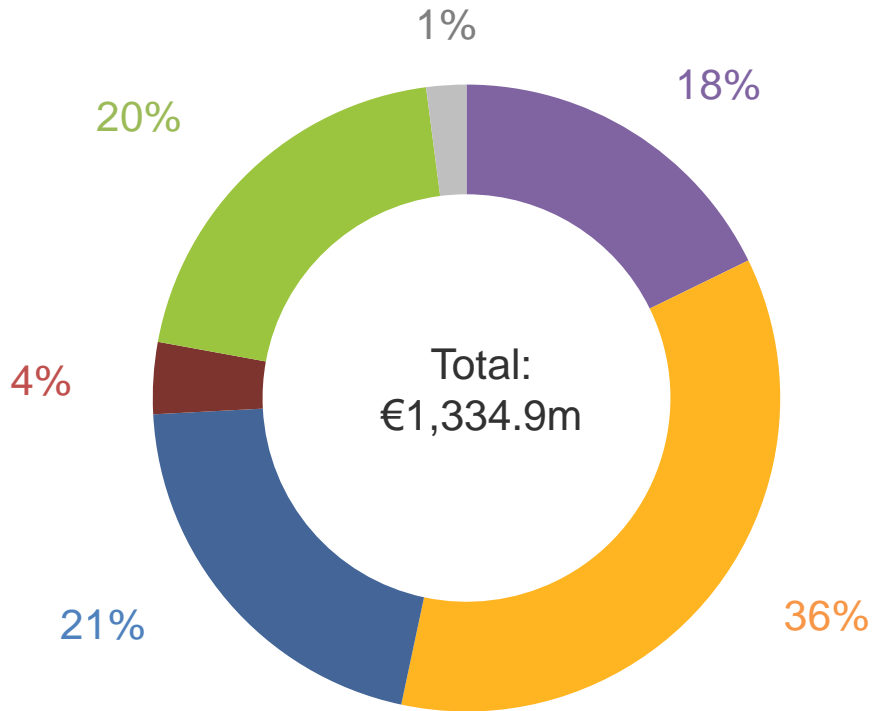


2015 Challenges and Opportunities

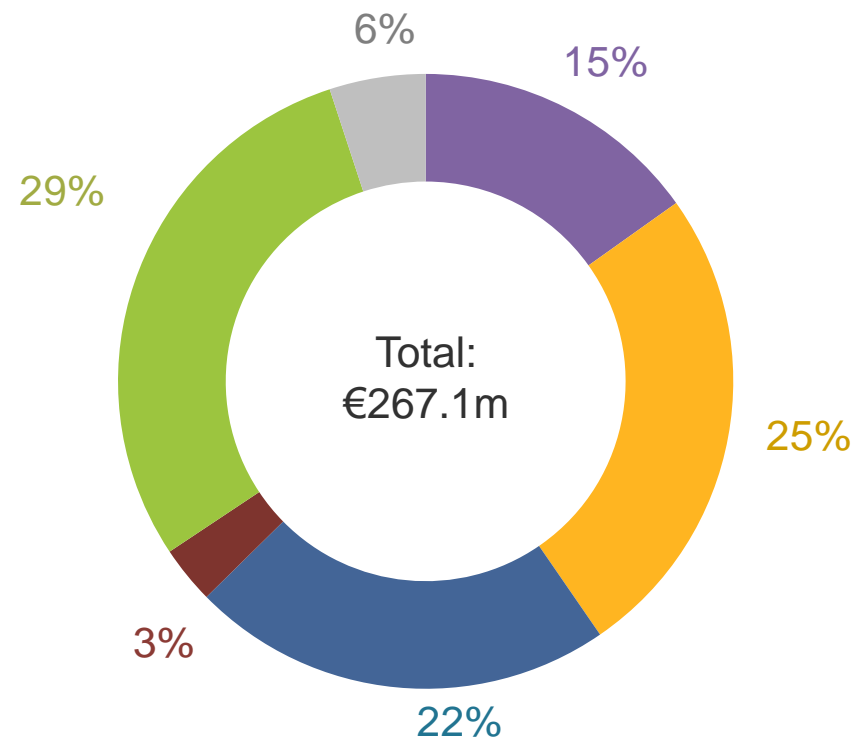
- Market expects wafer area growth between 3 and 5% across all diameters
- € weakness support sales
- Hedging costs of €40m in Q2-Q4

Siltronic Share of Group EBITDA Significantly Increased

Q1 2015 Sales¹



Q1 2015 EBITDA



Siltronic

WACKER BIOSOLUTIONS

WACKER SILICONES

WACKER POLYSILICON

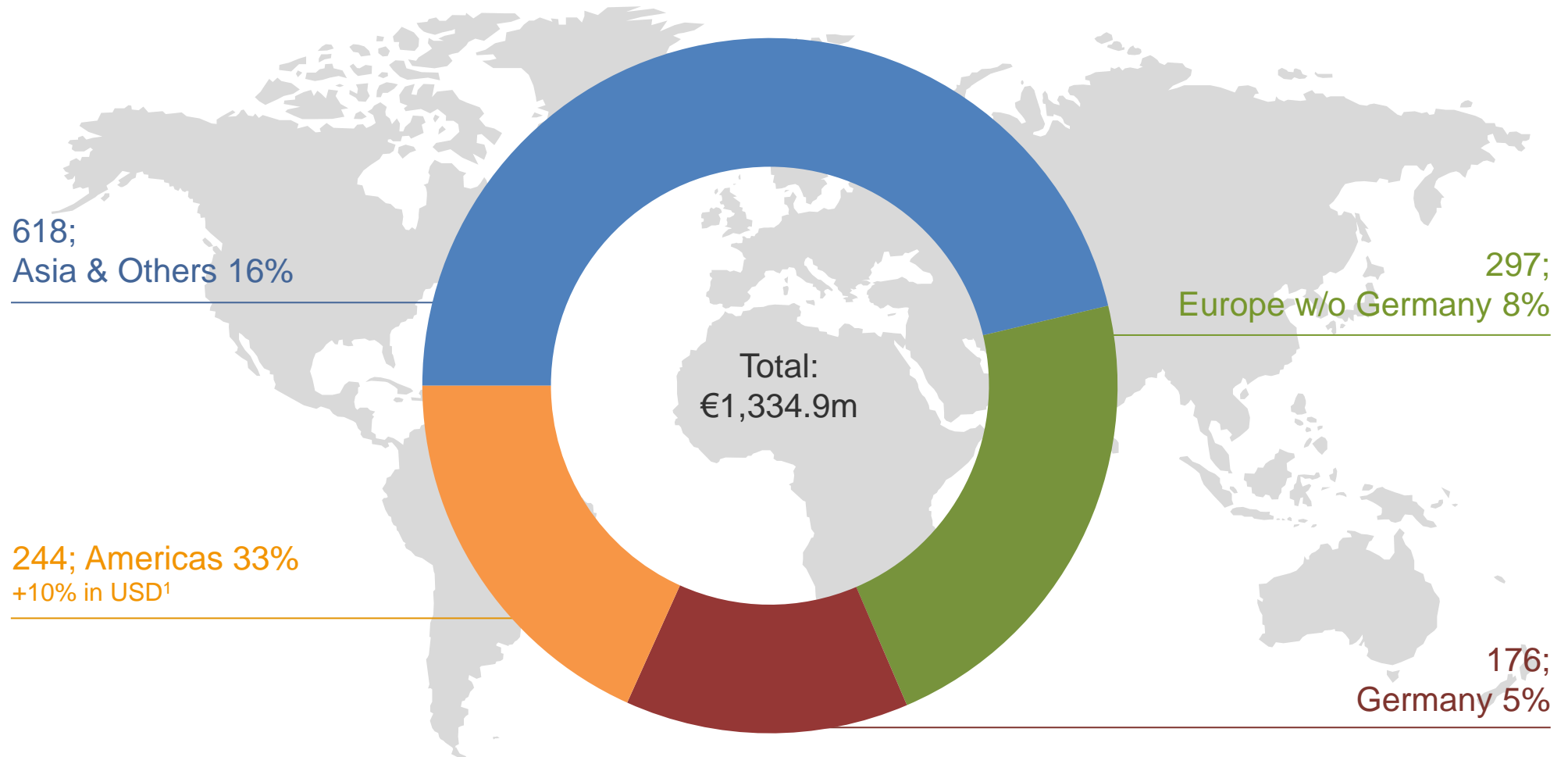
WACKER POLYMERS

Others

¹based on external sales

WACKER's largest Sales Region is Asia

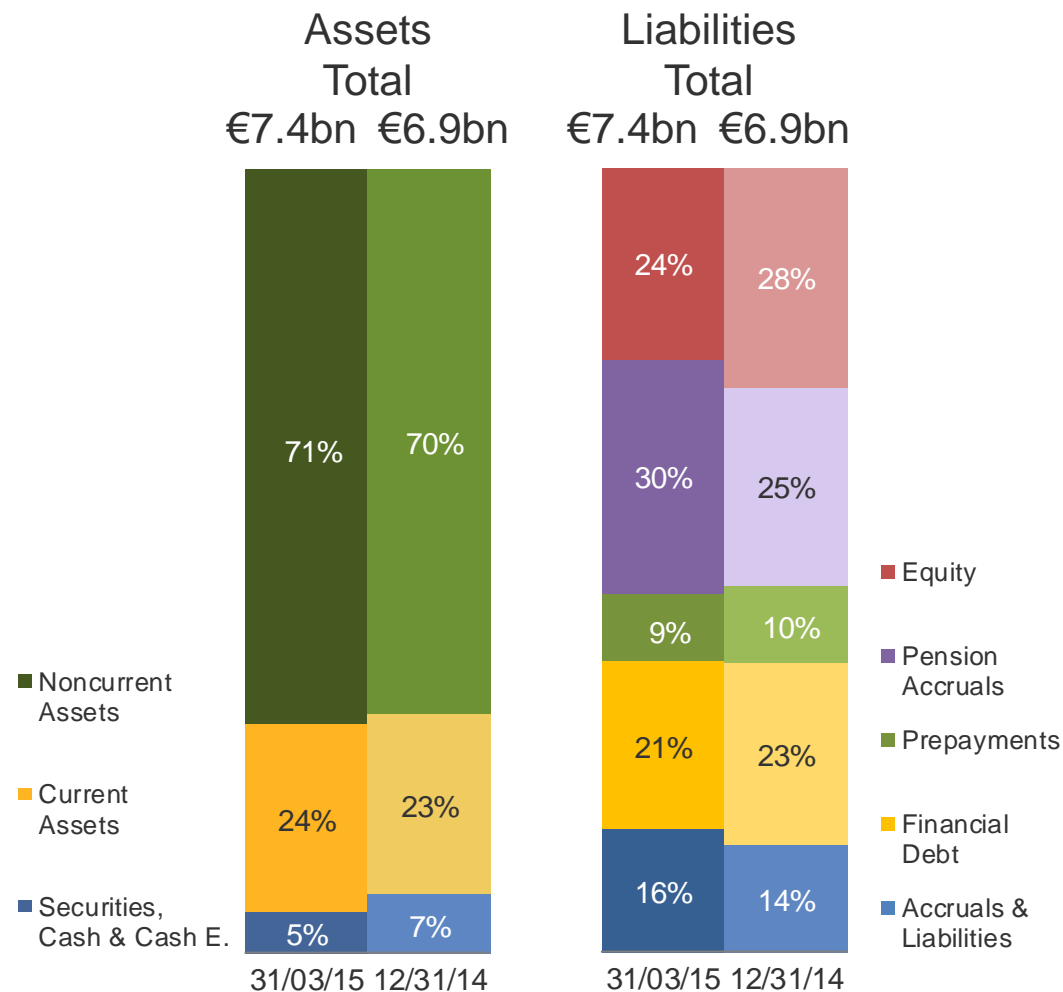
Q1 2015 Sales by Region, Changes YoY (%)



¹ Adjusted currency

Low Interest Rates Inflate Pension Liability

Balance Sheet (%)



Characteristics 03/31/15

- ▶ Non current assets: €5,281m
- ▶ Securities, cash and cash equivalents: €386m
- ▶ Provisions for pensions: €2,218m
- ▶ Net financial debt: €1,198m
- ▶ Equity: €1,817m
- ▶ Prepayments received per 03/31/15: €646m
- ▶ CapEx (Q1): €175m
- ▶ Capital employed 12/31/2014: €5,261m

EBITDA and EBIT Impact of Special Effects

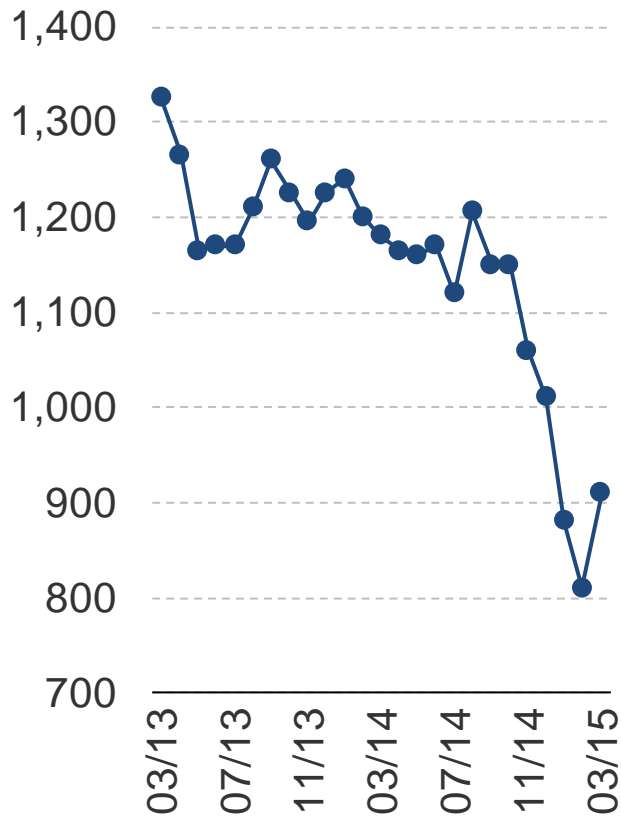
Special Effects (in €m)	2014					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Polysilicon:										
Retained prepayments & damages from cancelled contracts	114.0	-	92.3	-	206.3	4.7	-	-	-	4.7
EBITDA	114.0	-	92.3	-	206.3	4.7	-	-	-	4.7
EBIT	114.0	-	92.3	-	206.3	4.7	-	-	-	4.7

WACKER: First Guidance FY 2015 and beyond

	2014	Outlook 2015
Sales (€m)	4,826.4	Increase of about 10%
EBITDA (€m)	1,042.3	Slight rise (after adjustment for special income)
EBITDA margin (%)	21,6	Substantially lower
Group net income (€m)	195.4	Below 2014
Net cash flow (€m)	215.7	Markedly positive
CapEx (€m)	572.2	Approx. 725
Net financial debt (€m)	1,080.6	Increase of between 200 and 300
Depreciation (€m)	599.0	Approx. 625
ROCE (%)	8.4	Somewhat lower
Tax Rate (%)	46.5	About 50%

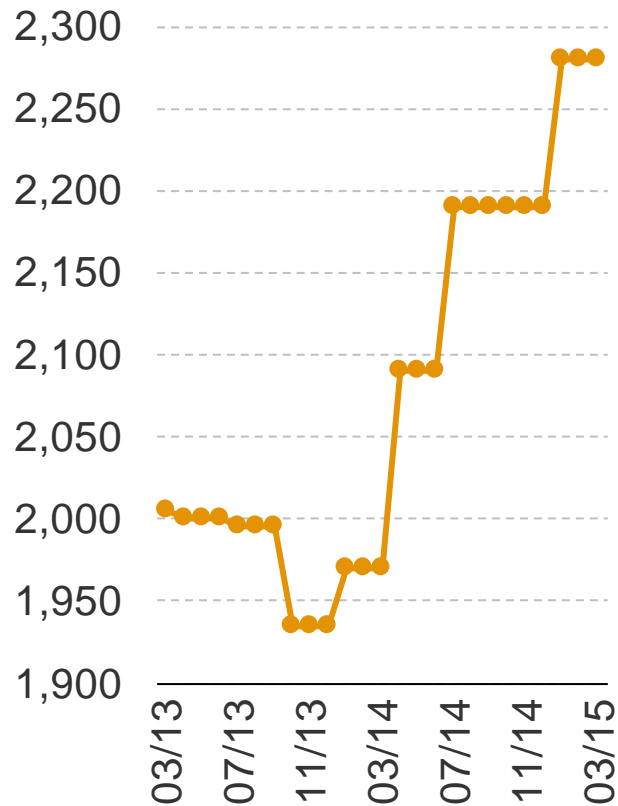
Raw Materials: Share of Top 4 Raw Materials Stable YoY

Ethylene Contract (€/MT)



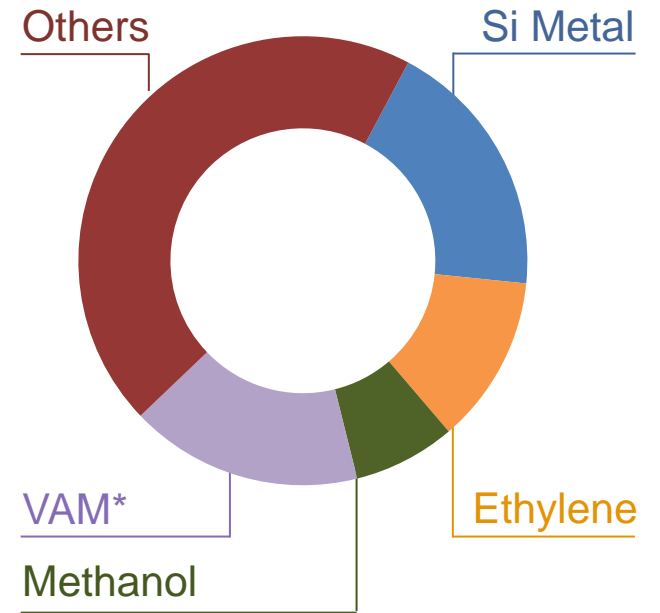
Source: ICIS, Ethylene Market Price Europe, free delivered

Si-Metal Contract (€/MT)



Source: Source: CRU-Provider, Si-Metal Contract Price Europe free delivered

Raw Materials 2014 (€m) Chemicals

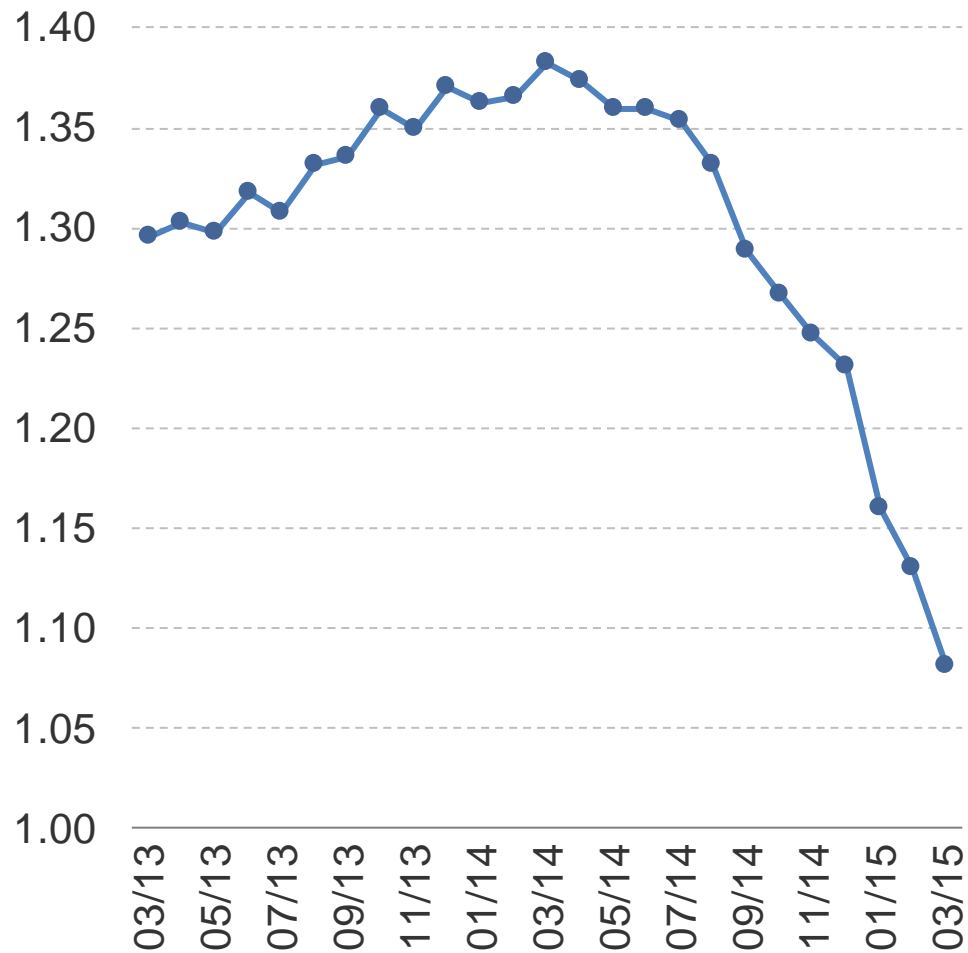


Costs of top 4 raw materials
21% of chemicals segment sales

*VAM = Vinylacetate monomer

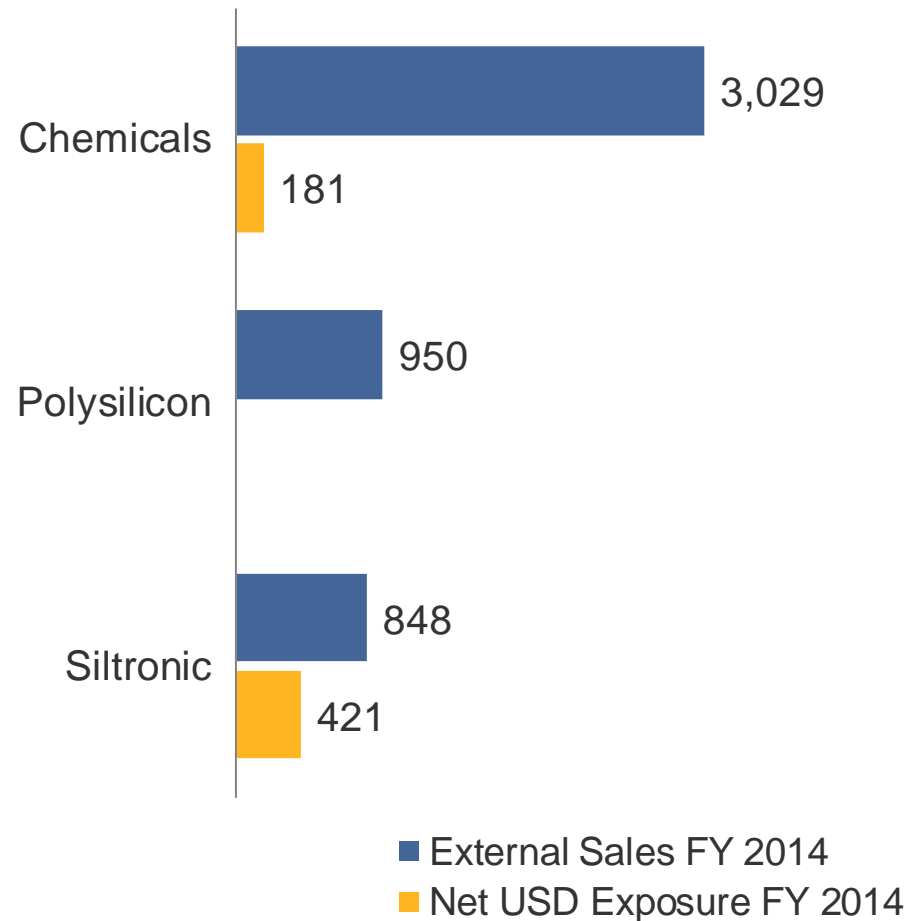
1 Cent Change in USD/€ Exchange Rate had an Impact of €4.5m on FY-EBITDA in 2014, unhedged*

USD/EURO Development



Source: www.x-rates.com/d/USD/EUR/hist2014.html

External Sales and Net USD Exposure



*Standard Hedging policy = 50% of net exposure, 12 months rolling forward using the average rate of the past 12 months

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

- ▶ WACKER CHEMIE AG
Hanns-Seidel-Platz 4
D-81737 Munich
- ▶ Investor Relations contacts

Mr. Joerg Hoffmann, CFA
Tel. +49 89 6279 1633
joerg.hoffmann@wacker.com

Mrs. Judith Distelrath
Tel. +49 89 6279 1560
judith.distelrath@wacker.com

Financial Calendar

- 05/08/15 – Annual Shareholders' Meeting
- 08/03/15 – Q2 Results 2015
- 10/29/15 – Q3 Results 2015

Additional Information

ISIN:	DE000WCH8881
WKN:	WCH888
Deutsche Börse:	WCH
Ticker Bloomberg:	CHM/WCH:GR
Ticker Reuters:	CHE/WCHG.DE
Listing:	Frankfurt Stock Exchange Prime Standard



WACKER: Strong Performance in Chemicals

Sales in €m	Q1 2015	Q4 2014	%QoQ	Q1 2014	%YoY
CHEMICALS	808.8	715.5	13.0	704.7	14.8
WACKER SILICONES	474.8	419.6	13.2	425.3	11.6
WACKER POLYMERS	284.6	252.2	12.8	238.7	19.2
WACKER BIOSOLUTIONS	49.4	43.7	13.0	40.7	21.4
WACKER POLYSILICON	289.4	261.5	10.7	262.0	10.5
Siltronic	238.7	223.2	6.9	203.8	17.1
Others	51.8	46.2	12.1	40.4	28.2
Consolidation	-53.8	-51.9	3.7	-53.5	0.6
	1,334.9	1,194.5	11.8	1,157.4	15.3

WACKER: Q1 EBITDA Excluding Special Effects +53% YoY

EBITDA in €m	Q1 2015	Q4 2014	%QoQ	Q1 2014	%YoY
CHEMICALS	136.4	62.0	>100	88.7	53.8
WACKER SILICONES	67.7	33.8	>100	49.1	37.9
WACKER POLYMERS	59.9	23.6	>100	34.2	75.1
WACKER BIOSOLUTIONS	8.8	4.6	91.3	5.4	63.0
WACKER POLYSILICON	78.7	88.8	-11.4	180.0	-56.3
Siltronic	40.0	37.7	6.1	15.0	>100
Others	12.7	-4.7	n.a.	3.5	>100
Consolidation	-0.7	-3.7	-81.1	-2.0	-65.0
	267.1	180.1	48.3	285.2	-6.3