



2nd Quarter 2015 – Conference Call Note

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August 3rd , 2015**

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WACKER: Volume Growth in most Segments, Supported by FX

in €m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	1,370.5	1,334.9	2.7	1,242.3	10.3
EBITDA	329.0	267.1	23.2	229.5	43.4
EBITDA margin	24.0%	20.0%	-	18.5%	-
EBIT	187.9	126.3	48.8	82.1	>100
EBIT margin	13.7%	9.5%	-	6.6%	-
Result for the period	108.2	70.6	53.3	29.4	>100
EPS in €	2.21	1.42	55.6	0.64	>100

FY 2015 Sales now Expected over €5bn

WACKER

Q2 2015 Comments

- Strong demand in Chemicals and Siltronic
- Efficiency gains, high utilization rates and special effects improve EBITDA
- Successful IPO of Siltronic minority stake results in net cash inflow of €362m
- Capex €214m, mostly for Tennessee, POLYSILICON
- Net Operating Cash Flow of €21m
- Net debt €939m
- Significant swing in pension liabilities
- Net income of €108m



2015 Challenges and Opportunities

- Volume growth in all segments
- Slightly lower prices in some businesses expected
- FX planned at 1.10 USD/€ and 135¥/€ for the full year
- Sales, supported by FX, to increase to over €5bn for FY '15
- FYe special effects lower than in 2014 (€206m)
- EBITDA excluding special effects should increase slightly over FY14

WACKER SILICONES: Strong Sequential Volumes in Q2

€m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	506.3	474.8	6.6	441.2	14.8
EBITDA	77.3	67.7	14.2	57.4	34.7
EBITDA margin	15.3%	14.3%	-	13.0%	-
EBIT	56.7	47.6	19.1	37.5	51.2
EBIT margin	11.2%	10.0%	-	8.5%	-
Capex	19.0	13.7	38.7	17.7	7.3

First Quarter in History with Sales over €500m

WACKER SILICONES

Q2 2015 Comments

- Sales growth yoy supported by FX and higher volumes
- Volume growth e.g. in automotive, medical-technology and electronics
- Increased prices in some product segments yoy
- Negative impact from silicon metal (price/FX) but positive impact from methanol yoy
- High utilization



2015 Challenges and Opportunities

- Volume growth, especially in personal care, medical application and electronics
- Higher than average growth in sales to specialty applications
- Expect significant increase in FY sales, supported by FX
- Muted effects from raw material
- High asset utilization expected
- FY EBITDA expected significant above previous year

WACKER SILICONES

Leveraging Know-How and Customer Proximity Globally



WACKER ACADEMY

- ▶ Approx. 90 regional experts form a network of global know-how

Competence Centers

- ▶ Expertise is bundled and developments are shared cross-regional

Downstream Plants

- ▶ Downstream plants ensure adaptations of global products to local needs

WACKER SILICONES: Customer Proximity Creates Customer Retention



**Best Innovation Contributor
Beauty Care
2014
Henkel**

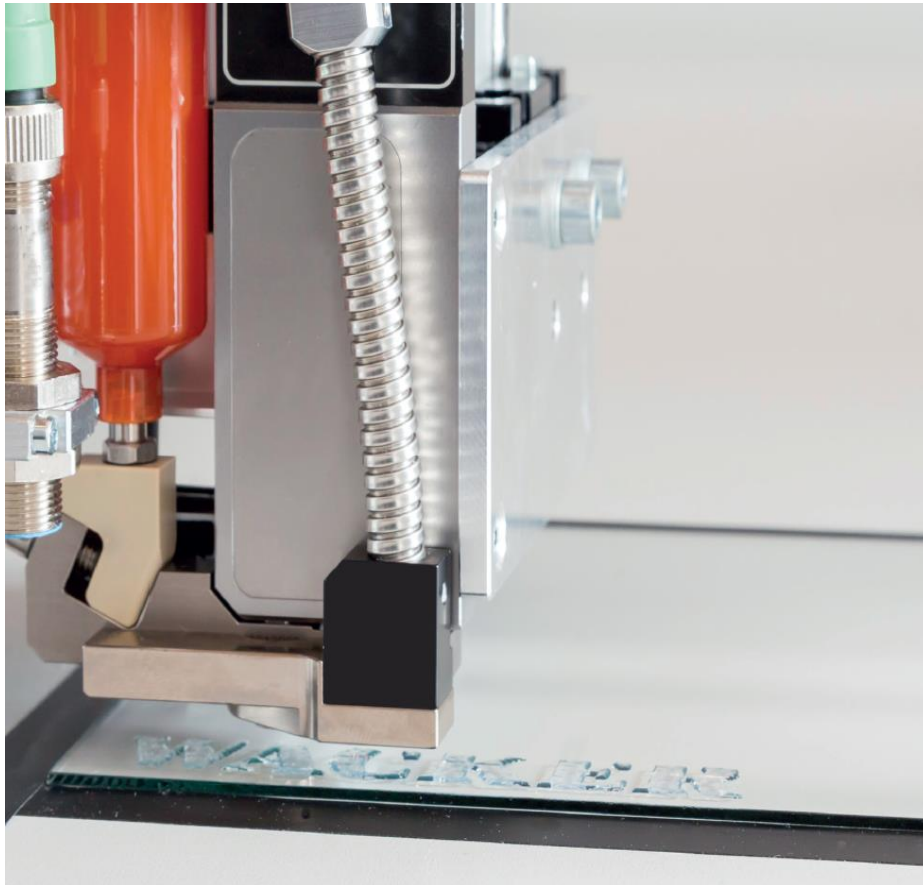


**Preferred Supplier Award
2014
Bosch Group**



**Best Supplier Partner
2014
Unilever**

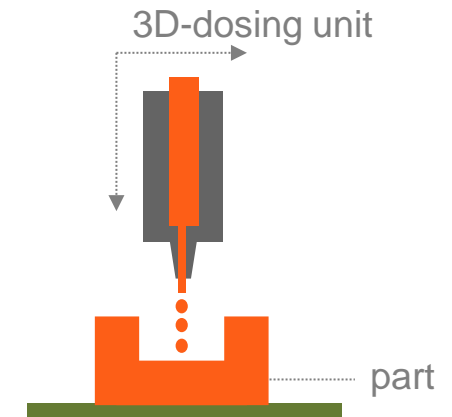
WACKER SILICONES develops Ready-to-Use 3D Solution



Additive Molding (3D printing)

Prerequisite

- ▶ CAD product design
- ▶ 3D printer



Advantage

- ▶ Short development cycles (hours to days)
- ▶ Low costs for prototyping and small series (no economy of scale)
- ▶ Novel product designs

- ▶ **Additive molding (3D printing) of silicone parts will soon be established as an easy-to-use, flexible and cost-effective solution complementing traditional molding technologies like injection molding**

WACKER POLYMERS: Volume Growth and Productivity

€m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	314.6	284.6	10.5	285.5	10.2
EBITDA	56.8	59.9	-5.2	43.5	30.6
EBITDA margin	18.1%	21.0%	-	15.2%	-
EBIT	47.5	51.4	-7.6	35.7	33.1
EBIT margin	15.1%	18.1%	-	12.5%	-
Capex	12.0	13.3	-9.8	10.2	17.6

Dispersible Powder Shipments up 25% over Q1

WACKER POLYMERS

Q2 2015 Comments

- Dispersion powders with strong volume growth
- Liquid dispersions with positive volume development in coatings and carpet
- Sales growth yoy supported by FX
- Utilization globally at 80%
- Positive mix effect and productivity gains supported EBITDA



2015 Challenges and Opportunities

- Volume increase in powder driven by new markets
- Dispersions growth mainly in coatings and packaging
- Significant increase in sales expected (~10%)
- FY EBITDA margin expected in high teens
- Completion of ethylene pipeline in Calvert City, USA secures raw material sourcing

WACKER POLYMERS: Combines Global Presence with Local Access

Focus topics

WACKER ACADEMY

- ▶ Further global extension
- ▶ Dry Mix Mortar Communication Seminars in Middle America



SMARGO®

- ▶ Online order platform with no additional technical service



Wacker on Wheels

- ▶ On-Site application education
- ▶ Truck travelling through Vietnam, Indonesia and India



VINNACEL®

- ▶ Pre-mix products in Brazil
- ▶ Regional product developments



ELASTOGRIP®

- ▶ Introduction in India
- ▶ Further development in China, South-East-Asia and Africa



Offering tailor made products with technical education on a global interconnected basis, linking global markets

WACKER POLYMERS: Delivering VAE Application Know-how directly to our Customers

WACKER Academy

- ▶ Mix between theory and practice
- ▶ fixed location
- ▶ located close to technical center
- ▶ meeting room plus lab



WACKER on Wheels

- ▶ truck going directly to locations (universities, construction sites, authorities/regulators)
- ▶ small demo lab to demonstrate product advantages live
- ▶ 1st: Vietnam since 05/2014
2nd: Indonesia since 09/2014
3rd: India since 09/2014
- ▶ Next: China, South America, ...



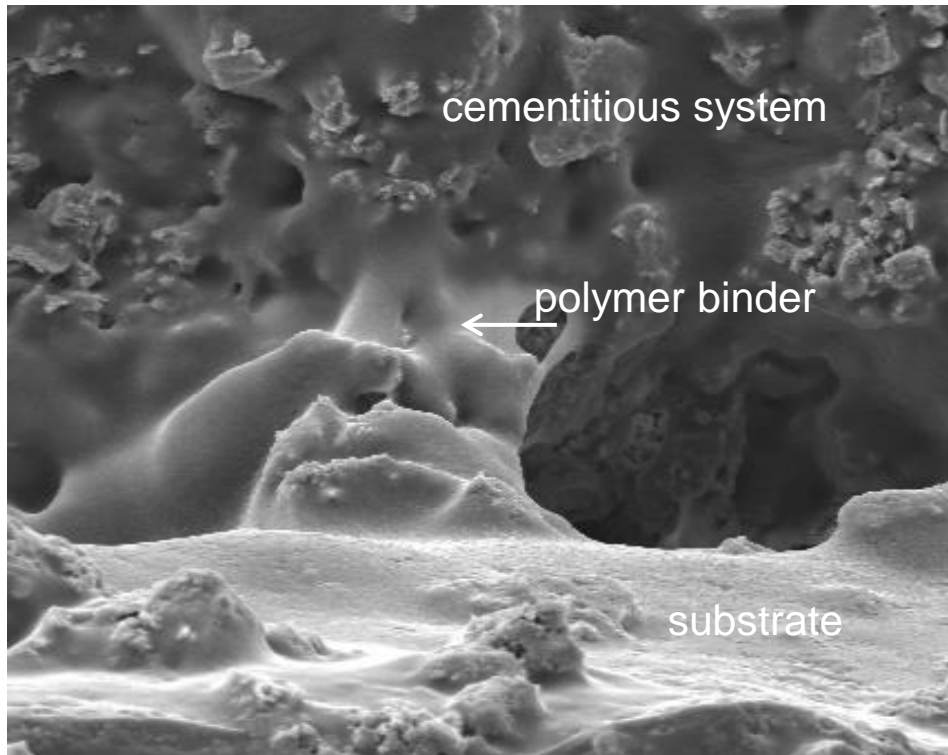
Hands-on seminars

- ▶ Mix between theory and practice
- ▶ Roadshow with invited participants
- ▶ Smaller program than WACKER ACADEMY training in-house
- ▶ “Giveaways” with link to practicable application: e.g. trowels
- ▶ See & Experience polymer modification



WACKER POLYMERS: Addressing New Markets - Positive Outlook for Polymer Usage in Concrete Applications

Polymer in cementitious systems



Key advantages:

- ▶ Adhesion on critical substrates
- ▶ Advanced workability and machine application
- ▶ Improve flexibility and toughness
- ▶ Water Proofing

Trends:

- ▶ Reduce system cost
- ▶ Material and time efficiency
- ▶ Preservation before renovation
- ▶ Sustainability (cement, recycling)

▶ Long-term increasing use of polymers in concrete expected

WACKER BIOSOLUTIONS: Q2 Supported by Higher Volumes, FX and Price

€m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	52.7	49.4	6.7	46.6	13.1
EBITDA	9.5	8.8	8.0	8.2	15.9
EBITDA margin	18.0%	17.8%	-	17.6%	-
EBIT	6.7	6.0	11.7	6.0	11.7
EBIT margin	12.7%	12.1%	-	12.9%	-
Capex	0.9	1.0	-10.0	1.1	-18.2

Improved Pricing and FX Drive Result

WACKER BIOSOLUTIONS

Q2 2015 Comments

- Strong demand for acetylacetone and Cystein, pharmaceutical proteins up sequentially
- Chinese production facilities for gumbase consolidated
- Pricing and FX drive EBITDA increase of 16%



2015 Challenges and Opportunities

- FY sales and EBITDA to rise substantially yoy

WACKER POLYSILICON: EBITDA excl. Specials at Guidance Despite Lower Volumes, Price Pressure and Ramp Costs

€m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	261.3	289.4	-9.7	273.2	-4.4
EBITDA	161.4	78.7	>100	87.9	83.6
EBITDA margin	61.8%	27.2%	-	32.2%	-
EBIT	105.0	21.7	>100	29.6	>100
EBIT margin	40.2%	7.5%	-	10.8%	-
Capex	168.8	133.6	26.3	57.2	>100

Global PV-installation on track - Industry to Digest Inventory after Record Q1

WACKER POLYSILICON

Q2 2015 Comments

- Q2 volumes below record volumes in Q1, industrywide inventory adjustments
- Pricing decreased slightly qoq following inventory pressure on supply chain
- Q2 2015 includes €86.7m retained prepayments and damages from cancelled contract
- Pre-operational costs for Tennessee higher yoy
- €168,8 m capex in Q2, mainly for Tennessee

2015 Challenges and Opportunities

- PV Market size expected to reach 50 – 60 GW (~265 – 325 kt polysilicon incl. semi)
- Volume growth yoy with sequentially flat pricing expected
- Weaker Euro inflates ramp costs and capex at TN plant
- Expect to maintain EBITDA target of €25m/month, but more difficult to achieve towards Q4
- Debottlenecking activities in Germany on track

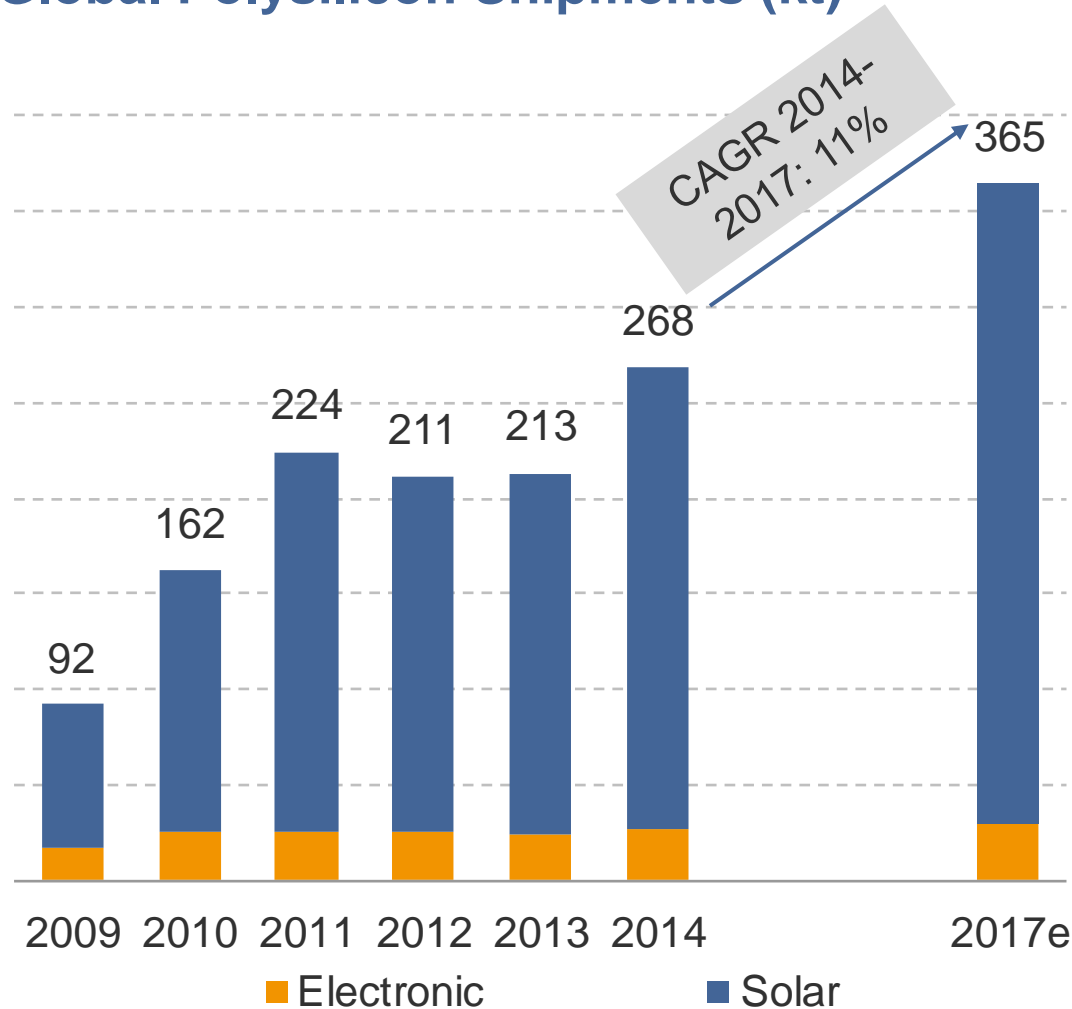
Decreasing Prices Open Up New Markets – USA and Asia with Highest Growth Potential

Country	2011	2012	2013	2014	2015e
France	1.7	1.1	0.6	1.0	1.3 – 1.7
Germany	7.5	7.6	3.3	1.9	1.2 – 1.5
Italy	7.4	3.6	1.1	0.6	0.8 – 1.2
Europe other	3.3	4.9	5.8	4.8	5.0 – 6.6
Europe total	19.9	17.2	10.8	8.3	8.3 – 11.0
Australia	0.8	1.0	0.9	1.0	1.4 – 1.8
China	2.5	4.8	12.9	13.2	14.5 – 16.5
India	0.4	0.9	1.0	1.0	2.2 – 2.7
Japan	1.3	2.5	6.8	9.3	9.5 – 11.0
USA	1.9	3.3	4.8	6.2	8.0 – 9.2
Rest of World	1.3	2.1	2.8	5.1	6.5 – 8.0
Total	28 GW	32 GW	40 GW	~44 GW	~50 – 60 GW

Sources: EPIA 02/2012, 05/2013, 05/2014, Industry announcements, WACKER estimate

Polysilicon Market: 11% Volume Growth Expected

Global Polysilicon Shipments (kt)

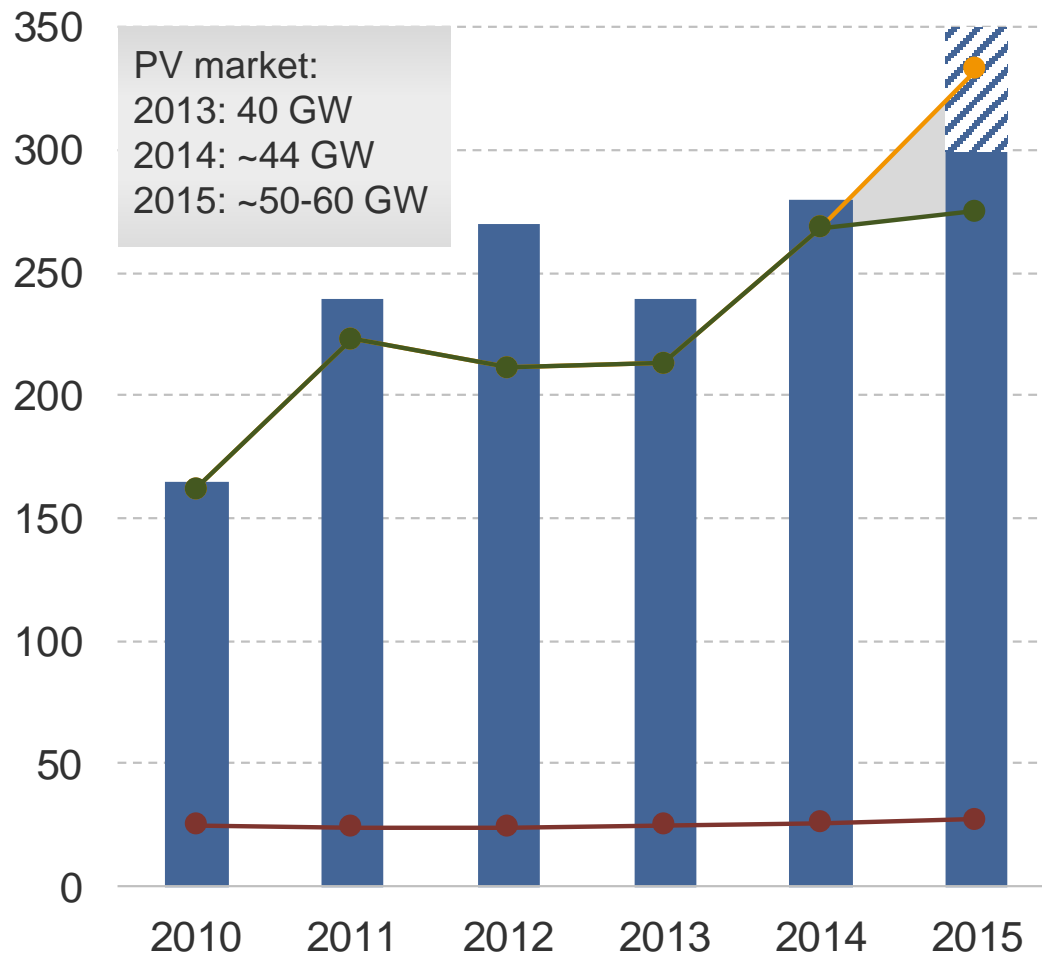


- ▶ Stable quarterly shipments throughout H1 2015
- ▶ Increasingly competitive C-Si PV drives polysilicon demand
- ▶ Silicon-based PV offers highest conversion efficiencies and proven long-term stability at lowest cost

Assumption: 2017: 75 GW (incl. 8% thin-film share); Silicon consumption < 5 g/Wp in 2017; Shipment figures incl. time-delay shipment/installation

Polysilicon Supply & Demand: Inventory Weighs on Supply-Chain

Global Polysilicon Demand (kt) versus Capacity of Active Manufacturers

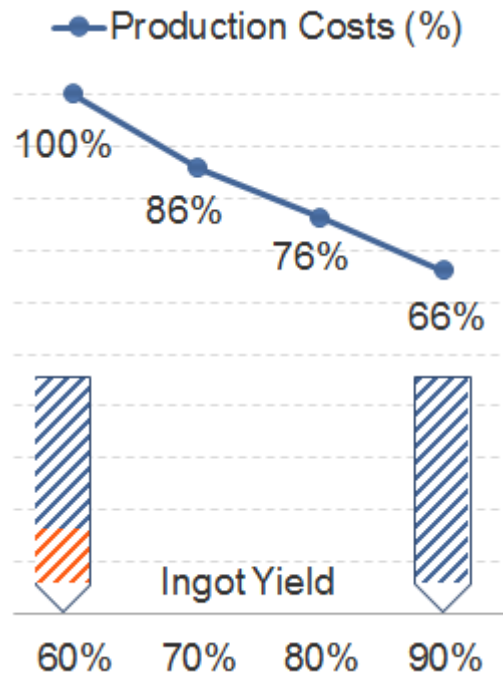


- ▶ Reduced number of producers operating after consolidation phase in 2012 & 2013
 - ▶ Additional capacity to come on stream in 2015
 - ▶ Questionable whether new entrants are cost-effective
-  Capacity Announcements
 Active Capacities
 Total Demand (HIGH CASE)
 Total Demand (LOW CASE)
 Electronic Demand

Sources: market surveys, industry announcements, WACKER estimate

High Quality Polysilicon Helps Leveraging Major Cost Reduction Potentials for Multi and Mono Cells

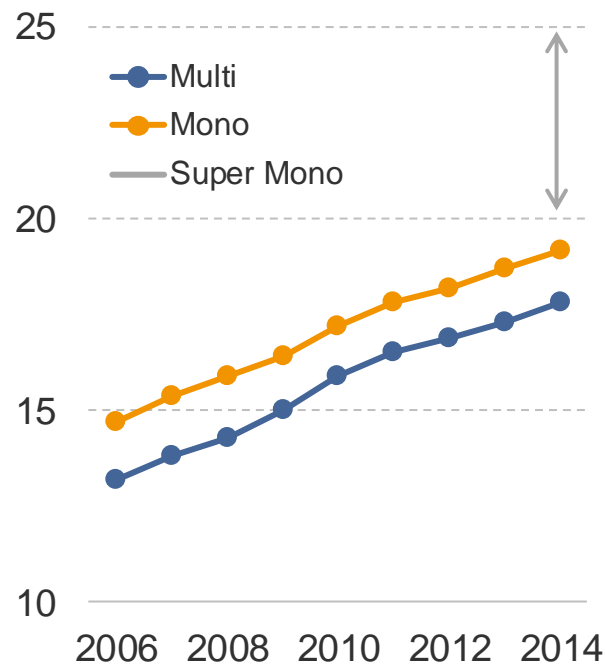
Usable Ingot Length (%)



Higher quality

- ▶ Longer usable length
- ▶ Lower cost per wafer

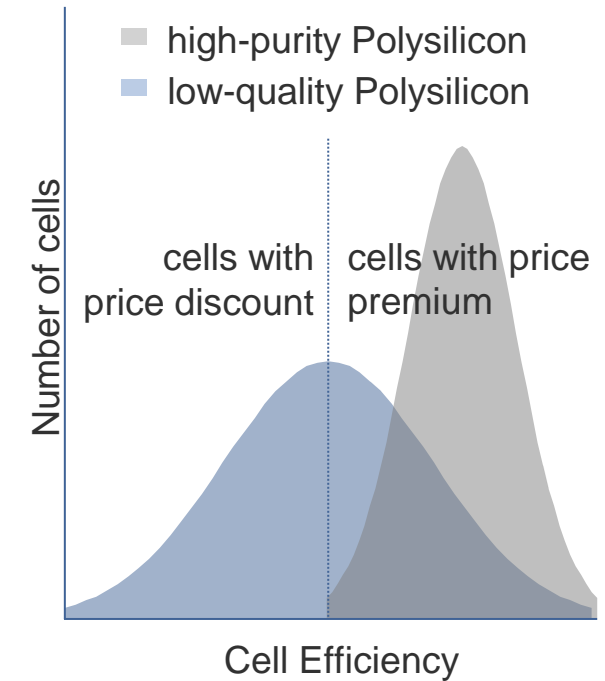
Solar Cell Efficiencies (%)



Higher quality supports greater efficiencies

- ▶ Lower cost per wafer

Cell Efficiency Distribution



Narrow distribution and higher mean

- ▶ Lower cost per wafer

Source: WACKER estimates

Siltronic: Positive EBIT since Q4 2014

€m	Q2 2015	Q1 2015	% QoQ	Q2 2014	% YoY
Sales	246.7	238.7	3.4	210.4	17.3
EBITDA	31.4	40.0	-21.5	28.1	11.7
EBITDA margin	12.7%	16.8%	-	13.4%	-
EBIT	0.7	8.70	-92.0	-9.5	n.a.
EBIT margin	0.3%	3.6%	-	-4.5%	-
Capex	8.9	4.4	>100	6.4	39.1

Successful IPO – Siltronic now Listed as WAF300

Siltronic

Q2 2015 Comments

- Successful IPO, 12.65m shares listed at Frankfurt Stock Exchange, results in net cash position for Siltronic AG
- Higher volumes yoy
- Utilization globally above 90%
- Pricing stabilizing qoq
- Cost roadmap on track
- EBITDA-margin at 12.7%, excluding other currency effects at 20%
- Positive in EBIT for the third quarter in a row

- More detail at www.siltronic.com



2015 Challenges and Opportunities

- Market expects wafer area growth between 3 and 5% across all diameters
- Inventory adjustments at customers expected to weigh on volumes in Q3, full year with growth yoy
- H2-15 FX impact estimated at €-30m (H1-15: €-19m)
- Investments in productivity and capability

Siltronic IPO – Impact on WACKER Accounts

Cash Flow

- ▶ Net cash inflow €362 m

Balance Sheet

- ▶ Equity increase
 - Retained Earnings €197,1m
 - Minorities €164,8m

P&L

- ▶ WACKER P&L with Minority share in Siltronic Earnings

- ▶ After IPO, WACKER holds 57,84% - no impact on segment consolidation

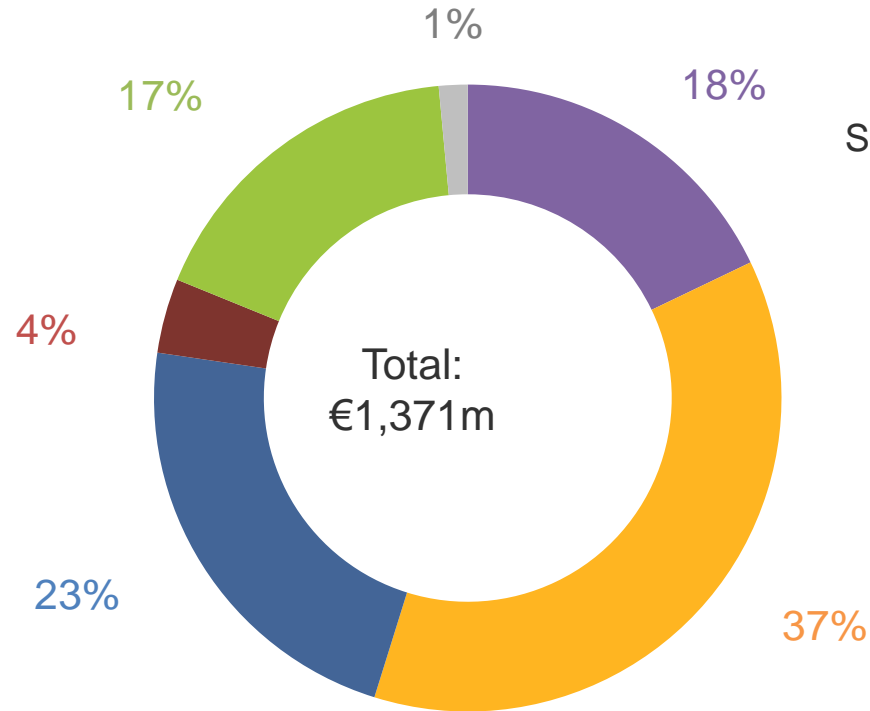
Siltronic EBITDA Reduced by Currency Effects

EBITDA, EBITDA Margin (in %) and FX Impact, in mn EUR

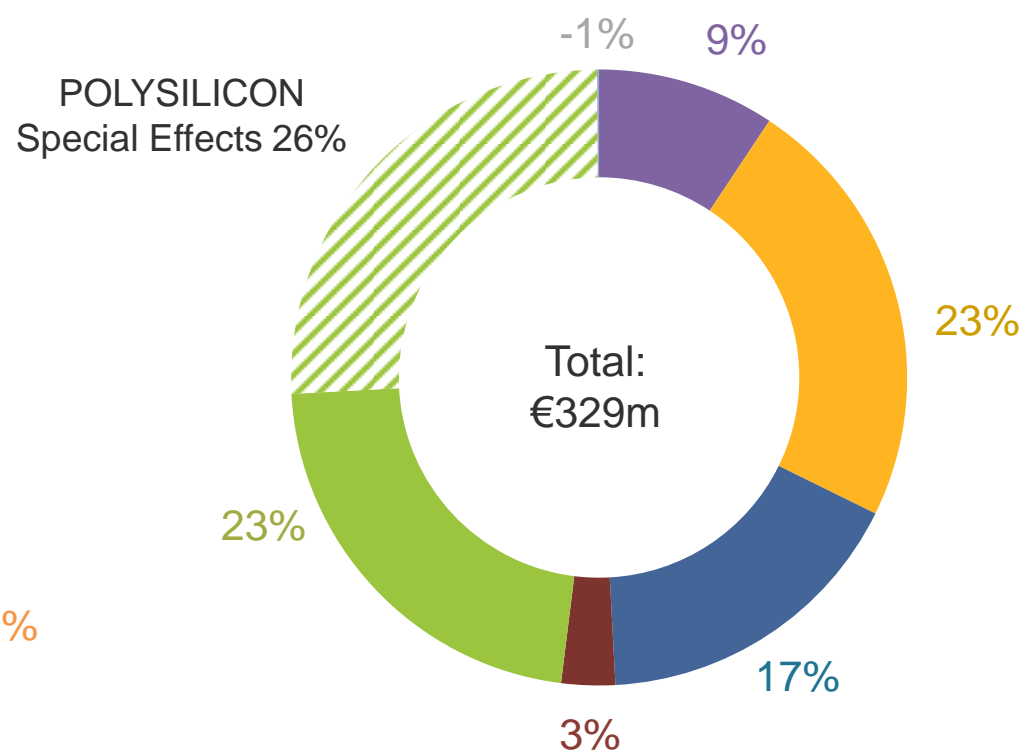
	Q2 2014	Q1 2015	Q2 2015
EBITDA	28	40	31
<i>Margin</i>	13%	17%	13%
Hedging	2	-13	-13
FX Transaction	1	10	-5
EBITDA (excl. hedging & FX transaction)	25	43	49
<i>Margin</i>	12%	18%	20%

Excluding Special Effects, Earnings dominated by Chemicals

Q2 2015 Sales¹



Q2 2015 EBITDA



Siltronic

WACKER BIOSOLUTIONS

WACKER SILICONES

WACKER POLYSILICON

WACKER POLYMERS

Others

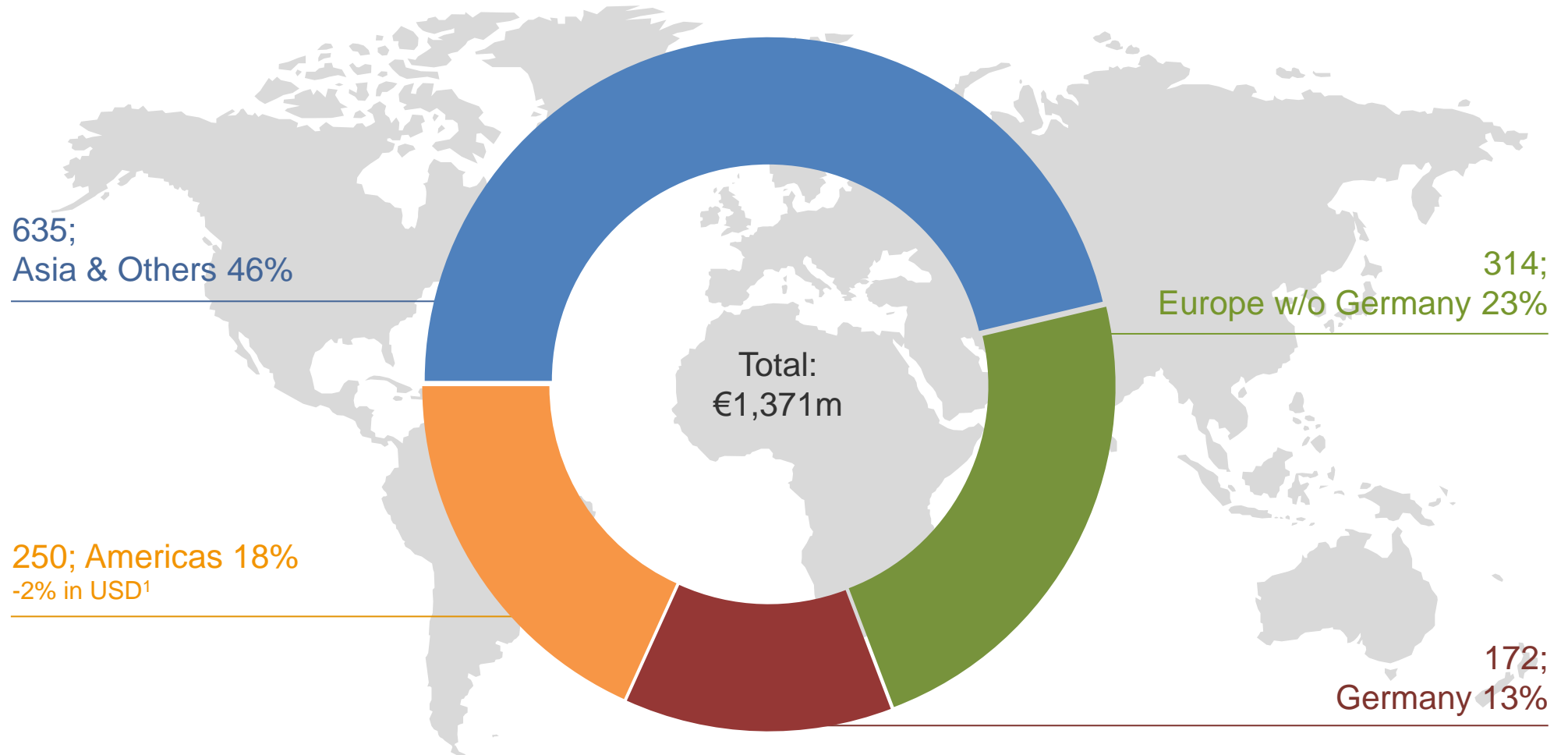
¹based on external sales

EBITDA and EBIT Impact of Special Effects

Special Effects (in €m)	2014					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FYe
Polysilicon:										
Retained prepayments & damages from cancelled contracts	114.0	-	92.3	-	206.3	4.7	86.7	-	-	91.4
EBITDA	114.0	-	92.3	-	206.3	4.7	86.7	-	-	91.4

WACKER's largest Sales Region is Asia

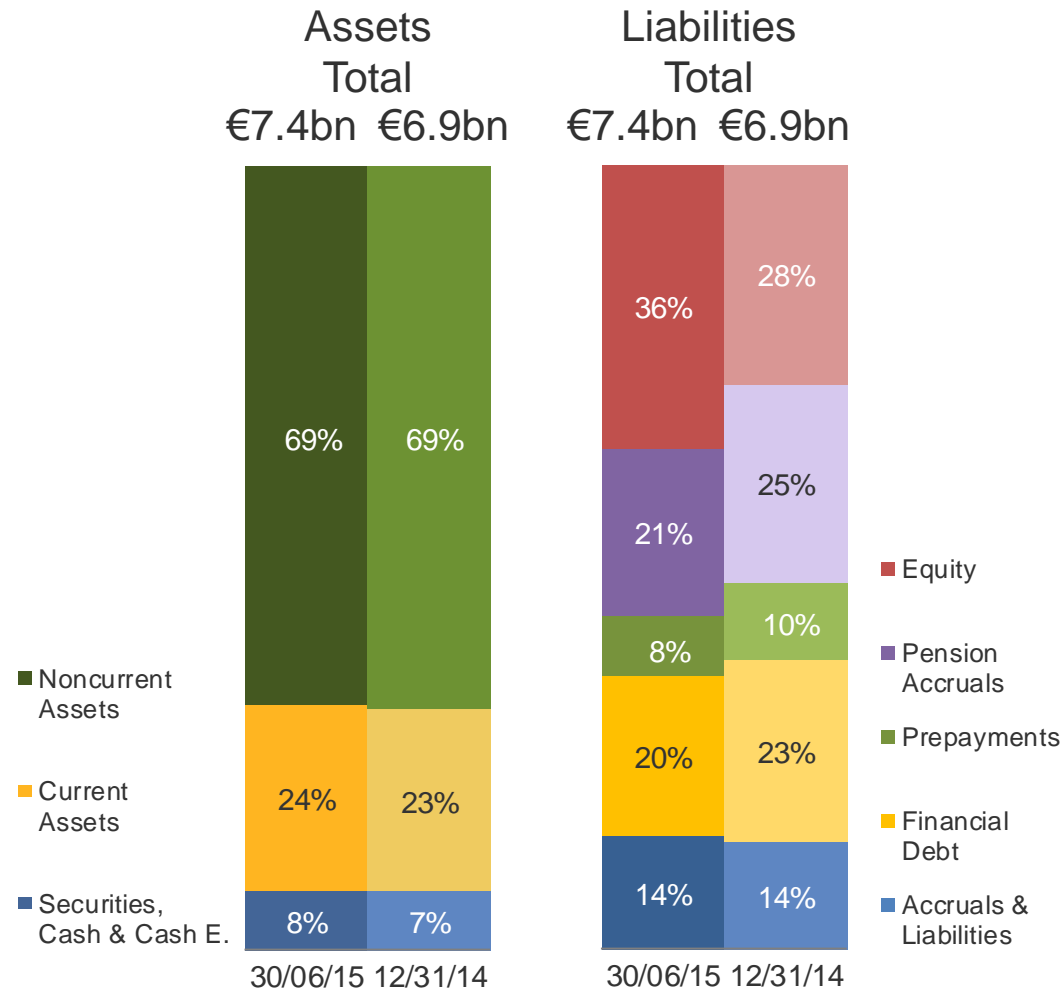
Q2 2015 Sales by Region, Changes YoY (%)



¹ Adjusted currency

Increased Discount Rates Reduce Pension Liability – Siltronic IPO increases Minority Position in Equity

Balance Sheet (%*)



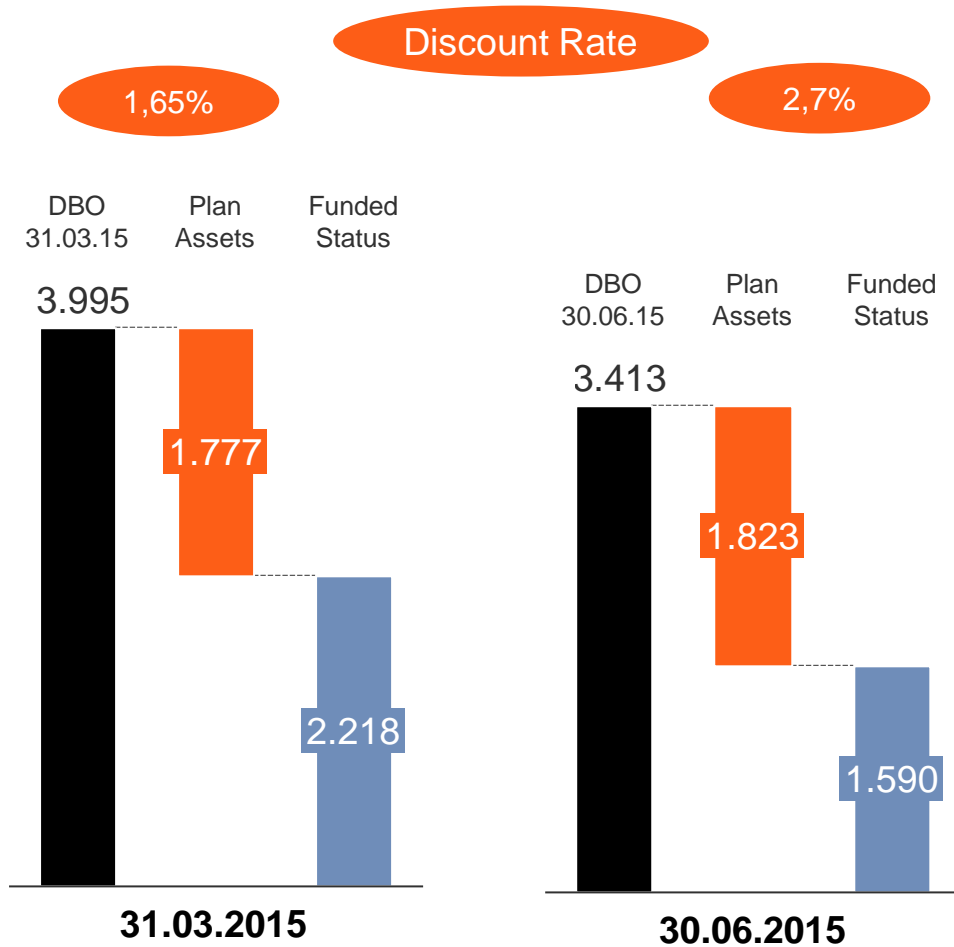
Characteristics 06/30/15

- ▶ Non current assets: €5,177m
- ▶ Securities, cash and cash equivalents: €570m
- ▶ Provisions for pensions: €1,590m
- ▶ Net financial debt: €939m
- ▶ Equity: €2,688m
- ▶ Prepayments received per 06/30/15: €566m
- ▶ CapEx (Q2): €214m
- ▶ Capital employed 12/31/2014: €5,261m

*Rounding might lead to higher 100%

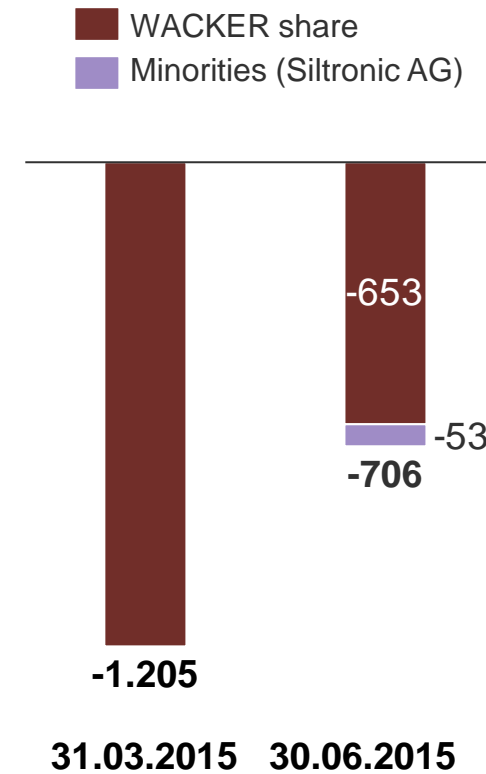
Increased Discount Rate of 2,7% Reduces Pension Liabilities by €~600m Compared to End of Q1

Pension Liabilities (in €m)



* DBO: Defined Benefit Obligation

Pension effect on Equity (in €m)

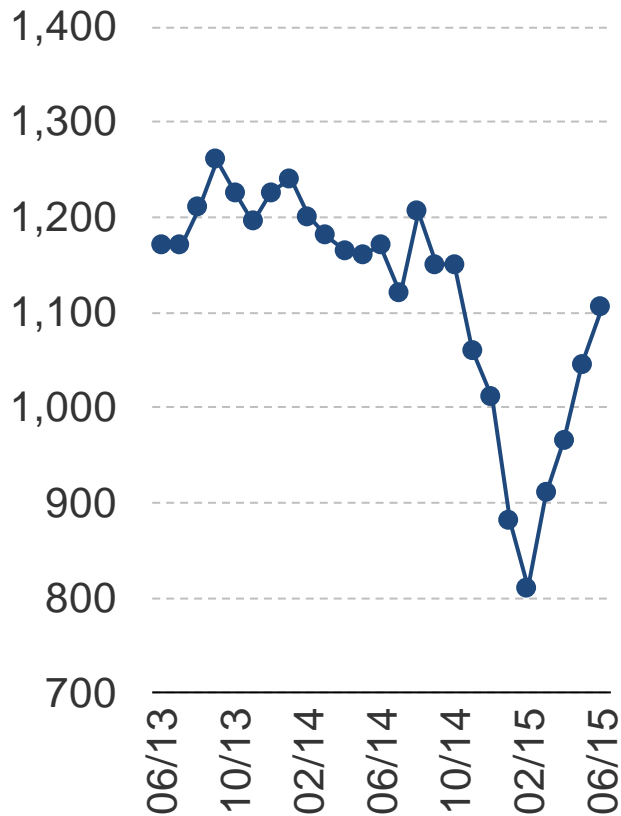


WACKER: Guidance FY 2015

	2014	Outlook 2015
Sales (€m)	4,826.4	Increase of about 10%, above €5bn
EBITDA (€m)	1,042.3	Slight rise (after adjustment for special income)
EBITDA margin (%)	21,6	Somewhat lower
Group net income (€m)	195.4	Below 2014
Net cash flow (€m)	215.7	Slightly positive
CapEx (€m)	572.2	Approx. 775
Net financial debt (€m)	1,080.6	At prior-year level
Depreciation (€m)	599.0	Approx. 625
ROCE (%)	8.4	Somewhat lower
Tax Rate (%)	46.5	Slightly above 50%

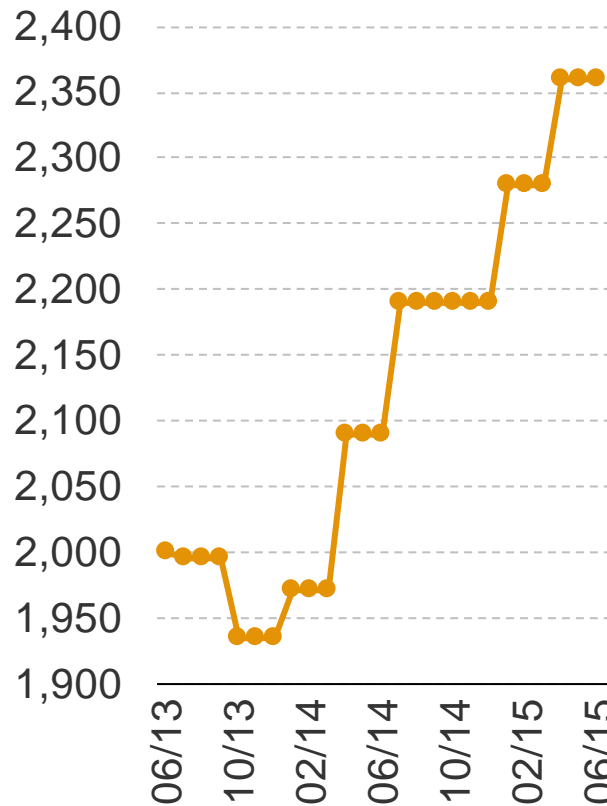
Raw Materials: Share of Top 4 Raw Materials Stable YoY

Ethylene Contract (€/MT)



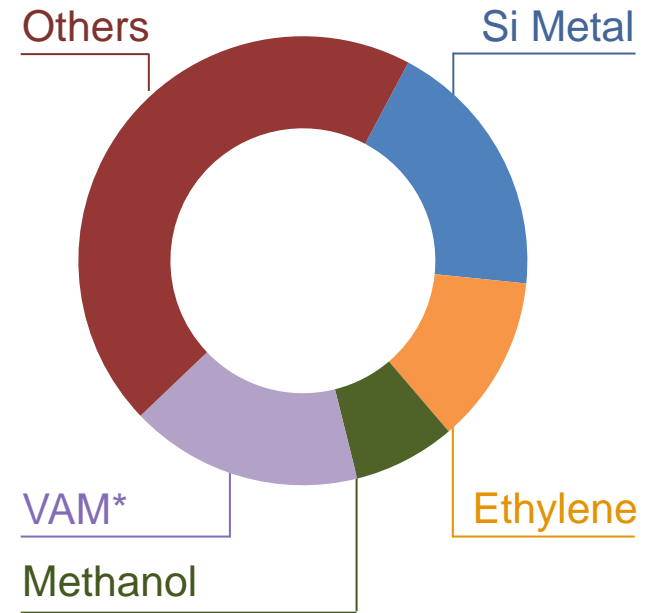
Source: ICIS, Ethylene Market Price Europe, free delivered

Si-Metal Contract (€/MT)



Source: Source: CRU-Provider, Si-Metal Contract Price Europe free delivered

Raw Materials 2014 (€m) Chemicals

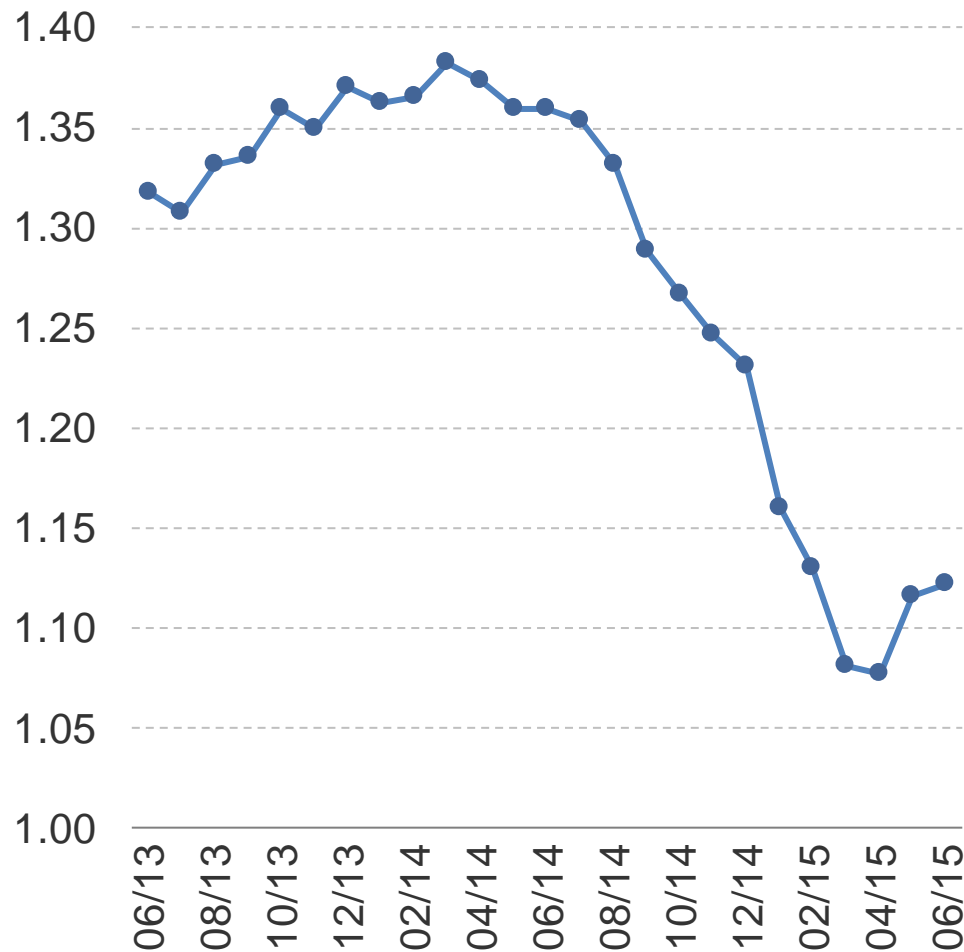


Costs of top 4 raw materials
21% of chemicals segment sales

*VAM = Vinylacetate monomer

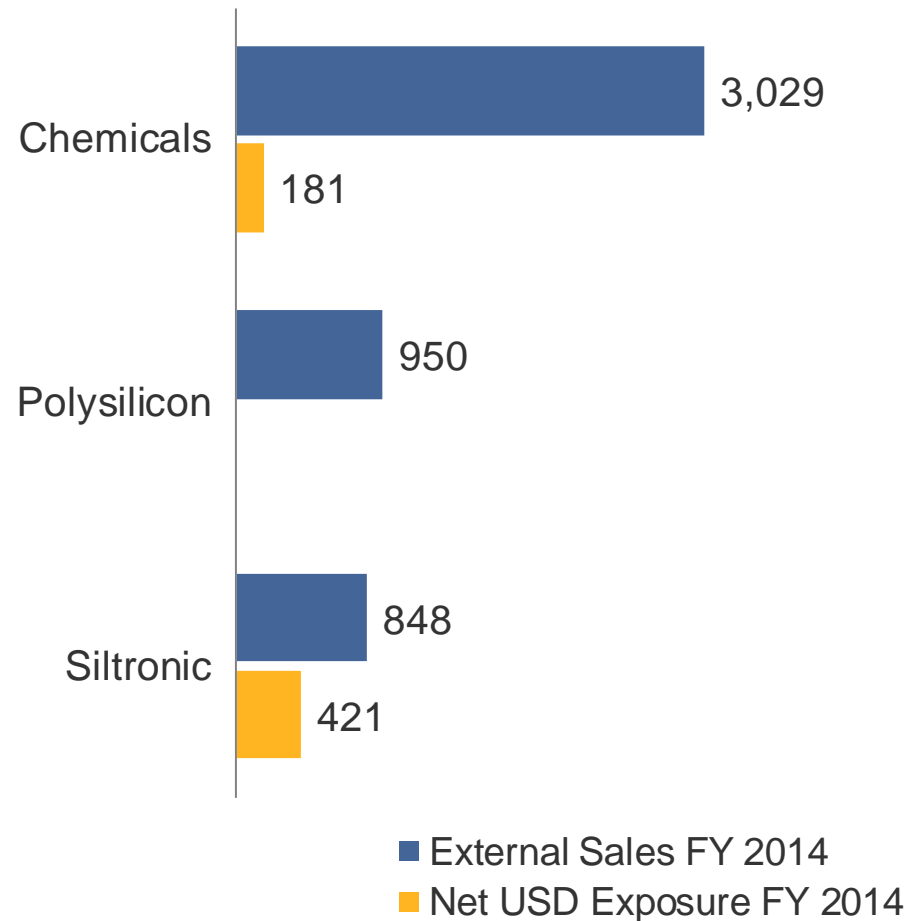
1 Cent Change in USD/€ Exchange Rate had an Impact of €4.5m on FY-EBITDA in 2014, unhedged*

USD/EURO Development



Source: www.x-rates.com/d/USD/EUR/hist2014.html

External Sales and Net USD Exposure



*Standard Hedging policy = 50% of net exposure, 12 months rolling forward using the average rate of the past 12 months

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Financial Calendar

10/29/15 – Q3 Results 2015

Additional Information

ISIN:	DE000WCH8881
WKN:	WCH888
Deutsche Börse:	WCH
Ticker Bloomberg:	CHM/WCH:GR
Ticker Reuters:	CHE/WCHG.DE
Listing:	Frankfurt Stock Exchange Prime Standard



WACKER: Strong Performance in Chemicals

Sales in €m	Q2 2015	Q1 2015	%QoQ	Q2 2014	%YoY
CHEMICALS	873.6	808.8	8.0	773.3	13.0
WACKER SILICONES	506.3	474.8	6.6	441.2	14.8
WACKER POLYMERS	314.6	284.6	10.5	285.5	10.2
WACKER BIOSOLUTIONS	52.7	49.4	6.7	46.6	13.1
WACKER POLYSILICON	261.3	289.4	-9.7	273.2	-4.4
Siltronic	246.7	238.7	3.4	210.4	17.3
Others	49.8	51.8	-3.9	39.5	26.1
Consolidation	-60.9	-53.8	13.2	-54.1	12.6
	1,370.5	1,334.9	2.7	1,242.3	10.3

WACKER: Q2 EBITDA Excluding Special Effects +6% YoY

EBITDA in €m	Q2 2015	Q1 2015	%QoQ	Q2 2014	%YoY
CHEMICALS	143.6	136.4	5.3	109.1	31.6
WACKER SILICONES	77.3	67.7	14.2	57.4	34.7
WACKER POLYMERS	56.8	59.9	-5.2	43.5	30.6
WACKER BIOSOLUTIONS	9.5	8.8	8.0	8.2	15.9
WACKER POLYSILICON	161.4	78.7	>100	87.9	83.6
Siltronic	31.4	40.0	-21.5	28.1	11.7
Others	-8.2	12.7	n.a.	4.8	n.a.
Consolidation	0.8	-0.7	n.a.	-0.4	n.a.
	329.0	267.1	23.2	229.5	43.4