



**WACKER**

## WACKER CHEMIE AG – 1<sup>st</sup> Quarter 2006 Conference Call

Dr. Peter-Alexander Wacker (CEO), Dr. Joachim Rauhut (CFO)  
Q1'2006 Conference Call on Tuesday, May 16th, 2006 at 3 p.m. CET / 8 a.m. EST

*WCH WCH888 DE000WCH8881 CHM/WCK.GR CHE/WCHG.DE*

## DISCLAIMER

This presentation contains forward-looking statements under the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates and projections of Wacker Chemie AG management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause the actual results, performance or achievements of Wacker Chemie AG to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in Wacker Chemie AG available on the company's website under [www.wacker.com/investor](http://www.wacker.com/investor).

We do not assume any obligation to update the forward-looking statements contained in this presentation.

# TODAYS PRESENTERS



**Dr. Peter-Alexander Wacker**  
*CEO*  
*Wacker Chemie AG*



**Dr. Joachim Rauhut**  
*CFO*  
*Wacker Chemie AG*

# 1ST QUARTER 2006 HIGHLIGHTS

<b>WACKER</b> (€m)	Q1 2006	Change
Sales	798.5	Up 31%
EBITDA	183.6	Doubled
EBIT	105.7	Up 96.5
Net Profit	66.2	Up 86.5
Net Profit per share in €	1.49	Up 1.88

- *Focused on growth and margins*
- *Expanding presence in Asia*
- *Delivering results*

## SALES Q1 2006

<i>in € million</i>	<b>Q1 2006</b>	<b>Q1 2005</b>	<i>in %</i>
<b>Group</b>	<b>798.5</b>	<b>608.2</b>	<b>21</b>
<b>WACKER SILICONES</b>	<b>323.0</b>	<b>266.5</b>	<b>21</b>
<b>WACKER POLYMERS</b>	<b>121.4</b>	<b>99.8</b>	<b>22</b>
<b>WACKER FINE CHEMICALS</b>	<b>33.5</b>	<b>27.4</b>	<b>22</b>
<b>WACKER POLYSILICON</b>	<b>85.5</b>	<b>79.7</b>	<b>7</b>
<b>Siltronic</b>	<b>286.4</b>	<b>172.7</b>	<b>66</b>

## EBITDA Q1 2006

<i>in € million</i>	Q1 2006	Q1 2005	<i>in %</i>
<b>Group</b>	<b>183.6</b>	<b>92.0</b>	<b>100</b>
<b>WACKER SILICONES</b>	<b>64.8</b>	<b>45.6</b>	<b>42</b>
<b>WACKER POLYMERS</b>	<b>23.7</b>	<b>17.6</b>	<b>35</b>
<b>WACKER FINE CHEMICALS</b>	<b>5.8</b>	<b>4.8</b>	<b>21</b>
<b>WACKER POLYSILICON</b>	<b>30.9</b>	<b>25.3</b>	<b>22</b>
<b>Siltronic</b>	<b>69.3</b>	<b>1.8</b>	<b>&gt;100</b>

# BUSINESS OVERVIEW

- **WACKER Silicones**

- *Swaps accelerated market development*
- *Innovations driving new sales*

- **WACKER Polymers**

- *New 30,000t dryer in Burghausen announced*

- **Wacker Fine Chemicals**

- *Campaign business drove sales growth*

# BUSINESS OVERVIEW

- **WACKER Polysilicon**

- *Sales capacity constrained*
- *Expansion plan to 10,000t*
- *Siltronic demand increased*

- **Siltronic**

- *Cost reduction programs deliver to bottom line*
- *>50% of sales in Asia*
- *Regained strength*



# SHIFTING INVESTMENT FOCUS

	SILICONES/ POLYMERS/ FINE CHEMICALS	POLYSILICON	Siltronic
Sales growth (Q1/05 – Q1/06)	21%	7%	66%
EBITDA growth (Q1/05 – Q1/06)	39%	22%	>100%
EBITDA (Q1/06)	94.3	30.9	69.3
EBITDA margin (Q1/06)	19.7%	36.1%	24.2%
Total Capex on sales (2003-2005)	7%	17%	16%
thereof Base Capex (2003-05)*	5%	5%	5%
Investment Focus	→	↗	↘

\* 6% on sales including shared infrastructure

# FINANCIAL PERFORMANCE

P&L Q1 2006			Highlights
(€m)	Q1 2005	Q1 2006	
External sales	608.2	798.5	<ul style="list-style-type: none"> <li>- Total impact of currency +5%</li> <li>- Siltronic turnaround, 66% growth</li> <li>- Chemicals with 21% growth</li> </ul>
<b>Gross profit</b>	<b>130.2</b>	<b>226.1</b>	
<i>% margin</i>	<i>21.4</i>	<i>28.3</i>	<ul style="list-style-type: none"> <li>- Raw material and energy cost increases</li> <li>- Economies of scale in all divisions</li> </ul>
SG&A	-78.7	-76.7	
R&D	-38.7	-36.5	<ul style="list-style-type: none"> <li>- Continuous R&amp;D commitment, low SG&amp;A</li> </ul>
Other inc/exp.	-3.9	-7.9	
Associates	0.3	0.6	<ul style="list-style-type: none"> <li>- Exposure to US\$ more than 50% hedged</li> </ul>
EBIT	9.2	105.7	
<i>% margin</i>	<i>1.5</i>	<i>13.2</i>	<ul style="list-style-type: none"> <li>- Strong margin improvement to 23%</li> </ul>
<b>EBITDA</b>	<b>92.0</b>	<b>183.6</b>	
<i>% margin</i>	<i>15.1</i>	<i>23.0</i>	<ul style="list-style-type: none"> <li>- Cash tax rate of 35%</li> </ul>
<b>Net income</b>	<b>-20.3</b>	<b>66.2</b>	

# OUTLOOK

We expect all business to continue the upward trend during 2006 with a favorable economic environment. Uncertain factor, however, is the impact of higher oil prices on the global economy. Profitability benefits from higher capacity utilizations and price increases, moderated by an increasingly strong Euro. Mainly our Chemicals business will also be impacted by higher raw material and energy costs. For the full year 2006 we now expect sales growth slightly higher than 10%, which was last year's growth rate. Full year EBITDA 2006 is expected between €640 and 680 million.



**WACKER**

CREATING TOMORROW'S SOLUTIONS