

Executive Board's Report on Fiscal 2016

Dr. Rudolf Staudigl, President & CEO

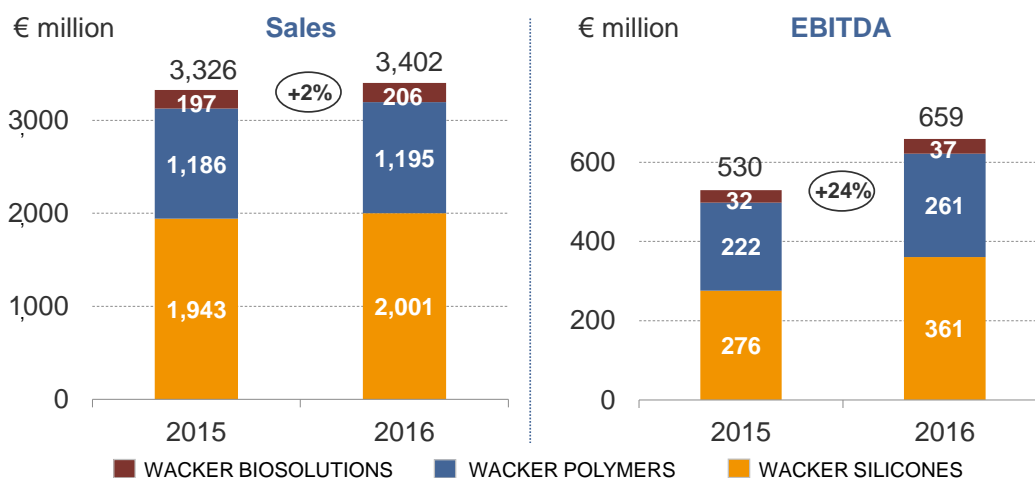
Sales Grow to €5.4 Billion in 2016

in € million	2015	2016	Change
Sales	5,296	5,404	2%
EBITDA	1,049	1,101	5%
<i>adjusted for special income</i>	<i>911</i>	<i>1,081</i>	<i>19%</i>
Net income for the year	242	189	-22%
Net cash flow	23	401	>100%
Net financial debt	1,074	993	-8%

Distribution Ratio: Proposal Reflects New Dividend Policy

- ▶ Dividend of €2.00 per share to be distributed for 2016
- ▶ Resultant distribution ratio is 53 percent

Chemical Divisions: Sales and Earnings Growth



WACKER Expands Capacities for Downstream Products

Production Plant for Specialty Silicones at Jincheon (South Korea)



Premix Tank for New Dispersions Reactor at Burghausen (Germany)



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Start-Up of New Charleston Site Completed Smoothly

Charleston Site in Tennessee (USA)



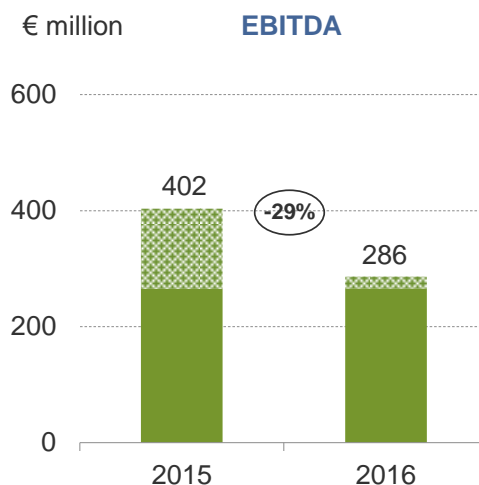
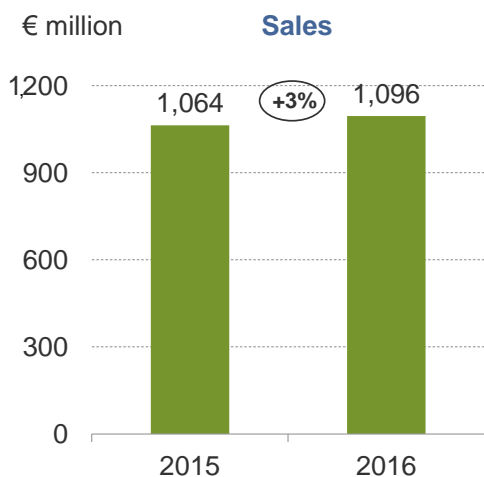
Production Buildings



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Start-up Costs Lower Special Income and Start-up Costs Reduce EBITDA at WACKER POLYSILICON

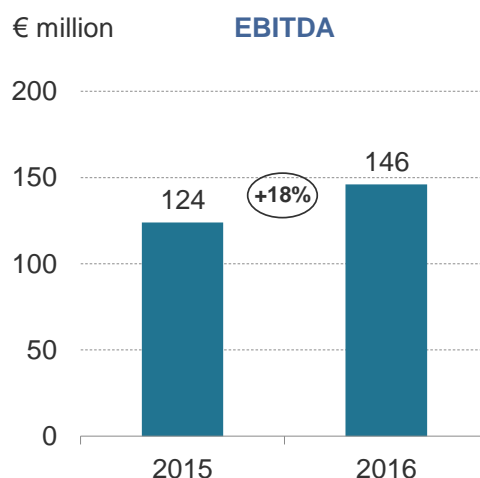
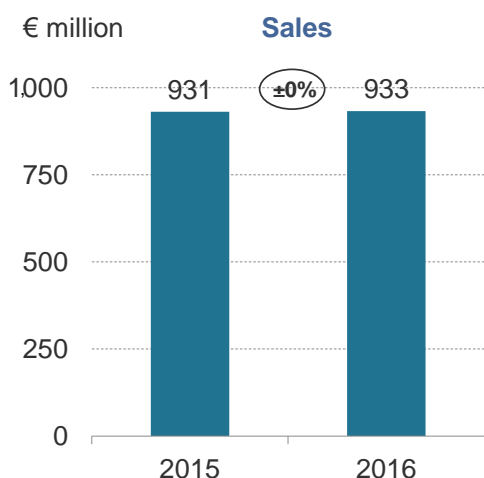


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Special income

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Siltronic Grows EBITDA Significantly

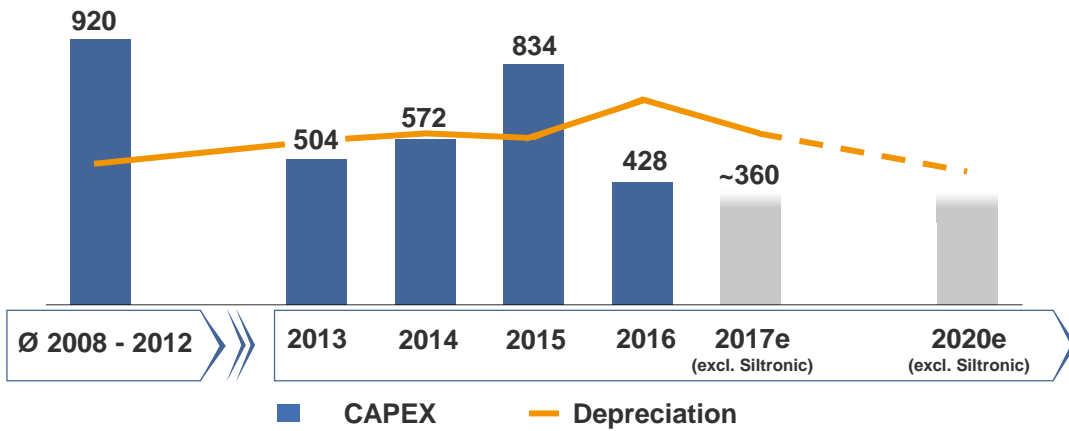


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Capital Expenditures Below Depreciation

CAPEX / Depreciation in € Million

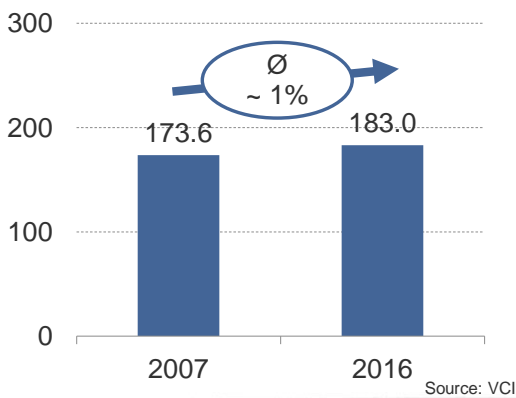


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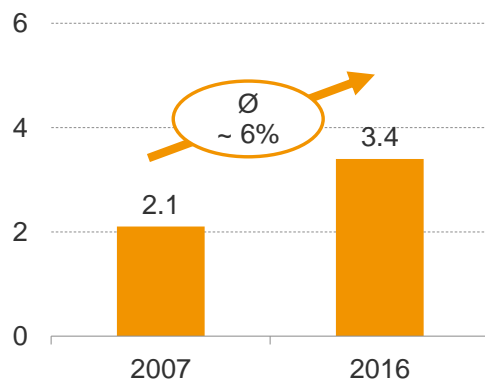
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Growing Faster than the Chemical-Industry Average

Chemical Industry in Germany Sector Sales in € Billion



WACKER's Chemical Divisions Total Sales in € Billion



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Hybrid Polymers from WACKER for High-Performance Sealants and Adhesives

Protective Coating of Tiles



Highly Transparent Glass Adhesives

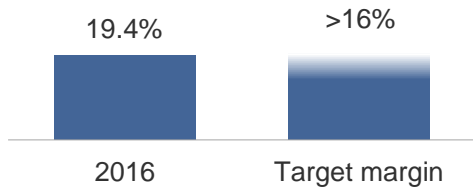


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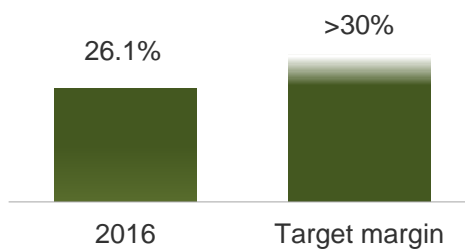
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Achieving Attractive Margins

EBITDA Margin of Chemical Divisions



EBITDA Margin of Polysilicon Business

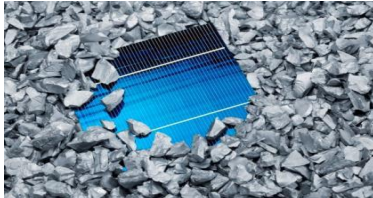


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Focusing on Sustainability

Polysilicon for Photovoltaics



Materials for Electric Cars

Additives for Wind Turbines



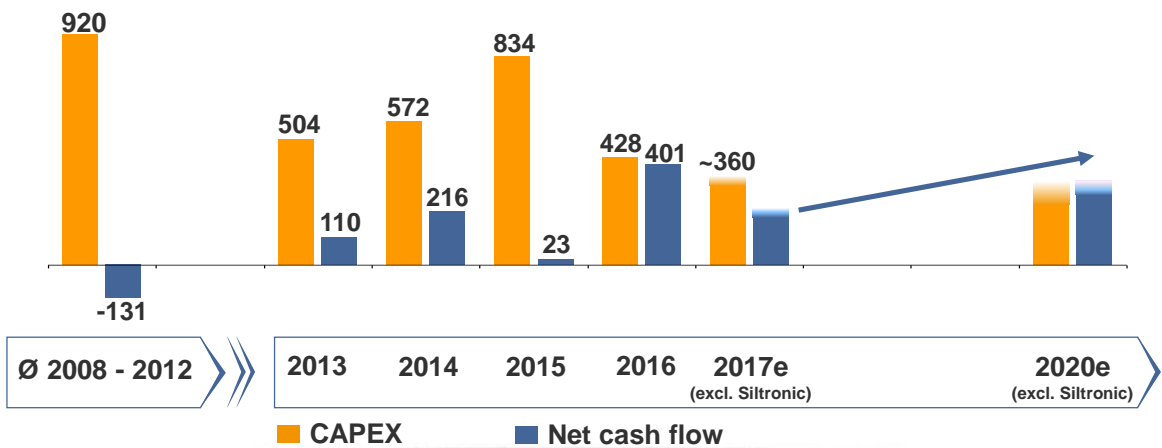
Dispersible Powders for Thermal Insulation

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Increasing Cash Inflow

CAPEX and Net Cash Flow in € Million

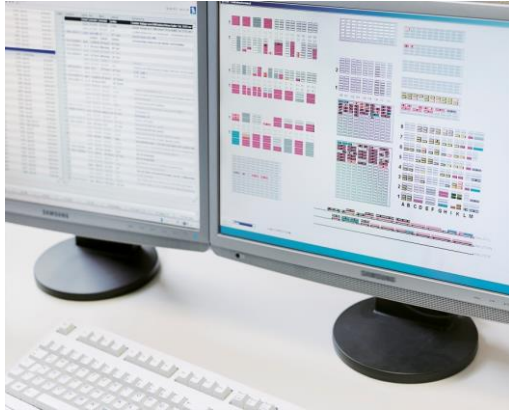


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Shaping the Digital World

Container Control Center



3D Printing with Silicones



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Innovation Shapes the Future

Specialty Silicones for LEDs



Pilot Reactor for New Dispersions



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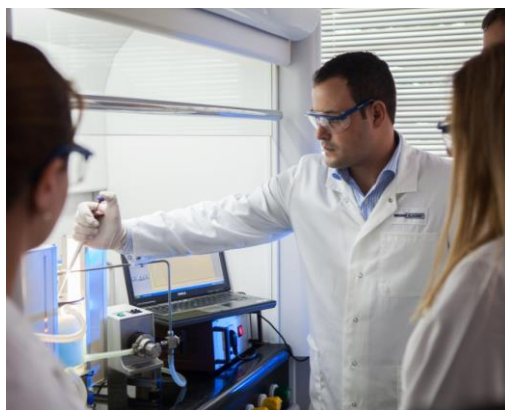
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We Invest in the Cornerstone of Our Success: Our Employees

Burghausen Voc. Training Center



WACKER ACADEMY in Brazil



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WACKER Is on Course in 2017

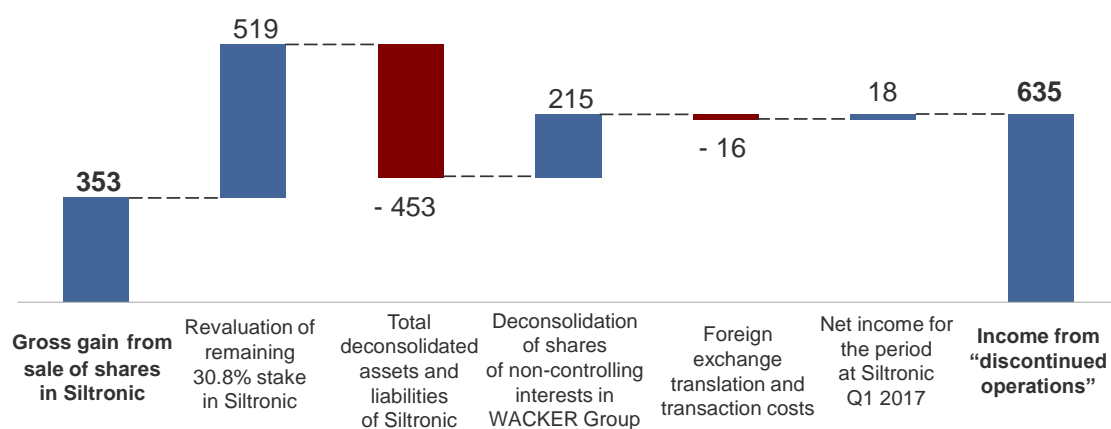
€ million	Q1 2016*	Q4 2016*	Q1 2017
Sales	1,133	1,151	1,219
EBITDA	205	221	229
EBITDA margin (%)	18.1	19.2	18.8
Income from continuing operations	27	30	31
Net cash flow from continuing operations	-10	42	53

* adjusted due to deconsolidation of Siltronic

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Deconsolidation of Siltronic Reflected in Q1 2017 Net Income



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Group Sales Expected to Grow Further in 2017

Outlook for 2017

	2016*	Outlook for 2017
Sales (€ million)	4,634	Mid-single-digit percentage increase
EBITDA (€ million)	956	Mid-single-digit percentage decrease on a comparable basis (excluding special income)
EBITDA margin (%)	20.6	Somewhat lower than last year
Net cash flow (€ million)	361	Substantially lower than last year
CAPEX (€ million)	338	Around €360 million
Net financial debt (€ million)	993	Substantially lower than last year
Depreciation (€ million)	618	Around €600 million

* excluding Siltronic

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