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PRESS RELEASE

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As stipulated by IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), WACKER is retrospectively reporting the net income of Siltronic AG and its subsidiaries for 2016 as income from discontinued operations. Since March 15, 2017, WACKER's stake in Siltronic has been accounted for using the equity method. Where applicable, the figures for Q2 2016 and the first half of 2016 given in this press release have been adjusted accordingly and are therefore comparable with the latest figures.

AFTER A SOLID SECOND QUARTER, WACKER RAISES ITS FORECAST FOR FULL-YEAR 2017

- GROUP SALES IN Q2 2017 REACH €1.22 BILLION, UP 2 PERCENT VERSUS A YEAR AGO AND ON A PAR WITH THE PRECEDING QUARTER
- EBITDA OF €253 MILLION IS 11 PERCENT HIGHER THAN A QUARTER AGO, BUT 4 PERCENT BELOW LAST YEAR DUE TO HIGHER RAW-MATERIAL PRICES
- NET INCOME FOR Q2 AMOUNTS TO €61 MILLION
- NET CASH FLOW CLEARLY POSITIVE AT €94 MILLION
- WACKER SILICONES RAISES EARNINGS FORECAST, WITH OTHER DIVISIONS RECONFIRMING EXPECTATIONS
- GROUP EARNINGS FORECAST REVISED UPWARD: FULL-YEAR EBITDA ANTICIPATED AT BETWEEN €900 MILLION AND €935 MILLION, WITH SALES STILL EXPECTED TO RISE BY A MID-SINGLE-DIGIT PERCENTAGE

Munich, July 28, 2017 – In Q2 2017, Wacker Chemie AG achieved a slight increase in sales compared with the adjusted prior-year figure reflecting the deconsolidation of Siltronic and substantial growth in EBITDA versus Q1 2017. The Munich-based chemical company posted sales of €1,218.3 million in the reporting quarter (Q2 2016: €1,199.2 million). That was a gain of some 2 percent and matched the preceding quarter's level of €1,218.8 million. One of the main reasons for the increase versus Q2 2016 was the fact that, on balance, volumes for silicones and polymer products were noticeably higher year over year. Positive exchange-rate effects also supported the sales trend. As a result, WACKER could more than compensate for prices, which were somewhat lower overall than a year ago.

WACKER generated EBITDA of €253.4 million in Q2 2017. That was about 4 percent less than last year (€265.0 million), but almost 11 percent more than a quarter ago (€229.3 million). One of the main reasons for the year-over-year decline was the fact that raw-material prices were higher. On the other hand, high plant utilization rates strengthened EBITDA in the reporting quarter. The Group's EBITDA margin for Q2 2017 was 20.8 percent (Q2 2016: 22.1 percent). A quarter ago, it reached 18.8 percent. Group earnings before interest and taxes (EBIT) amounted to €101.9 million in Q2 2017 (Q2 2016: €104.5 million), corresponding to an EBIT margin of 8.4 percent (Q2 2016: 8.7 percent). Net income for the reporting quarter amounted to €60.5 million (Q2 2016: €58.9 million) and earnings per share came in at €1.17 (Q2 2016: €1.15).

WACKER has raised its earnings forecast for full-year 2017. EBITDA is now expected to be between €900 million and €935 million. The upper figure corresponds to the prior year's EBITDA adjusted for special income (€935.2 million). The company had previously expected adjusted EBITDA to decline by a mid-single-digit percentage. This revision is due not only to the strength of chemical business, but also to the fact that income from the stake in Siltronic AG is taken into account and is likely to be higher than previously anticipated. Group sales are still expected to rise by a mid-single-digit percentage compared with last year (€4,634.2 million).

"After the first six months of the year, we remain firmly on track to achieve our full-year targets," said Group CEO Rudolf Staudigl in Munich on Friday. "Customer demand remains high, especially for silicones, but also for polymer products. Given the very good order levels, we have once again revised upward our earnings forecast for WACKER SILICONES. We have made further progress in reducing our costs for the polysilicon business and are decisively continuing our work on productivity-enhancing measures and technical improvements. The focus of our investing activities remains on increasing our down-stream production capacities in our chemical business, which accounts for three-quarters of Group sales. In doing so, we are laying the foun-dation for WACKER's profitable growth in the years ahead."

Regions

In Q2 2017, Group sales edged up in every region. The biggest increase was in the Americas, where sales rose by some 4 percent to €214.2 million (Q2 2016: €207.0 million). Sales in Europe reached €506.0 million, up 1 percent over last year's figure of €499.0 million. In Asia, sales reached €440.3 million (Q2 2016: €436.5 million), likewise an increase of 1 percent.

Capital Expenditures and Net Cash Flow

In Q2 2017, the Group's capital expenditures amounted to €74.8 million (Q2 2016: €65.4 million), up by around 14 percent year over year. Investments went primarily toward expanding capacity for silicone and polymer products. Net cash flow from continuing operations amounted to €93.9 million in Q2 2017 (Q2 2016: €120.8 million).

Employees

WACKER's global workforce edged up in the reporting quarter. The Group had 13,689 employees as of June 30, 2017 (March 31, 2017:

13,594). At the end of the reporting quarter, 9,887 employees (March 31, 2017: 9,875) worked at WACKER sites in Germany and 3,802 (March 31, 2017: 3,719) at international locations.

Business Divisions

WACKER SILICONES generated total sales of €548.7 million in Q2 2017 (Q2 2016: €514.4 million), a rise of around 7 percent. Volume growth was the main reason for this increase. Compared with a quarter ago (€555.6 million), the division’s sales were down 1 percent, primarily because the reporting quarter had fewer working days than Q1 2017. EBITDA at WACKER SILICONES reached €110.8 million in the reporting quarter, 18 percent higher than a year ago (€93.7 million). In addition to sales growth, product-mix effects and high production output supported profitability. WACKER SILICONES exceeded its prior-quarter figure (€107.4 million) by 3 percent. The EBITDA margin improved to 20.2 percent in Q2 2017, after 18.2 percent in Q2 2016 and 19.3 percent in the preceding quarter.

In the reporting quarter, sales at **WACKER POLYMERS** totaled €335.3 million, 3 percent higher than the year-earlier figure (€325.7 million) and 9 percent above the preceding quarter (€306.8 million). The main driver of this growth was higher volumes both year over year and quarter over quarter. The division’s Q2 2017 EBITDA amounted to €62.4 million (Q2 2016: €78.2 million). This decline of 20 percent was mainly caused by a substantial year-over-year increase in raw-material prices. The division announced price rises to counter this development. Compared with the preceding quarter (€52.3 million), EBITDA grew by more than 19 percent as a result of higher sales and capacity utilization. The reporting-quarter EBITDA margin was 18.6 percent, after 24.0 percent a year earlier and 17.0 percent a quarter ago.

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WACKER BIOSOLUTIONS posted total sales of €51.4 million in Q2 2017, 3 percent less than a year ago (€53.2 million). This decline was chiefly due to somewhat lower year-over-year prices in certain product segments and marginally lower total volumes. Relative to the preceding quarter (€51.4 million), the division's sales were almost unchanged. WACKER BIOSOLUTIONS' reporting-quarter EBITDA of €9.1 million was 1 percent above the year-earlier figure (€9.0 million) and 14 percent below the preceding quarter (€10.6 million). Product-mix effects and low utilization rates at certain production plants contributed to the quarter-over-quarter decrease. The EBITDA margin came in at 17.7 percent, after 16.9 percent a year ago and 20.6 percent in Q1 2017.

WACKER POLYSILICON generated total sales of €246.7 million in the reporting quarter. That was 9 percent down from the year-earlier figure (€272.2 million) and around 8 percent less than a quarter ago (€268.1 million). The decline was mainly due to polysilicon prices, which were lower both year over year and quarter over quarter. Volumes expanded noticeably during the reporting quarter. WACKER POLYSILICON's EBITDA in the quarter under review came in at €71.3 million, compared with €77.7 million last year. That was a decrease of 8 percent and was on a par with the preceding quarter's level (€70.5 million). Several factors impacted year-over-year EBITDA performance in different ways. Alongside lower polysilicon prices, EBITDA was influenced not only by last year's special income from advance payments retained and damages received from solar-sector customers, but also by cost developments, including the start-up of the Charleston site, and by product-mix effects. Compared with the preceding quarter, the division made up for the decline in polysilicon prices by achieving cost reductions with the help of productivity-enhancing measures and technical improvements.

The division's EBITDA margin was 28.9 percent in the reporting quarter, after 28.5 percent in Q2 2016 and 26.3 percent in Q1 2017.

Outlook

In Q1 2017, WACKER reduced its stake in Siltronic AG to 30.8 percent. As stipulated by IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), WACKER is retrospectively reporting the net income of Siltronic AG and its subsidiaries for 2016 as income from discontinued operations. Since March 15, 2017, WACKER's stake in Siltronic has been accounted for using the equity method.

This has not caused any changes to division-specific expectations versus the corresponding statements in the 2016 Annual Report. On publication of our Q1 2017 Interim Report, though, the Group revised upward its expectations for WACKER SILICONES, given the strong demand for its silicone products.

In the current Interim Report, the company is once again revising upward its earnings forecast for WACKER SILICONES. Given the good business conditions, full-year EBITDA is now expected to grow somewhat more strongly than sales (Q1 2017 Interim Report: sales and EBITDA to grow by a high single-digit percentage). At the same time, WACKER is raising its forecast at the Group level and expects full-year EBITDA to amount to between €900 million and €935 million (Q1 2017 Interim Report: mid-single-digit percentage decline on a comparable basis, excluding special income). The upper figure corresponds to the prior year's EBITDA adjusted for special income. This revision is due not only to the strength of chemical business, but also to the fact that income from the stake in Siltronic AG is taken into account and is likely to be higher than previously anticipated.

The projection for WACKER’s key financial performance indicators for full-year 2017 – based on the adjusted 2016 figures – is as follows:

Group sales in 2017 are still expected to increase by a mid-single-digit percentage relative to last year (€4,634.2 million).

The EBITDA margin is expected to be somewhat below last year’s figure of 20.6 percent. On balance, product prices will be lower and raw-material prices will be higher, both of which will weigh on the EBITDA margin.

Full-year EBITDA is expected to come in at between €900 million and €935 million.

ROCE will be slightly below last year’s figure of 5.6 percent.

Net cash flow is expected to be clearly positive in 2017, but substantially below last year’s figure (€361.1 million).

Capital expenditures for 2017 will amount to around €360 million, which is a slight rise versus the year before (€338.1 million without Siltronic), but remain well below depreciation.

Depreciation will come in at some €600 million in 2017, slightly below the year-earlier level (€618.2 million).

Net financial debt will decrease further, to substantially below last year’s level (€992.5 million).

***Information for editorial offices:* The Interim Report for Q2 2017 is available for download on the WACKER website (www.wacker.com) under Investor Relations.**

Key Figures of the WACKER Group

€ million	Q2 2017	Q2 2016[6]	Change in %	6M 2017	6M 2016[6]	Change in %
Sales	1,218.3	1,199.2	1.6	2,437.1	2,332.3	4.5
EBITDA[1]	253.4	265.0	-4.4	482.7	470.3	2.6
EBITDA margin[2] (%)	20.8	22.1	-	19.8	20.2	-
EBIT[3]	101.9	104.5	-2.5	175.1	168.3	3.9
EBIT margin[2] (%)	8.4	8.7	-	7.2	7.2	-
Financial result	-26.1	-22.1	18.1	-49.7	-46.8	6.2
Income from continuing operations before income taxes	75.8	82.4	-8.0	125.4	121.8	3.0
Income from continuing operations	60.5	57.6	5.0	91.7	84.8	8.1
Income from discontinued operations	-	1.3	n.a.	634.7	-9.8	n.a.
Net income for the period	60.5	58.9	2.7	726.4	75.0	>100
Earnings per share from continuing operations (€)	1.17	1.13	3.7	1.76	1.65	6.8
Earnings per share (€)	1.17	1.15	1.6	14.36	1.56	>100
Capital expenditures	74.8	65.4	14.4	121.5	156.1	-22.2
Depreciation / amortization	151.5	160.5	-5.6	307.6	301.7	2.0
Net cash flow[4] from continuing operations	93.9	120.8	-22.3	147.1	110.5	33.1

€ million	June 30, 2017	June 30, 2016	Dec. 31, 2016
Total assets	7,096.2	7,497.2	7,461.6
Equity	3,136.3	2,138.7	2,593.2
Equity ratio (%)	44.2	28.5	34.8
Financial liabilities	1,361.9	1,668.8	1,458.2
Net financial debt[5]	671.4	1,153.9	992.5
Employees (number at end of period)	13,689	17,081	17,205

[1] EBITDA is EBIT before depreciation and amortization.
[2] Margins are calculated based on sales.
[3] EBIT is the result from continuing operations for the period before interest result and other financial result, and income taxes.
[4] Sum of cash flow from operating activities (excluding changes in advance payments) and cash flow from long-term investing activities (before securities), including additions due to finance leases.
[5] Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.
[6] Adjusted in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations).

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 its 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 13,450 employees and annual sales of around €4.6 billion (2016, without Siltronic).
WACKER has a global network of 23 production sites, 19 technical competence centers and 49 sales offices.

WACKER SILICONES
Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS
Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

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 photovoltaic industries