PRESS RELEASE

Number 6

WACKER HITS NEW SALES HIGH, LIFTS EBITDA AND BOOSTS CASH FLOW IN 2016

- Sales grow 2 percent on higher volumes to reach €5.4 billion in full-year 2016
- EBITDA of €1.10 billion up around 5 percent year over year despite significant drop in special income
- Q4 2016 sales some 10 percent higher than a year earlier at €1.35 billion, with final-quarter EBITDA up 44 percent to €270 million
- EBIT for 2016 reaches €365 million, declining 23 percent versus last year amid higher depreciation
- Net income for 2016 totals to around €190 million
- Net cash flow advances to about €400 million in 2016

Munich, February 1, 2017 – After a good fourth quarter, Wacker Chemie AG achieved its sales target for full-year 2016 and exceeded its earnings expectations. According to preliminary calculations, the Munich-based chemical group generated total sales of €5.4 billion during the reporting year (2015: €5.3 billion). That was about 2 percent above the 2015 figure. The increase was primarily attributable to higher volumes. Every division generated year-over-year sales growth in 2016.

According to preliminary figures, Group EBITDA (earnings before interest, taxes, depreciation and amortization) came in at €1.10 billion (2015: €1.05 billion). It was 5 percent above the prior-year level

“Our chemical business performed well in the fourth quarter, and we also saw good volume growth in semiconductor wafers and polysilicon,” said Group CEO Rudolf Staudigl on Wednesday in Munich. “Thanks to good customer demand, sales were substantially higher in all segments than a year ago. On balance, we generated the strongest final-quarter sales to date.”

Investments, Net Cash Flow and Net Financial Debt
WACKER’s capital expenditures amounted to €430 million in 2016 (2015: €834 million) according to preliminary figures – down by almost one-half versus last year, as expected. Capital spending focused on expanding capacities for downstream silicone products, on modernizing Siltronic’s crystal-pulling facilities and on completing the polysilicon plant in Charleston, Tennessee (USA). WACKER finished commissioning the production facilities there on schedule in the third quarter of 2016.

The Group’s net cash flow was clearly positive, as forecast, and amounted to around €400 million (2015: €23 million). This strong rise was mainly due to the substantial decline in capital expenditures. Net financial debt was slightly below the year-earlier level, as expected. It
amounted to around €990 million at December 31, 2016 (Dec. 31, 2015: €1.07 billion).

**Business Performance in Q4 2016**

WACKER closed the fourth quarter of 2016 with substantial gains in sales and EBITDA. Group sales from October through December 2016 totaled roughly €1.35 billion (Q4 2015: €1.23 billion), up 10 percent. EBITDA reached €270 million in Q4 2016 (Q4 2015: €188 million). That was 44 percent more than the year-earlier figure.

WACKER's business in the final quarter was mainly spurred by lively customer demand. Sales were above the comparative Q4 2015 figures at every division.

WACKER's three chemical divisions substantially increased their total sales between October and December 2016. This sales growth stemmed primarily from higher volumes for silicones. Final-quarter sales at WACKER SILICONES, came in at €490 million (Q4 2015: €460 million), some 7 percent above the prior-year figure. WACKER POLYMERS posted total sales of €275 million in Q4 2016 (Q4 2015: €273 million), up slightly by about 1 percent. Sales at WACKER BIOSOLUTIONS climbed 11 percent to €50 million (Q4 2015: €45 million).

EBITDA at the chemical divisions grew even more strongly than sales. The EBITDA increase was achieved through higher sales combined with low cost levels, stemming partly from high plant utilization levels, especially for silicones. In addition, ongoing efficiency programs had a positive impact on EBITDA at the chemical divisions. WACKER SILICONES posted EBITDA of €80 million in the final quarter of 2016 (Q4 2015: €50 million), a rise of 60 percent. WACKER POLYMERS lifted its EBITDA by 10 percent to €45 million (Q4 2015: €41 million). WACKER BIOSOLUTIONS reported EBITDA of about €7 million in Q4 2016 (Q4 2015: €7 million).
From October through December 2016, WACKER POLYSILICON achieved total sales of €295 million (Q4 2015: €242 million). This rise of 22 percent was due to volume growth. The division’s EBITDA grew by 20 percent versus a year earlier. It reached €85 million in Q4 2016 (Q4 2015: €71 million), and included special-income items of around €13 million (Q4 2015: €28 million).

Siltronic generated total sales of €246 million between October and December 2016 (Q4 2015: €215 million). This rise of 14 percent was attributable above all to higher volumes. Favorable exchange-rate effects also contributed to sales growth. Siltronic more than doubled its EBITDA to €50 million in Q4 2016 (Q4 2015: €23 million). In addition to higher sales, good cost trends and a year-over-year reduction in currency hedging losses had a positive effect on fourth-quarter EBITDA.

**WACKER’s Preliminary Key Figures**

<table>
<thead>
<tr>
<th>€ million</th>
<th>2016e</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,400</td>
<td>5,296</td>
<td>2</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>1,100</td>
<td>1,049</td>
<td>5</td>
</tr>
<tr>
<td>EBITDA margin² (%)</td>
<td>20</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>EBIT³</td>
<td>385</td>
<td>473</td>
<td>-23</td>
</tr>
<tr>
<td>EBIT margin² (%)</td>
<td>7</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>190</td>
<td>242</td>
<td>-21</td>
</tr>
<tr>
<td>Capital expenditures (including financial assets)</td>
<td>430</td>
<td>834</td>
<td>-48</td>
</tr>
<tr>
<td>Net cash flow⁴</td>
<td>400</td>
<td>23</td>
<td>&gt;100</td>
</tr>
</tbody>
</table>

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 and other financial results, 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 changes arising from finance leases.

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The company in brief:
WACKER is a globally-active chemical company with some 17,000 employees and annual sales of around €5.3 billion (2015). WACKER has a global network of 25 production sites, 22 technical competence centers and 50 sales offices.

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

WACKER POLYMERS
Polyvinyl acetates and vinyl acetate copolymers 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

Siltronic
Hyperpure silicon wafers and monocrystals for semiconductor components