WACKER

WACKER CHEMIE AG
FACTBOOK 2011

Investor Relations, September 2011

CREATING TOMORROW'S SOLUTIONS

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WACKER CHEMIE AG
FACT BOOK 2011: CONTENTS

WACKER

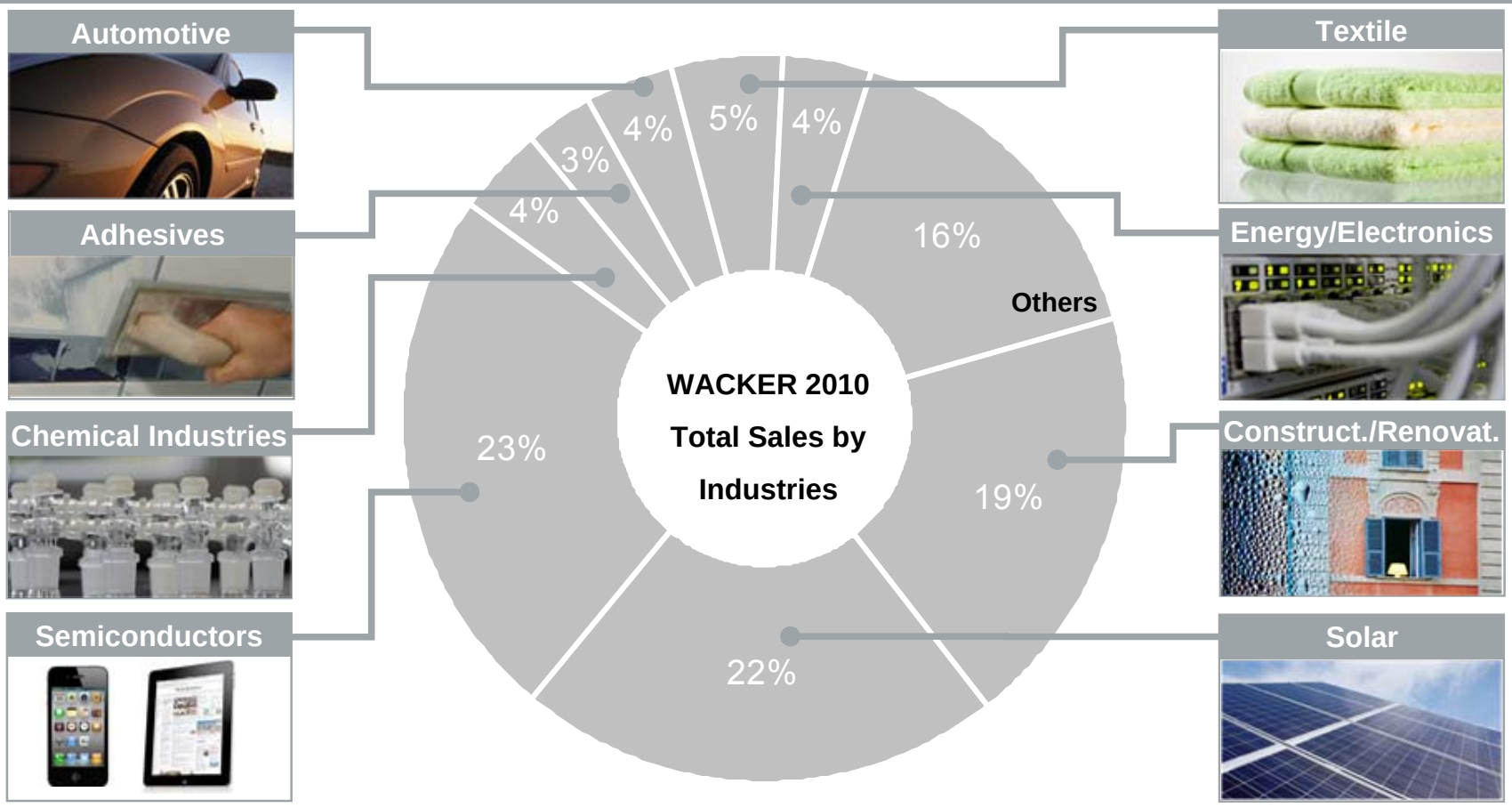
WACKER: MORE THAN 90 YEARS OF HISTORY

1914 >	1921 >	1947 >	1953 >	1966 >	1978 >	1995 >
Foundation of the "Dr. Alexander Wacker Ges. für elektrochemische Industrie KG"	Hoechst AG becomes shareholder in Wacker-Chemie; providing 50% of the share capital	Start of work in the area of **silicones**	First production of **hyper-pure silicon** for the semiconductor industry	Production start of **VAC-Ethylene-Copolymer** in Burghausen	Foundation of the Wacker Siltronic Corporation Portland, Oregon, USA	Takeover of wafer site in Freiberg, Saxony

1998 >	2000 >	2005 >	2006 >	2007 >	2008 >	2010 >
Takeover of the silicone site in Nuenchritz, Saxony; JV with APCI (APP/WPS)	JV with NSCE for wafer business: WNC (55/45), in 2003 buyout of remaining 45% shares **Wacker family gains majority share** of Wacker Chemie GmbH with 51%	A Wacker family venture acquires Sanofi shares; WACKER becomes a stock corporation – **Wacker Chemie AG**	**Going public in April 2006;** JV with Dow Corning for silicones + pyrogenic silica in China; JV Siltronic Samsung Wafer Pte. Ltd. for 300 mm wafers	Acquisition of outstanding shares of APP/WPS	Decision on new production site for Polysilicon in Nuenchritz, Saxony	Takeover of the silicon smelter plant in Holla (Norway) from Fesil Group; Decision on new production site for Polysilicon in Tennessee, USA

DIVERSIFIED END MARKET PORTFOLIO

Market Structure by Application Segment



WACKER – INTEGRATION ALONG AND BETWEEN VALUE CHAINS

Business Activity

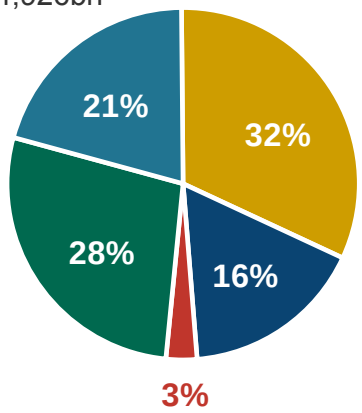
Technology or market leader in a variety of attractive markets

WACKER is a leading global supplier to the chemical, semiconductor and solar industries. In many of its markets WACKER is a technology or market leader focused on processing silicon and ethylene into a variety of inorganic and organic products for high-tech applications.

Group Sales in 2010: €4,748bn

Based on a well balanced portfolio

- Total business division sales in 2010 (incl. internal sales): €4,926bn [1)]



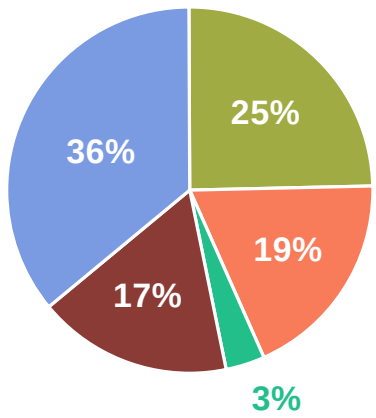
- **WACKER SILICONES**
- **WACKER POLYMERS**
- **WACKER BIOSOLUTIONS**
- **WACKER POLYSILICON**
- **Siltronic**

1) Balance of internal sales / corporate functions / other € -178m

Sales Performance by Region in 2010

Globally present and close to customers

- Performance by region in 2010 [2)]



- **Europe (without Germany)**
- **Germany**
- **Others**
- **America**
- **Asia**

2) External sales by customer location, figures rounded

Strategic Focus

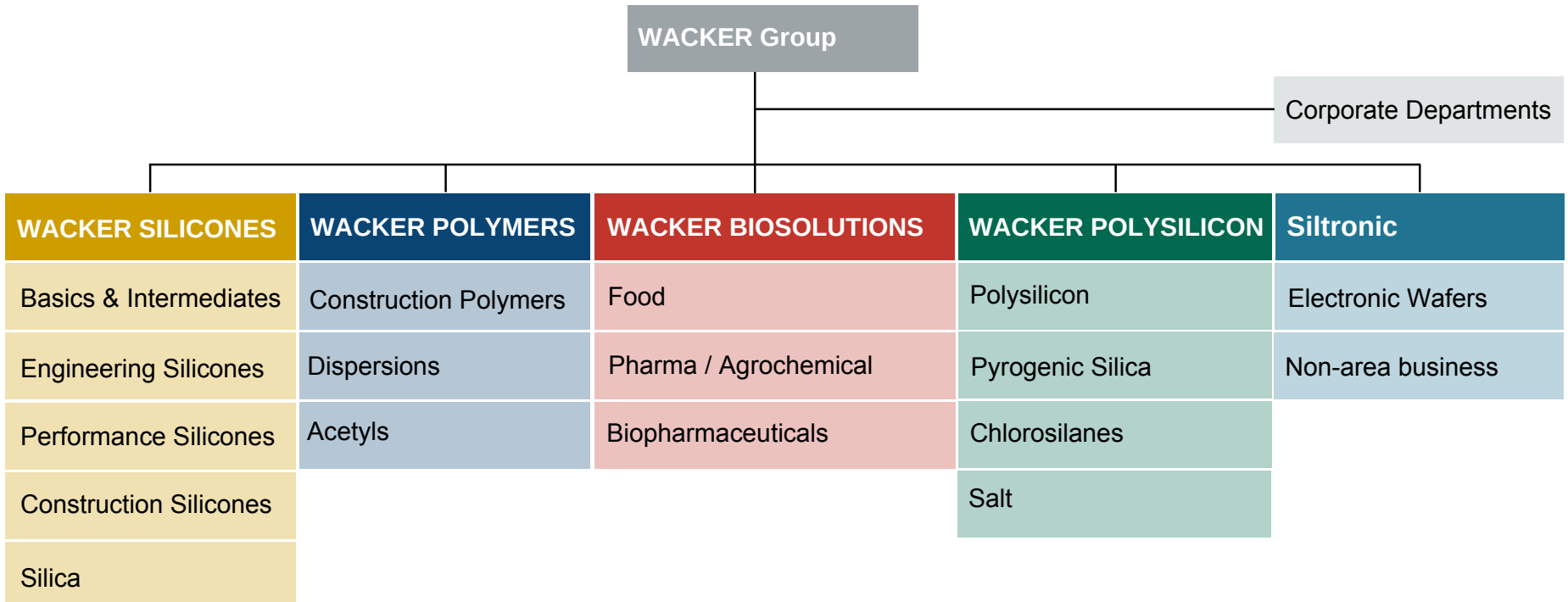
Advanced Materials

Market Leadership

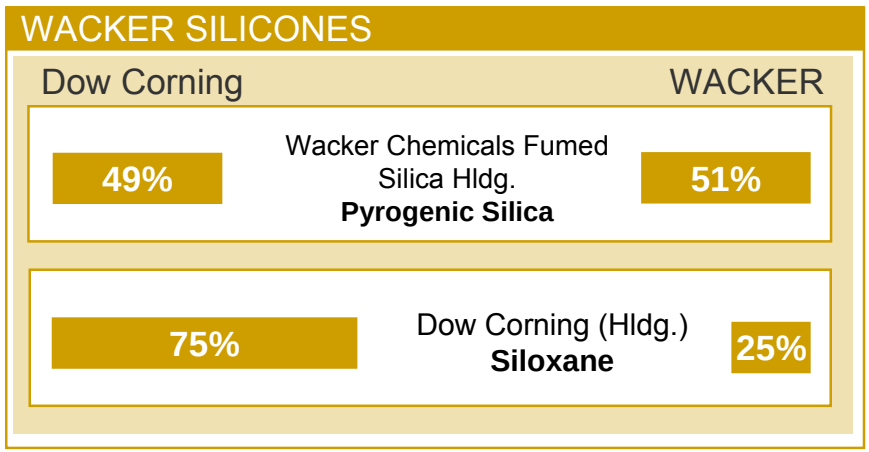
Cost Position

Growth!

FIVE SPECIALISTS UNDER ONE ROOF – PRODUCT OVERVIEW

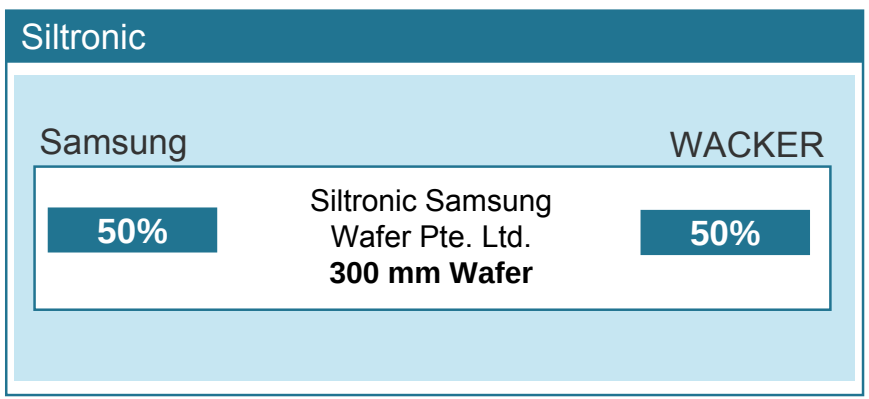


WACKER: JOINT VENTURE STRUCTURE AND THEIR ACCOUNTING



WACKER SILICONES

1. Pyrogenic Silica JV: Fully consolidated; 49% of net income distributed to Dow Corning
2. Siloxane JV: 25% of net income (income from investments in joint ventures and associates)*

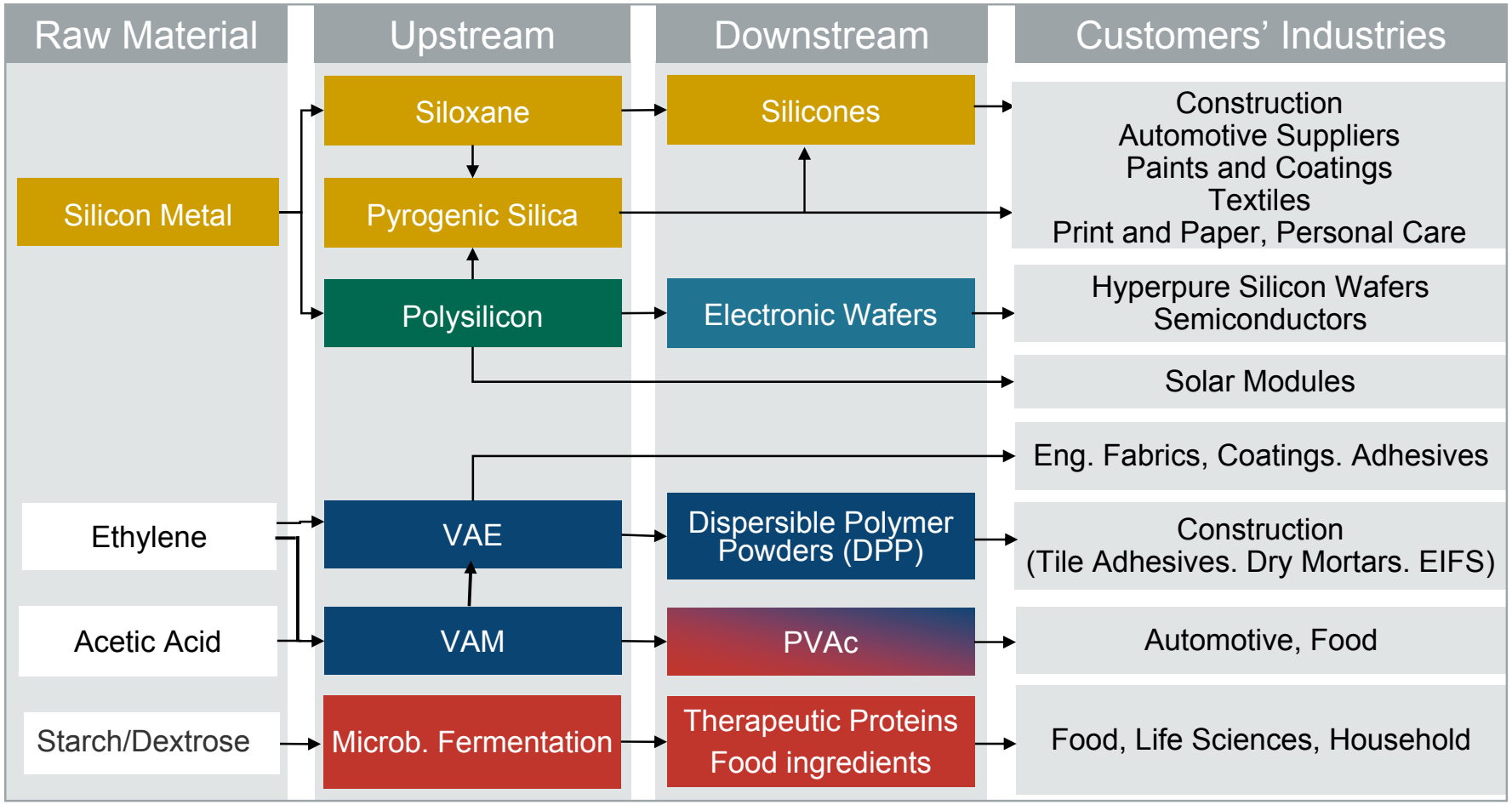


Siltronic

1. 50% of JVs net income (income from investments in joint ventures and associates)*
2. Earnings from wafer sales sold through Siltronic (Sales, COGS, SG&A) excluding Samsung
3. Siltronic has a call option for the majority of the JV

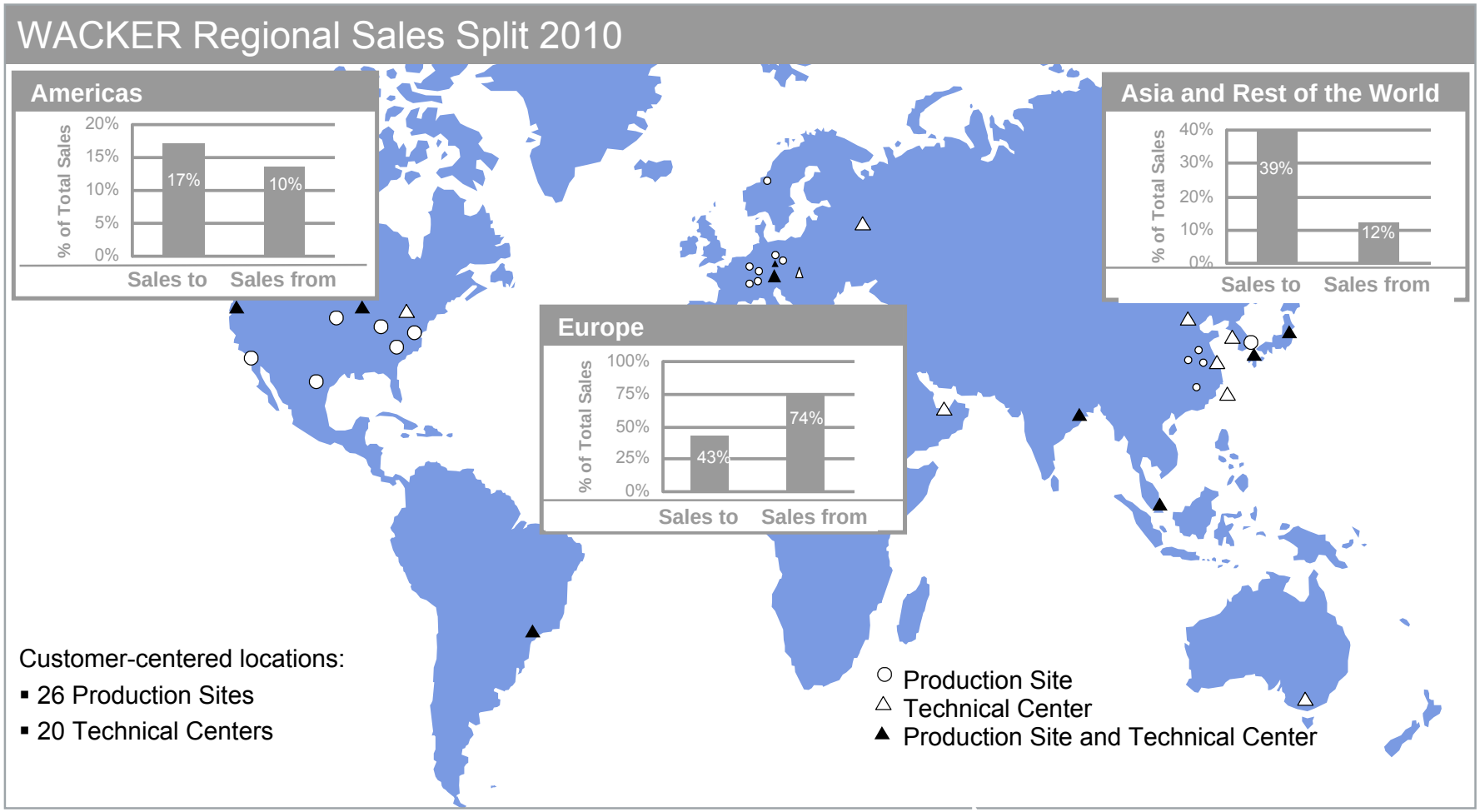
* incl. in EBITDA

WACKER: HIGHLY INTEGRATED OPERATIONS BASED ON FOUR KEY RAW MATERIALS



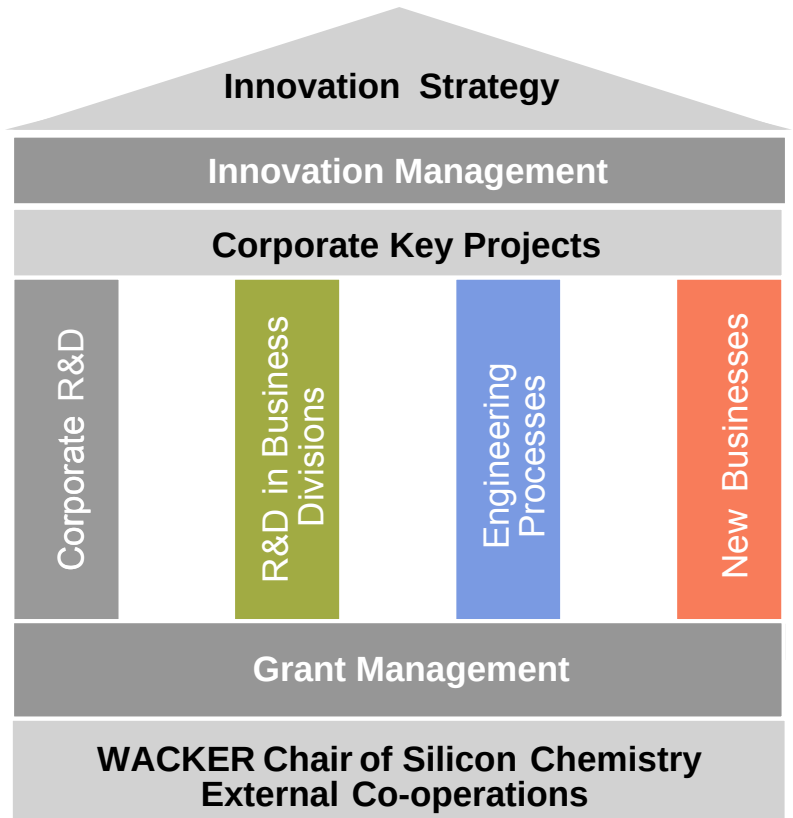
VAM = Vinyl acetate monomer. VAE = Vinyl acetate ethylene, PVAc = Polyvinyl acetate, EIFS = Exterior insulation and finish system

GLOBAL FOOTPRINT – MOVING MANUFACTURING CLOSER TO CUSTOMERS

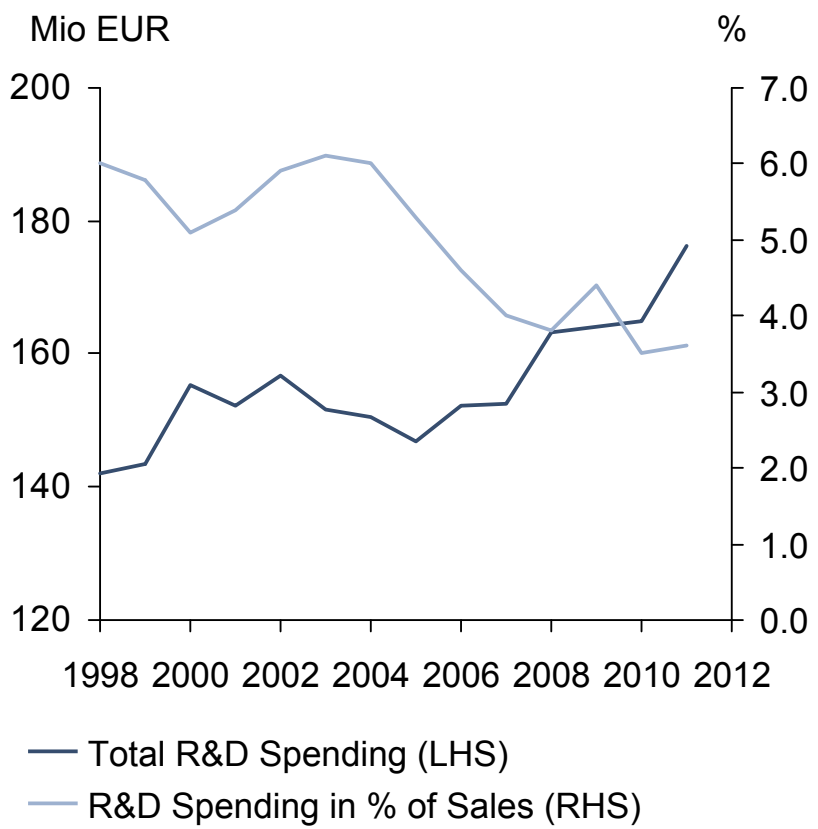


INNOVATION AT THE CORE OF WACKER'S BUSINESS STRATEGIES

A Multidimensional Basis of Innovation



Historically High Levels of R&D Spending



SUSTAINABILITY IS A KEY PART OF WACKER'S BUSINESS PROCESSES

Our Vision

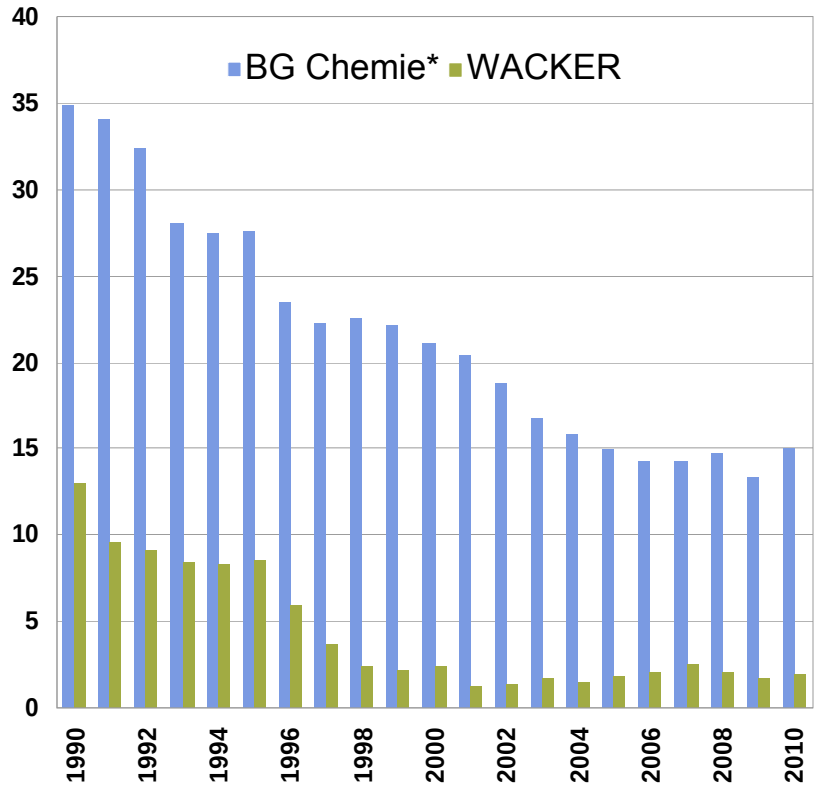
We believe that, long term, the chemical industry makes a vital contribution to global progress and sustainable development.
In the future, social and economic success will rest more than ever on worldwide collaboration and interconnected skills.

Flexible and specialist units will therefore profit the most from the opportunities available today and tomorrow.

Responsible Care®

- Voluntary program founded in 1984 by the world's chemical industry
- WACKER has been member since its inception
- Wacker Chemie AG's Executive Board signed the "CEO Declaration of Support for the Responsible Care® in 2006

Reportable Accidents in the Domestic Group vs. Peers (Accidents per 1,000 Employees)

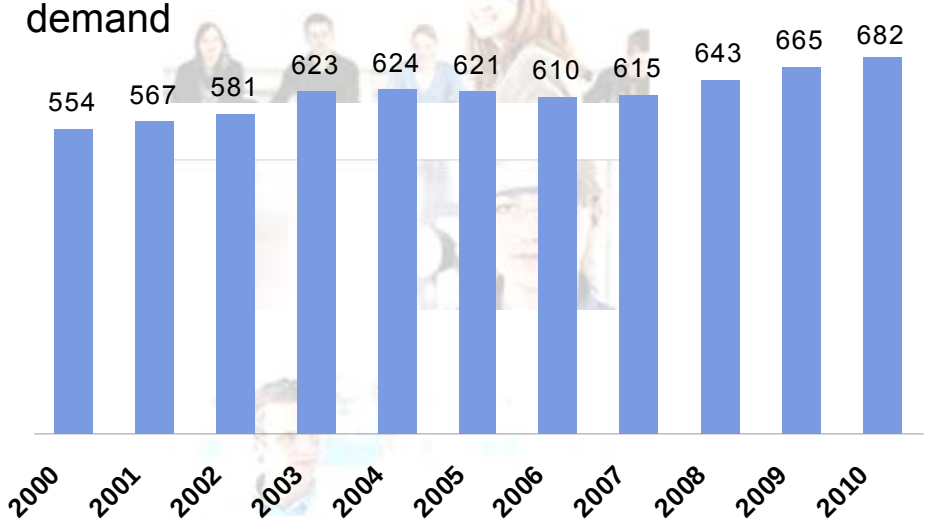


* BG Chemie: Accident Insurance & Prevention Asso., German Chemical Industry

EMPLOYEE DEVELOPMENT IS KEY – WE GO THE EXTRA MILE

Vocational Training in Burghausen

- 682 trainees are gaining skills at WACKER's Vocational Training Center (incl. BBiW trainees)
- WACKER educates more than its internal demand



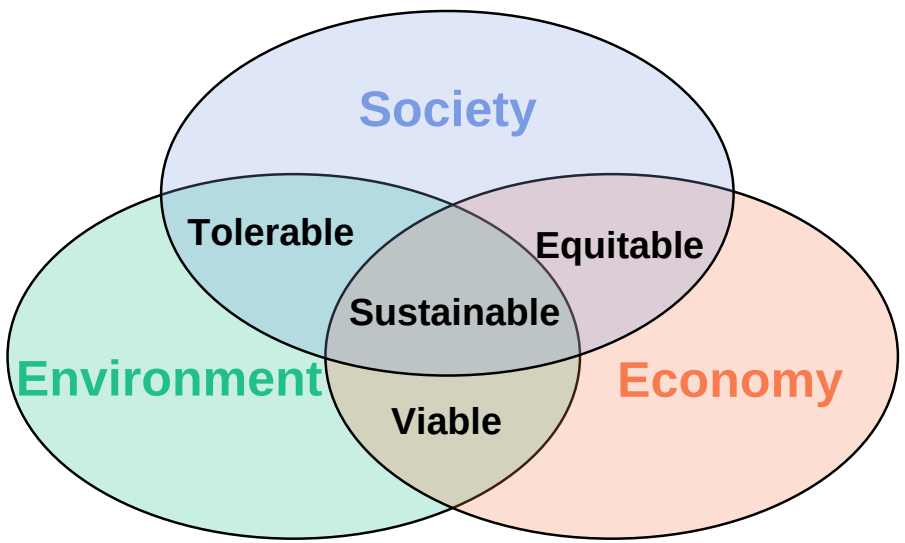
Vocational Training Programs

- Chemical technician
- Chemical laboratory technician
- Mechatronic technician
- Logistics administrator
- IT administrator
- Security guard
- Business informatics graduate
- Process engineering graduate
- Electronics graduate
- Industrial sales manager
- Management assistant etc.

WACKER invests in the future

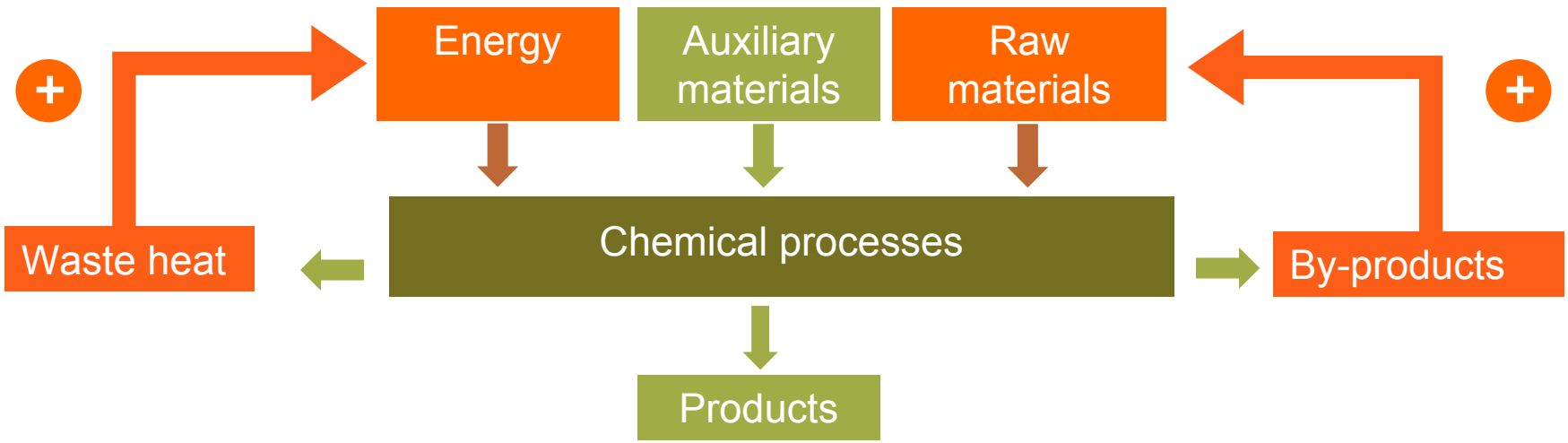
SUSTAINABILITY - A CORE ELEMENT OF OUR CORPORATE STRATEGY

- We are convinced that chemistry makes a vital contribution to global progress and sustainable development
- Our aim is to balance economic, environmental and social aspects
- Sustainability is basis of long-term business success



- Ongoing high spending on environmental protection
- Safe operation of plants
- Product safety
- Open dialog with all stakeholders
- Transparency through reporting
- Business success through high value products

WACKER ADDS VALUE THROUGH INTEGRATED PRODUCTION AT ITS SITES



By-products and waste heat are fed back into production via highly complex material and energy loops and go on to create more value.


Burghausen


Nünchritz


Zhangjiagang

INTEGRATED PRODUCTION CREATES VALUE FOR WACKER ON SEVERAL LEVELS

Environmental

- Minimizing waste, wastewater and waste gas
- Minimizing transport
- Saving energy

Economic (through cost savings of integrated production)

- Creating value (minimize costs, improve specific output)

Social (through better economic performance)

- Investors: securing the company's existence
- Employees: safer working conditions, securing jobs
- Society: creating purchasing power of society, social spending, etc.

A FOCUS ON SAFETY IS THE FOUNDATION OF OUR WORK

SAFETY

- WACKER evaluates its plant safety status worldwide periodically
- WACKER's occupational safety goal is zero injuries

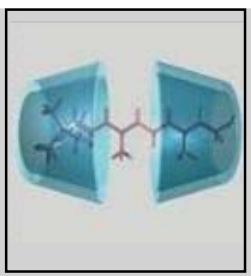
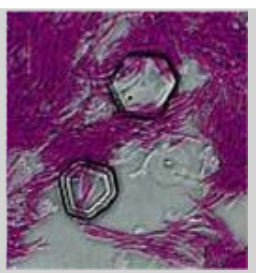
- WACKER’s systematic worldwide Planning Process is based on
  - internal experts,
  - systematically and logically reasoned safety tools and
  - WACKER’s specific planning and plant know-how
- Potential impacts caused by changes are analyzed in depth before realization using an Integrated Management of Change Process

One global standard

OUR PRODUCTS AND SERVICES HELP TO COPE WITH GLOBAL CHALLENGES

CHALLENGES	SOLUTIONS
ENERGY EFFICIENCY	Silicones: LED lenses, SREP,Sealants Polymer Powders: EIFS
GREENHOUSE GASES	Polysilicon: Renewable (Solar) Energy Polymer Dispersions: Green Building, low VOC
RENEWABLE RESOURCES	White Biotechnology Cyclodextrins Cysteine



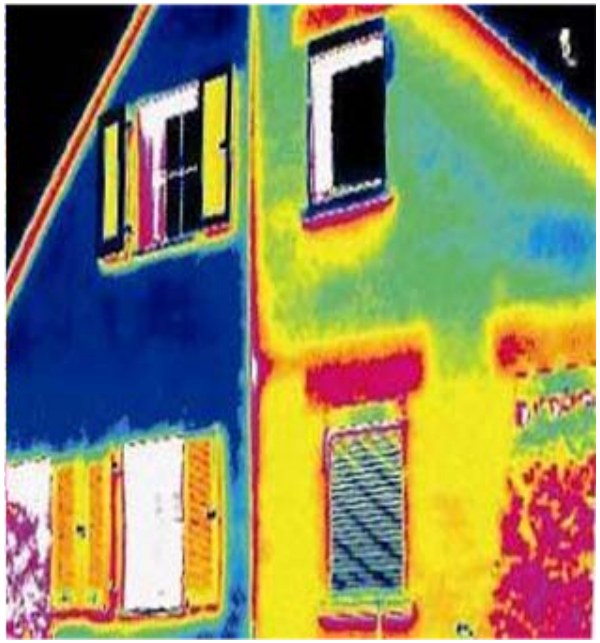
VINNAPAS® POLYMERS ENABLE TO ENHANCE ENERGY SAVING MEASURES INSULATION SYSTEMS

ENERGY SAVINGS

Energy conservation

- Exterior insulation and finish systems

Heat Loss



Potential for CO_2 Savings in Germany

- 840 million m² external insulations were applied during 1957-2009, thereof 41 million m² in 2009
- The new installed area per year reduces the annual CO_2 emission by ~1.46 million tons
- 63% of existing 39 million housing units were built before launch of the first “Thermal Insulation Ordinance“ in 1977

⇒ High potentials for energy saving and reduction of CO_2 emissions

Sources: Fachverband WDVS e.V. Schulungshandbuch 2010, Energiekompass 2009, Heat image: Sto AG

SILICONE ELASTOMERS IN INFRASTRUCTURE: MAJOR ROLE IN POWER GENERATION, TRANSMISSION AND DISTRIBUTION

Germany's Electricity Grid

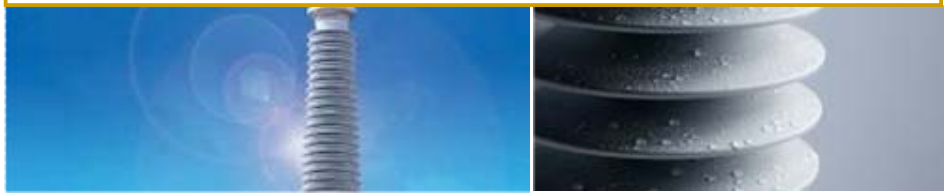
The network of high-voltage and extra-high-voltage lines has a length of over 100,000 km.

It is estimated that about 3.75 million insulators are in use.

In Europe, tens of millions of insulators are in use.*

Advantages of Silicone Elastomers in Power Generation, Transmission and Distribution

- UV resistance
- Heat resistance
- Low flammability
- Hydrophobicity
- Erosion and tracking resistance
- Corona and ozone resistance
- Unaffected by mechanical loading



*Source: WACKER estimate

SUPERIOR SAFETY SOLUTIONS: CERAMIFYING SILICONES IN FIRE PROTECTION

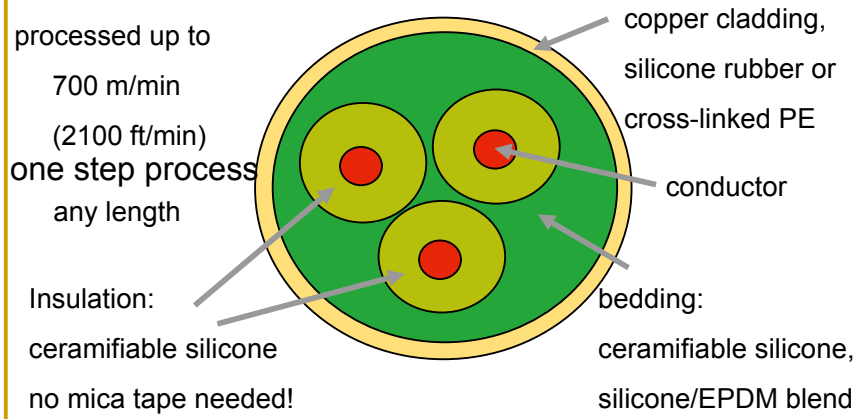
Fire Safety Cables Protect Human Life

- Assure power supply in fires up to 2 hours and 1100 °C (2012 °F)
- Ceramifying silicone rubbers best in fire performance. They are halogen free and produce limited smoke

Airport Munich Terminal 2
Only baggage handling required 40 km (25 mi) of safety cables

Ceramifying Silicones Allow to Increase Productivity in Safety Cables

- Only ceramifiable INTEGRISIL® silicone forms a hard insulating ceramic, under fire conditions
- Increase manufacturing productivity up to 700%
- Exhibit superior flexibility in assembly
- Allow for weight reduction



INNOVATION BASED ON WATER REPELLENCY AND DURABILITY OF SILICONES DRIVES GROWTH AND PROTECTS THE ENVIRONMENT

Superior Building Protection with Silicone Resin Emulsions

Problem

Severe damages on buildings caused by water penetration

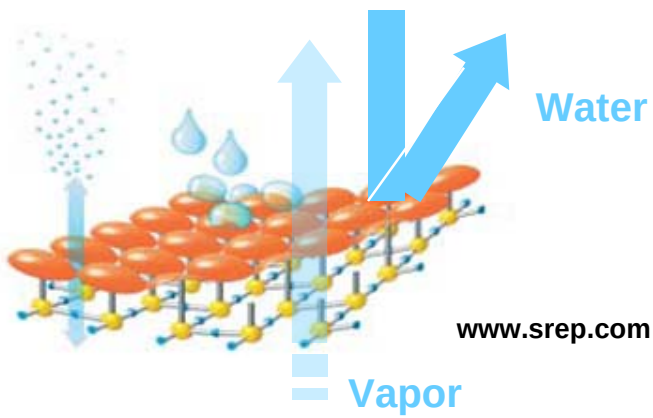
Solution

SILRES® BS

Protective coatings with unique properties

- Hydrophobic surface
- Breathable
- Water repellent
- Abrasion resistant

Example: Beijing Airport

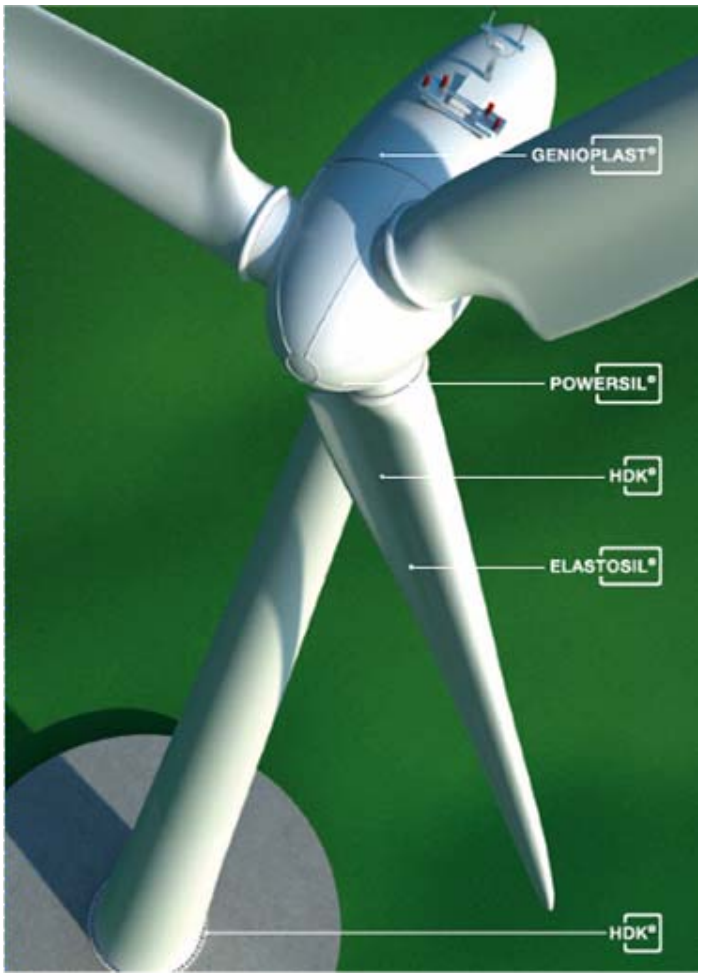


PRODUCT DEVELOPMENT DIRECTLY FOR EMERGING MARKETS: „SINGLE RINSE“ SILFOAM HELPS TO REDUCE WATER CONSUMPTION

Silicone antifoams for “single rinse” softeners

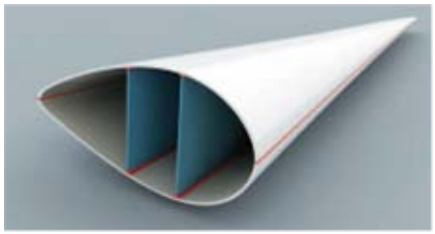
- Application developed for countries with big hand-wash-market and problems in water supply
- Usage of silicon-based antifoams reduces water-consumption
- Combined with softener, SILFOAM reduces the number of rinses from 3-4 times to 1 time
- Product is placed in South-East-Asia, Mexico and South America

FUMED SILICA: FOR EFFICIENT BONDING PASTES



Problem: higher energy yields with wind turbines demanded

- Longer and heavier blades required
- Different materials: polar systems



Solution: Fumed Silica (HDK®) used in bonding rotor blades

- High viscosity
- Storage stability
- Less tendency to embrittle

DEVELOPING NEW MARKETS: SILICONES IN ENERGY SAVING LEDS*

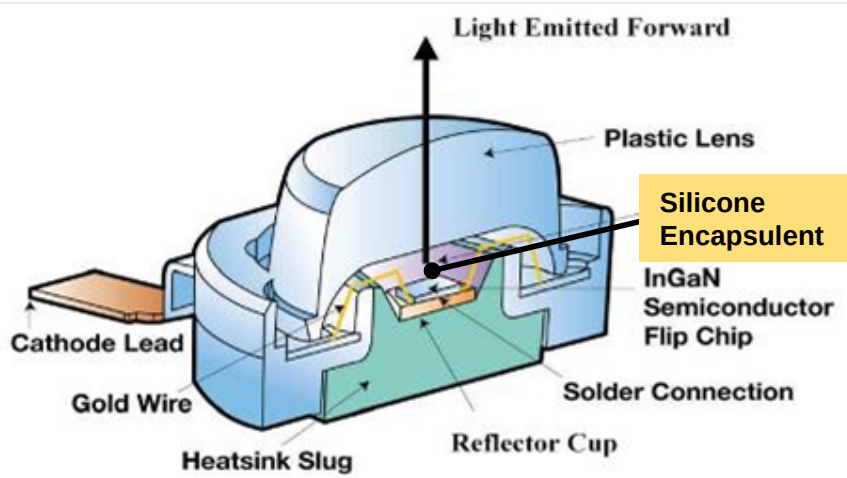
Improved Performance and Energy Efficiency



- Up to 50% energy savings with LED lighting compared to traditional sources
- Highly increased lifetime
- Extremely robust against mechanical stress
- Allows highly flexible lighting solutions due to instant switchability of color and tone

* LED = Light Emitting Diode

Unique Properties of Silicones for High Brightness LEDs



Silicone Advantages

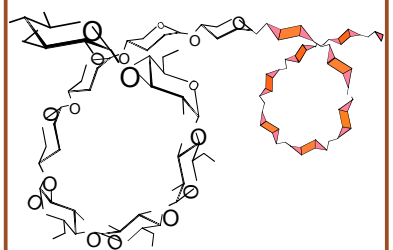
- Perfectly resistant against UV-Light from blue and white LEDs
- Superior heat resistance for high brightness and improved process ability (lead free soldering at 260°C)

WHITE BIOTECHNOLOGY AT WACKER: SUSTAINABLE PRODUCTS AND PROCESSES

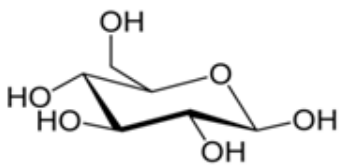
Business Division WACKER BIOSOLUTIONS uses corn as renewable raw material for the production of high-value biotech products.

Corn

Starch

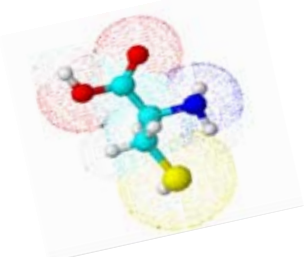


Glucose



Cyclodextrin

Cysteine



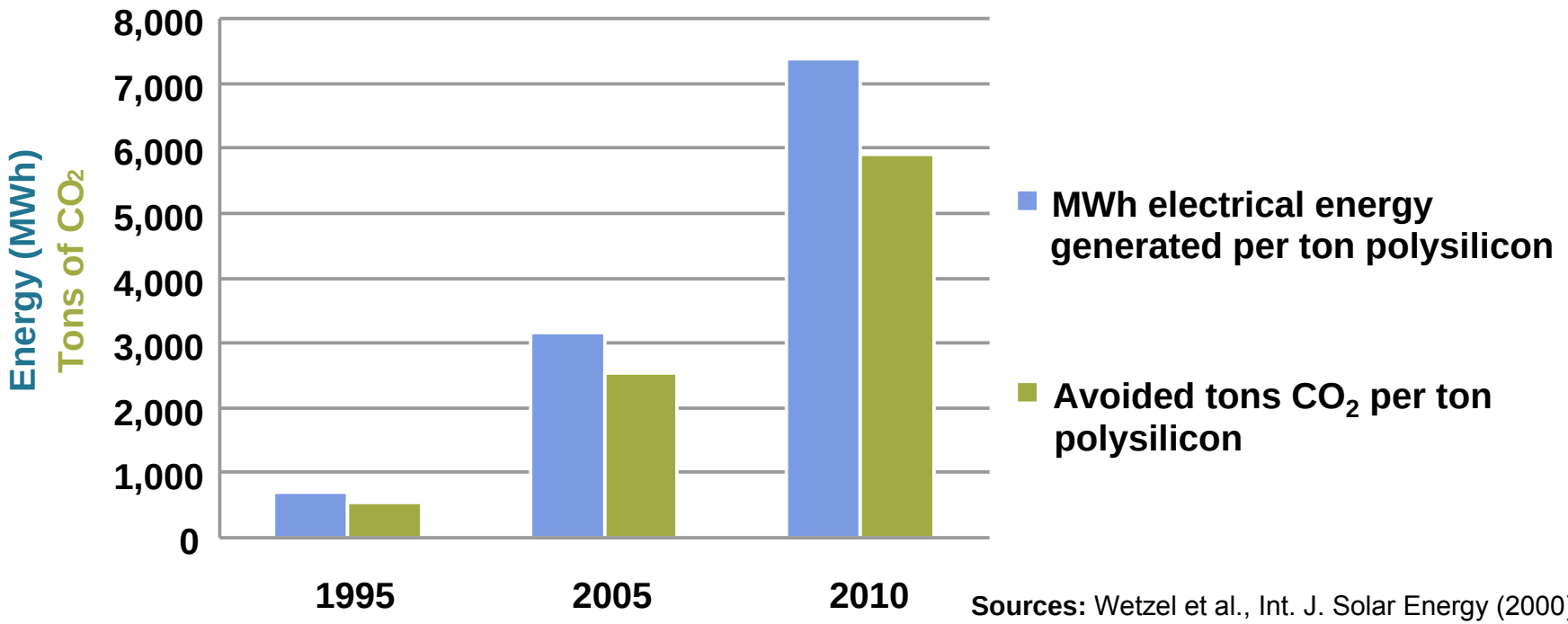
WACKER'S CYSTEINE PRODUCTION PROCESS – AN EXCELLENT ALTERNATIVE TO TRADITIONAL EXTRACTION

Biotechnological fermentation is extremely efficient and ecological:

- Use of hydrochloric acid is reduced from 27 kg per kg product to 1 kg per kg product.
- Only renewable, vegetable raw materials and no organic solvents are used.
- High overall yield: 90 percent of the produced cysteine are gained in the final product.
- Side product can be used as natural fertilizer.
- **Award-winning**: Patented WACKER process won environmental award of the Association of the German Industry (Bund der Deutschen Industrie) 2008

WACKER POLYSILICON: EACH TON OF POLYSILICON FOR THE PV INDUSTRY AVOIDS THOUSANDS OF TONS OF CO_2

Net electrical energy production and avoided CO_2-emissions per ton polysilicon over module lifetime*

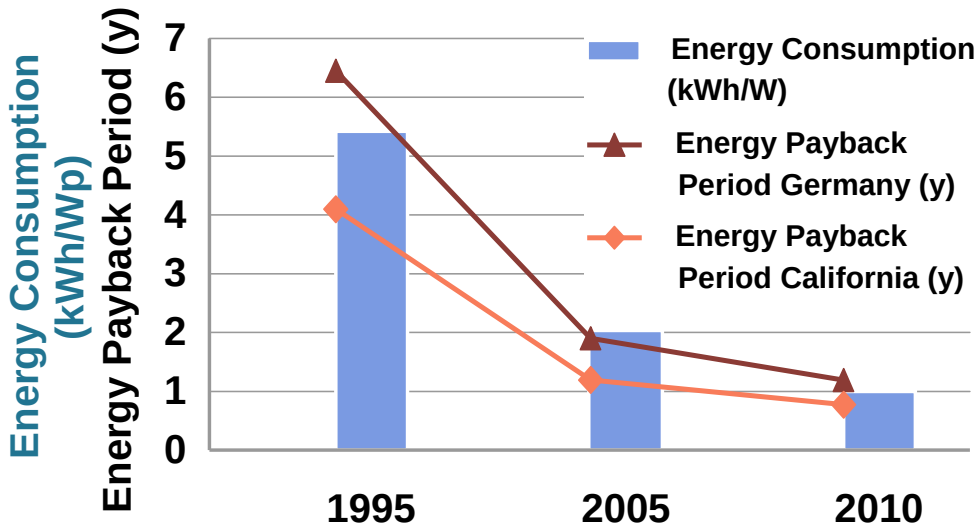


* Example: Modules with Monocrystalline Cells based on WACKER POLYSILICON feedstock

Sources: Wetzel et al., Int. J. Solar Energy (2000) Vol. 20, Roadmaps EPIA (2006) and BMU (2005)

WACKER POLYSILICON: IMPRESSIVE DECREASE OF PV MODULE ENERGY PAYBACK PERIOD

Example: Modules with monocrystalline cells based on WACKER POLYSILICON feedstock



Main contributions:

- Wafer thickness reduction
- Cell efficiency increase
- Improved ingot pulling
- Advanced WACKER polysilicon deposition

% Cell efficiency	15	17	20
µm Wafer thickness	450	250	150

Sources: Wetzel et al., Int. J. Solar Energy (2000) Vol. 20, Road-maps EPIA (2006) and BMU (2005)

CORPORATE CITIZENSHIP - PART OF CORPORATE RESPONSIBILITY AT WACKER

We Are Committed to Education and Research

Wacker Lehrstuhl - Institut für Siliciumchemie
Technische Universität München

WACKER INSTITUTE
Tennessee

2008: Opening of the Institute of Silicon Chemistry at the Technical University of Munich

Our commitment to school education:

- Experiment kit for schools
- Bavarian Educational Pact participation
- Sponsor of *Young Scientists* competition
- Internships and site tours
- Support of the TUM University Foundation

jugend forscht

- WACKER is working together with the **Chattanooga State Community College** to set up a joint training program specifically designed for future employees of WACKER's Charleston, Tennessee, site.

WACKER'S RELIEF FUND: AN EXAMPLE OF SUSTAINABLE DISASTER AID

WACKER HILFSFONDS

Tsunami

€250,000 for construction and maintenance of four school classrooms and a training center in Sri Lanka

China Project

€100,000 for rebuilding a school in the Sichuan region that had been destroyed by an earthquake

Haiti Project

WACKER's Executive Board supports donation campaign with initial donation of 50,000 € and announces to match all incoming donations.

Pakistan Project

€50,000 for rebuilding a girls' elementary school (Swat District), which was severely damaged during the 2010 floods.

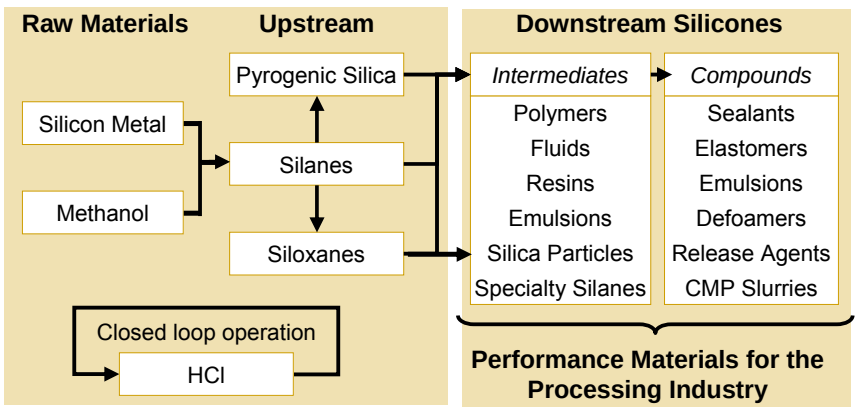
WACKER IS COMMITTED TO EXCELLENT CORPORATE CITIZENSHIP

Community Commitment	▪ We are a globally active company and view community commitment as an essential part of our corporate responsibility.
Education and Research	▪ We promote education and research through active, as well as financial support.
Social Activities	▪ Additional social activities: sports sponsoring, community and cultural events. ▪ Established WACKER HILFSFOND as relief fund channeling emergency aid (2005 Tsunami, 2008 China earthquakes, 2010 Haiti) ▪ Active large scale supporter of “Die Arche” (“The Ark”), a charity supporting disadvantaged children in Germany
Responsible Employees	▪ At its locations worldwide, WACKER encourages employees self initiative to accept responsibility for the society in which we all live and work.

WACKER SILICONES

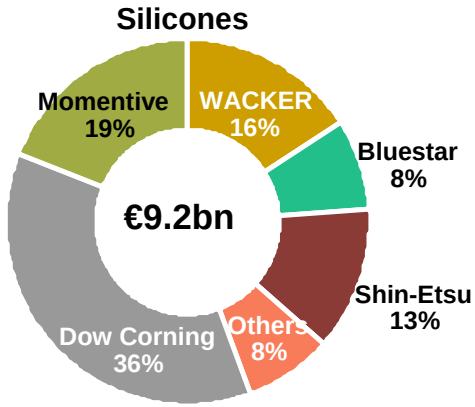
WACKER SILICONES: AN INTEGRATED GLOBAL PLAYER IN A LEADING MARKET POSITION

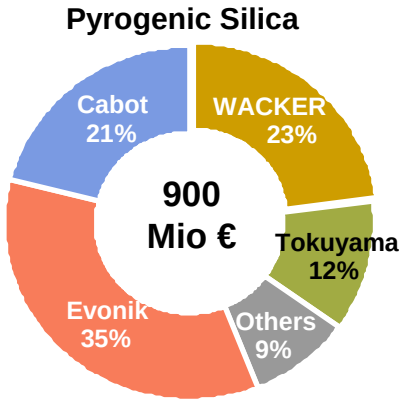
Supply Chain



Sites

Competitive Landscape 2010





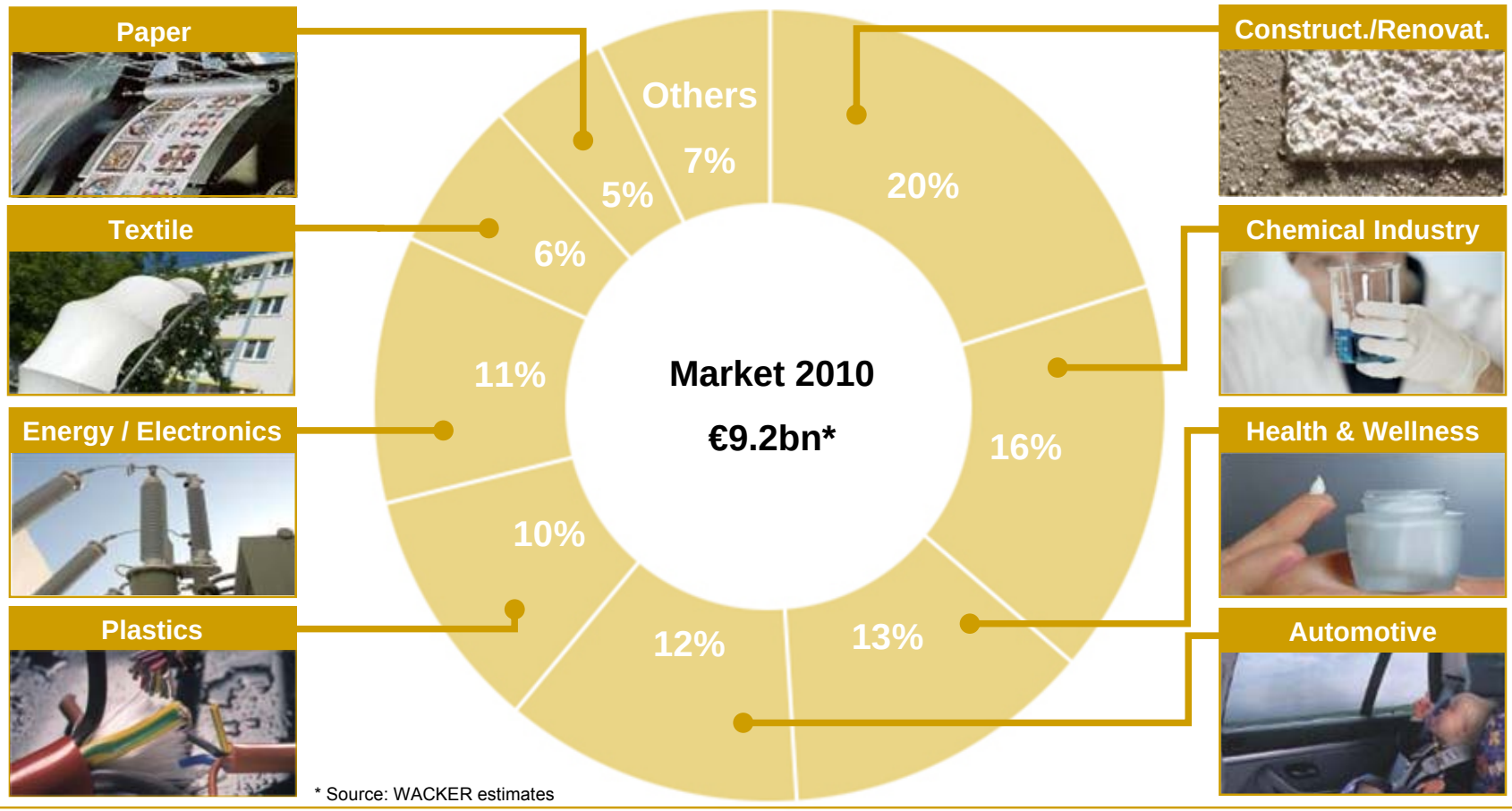
* Source: WACKER estimates

Market Characteristics

- Reduced cyclical vulnerability through market diversity
- Historic growth rates 3% above worldwide GDP
- High entry barriers (capital and technology)
- Megatrends spur sustainable market growth
- Innovations broaden scope of applications
- Substitution of carbon-based materials

SILICONES CREATE VALUE IN MANY PROCESSING INDUSTRIES

Market Structure by Application Segment



* Source: WACKER estimates

UNIQUE PROPERTIES OF SILICONES SUPPORT GLOBAL MEGATRENDS IN CONSUMER PRODUCTS

Silicones: a Unique Set of Product Properties

Flexibility	Insulating	Heat resistance
Hydophobicity	Softening	Radiation resistance
Glossiness	UV-stability	Transparency
Adhesion	Foam control	Discharge safety
Dielectricity	Durability	Release properties

- Tailoring of customized solutions
- Unique property profiles
- Advanced processability
- Superior performance in consumer goods

Megatrends Drive Silicones Growth


Mobility/Fuel Efficiency


Construction

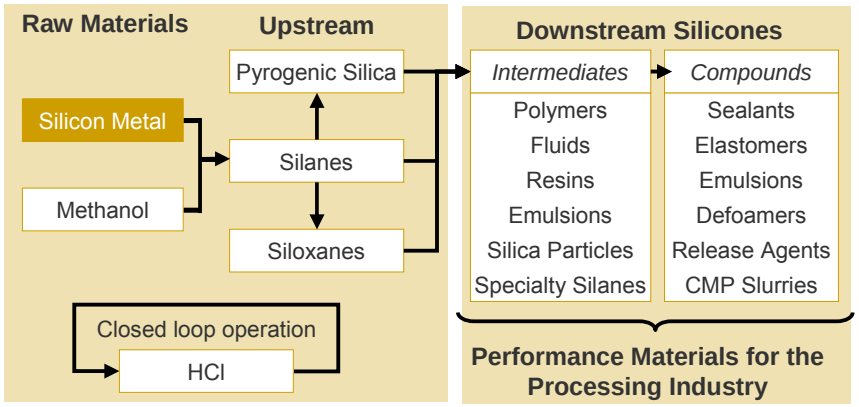

Convenience/Fashion


Health & Wellness


Safety

SILICON METAL INTEGRATION PROVIDES LONG-TERM SUPPLY STABILITY

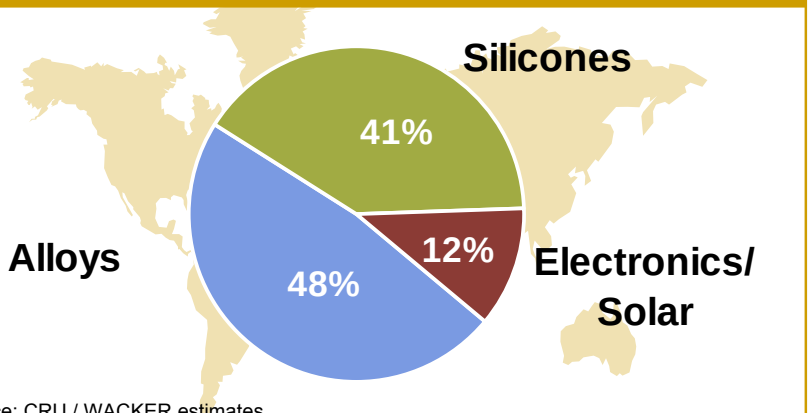
Silicones Supply Chain



Overview Holla Metal in Trondheim

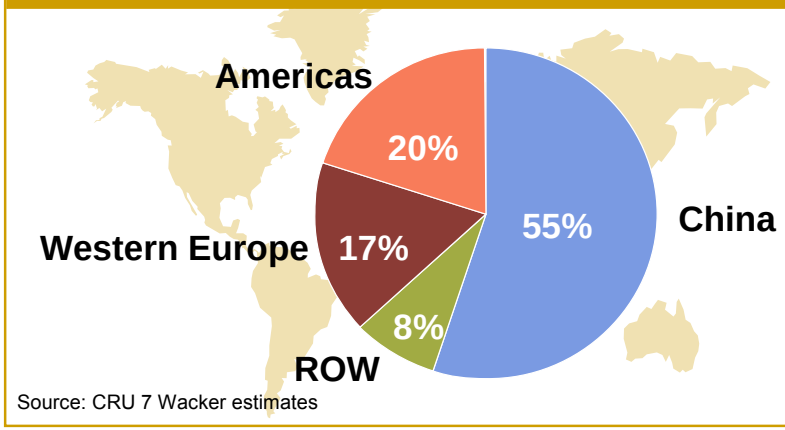
- 48 kt silicon metal capacity and 24 kt microsilica as a by-product
- Direct shipping via own quay
- Certified production according to ISO 9001 and 14001
- **Process**: carbo-thermic reaction of silica (quartz) in an electric arc furnace at ~1,800°C

Silicon Metal Global Uses 2011



Source: CRU / WACKER estimates

Global Silicon Metal Production 2011



Source: CRU 7 Wacker estimates

ABOVE-AVERAGE GROWTH IN SILICONES BASED ON THREE PILLARS

Innovation

- Key to continuous product improvement
- Extension of the scope of silicone applications by new product classes
- Increased productivity and margins by competitive production processes

WACKER LUMISIL®

WACKER's unique UV crosslinking technology enables dispensing of LED lenses in one step instead of molding, potting and assembling. The UV technology can also be applied to various other applications.

Substitution

- As a non-carbon polymer, silicones have a unique property profile.
- Silicones have the potential to substitute organics and other products in many applications.

WACKER POWERSIL®

Silicone elastomers substitute for conventional ceramics as insulating materials in power transmission and distribution. Advantages are long-term durability, low temperature flexibility, hydrophobicity and dielectric properties.

Globalization

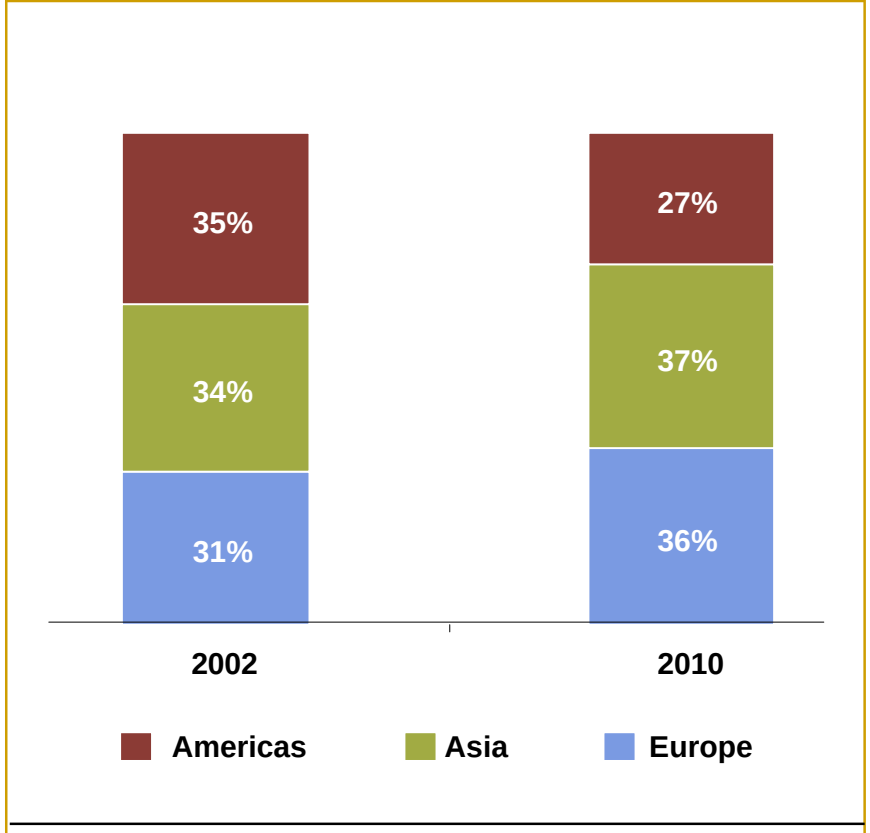
- A new middle class is growing in emerging economies.
- Increasingly affluent consumers orient themselves to western lifestyles.

WACKER's global presence

With 12 production sites worldwide and Technical Centers in regions of the most vibrant economic growth, WACKER SILICONES is well prepared to deliver tailor-made solutions to the customer.

INCREASING PENETRATION OF FASTEST GROWING MARKETS

Market Structure Silicones Industry 2002 – 2010



* Source: WACKER estimates; shares based on € sales

WACKER SILICONES Highlights Asia

- Significant gain of market share in China and India
- Joint ventures with Dow Corning in Zhangjiagang
  - access to world-scale siloxane production
  - siloxane to go on-stream by end of decade
  - production of fumed silica started in 2008
- Downstream facilities in Zhangjiagang
  - sealants production running since Feb 2007
  - elastomers on-stream since April 2006
- Joint venture with Dymatic in China
  - JV for textile auxiliaries develops above expectations
  - production in Zhangjiagang to start mid 2008
- Technical Centers in Shanghai, Singapore, Calcutta and Akeno

SILICONES: LEVERAGING INNOVATION TO CREATE VALUE ON MULTIPLE LEVELS

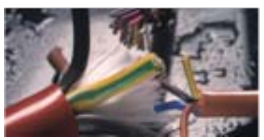
Capex Intensity

Upstream	**Siloxan, Fumed Silica**	Centralisation
Downstream	**Formulation and compounding according to market requirements**	De-Centralisation

Additives | Oils | Resins | Emulsions | Silane

Industries





Customer Orientation

WELL POSITIONED FOR SUSTAINED PROFITABILITY GROWTH

WACKER SILICONES Competitive Advantages and Strengths

- Highest level of integration in the industry
- Increasing share of specialties in production mix
- No. 1 or 2 in selected segments (e.g. building preservation, elastomers for transportation and energy, pyrogenic silica for merchant market)
- Dedicated activities in fastest growing Asian market remain on track despite the actual downturn
- Two world-scale upstream sites in Burghausen and Nuenchritz
- Building a new third fully integrated site in China with market leader Dow Corning
- Global footprint in downstream operations
- Increasing market access through joint ventures

MARKET RECOVERS TO GROWTH: MOVING FORWARD WITH REGAINED STRENGTH

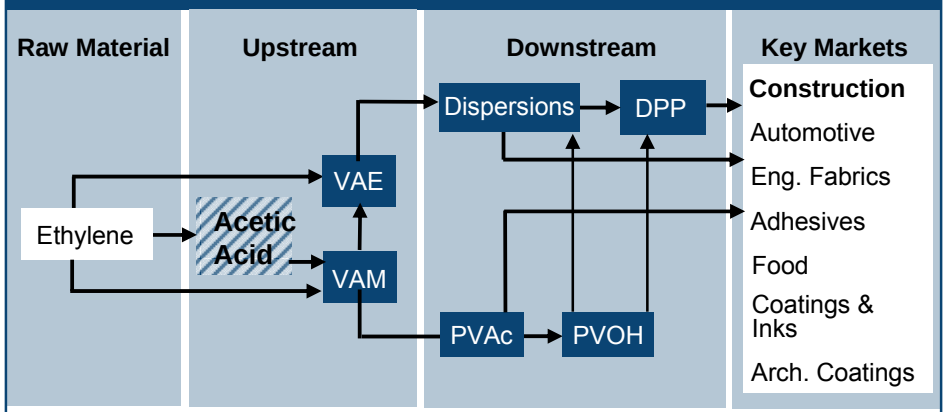
Strategic Focus in Current Market Environment

Strategic Focus	Our Actions
Innovation	• Focus on Megatrends like “Energy Savings” with innovative materials for LED or insulation
Substitution	• Utilize potential of silicone based materials for example for Megatrend “Construction conservation”
Globalization	• Capitalize on trend “Improvement of “Living Quality” on population in emerging regions with high growth rates

WACKER POLYMERS

WACKER POLYMERS: SETTING THE STANDARDS

Supply Chain

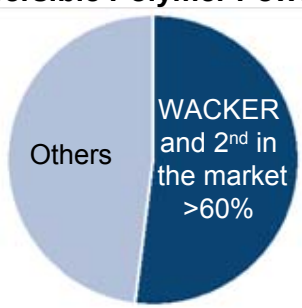


VAE = Vinyl acetate ethylene, VAM = Vinyl acetate monomer,
PVAc = Polyvinyl acetate, PVOH = Polyvinyl alcohol
DPP = Dispersible Polymer Powders

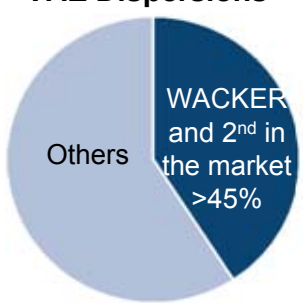
Global Set Up

Capacity Shares 2010*

Dispersible Polymer Powders



VAE Dispersions



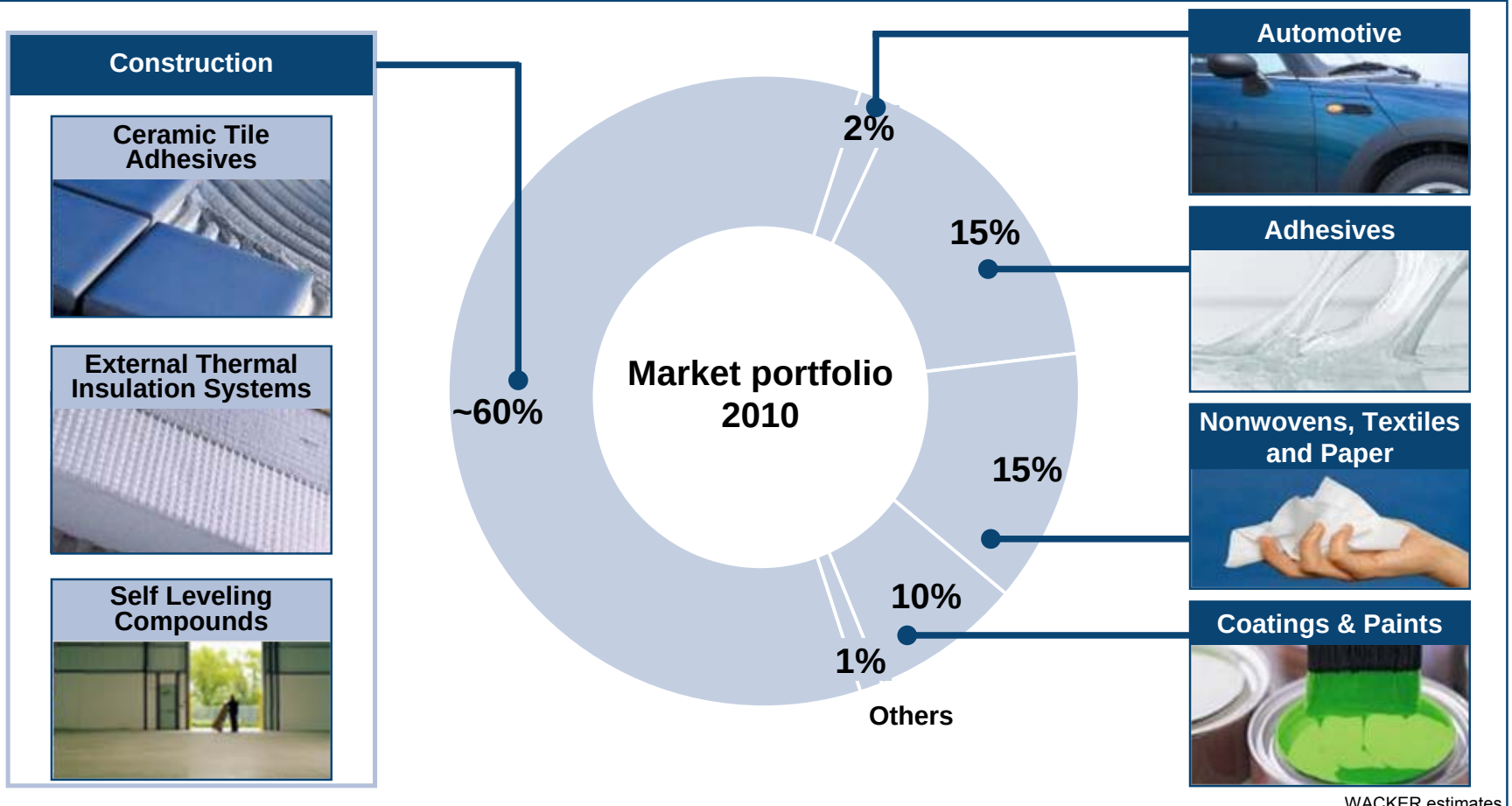
*Source: WACKER estimates

Market Position

- Global No. 1 in Dispersible Polymer Powders (DPP)
- Leading global supplier of VAE dispersions for adhesive, coatings and nonwovens applications
- Global market penetration
- Presence in all key markets via Technical Centers

POLYMERS' PRODUCTS ARE SERVING DIVERSE END-INDUSTRIES

Market Structure by Application Segment 2010

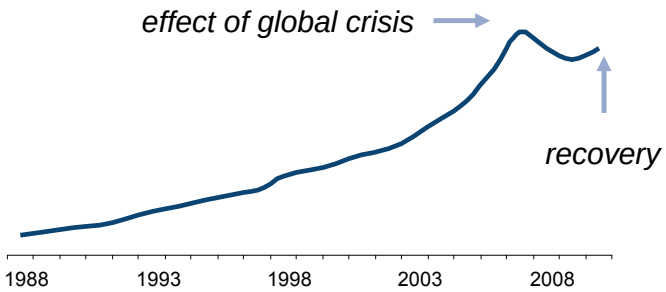


WACKER estimates

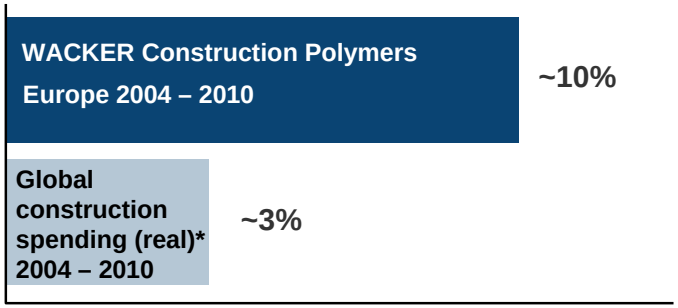
GLOBAL LEADERSHIP IN A GROWTH MARKET

Production Volumes for (VINNAPAS®) Powders

Past Production Volumes for VINNAPAS® Powders



Industry Specific CAGR

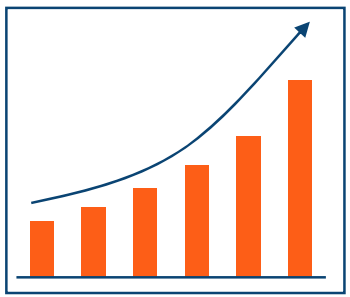


*Source: IHS press anouncement

Drivers of Ongoing Growth

Global & Regional Development

- Growing markets: Brazil, China, SEA, India, South & Central Europe
- Established markets (W. Europe, N. America) with slower growth and urge for innovation
- Consumer Care and coatings with differing cycles comp. to construction



Megatrends

- Urbanization / Improving living conditions
- Energy savings / Water conservation
- Global efforts to reduce CO_2 emissions
- Green Building

Substitution & New Applications

- Low VOC & environmental awareness
- Substitution of traditional mortar systems

POLYMERS WITH A STRONG FOCUS ON ENHANCING ITS ASIA ENGAGEMENT…

2009

2010

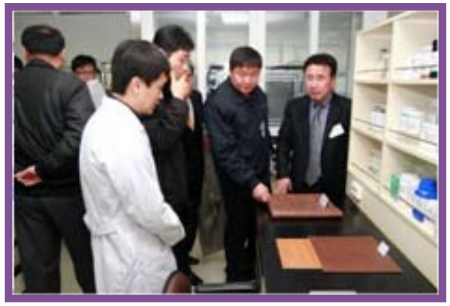
Testing center Vietnam

Inauguration Nanjing

TC India opening

Production records in Ulsan

TC Korea opening



…STRENGTHENING THE TECHNICAL CENTER NETWORK TO SUPPORT MARKET DEVELOPMENT

Global WACKER Technical Centers and WACKER® ACADEMY for Close-to-Customer Market Development in all Growth Regions

WACKER ACADEMY

Training & Competence center

- Modern seminar rooms and state-of-the-art laboratories
- Hands-on demonstrations
- Seminars related to industries and technologies
- Platform to share know-how with customers and partners

Market Penetration

- Technical Centers
- Local cooperation's

Product Availability

- Production expansion
- Large distribution network

Know-how

- WACKER® ACADEMY
- Symposia / Conferences

LEVERAGING INTEGRATION TO DEFINE GROWTH

WACKER POLYMERS Competitive Advantages and Strengths

- Market leader in Dispersible Polymer Powders
- Leading in VAE dispersions for adhesive, coatings and engineered fabrics applications
- Defining the market in construction applications
- Regional market development through Technical Centers
- Innovations and new applications to benefit from megatrends
- Vertically integrated value chain with leading edge plants
- Strong focus on production technology and productivity

STRATEGY HAS BEEN ALIGNED TO FOCUS ON LONG-TERM GROWTH

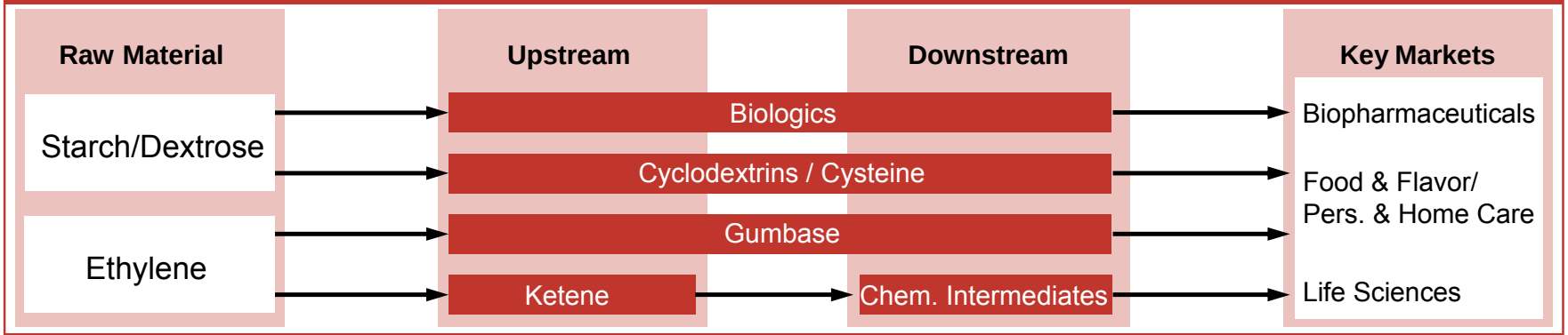
Strategic Focus in Current Market Environment

Strategic Focus	Our Actions
Regional market strategies	• Increase market penetration to early capture regional market growth opportunities • Strong support of key accounts
Productivity & Process excellence	• Productivity focus and operational excellence • Active capacity management
Innovation to differentiate	• Megatrends will drive long-term growth: related innovation in focus (e.g. energy & resource savings) • New application development beyond existing core segments

WACKER BIOSOLUTIONS

WACKER BIOSOLUTIONS: FOCUSING ON ATTRACTIVE NICHES

Supply Chain

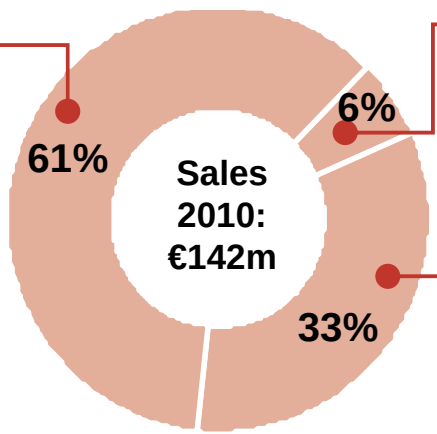


Business Structure

Nutrition / Gum

Food and Cosmetics
Cyclodextrins, Cysteine
Encapsulated Coenzyme Q10
Cysteine as Food ingredients

Gumbase
Gum base resin for Chewing Gum production



Biopharmaceuticals

Drugs
Strong technology and IP position in protein secretion and high cell density fermentation used for biologics production

Pharma/Agro

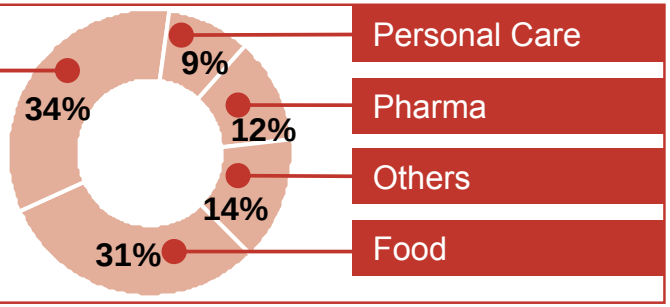
- Example acetyl acetone
- Intermediate for drugs or pesticides
- Key intermediate in heterocyclic chemistry

LEADING POSITIONS IN ATTRACTIVE SPECIALTY MARKETS

Product Characteristics and Applications

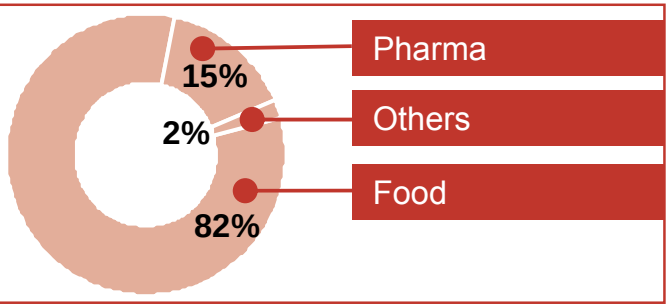
Cyclo-dextrins

- Solutions for selective encapsulation and controlled release
- WACKER market share: market leader*
- WACKER CAGR (2002–2010): 19%



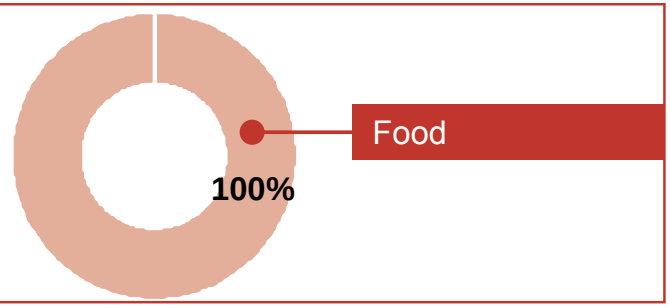
Cysteine

- Advanced production process based totally on vegetable raw materials
- WACKER market share: market leader in vegetarian grade
- WACKER CAGR (2002–2010): 39%



Gumbase

- High quality gumbase resin portfolio for all gumbase applications
- WACKER market share: market leader*
- WACKER CAGR (2002–2010): 8%



*Source: WACKER estimates

NEW APPLICATIONS DRIVE GROWTH IN CYCLODEXTRINS

Cyclodextrin Effects and Selected Applications

WACKER is the only manufacturer of Cyclodextrins with a world-scale plant able to produce all types: Alpha-, Beta- and Gamma-Cyclodextrins.

Cyclodextrins enables the following effect (examples):

- Masking
- Stabilizing
- Making bioavailable

Beverages

Vitamin & Catechin water, Catechin-rich green tea

Dietary Supplements

CoQ10-γ-CD complex

SOLID DEMAND GROWTH FOR VEGETARIAN CYSTEINE

Cysteine Properties and Selected Applications

Main product properties of WACKER's fermentation-grade Cysteine:

- Non-human non-animal origin
- Vegetarian
- Kosher and Halal
- Compliant with all major food and pharma standards
- GMP standards
- HACCP standard

Dough addition

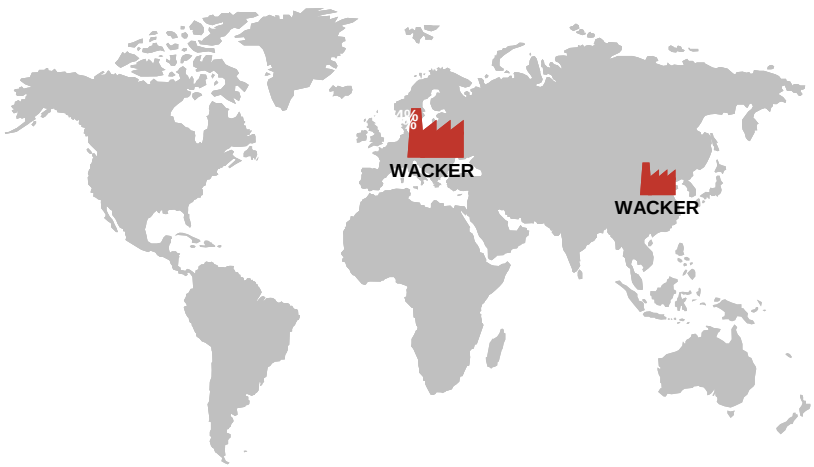
Natural flavors

Pharma

LEVERAGING A LEADING GLOBAL MARKET POSITION IN GUMBASE

Gumbase Resin Production Sites and Selected Applications

WACKER is the only manufacturer with production plants in two continents



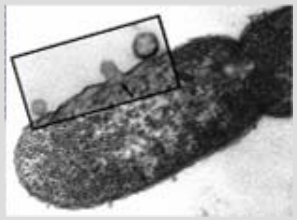
Chewing gum applications

following the new trend “functional chewing gum” according to customer needs, e.g.:

- Teeth whitening
- Staying awake
- Providing energy

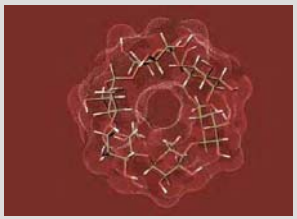
KEY BIOTECH TECHNOLOGY PLATFORMS FOR GROWTH WITH NEW PRODUCTS

Protein Production



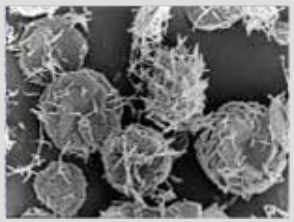
Protein secretion – a high yield, low cost proprietary system of WACKER
e.g. for enzyme manufacturing

Biotransformation



Enzymes as selective catalysts for the synthesis of complex organic chemicals
e.g. production of cyclodextrins using starch as renewable raw material

Metabolic Engineering

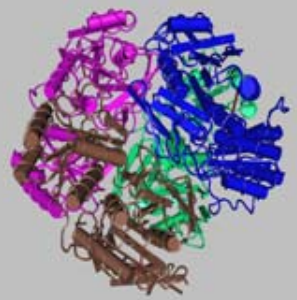


Bacterial strains optimized by rational genetic design for the fermentative production of small organic molecules
e.g. production of the amino acid L-cysteine by large scale fermentation

WACKER BIOTECH OFFERS PROCESS DEVELOPMENT AND GMP MANUFACTURING OF BIOLOGICS

Process Development Building

Biopharmaceuticals



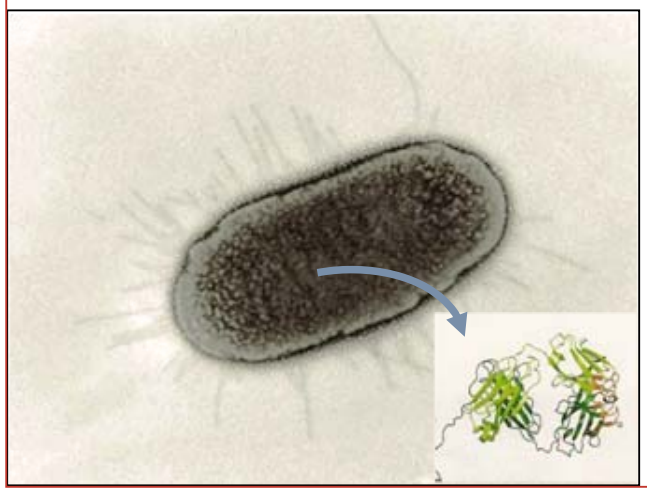
- Wacker Biotech is a Custom Manufacturing Organization specialized in the production of biologics (biopharmaceuticals).
- Wacker Biotech offers cell line development, process development and GMP production to customers from Pharma and Biotech industry.
- The site in Jena, Germany was expanded in 2008 – 2009.
- Wacker Biotech focuses on technologies that enable production of novel protein classes and push productivity.

HIGH PRODUCT YIELDS AND COST SAVING WITH WACKER'S INNOVATIVE TECHNOLOGIES

Proprietary Technologies of Wacker Biotech

DENSETEC® – High Cell Density Fermentation

- Improves the yield per batch.



ESETEC® – *E. coli* Secretion Technology

- Enables the highly efficient production of antibody fragments and new scaffold proteins.
- Optimizes overall yields, simplifies the down stream purification and thus reduces cost of goods.

WELL POSITIONED FOR GROWTH IN ATTRACTIVE NICHES

WACKER BIOSOLUTIONS Competitive Advantages and Strengths

- Specialty products for attractive selective food and life sciences markets.
- Leading market position in cyclodextrins, cysteine and gum base resin.
- Unique manufacturing processes based on renewable raw materials ("White Biotechnology").
- World-scale plant for cyclodextrins.
- High yield production processes based on proprietary technologies.
- Strong technology and unique IP positions in biologics.

FOCUS ON FOOD AND PHARMA INDUSTRY AIMING FOR PROFITABLE GROWTH

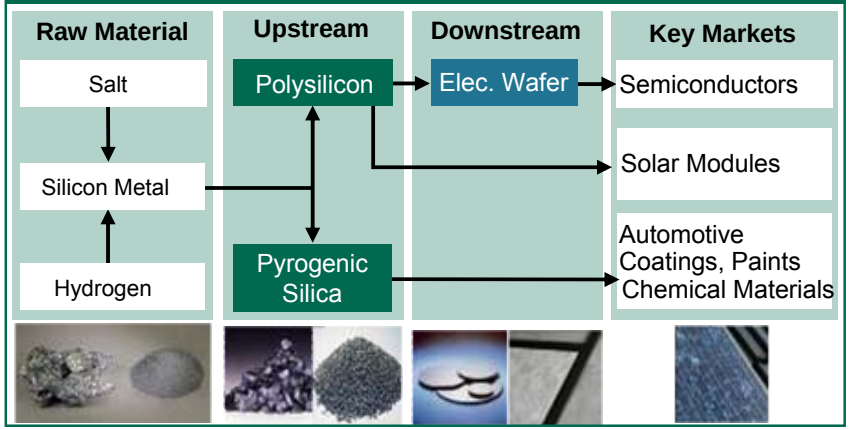
Actions are Aligned to Growth Strategy

Strategic Focus	Our Actions
Expand and Keep Market Share	• Growth of Bio businesses • Expand market share in Gum Resin Business • Intensify customer cooperation
Manage Cost	• Intensify productivity management • Cost optimization in supply chain of Chemicals
Seek Opportunities	• Commercialization of new solutions • Active price management • Intensify product innovations to open up new businesses

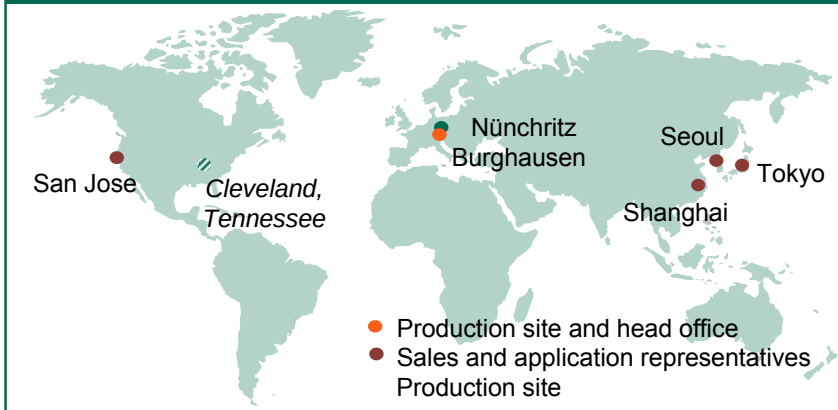
WACKER POLYSILICON

WACKER POLYSILICON: INTEGRATED OPERATIONS BASED ON SILICON METAL

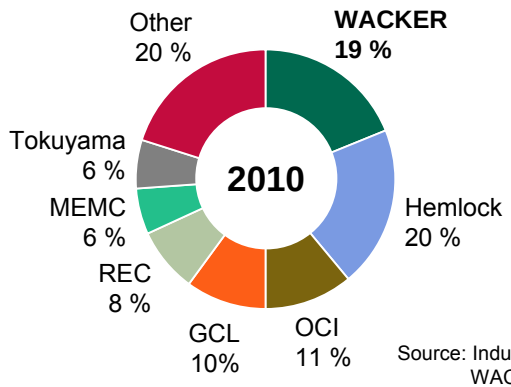
Production Chain



Global Footprint

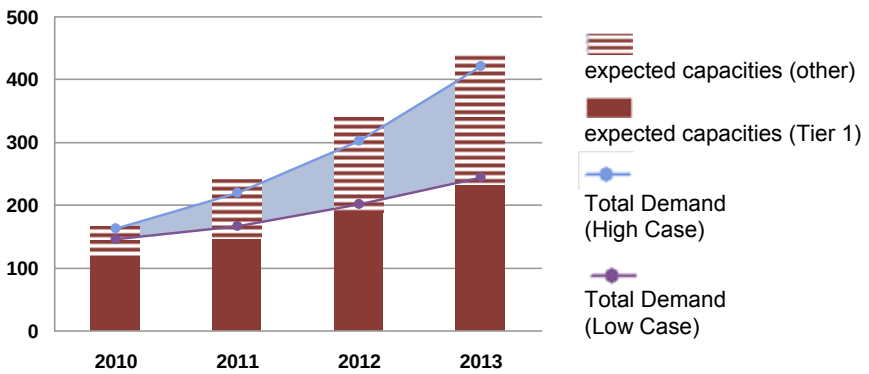


Competitive Landscape (Market Share)



Source: Industry announcements; WACKER estimate

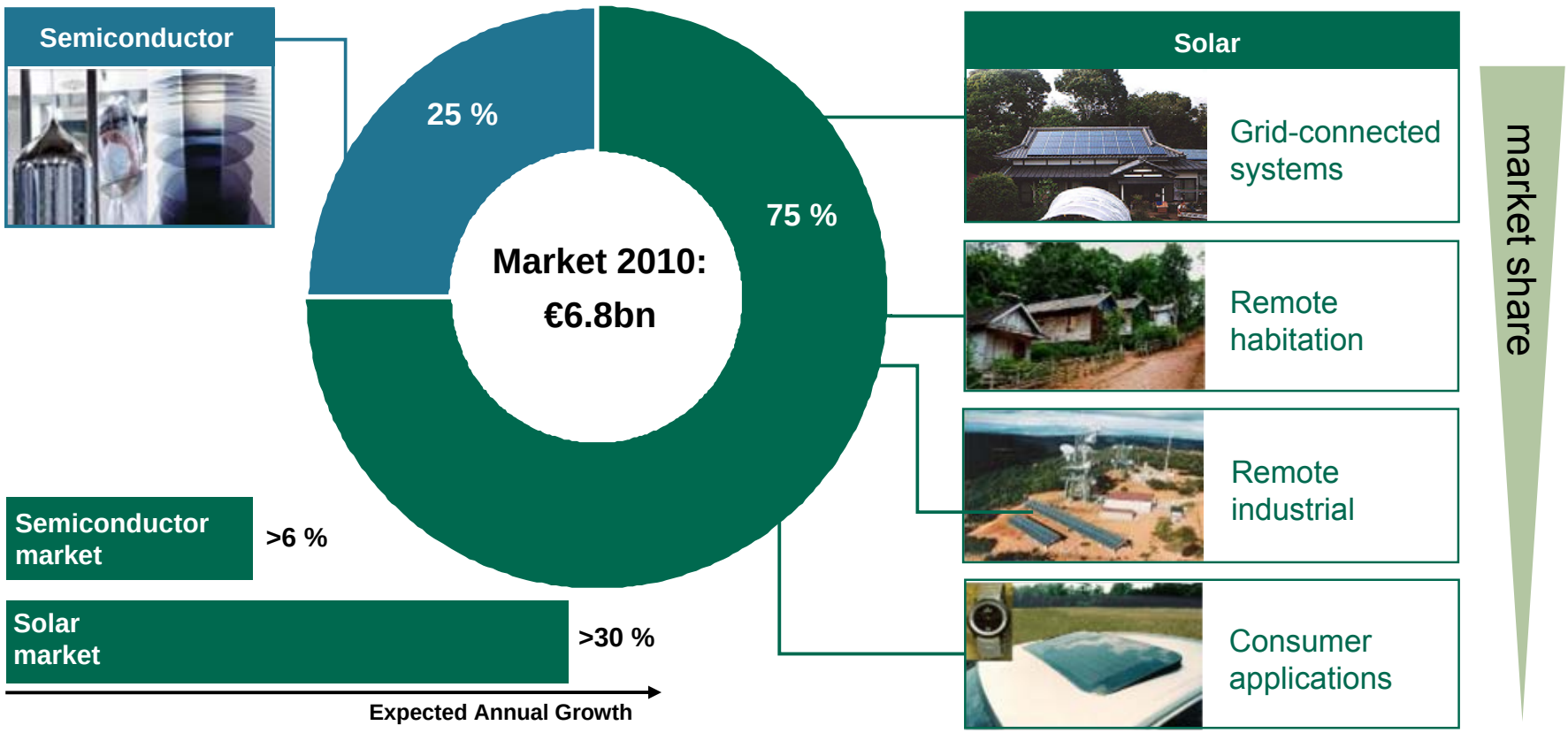
Supply & Demand



Sources: Gartner, market surveys, industry announcements, WACKER estimate

MEETING THE DEMAND OF SOLAR AND SEMI APPLICATIONS

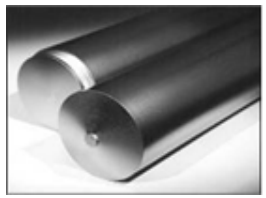
Polysilicon Market Structure by Application Segment

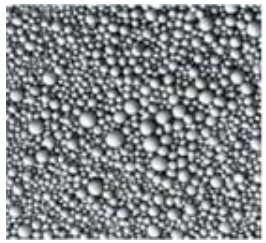


Sources: WACKER estimates; Semiconductor: Gartner, Solar: EPIA

PRODUCT PORTFOLIO:
BROADEST POLY OFFERING IN THE INDUSTRY

Polysilicon Product Portfolio

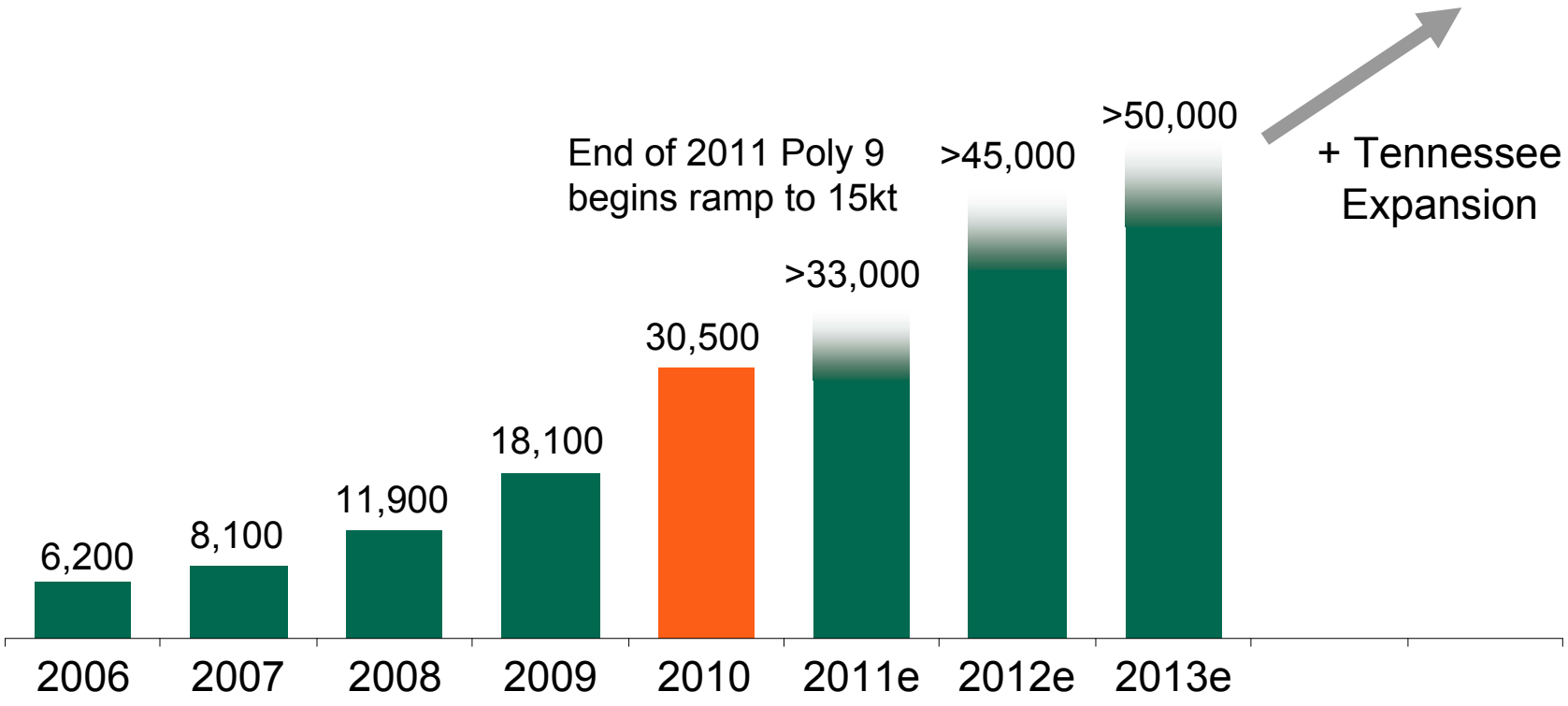




- Polysilicon chunks for semiconductor and photovoltaic applications
- Polysilicon rods in the form of cut rods, CZ recharge rods and float zone rods
- Granular polysilicon for continuous crystallization processes, energy efficient

GROWING WITH THE MARKET – FULL PRODUCTION POTENTIAL AT ALL PLATFORMS UP TO 150KT

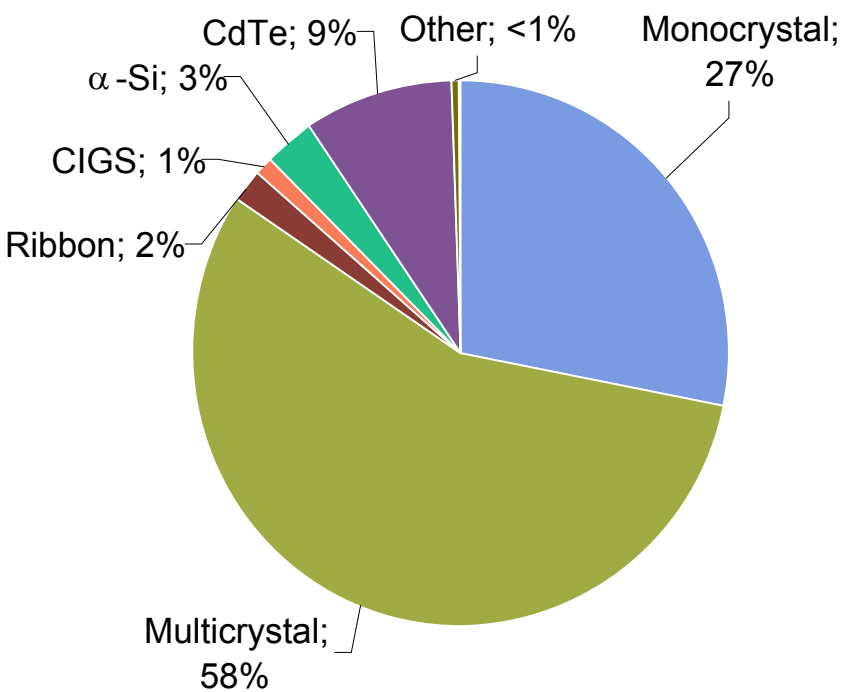
Actual / Expected Polysilicon Production (MT)



End of 2013 Ramp Begins at Poly 11 Tennessee

CRYSTALLINE PV WILL BE THE DOMINATING TECHNOLOGY FOR THE FORESEEABLE FUTURE

PV Technology Market Shares 2010



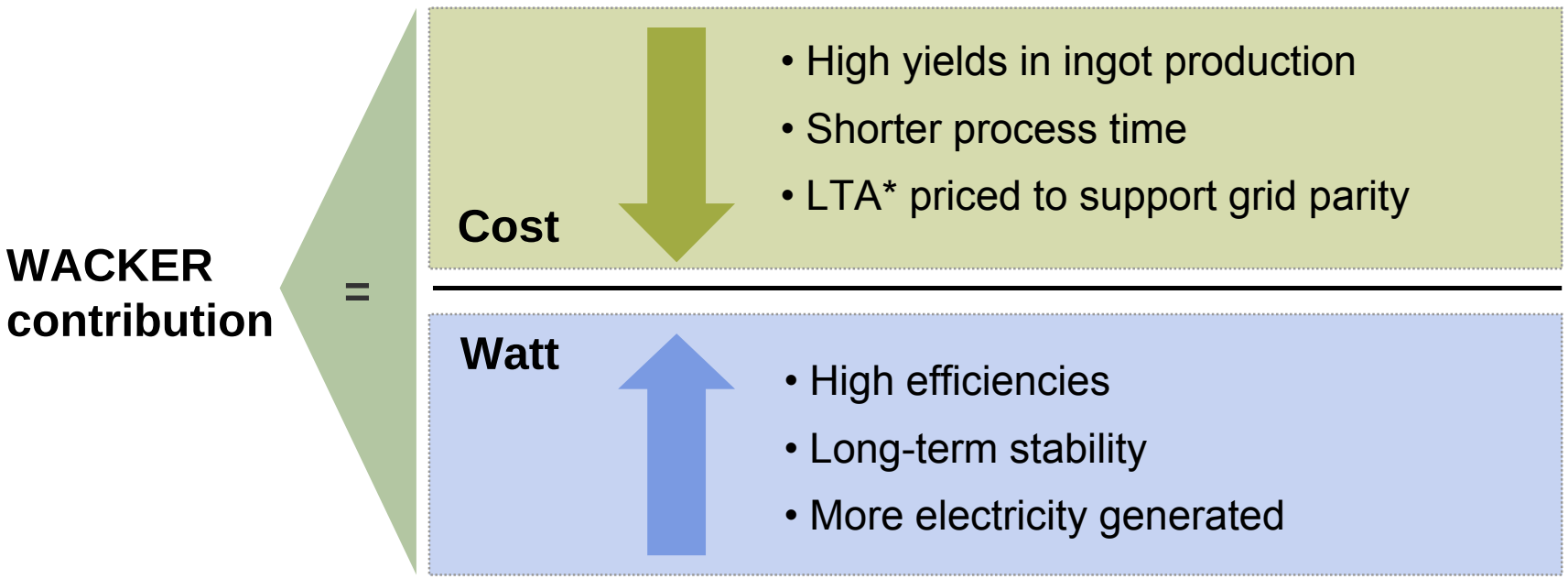
Sources: Photon, Prometheus, industry announcements, WACKER analysis

Market Dynamics

- Availability of Polysilicon
- Cost-effective potential
- Achievable efficiency
- General ecological viewpoints

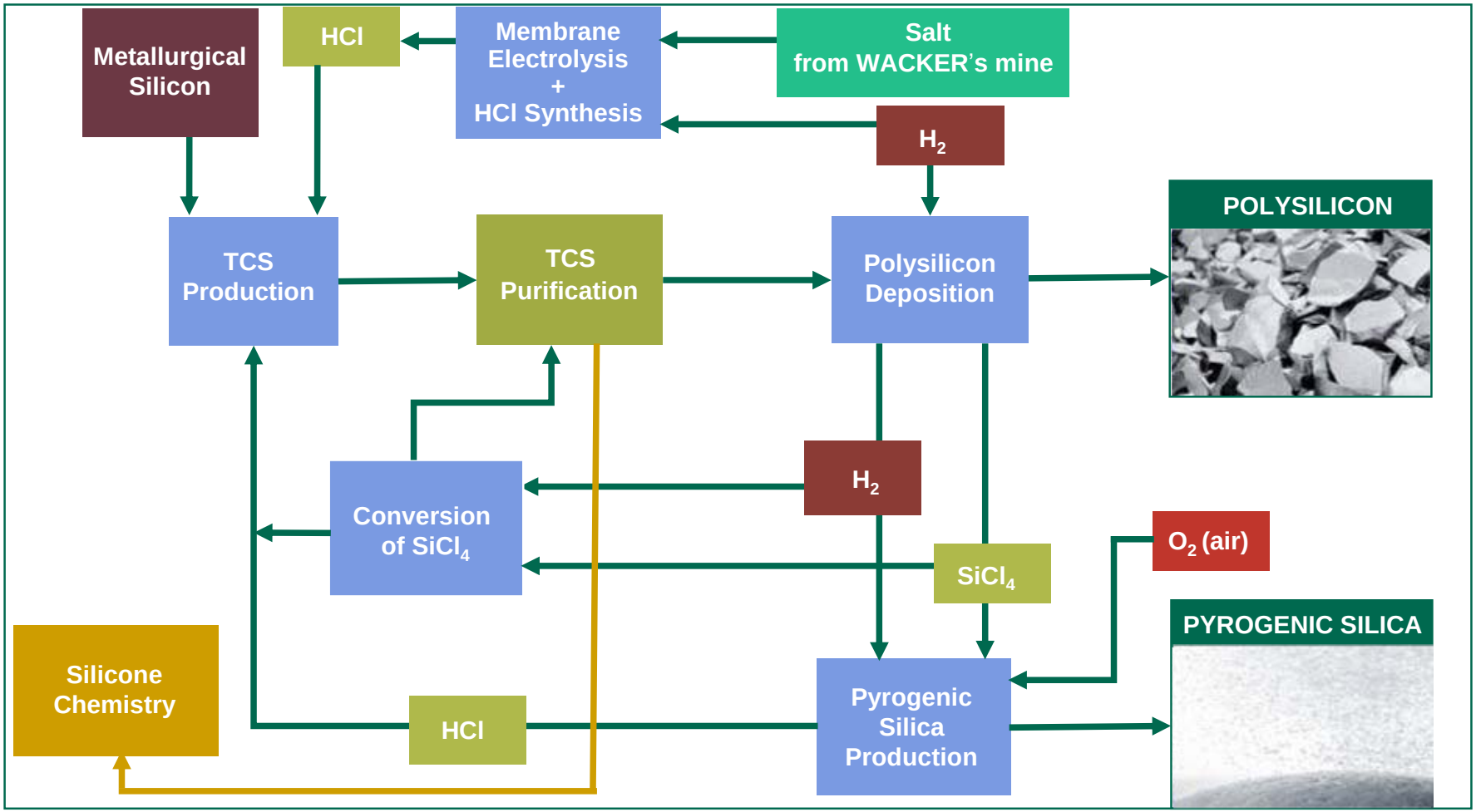
WACKER POLYSILICON: SUPPORTING THE PHOTOVOLTAIC INDUSTRY

PV Cost Drivers Depend on Quality of Polysilicon



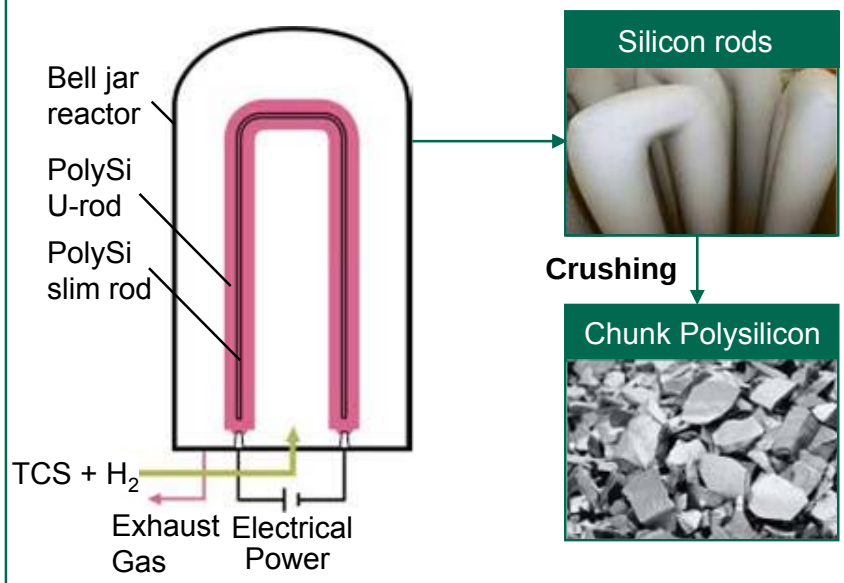
*LTA = Long-Term Agreement

WACKER FIRST CLASS FULLY INTEGRATED TECHNOLOGY – CLOSED LOOPS FOR KEY AUXILIARIES



TWO TECHNOLOGIES TO MEET OUR CUSTOMERS' NEEDS

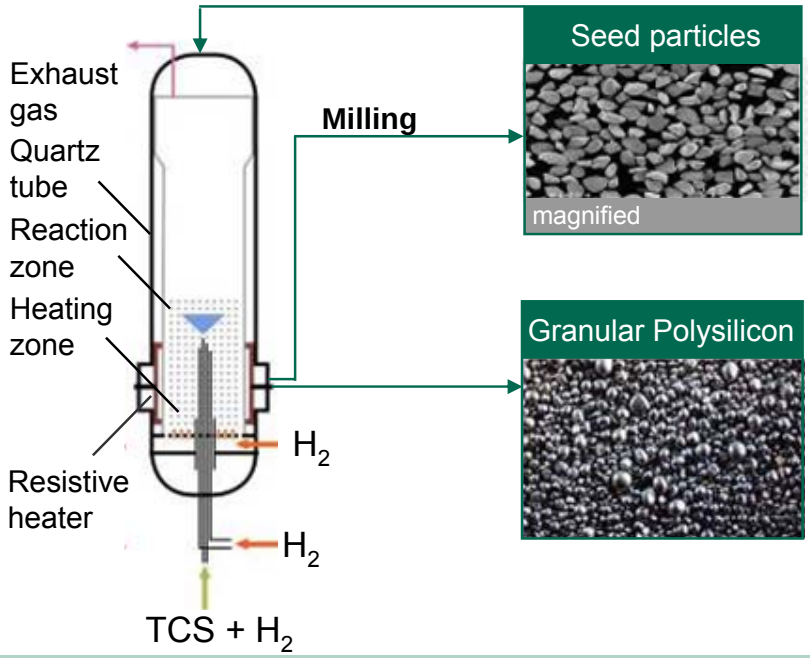
State of the Art TCS Process



TCS Chunks characteristics

- Switchable reactors (Electronic/Solar)
- Large scale production >50 years
- Time proven process – fast ramp up

Fluidized Bed TCS Process for Granular



TCS Granular characteristics

- Continuous deposition based on fluidized bed technology
- Trichlorosilane as feed gas for high product yields
- Reduced energy consumption

BEST IN CLASS TECHNOLOGY AND ECONOMICS

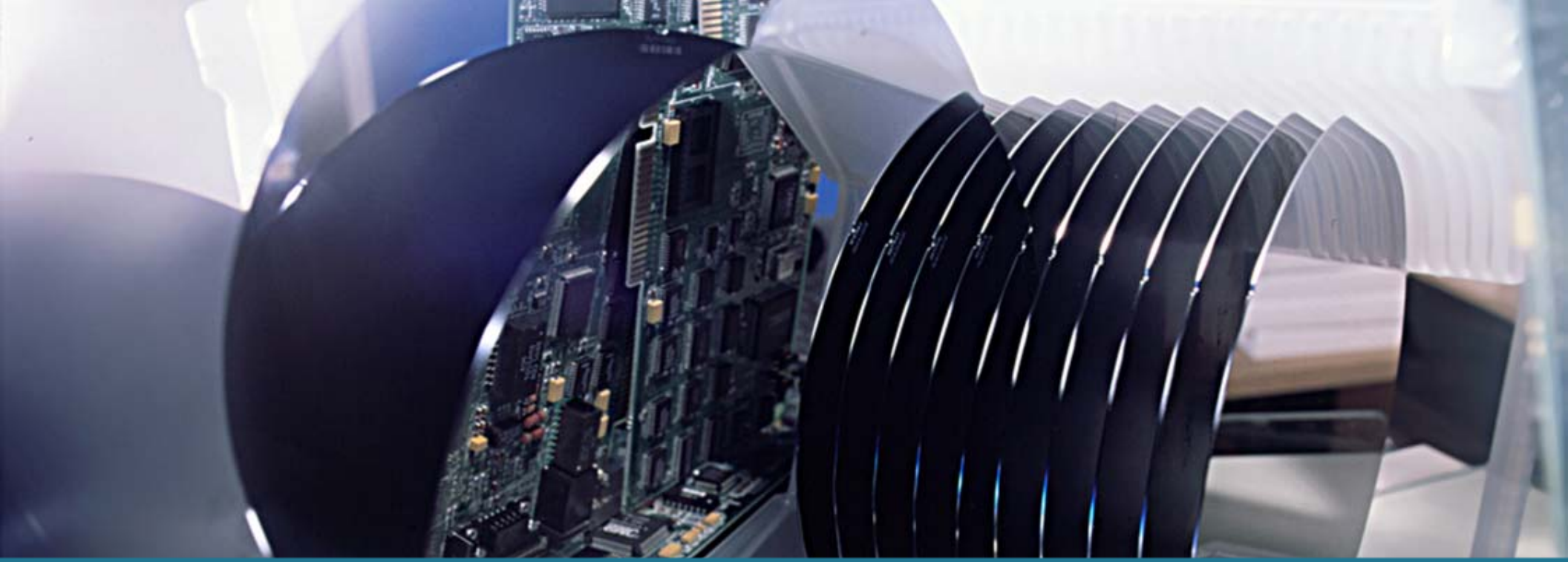
WACKER POLYSILICON Competitive Advantages and Strengths

- More than 50 years of expertise in polysilicon
- First in class with a dedicated poly grade for solar applications
- Switchable reactor technology for polysilicon chunks (semi/solar grade)
- First in class with a commercial trichlorosilane based continuous process for granular polysilicon
- Low specific energy consumption
- Unique operations setup with fully integrated processes for polysilicon and byproducts
- Strong in-house engineering for accelerated build-up of new plants

POLYSILICON IS A HIGH GROWTH AND HIGH MARGIN BUSINESS

Strategic Focus in Current Market Environment

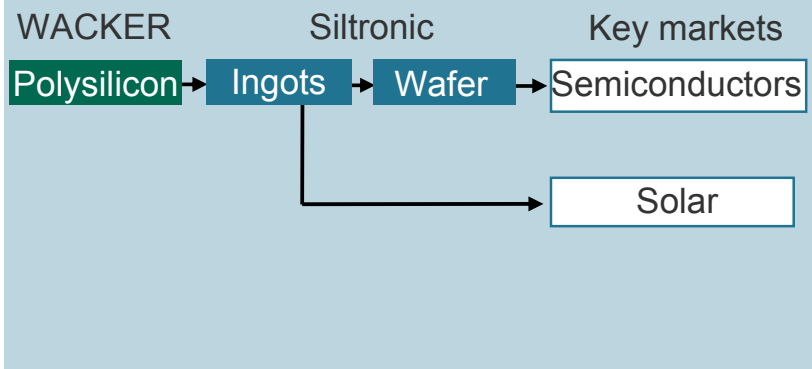
Strategic Focus	Our Actions
Keep Market Share	• Developing balanced customer portfolio • Ramping up capacities on time
Manage Quality	• Maintain excellent quality level of our products • Intensify cooperation with customers
Manage Costs	• Continued cost improvements through process optimization and product innovation • Build world-scale sites - lifting more productivity potential



siltronic
perfect silicon solutions

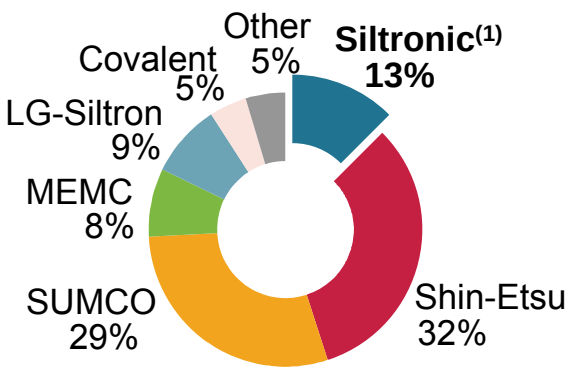
SILTRONIC: A FULLY INTEGRATED WAFER MANUFACTURER CLOSE TO ITS CUSTOMERS

Value Chain



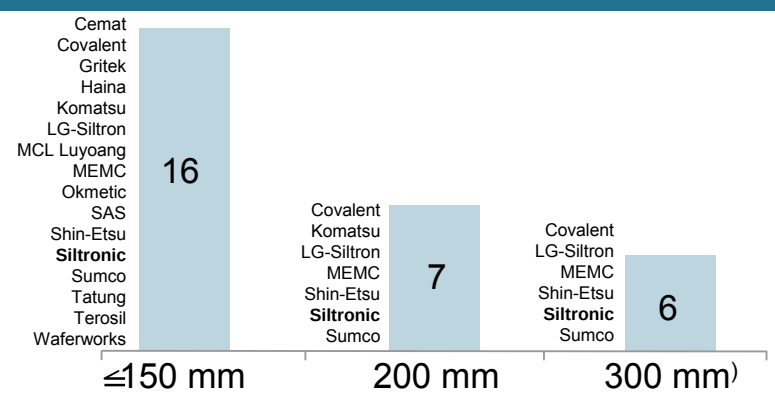
Global Presence for a Global Market

Competitive Landscape



(1) Without SSW sales / Source: Gartner Revenue Shares 2009 (May 2010)

Fewer Players in Larger Diameters



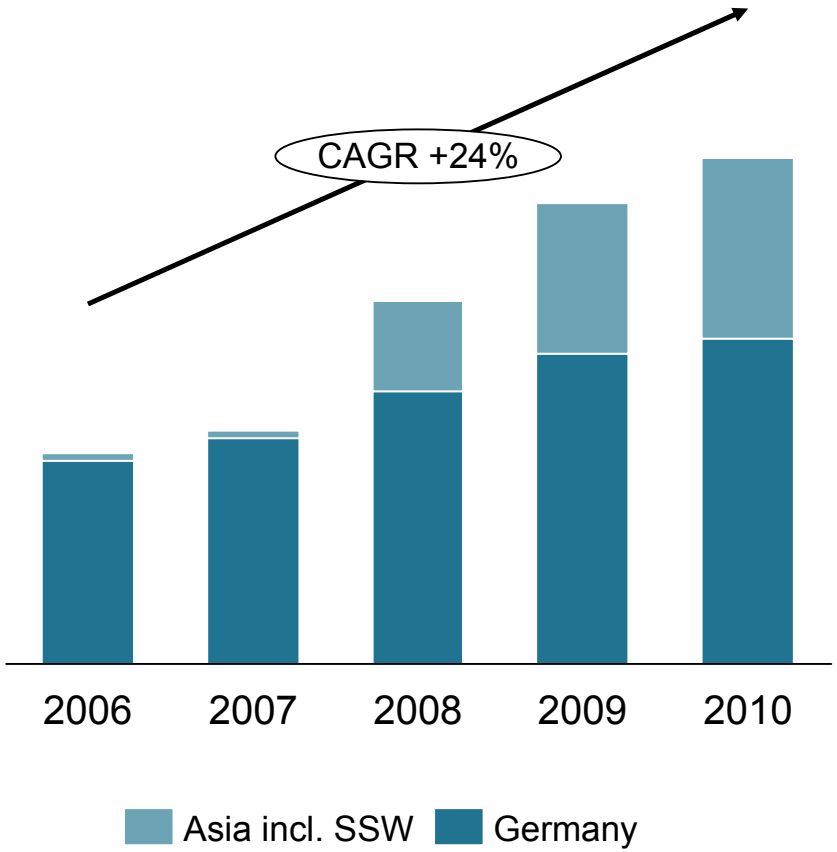
Source: WACKER estimates

WE HAVE BEEN GROWING 300 MM IN GERMANY AND IN OUR JOINT VENTURE – FUTURE FOCUS WILL BE IN THE JV

Siltronic Production Sites

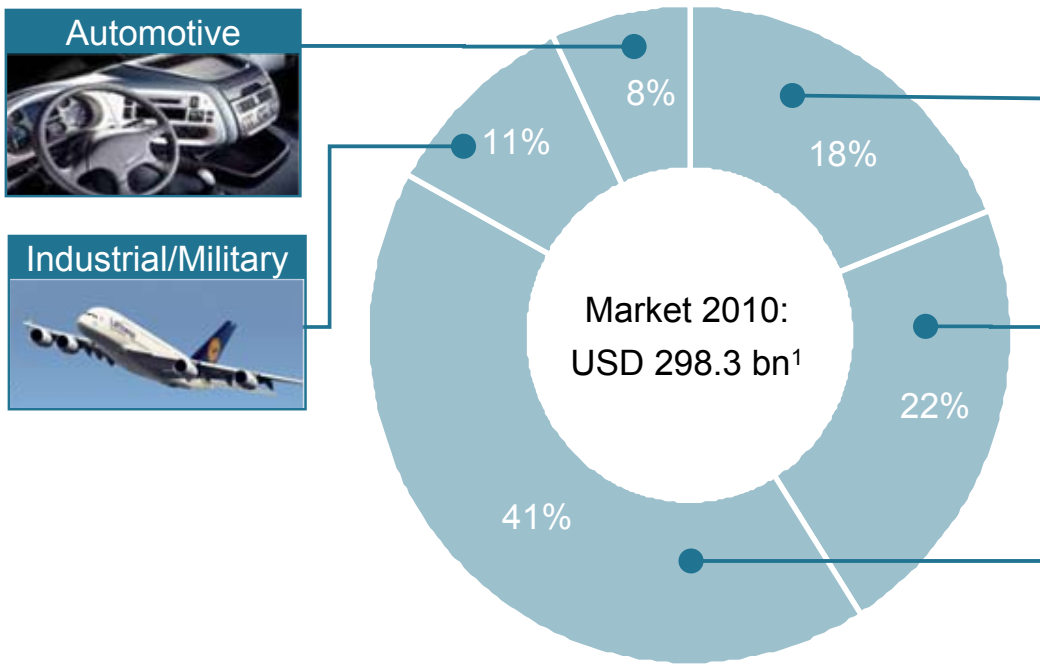
Pulling	300 mm	200 mm	SD
Singapore		●	
Hikari	■	●	
Portland		●	●
Burghausen	■	●	●
Freiberg	■	●	
SSW	■	●	

300 mm Capacities in K W / Mo



~80 PERCENT OF THE GLOBAL SEMICONDUCTOR INDUSTRY IS DRIVEN BY CONSUMER DEVICES INCL. PC'S AND MOBILE PHONES

Semiconductor Market Structure by Application Segment

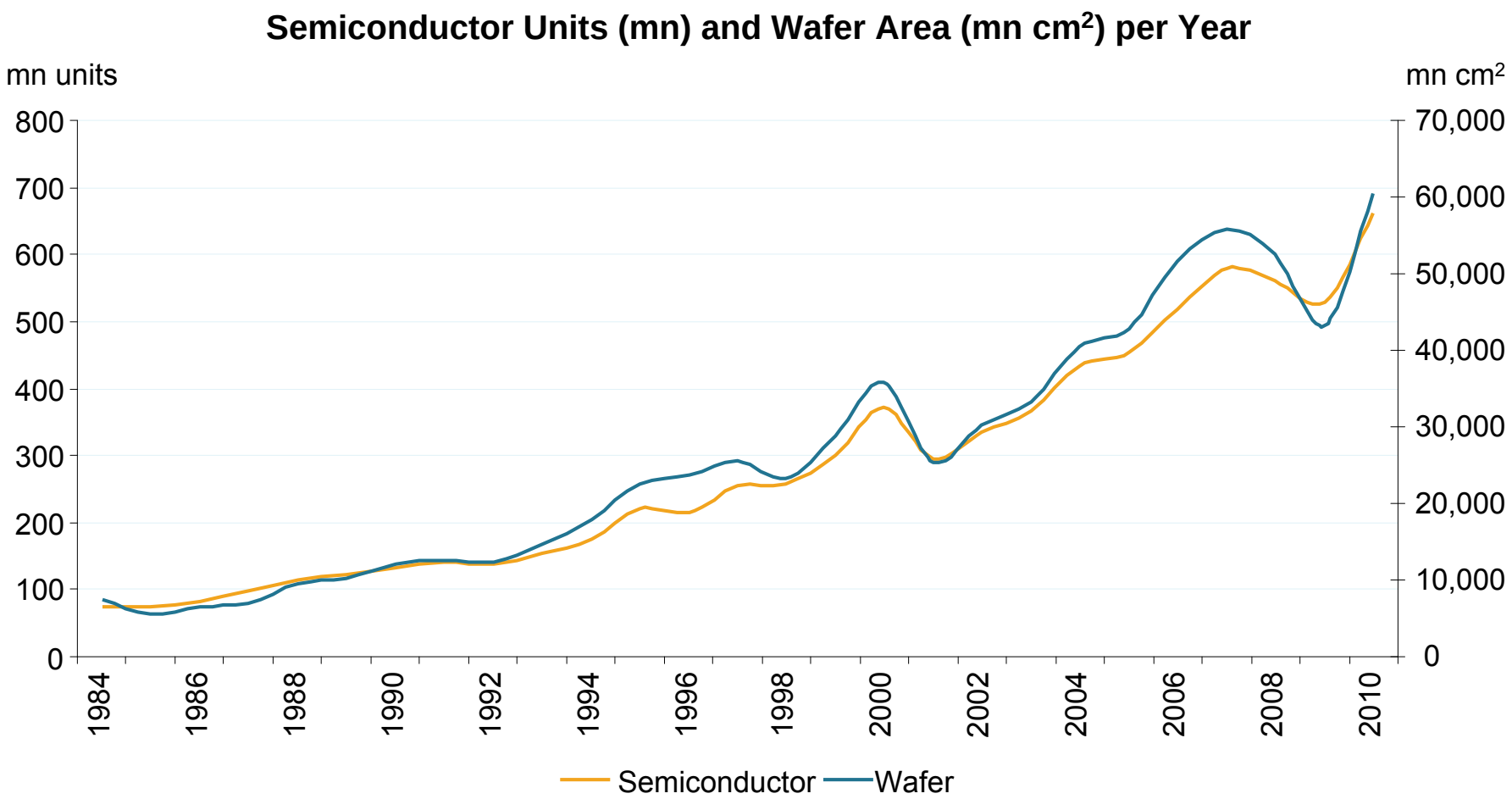


Unit Growth Rate Forecast 2011 vs. 2010[2]

LCD TVs:	13%
Mobile Phones:	13%
PCs:	10%

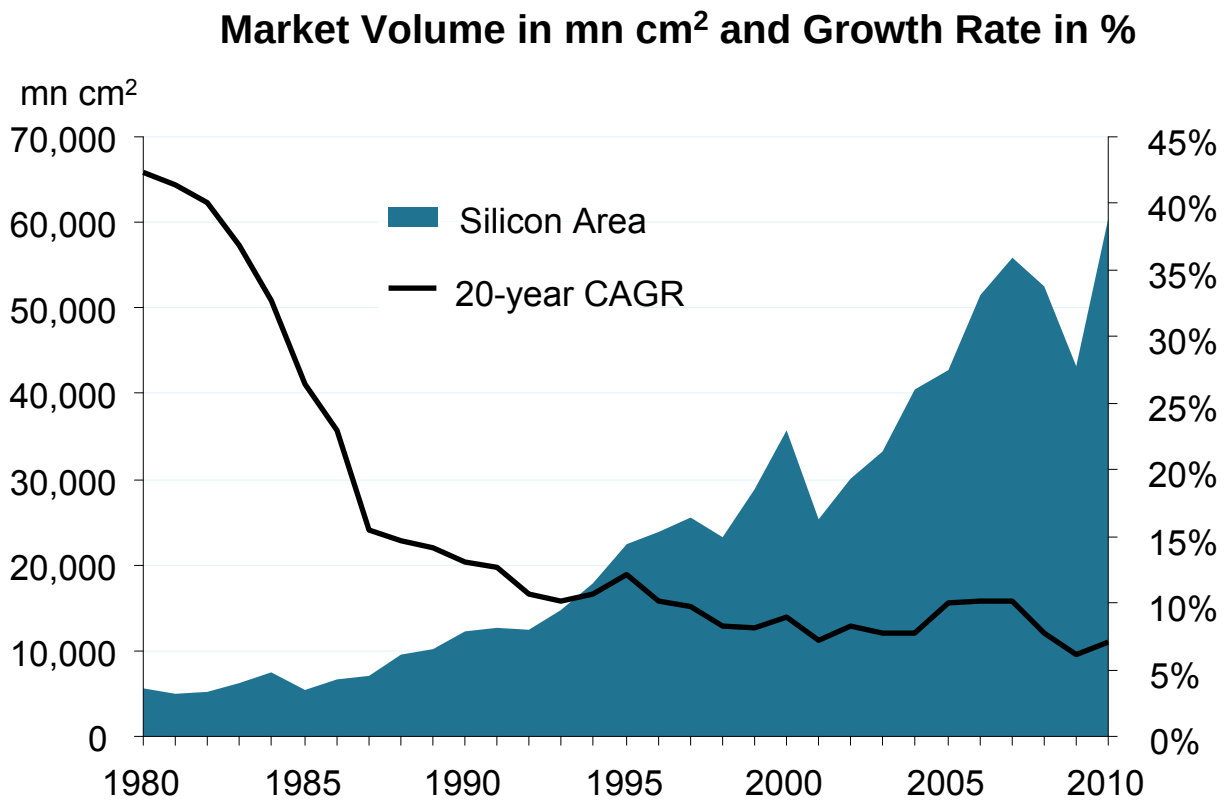
(1) World Semiconductor Trade Statistics (WSTS), March 2011; (2) Gartner March 2011

GROWTH IN SEMI UNITS AND WAFERS IS HIGHLY CORRELATED



Source: Industry, WSTS

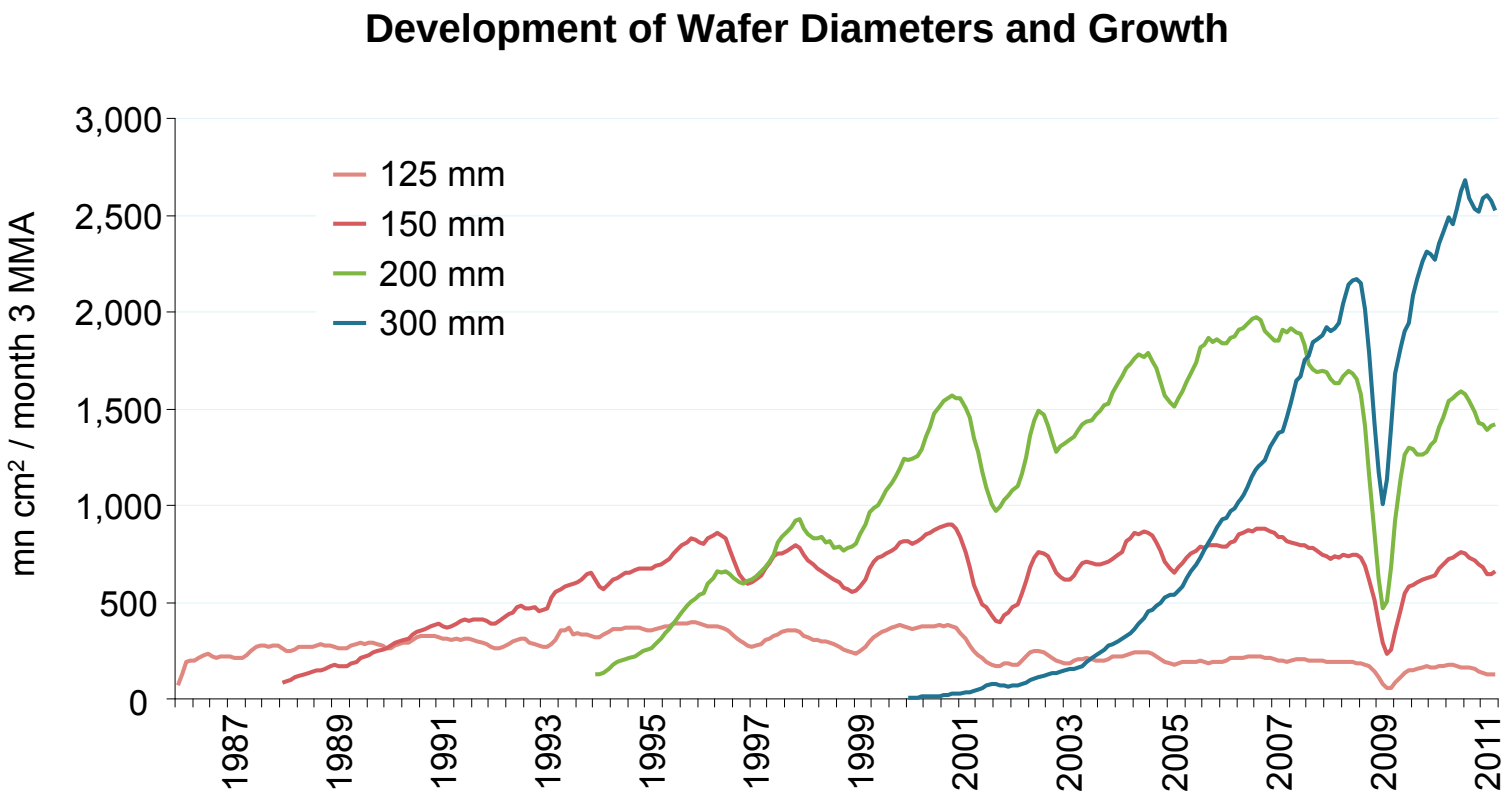
SILICON MARKET ON A LONG-TERM GROWTH PATH, BUT VOLATILE



- CAGR 1990 - 2010: 7 %
- 4 outliers in 20 years: in 1992, 1998, 2001 and 2008/09

Source: VLSI, SEMI

EACH GENERATION RAMPS TO A HIGHER VOLUME, AND HAS A LONGER LIFE



- 300 mm becomes the working horse with over 50 % of all silicon consumed
- 200 mm wafer down below 30 % share
- 150 mm and 125 mm around 13 % and 3 % respectively

Source: SEMI up to Apr 2011

A LEADING PLAYER IN SEMI WAFERS

Siltronic Competitive Advantages and Strengths

- No. 3 wafer supplier
- Strong customer base
- Full market access on 300 mm
- Accelerating growth through partnering with customers
- Following customers to Asia
- Strongly focused on productivity
- Quality leadership
- Secured polysilicon supply

PREPARED TO COPE WITH THE GLOBAL ECONOMIC CHALLENGES

Strategic Focus in Current Market Environment

Strategic Focus	Our Actions
Keep Market Share	• Target to grow at least with the market • Intensify customer cooperation • Support customers with innovations
Manage Costs	• Targeting fix and variable cost improvements • Focus on productivity • Tight working capital management
Prepare for future growth	• Maximize access to markets • Efficient global customer support

WACKER:
ISSUER, CONTACT AND ADDITIONAL INFORMATION

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Ticker Reuters:	CHE/WCHG.DE
Listing:	Frankfurt Stock Exchange Prime Standard

DEUTSCHE BÖRSE PRIME STANDARD

MDAX STOXX creating success