



2nd Quarter 2013 – Call Note

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WACKER: Chemicals Drive Sales Growth Quarter over Quarter

in €m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	1,150.3	1,076.3	6.9	1,222.5	-5.9
EBITDA	188.2	164.5	14.4	242.1	-22.3
EBITDA margin	16.4%	15.3%	-	19.8%	-
EBIT	52.5	32.2	63.0	111.9	-53.1
EBIT margin	4.6%	3.0%	-	9.2%	-
Result for the period	15.1	5.1	>100	61.1	-75.3
EPS in €	0.27	0.08	>100	1.19	-77.3

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Reducing costs by €200m in 2013

WACKER

Q2 2013 Comments

- ▶ Pricing pressure leads to negative effect of about €127m on Q2 yoy
- ▶ Savings in material and personnel expenses
- ▶ Costs for raw materials and energy with slight positive impact on EBITDA
- ▶ Capex of €131m with focus on POLYSILICON (USA)



2013 Challenges and Opportunities

- ▶ Sales at €4.5bn, dampened by some €350m price decline
- ▶ EBITDA 2013 below 2012
- ▶ 2013 Net income small, but positive
- ▶ Capex close to depreciation at about €550m
- ▶ Increase of tax rate above 50% (development net income in Germany and non-tax-deductible expenses and losses at some international subsidiaries)

Impacts of Special Effects on EBITDA in Q2 2013 vs. Q2 2012

Division (€m)	Special Effects	2012		2013	
		Q1 2012	Q2 2012	Q1 2013	Q2 2013
Siltronic	Execution "Lead site strategy"	-14.8	-	-	-
WACKER POLYSILICON	Retained prepayments & damages from cancelled contracts	36.6	19.4	32.2	23.8
Net Effect on EBITDA		21.8	19.4	32.2	23.8

Increasing Shipments for all Major Products

WACKER SILICONES

€m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	437.2	402.1	8.7	422.9	3.4
EBITDA	66.3	53.7	23.5	59.9	10.7
EBITDA margin	15.2%	13.4%	-	14.2%	-
EBIT	46.4	34.1	36.1	39.4	17.8
EBIT margin	10.6%	8.5%	-	9.3%	-
Capex	16.0	14.0	14.3	17.2	-7.0

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Good Growth especially in Asia – But Standard Products with Price Pressure

WACKER SILICONES

Q2 2013 Comments

- ▶ Volume increase in all major product groups (qoq/yoy)
- ▶ Utilization above 90%
- ▶ Refinancing Chinese Siloxane activities results in positive effects on EBITDA



2013 Challenges and Opportunities

- ▶ Improving volume and mix
- ▶ Strengthening marketing and development competence in Asian growth markets
- ▶ Growing volume, especially in Asia, with continuous price pressure
- ▶ Prices for silicon metal lower yoy, higher prices for methanol
- ▶ Investments in intermediates and downstream for specialty products

Seasonal Recovery in Construction Related Products

WACKER POLYMERS

€m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	273.4	226.7	20.6	276.1	-1.0
EBITDA	44.4	35.7	24.4	45.3	-2.0
EBITDA margin	16.2%	15.7%	-	16.4%	-
EBIT	35.2	26.6	32.3	36.0	-2.2
EBIT margin	12.9%	11.7%	-	13.0%	-
Capex	5.3	7.9	-32.9	12.5	-57.6

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Strong Top Line Growth in Asia, other Regions Weaker yoy

WACKER POLYMERS

Q2 2013 Comments

- ▶ Lower pricing yoy not compensated by higher volumes
- ▶ Utilization reached about 80%
- ▶ Expansion of 60kt dispersions in Nanjing/China (total capacity 120kt)
- ▶ New Technical Center in Sao Paulo/Brazil and Mexico City/Mexico



2013 Challenges and Opportunities

- ▶ Construction market especially outside Europe growing
- ▶ VAE dispersions benefit from substitution ongoing
- ▶ Volume growth in powders and dispersions expected for the full year

ETONIS® – Ideal Solution for Concrete Applications

ETONIS® - It's the Mix that Matters

Infrastructure Investment in the years 2020 -2030 expected to be globally \$350bn for road and railway construction.

Demanding Requirements will increase the use of high tech products like ETONIS® .



Used as polymer binder for

- ▶ Open-pored concrete structures e.g. road paving to enable silent traffic and “dry streets”
- ▶ White topping to bond the old street with the new concrete layer
- ▶ Porous concrete layer for railroad construction for easier dewatering
- ▶ Modified sprayed concrete in the tunnel construction

Raw Material Costs and Lower Prices for Main Products Impacted EBITDA

WACKER BIOSOLUTIONS

€m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	40.5	40.5	0.0	40.1	1.0
EBITDA	5.9	6.9	-14.5	7.1	-16.9
EBITDA margin	14.6%	17.0%	-	17.7%	-
EBIT	4.4	5.2	-15.4	5.4	-18.5
EBIT margin	10.9%	12.8%	-	13.5%	-
Capex	1.5	2.6	-42.3	5.5	-72.7

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Market Leader in Polyvinyl Acetate Solid Resins for Gumbase

WACKER BIOSOLUTIONS

Q2 2013 Comments

- ▶ Positive growth contribution of pharma and agro products
- ▶ Higher raw material costs



2013 Challenges and Opportunities

- ▶ Growth potential within the food industry
- ▶ Expansion of PVAC solid resins for gumbase (20kt in Nanjing)

Market Conditions Remain Challenging, but Sequential Improvement in Profitability

WACKER POLYSILICON

€m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	203.3	235.4	-13.6	286.8	-29.1
EBITDA	64.0	52.5	21.9	120.3	-46.8
EBITDA margin	31.5%	22.3%	-	41.9%	-
EBIT	4.4	-5.1	n.a.	65.1	-93.2
EBIT margin	2.2%	-2.2%	-	22.7%	-
Capex	89.9	81.1	10.9	170.4	-47.2

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)
Not Since January 2013, salt and caustic soda is reported in OTHERS, fumed silica in SILICONES.

Sales Decline over prior Year Despite Strong Volume Growth

WACKER POLYSILICON

Q2 2013 Comments

- ▶ Uncertainties triggered by the trade dispute between the EU and China had a negative impact on poly demand of the industry
- ▶ Stable pricing
- ▶ Utilization around 90%
- ▶ Production above sales with positive impact on EBITDA
- ▶ €23.8m retained prepayments and damages from cancelled contracts



2013 Challenges and Opportunities

- ▶ Unchanged long term growth expected, but short term uncertainties of regulations might impact Q3 and Q4
- ▶ PV Market size expected to reach 34 - 40 GW (226kt – 260kt incl. semi)
- ▶ Ongoing successful execution of cost roadmap
- ▶ Retained prepayments and damages from cancelled contracts to continue with effects on earnings as market consolidation takes place

Growth in Installations Shifts to Asia as PV becomes more Competitive

Country	2010	2011	2012	2013e	2014e
France	0.7	1.7	1.1	0.6 – 0.8	1.3 – 1.5
Germany	7.4	7.5	7.6	3.3 – 3.8	3.0 – 3.5
Italy	4.0	7.4	3.6	1.7 – 2.1	1.9 – 2.2
Rest of Europe	2.6	3.3	4.9	5.5 – 6.5	4.7 – 6.0
Europe	14.7	19.9	17.2	11.1 – 13.2	10.9 – 13.2
Australia	0.4	0.8	1.0	1.0 – 1.3	1.2 – 1.6
China	0.7	2.5	4.9	6.5 – 8.2	9.5 - 12
India	0.15	0.4	0.9	1.7 – 1.9	2.2 – 2.6
Japan	1.0	1.3	2.5	5.3 – 6.2	5.3 – 7.0
USA	0.9	1.9	3.3	4.8 – 5.4	6.3 – 7.5
Rest of World	0.5	1.3	2.1	3.3 – 3.8	4.8 – 5.9
Total	18 GW	28 GW	~32 GW	~34 - 40 GW	~40 - 50 GW

CAGR
6-25%

CAGR
12-25%

Sources: EPIA 05/2010, 02/2012 and 05/2013, industry news, WACKER estimate, CAGR based on 2012 numbers

Better Volumes and Successful Cost Management

Siltronic

€m	Q2 2013	Q1 2013	% QoQ	Q2 2012*	% YoY
Sales	200.1	171.2	16.9	247.4	-19.1
EBITDA	9.1	0.7	>100	13.0	-30.0
EBITDA margin	4.5%	0.4%	-	5.3%	-
EBIT	-14.7	-22.0	33.2	-9.8	50.0
EBIT margin	-7.3%	-12.9%	-	-4.0%	-
Capex	8.3	8.3	0.0	26.1	-68.2

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Volume Growth as Expected, Prices Slightly Declined

Siltronic

Q2 2013 Comments

- ▶ Sequential volume growth
- ▶ Slightly declined prices
- ▶ Average plant utilization around 80%

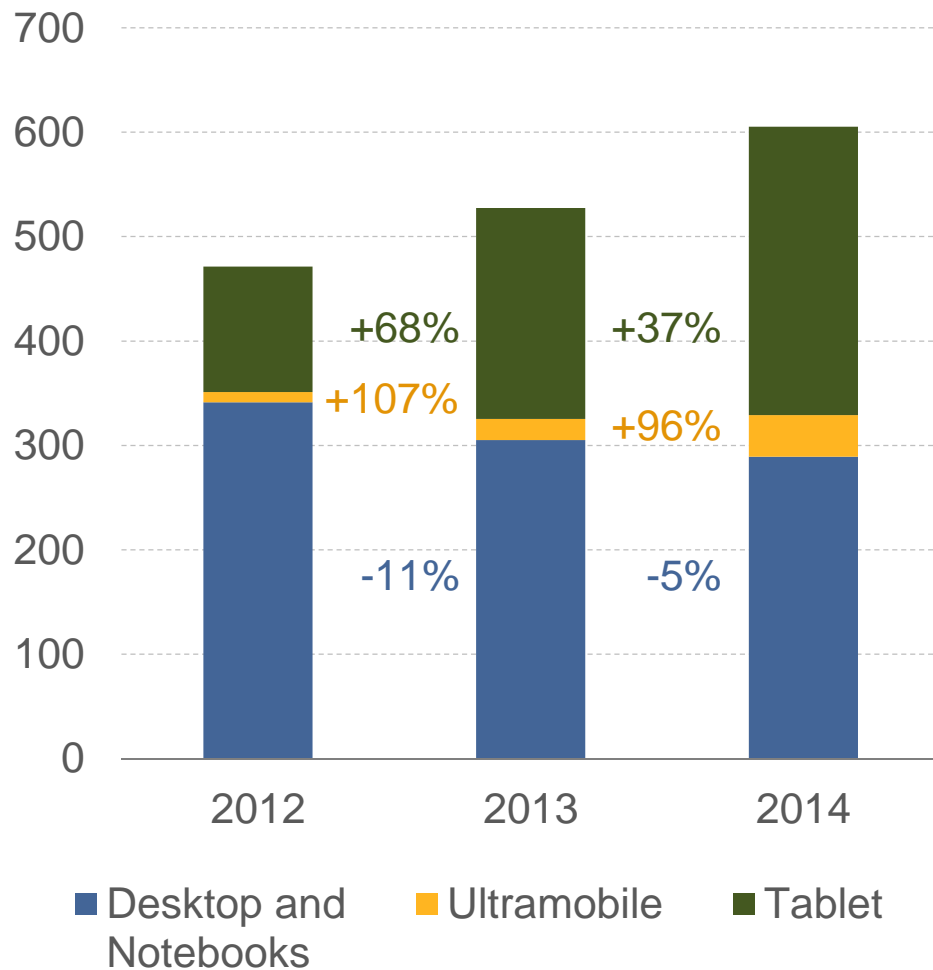


2013 Challenges and Opportunities

- ▶ Q3 similar to Q2
- ▶ Market growth expectations for 2013 slowed down, but positive going forward

PC's Expected to Decline 11% in 2013, Ultramobile PCs and Tablets Now Drive Market Growth

Computing Device Shipments in mn units / year

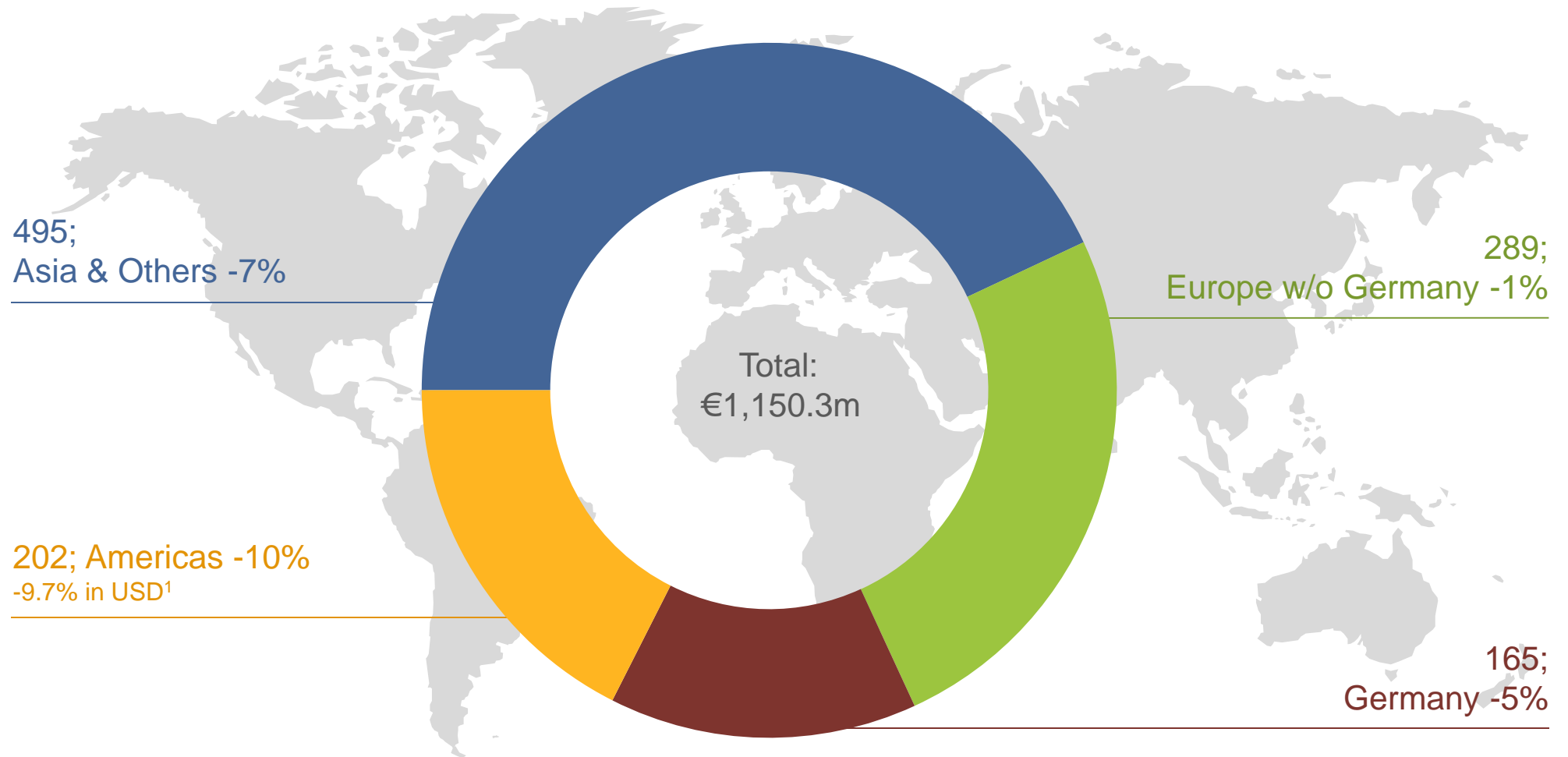


Source: Gartner (June 2013)

- ▶ Ultrabooks expected to grow 107% in 2013, but from small base
- ▶ Traditional PCs to decline 11%
- ▶ Total PC shipments (Ultrabooks plus traditional PCs) expected to decrease 7% in 2013, to grow 1 % in 2014
- ▶ Strong growth in tablets will cause the total computing device shipments to grow 12 % in 2013, 15 % in 2014
- ▶ Growth of tablets expected to slow down as matured technology and operating systems are causing longer life cycles
- ▶ Shift to basic (low-cost) tablets expected, as new basic devices perform as good as previous premium tablets

Asia with 39% of Sales – Largest Region

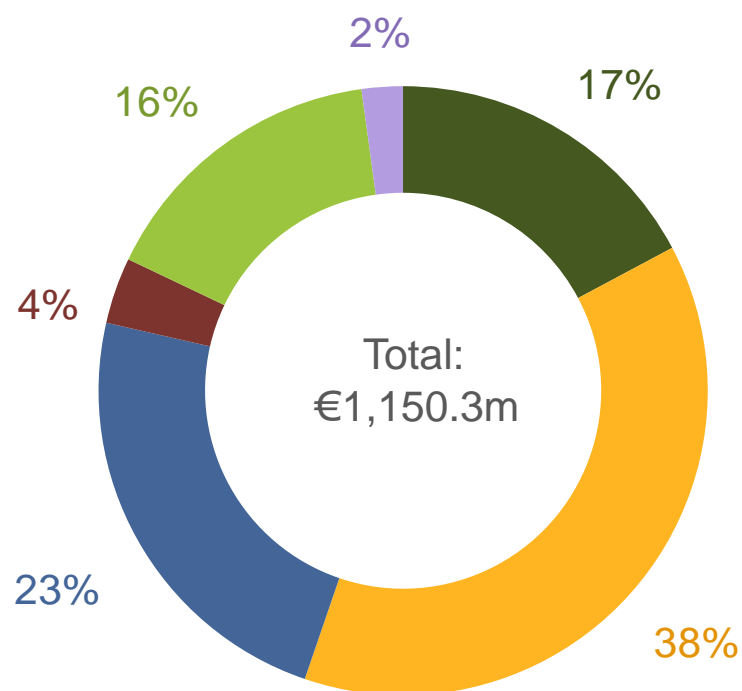
Q2 2013 Sales by Region, Changes YoY (%)



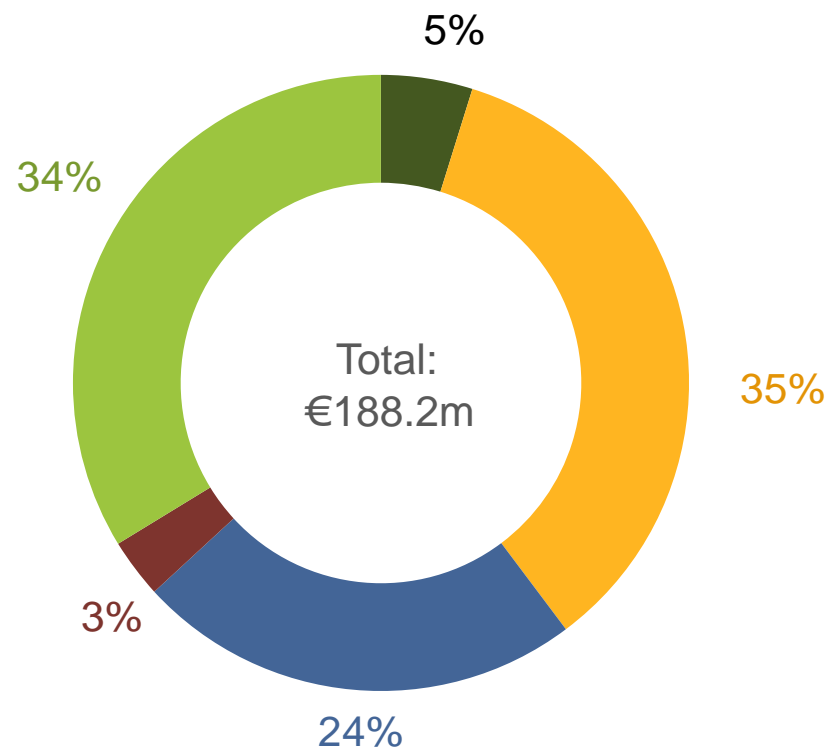
¹ Adjusted currency

Ongoing Strong Performance QoQ in all Chemical Businesses

Q2 2013 Sales¹



Q2 2013 EBITDA



Siltronic

WACKER BIOSOLUTIONS

WACKER SILICONES

WACKER POLYSILICON

WACKER POLYMERS

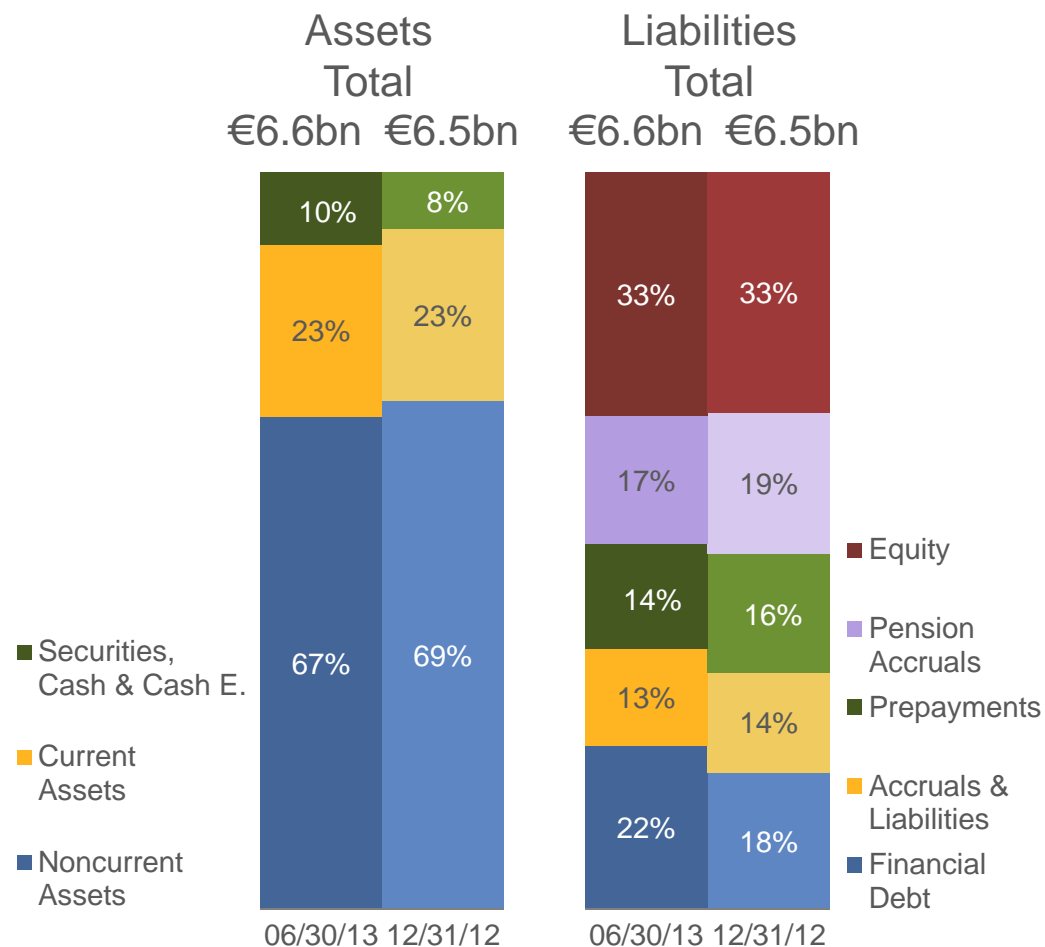
Others

¹based on external sales

Pension Accounting Changes and Planned Debt Increases

Change Balance Sheet Structure

Balance Sheet (%)



Characteristics 06/30/13

- ▶ Noncurrent assets: €4,488m
- ▶ Securities, cash and cash equivalents: €648m
- ▶ Provisions for pensions: €1,151m
- ▶ Net financial liabilities: €820m
- ▶ Equity: €2,196m
- ▶ Prepayments received per 06/30/13: €940m
- ▶ Capex: €253m (Q2: €131m)

2012: Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

Outlook 2013 unchanged: FY Sales on 2012 Level, FY EBITDA Below 2012 Level

Group

- ▶ Expecting Group sales at €4.5bn for the full year 2013
- ▶ Guidance assumes polysilicon prices at the level of HY1/13

Chemicals

- ▶ All segments with positive outlook and solid trend
- ▶ Q3 slightly better than yoy in sales and EBITDA

Siltronic

- ▶ Q3 similar to Q2
- ▶ Cost roadmap for 300 mm on track

POLYSILICON

- ▶ Expect global installations to grow between 34 and 40 GW
- ▶ Aggressive cost roadmap on track

Investments

- ▶ Capex of €550m at depreciation level

Net Cash Flow

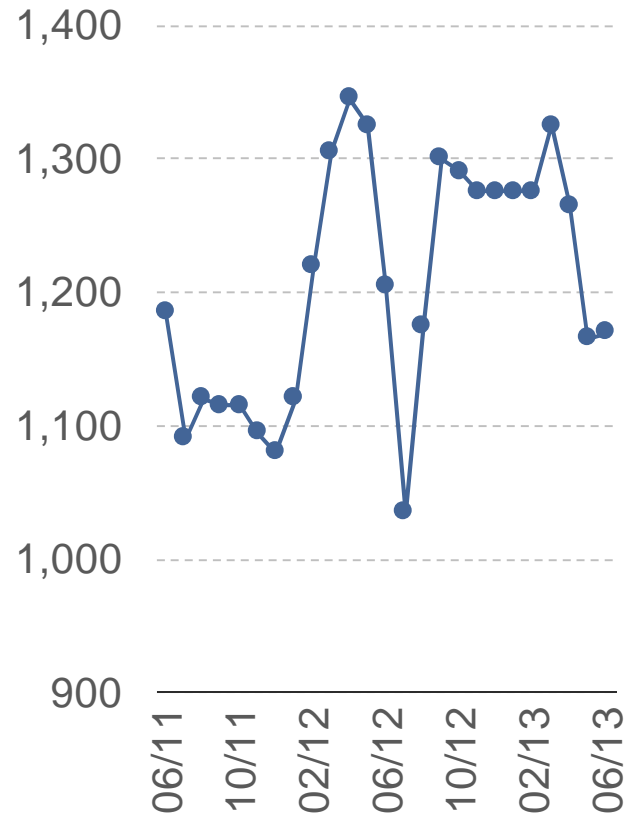
- ▶ NCF negative, but significantly better than 2012
- ▶ Net financial debt increasing, target less than €1.0bn

FX

- ▶ Assuming ø exchange rate for HY2/13 of \$/€ at 1.35

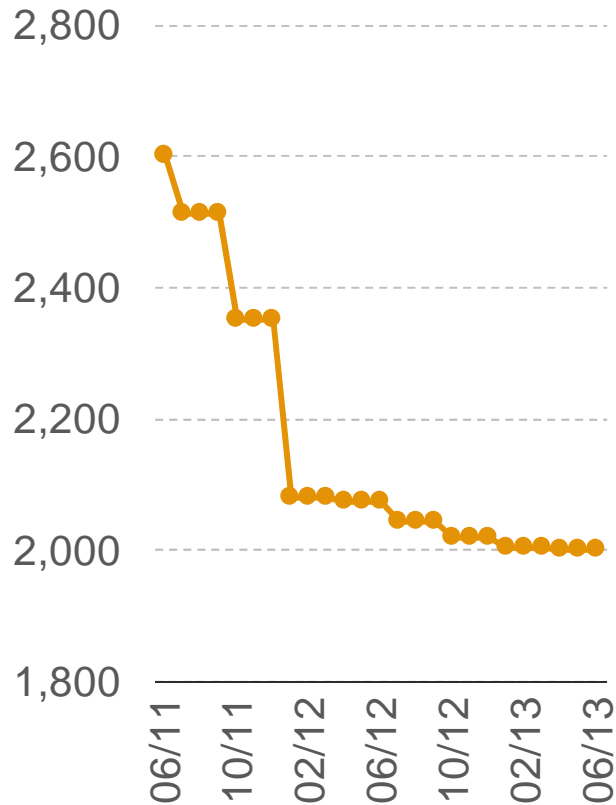
Raw Materials: Slight Relief Expected in 2013

Ethylene Contract (€/MT)



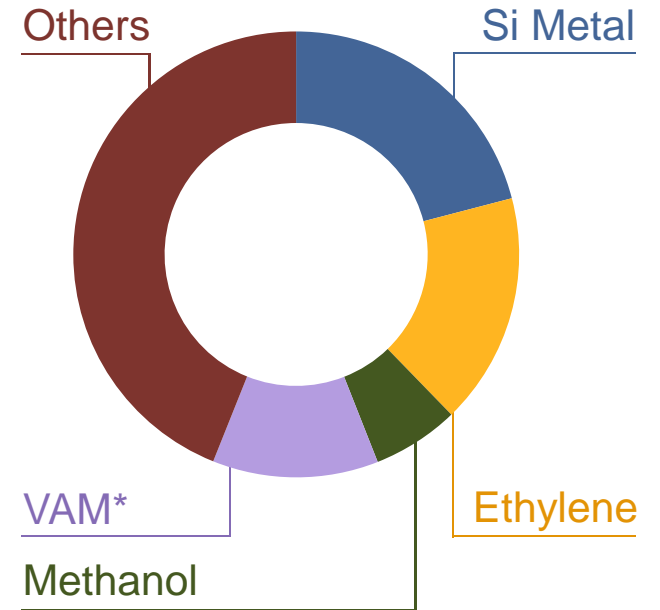
Source: ICIS, Ethylene Market Price Europe, free delivered

Si-Metal Contract (€/MT)



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

Raw Materials 2012 (€m) Chemicals



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

*VAM = Vinylacetate monomer

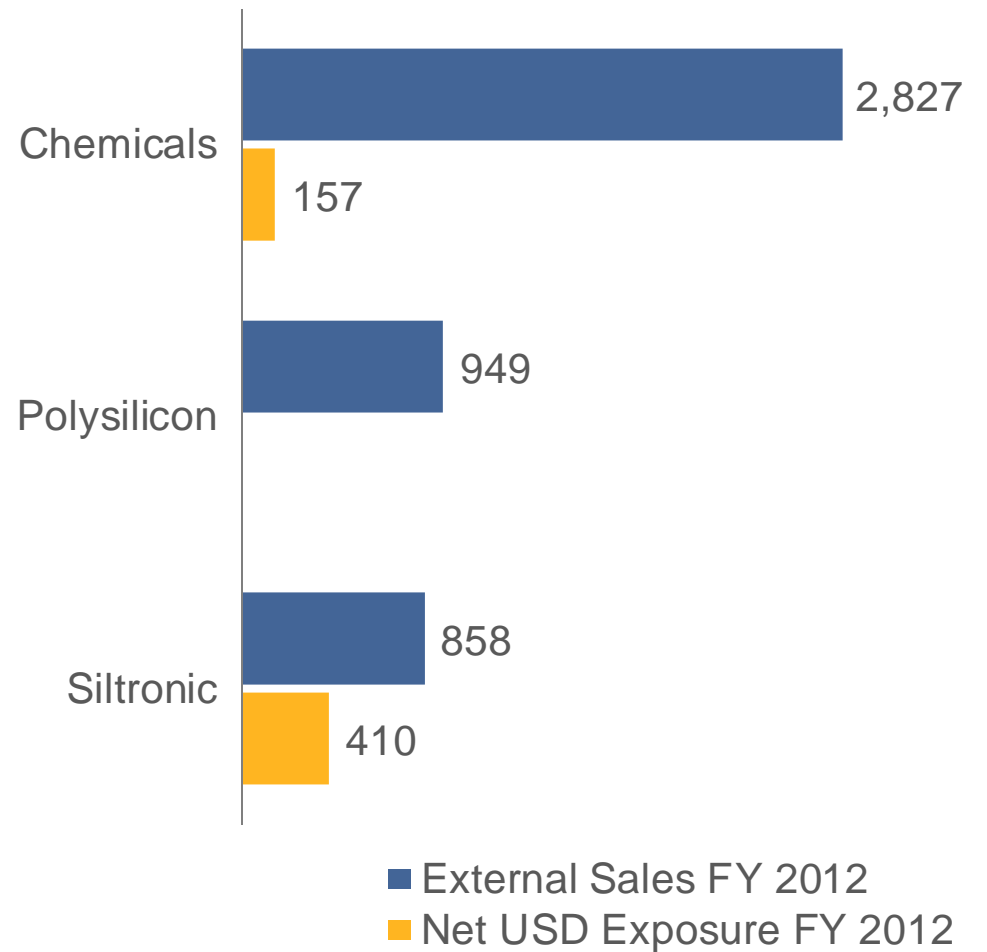
1 Cent Change in USD/€ Exchange Rate Had an Impact of €4.4m on FY-EBITDA in 2012, Unhedged*

USD/EURO Development



Source: www.x-rates.com/d/USD/EUR/hist2013.html

External Sales and Net USD Exposure



*Standard Hedging policy = 50% of net exposure, 12 months rolling forward

WACKER: Issuer, Contact and Additional Information

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Financial Calendar

10/31/13 – Q3 Results 2013

Additional Information

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



Chemicals and Siltronic with Strong Improvement over Q1

Sales in €m	Q2 2013	Q1 2013	%QoQ	Q2 2012*	%YoY
CHEMICALS	751.1	669.3	12.2	739.1	1.6
WACKER SILICONES	437.2	402.1	8.7	422.9	3.4
WACKER POLYMERS	273.4	226.7	20.6	276.1	-1.0
WACKER BIOSOLUTIONS	40.5	40.5	0.0	40.1	1.0
WACKER POLYSILICON	203.3	235.4	-13.6	286.8	-29.1
Siltronic	200.1	171.2	16.9	247.4	-19.1
Others	46.1	46.9	-1.7	44.2	4.3
Consolidation	-50.3	-46.5	8.2	-95.0	-47.1
	1,150.3	1,076.3	6.9	1,222.5	-5.9

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)

EBITDA 14 % over Q1

EBITDA in €m	Q2 2013	Q1 2013	%QoQ	Q2 2012*	%YoY
CHEMICALS	116.6	96.3	21.1	112.3	3.8
WACKER SILICONES	66.3	53.7	23.5	59.9	10.7
WACKER POLYMERS	44.4	35.7	24.4	45.3	-2.0
WACKER BIOSOLUTIONS	5.9	6.9	-14.5	7.1	-16.9
WACKER POLYSILICON	64.0	52.5	21.9	120.3	-46.8
Siltronic	9.1	0.7	>100	13.0	-30.0
Others	-3.0	15.2	-119.7	-3.2	-6.3
Consolidation	1.5	-0.2	-850.0	-0.3	-600.0
	188.2	164.5	14.4	242.1	-22.3

*Adjusted based on the effects of the adoption of IAS 19 (revised), more details under changes in accounting and evaluation methods in the notes (quarterly report)