

Transforming Growth – Improving Returns on Lower Capex

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Our Business Portfolio is a Foundation for Growth...

WACKER BIOSOLUTIONS

- ▶ High potential for future development

WACKER POLYMERS

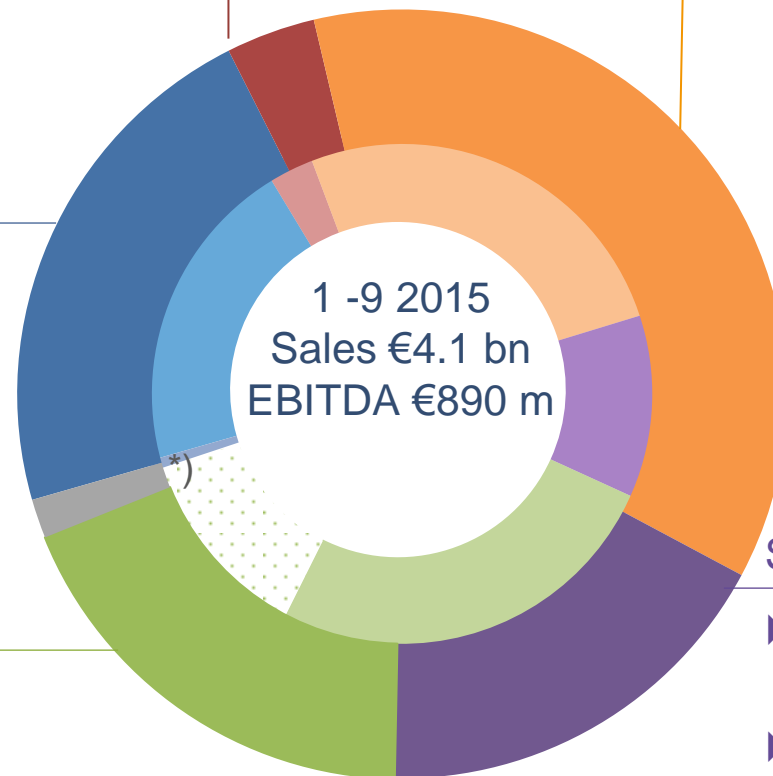
- ▶ No. 1 in dispersible polymer powders
- ▶ No. 1 in VAE dispersions
- ▶ Global footprint

WACKER POLYSILICON

- ▶ No. 2
- ▶ Cost and quality leader
- ▶ Enabling industry growth

WACKER SILICONES

- ▶ No. 2 with global footprint
- ▶ Leading positions in key growth segments



Siltronic

- ▶ Technology leader, ranking as no. 3
- ▶ Balanced base of customers
- ▶ Minority position floated

Note: Percentages based on external sales per segment

*) Other

**EBITDA w/o special incomes

Transforming Growth: From Asset Growth to Cash Generation

Ratio of Capital Spending vs. Depreciation

capex between 1.3 and 2.2x depreciation		capex < depreciation		capex >< depreciation	
2005	2012	2013	2017	2018	2022

Create

2005 – 2012

Focus on capital intensive growth:

- ▶ Eight additional sites globally
- ▶ Increased capacities 7x in Polysilicon, 3x in VAE dispersions, 2x Siloxane, 6x 300 mm wafer

The customer dimension:

- ▶ Global presence and market penetration with technical centers and global sales structures

Leverage

2013 – 2017

Focus on profitability and cash:

- ▶ Execute cost roadmaps
- ▶ Leverage global asset base
- ▶ Focus on quality growth, growing specialty sales
- ▶ Invest below depreciation

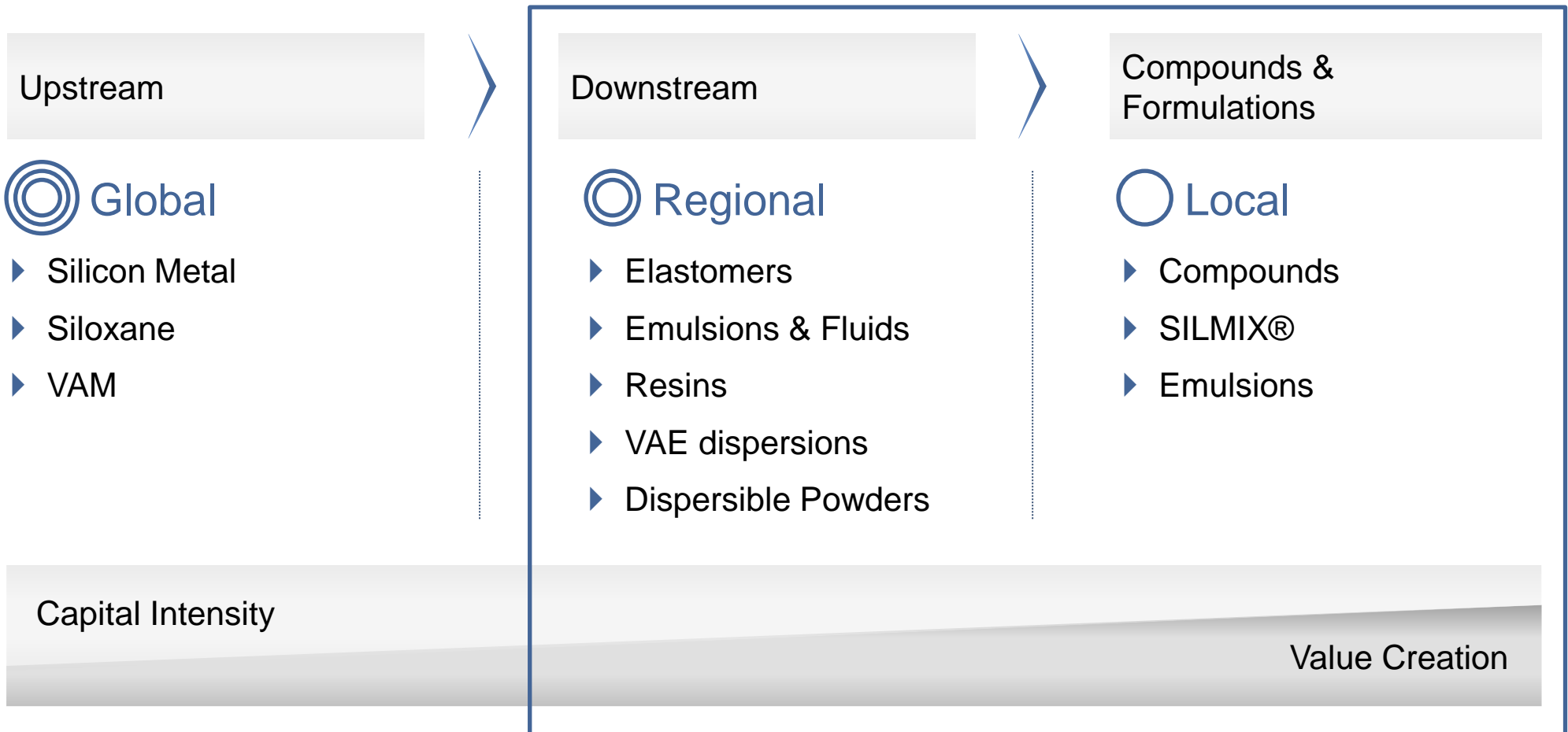
Expand

2018 – 2022

Focus on selective expansion of production network:

- ▶ Selective growth projects
- ▶ Exploring further Verbund and debottlenecking opportunities

Chemicals: Reduce Capital Intensity of Growth – Leverage Existing Upstream Capacities



▶ 2012 - 2017 growing share of specialties from 2/3 to 3/4 of sales

Chemicals: Leveraging A Global Market Presence with Local Access

Technical Center & WACKER ACADEMY



22 Technical Centers worldwide to service customers and develop products & applications



9 WACKER ACADEMY sites provide training and product know-how tailored to our customers' needs.

Market Penetration in all Emerging Regions



China
Local products and services



Korea
Focus on products for the electronic market



India
Focus on textile applications



Brazil
Expanding Technical Center presence, local products and services



South East Asia
Mobile technical center

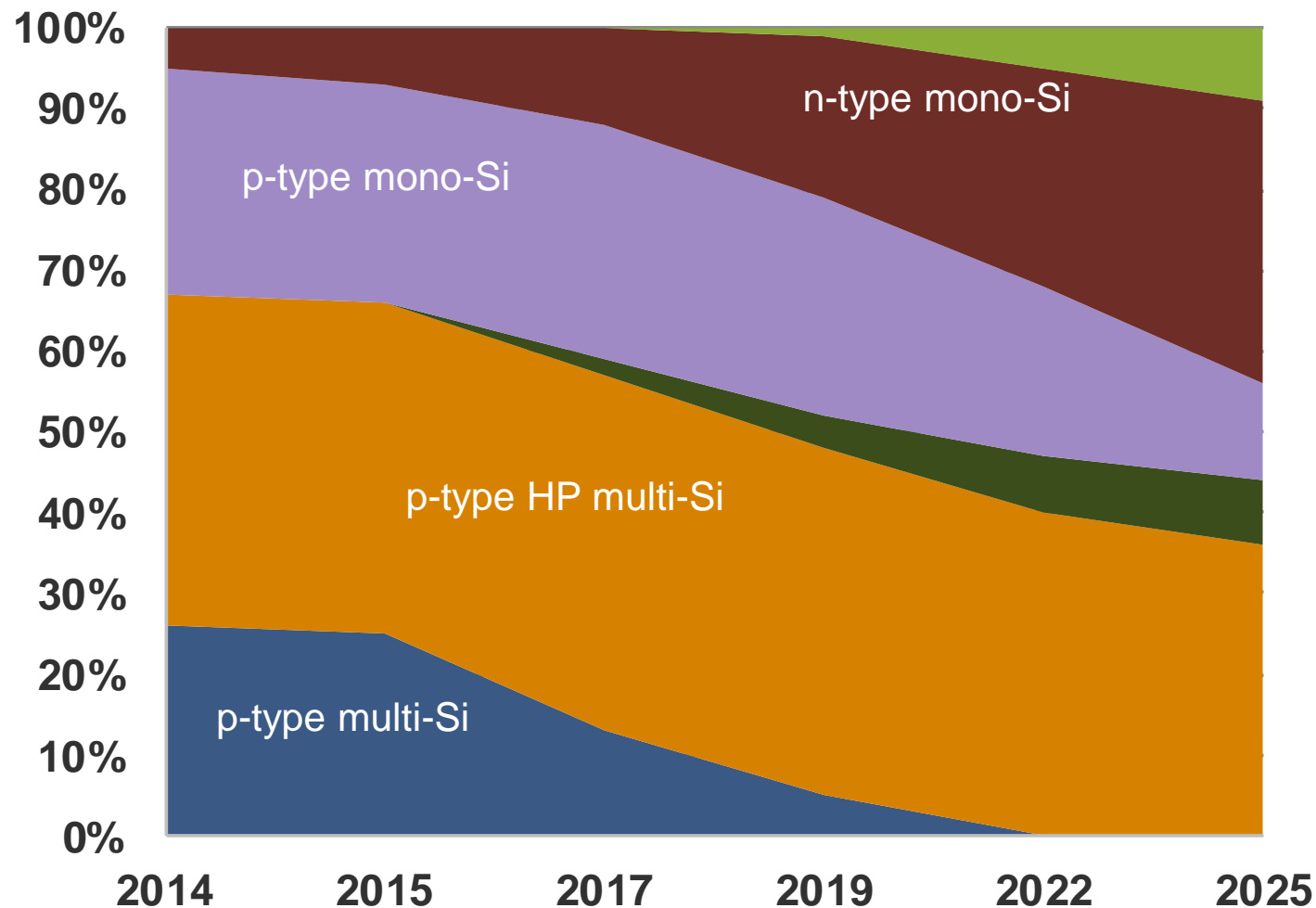
Sales

TC

Academy

Plant

POLYSILICON: Substrate Matters - Enabling the PV Market Trend towards Higher Cell Efficiencies



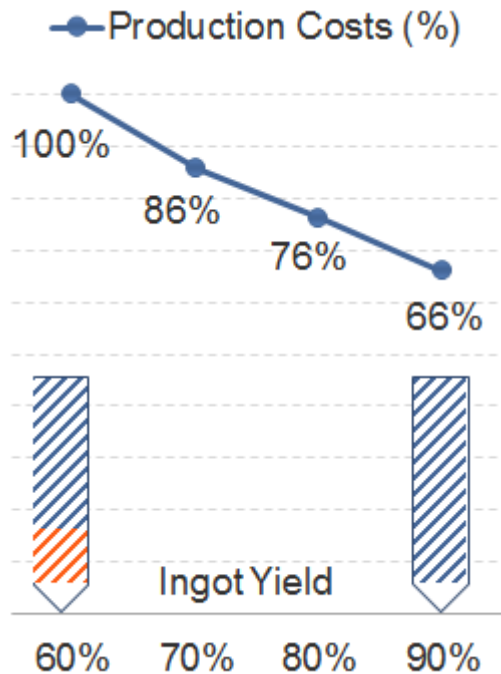
▶ Wacker estimates that standard multi share (blue area) will decrease even faster (increase of HP multi share)

- other (e.g. kerfless)
- n-type mono-Si
- p-type mono-Si
- p-type monolike-Si
- p-type HP multi-Si
- p-type multi-Si

Source: ITRPV = International Technology Roadmap for PV Initiative of Semi, www.itrpv.net
HP = High Performance

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

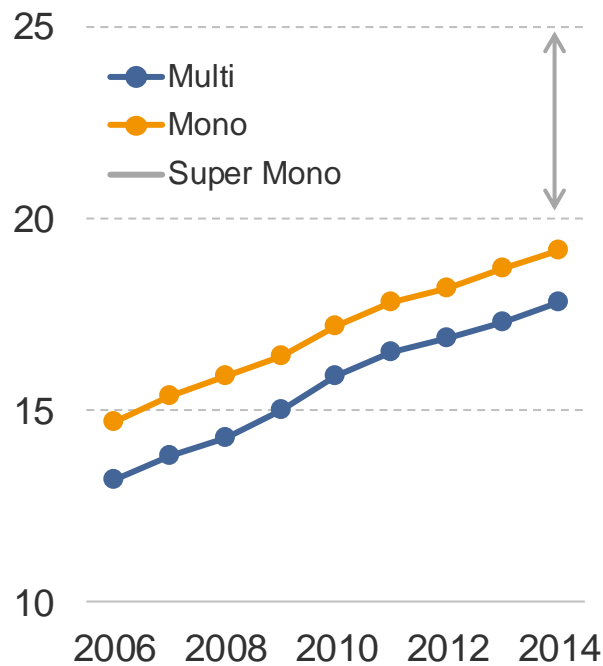
Usable Ingot Length (%)



Higher quality

- ▶ Longer usable length
- ▶ Lower cost per wafer

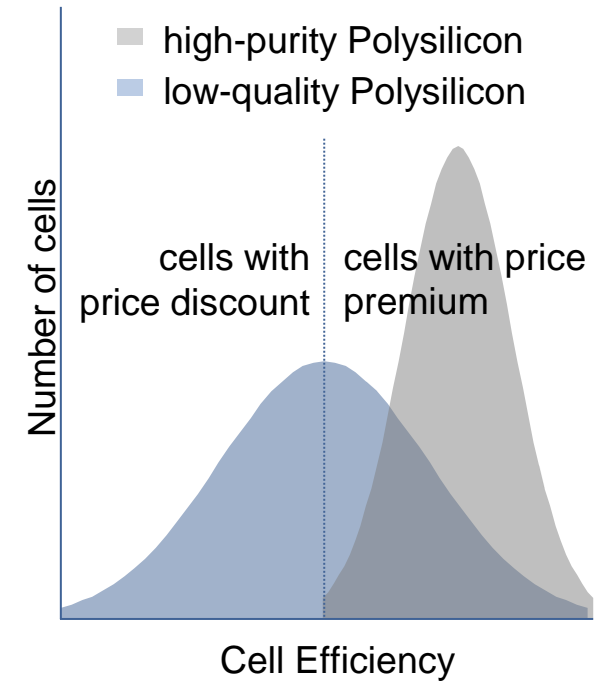
Solar Cell Efficiencies (%)



Higher quality supports greater efficiencies

- ▶ Lower cost per wafer

Cell Efficiency Distribution



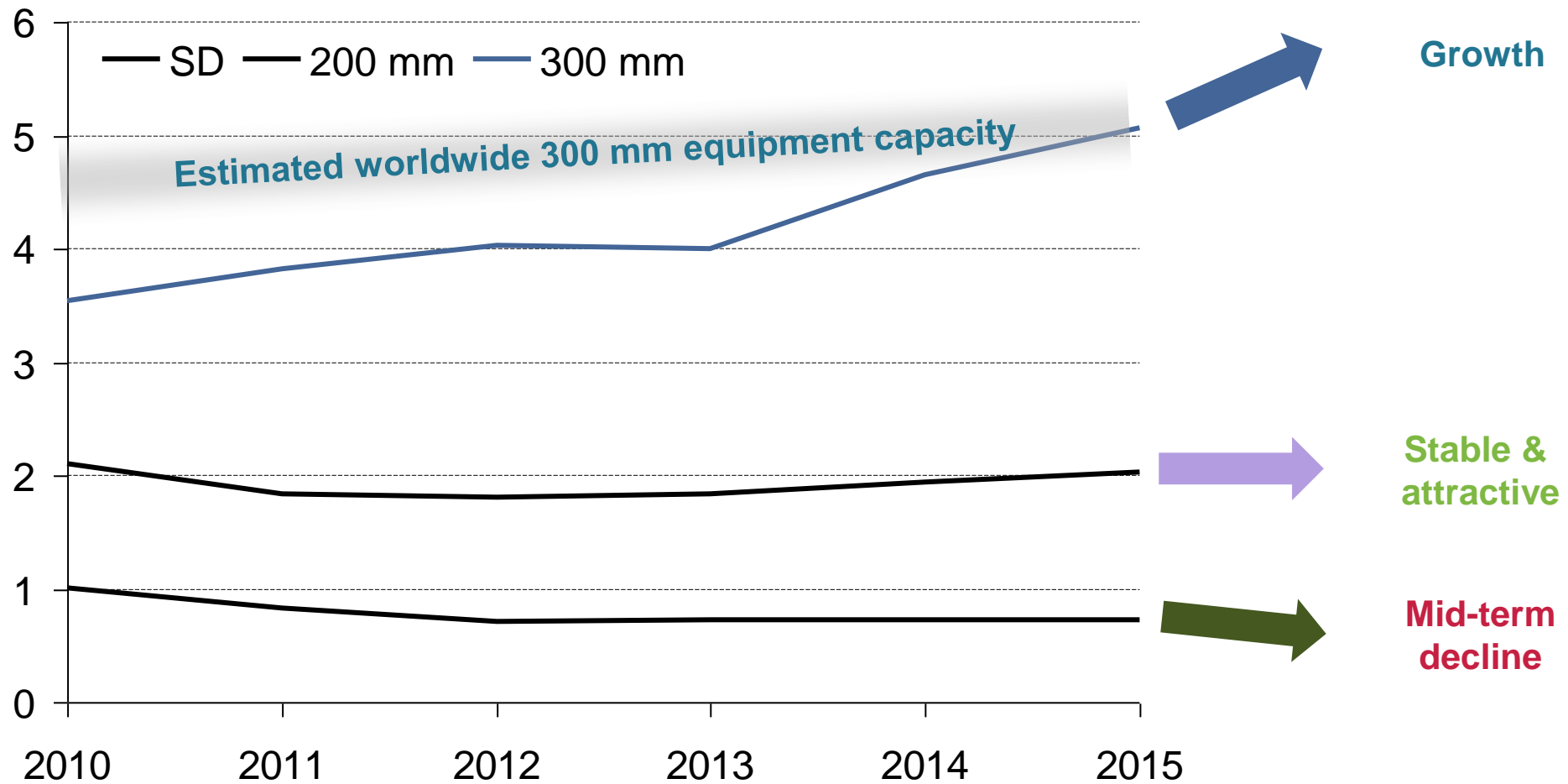
Narrow distribution and higher mean

- ▶ Lower cost per wafer

Source: WACKER estimates

Siltronic: Wafer Industry Operates close to Capacity Limits – But Price Levels do not support Capex

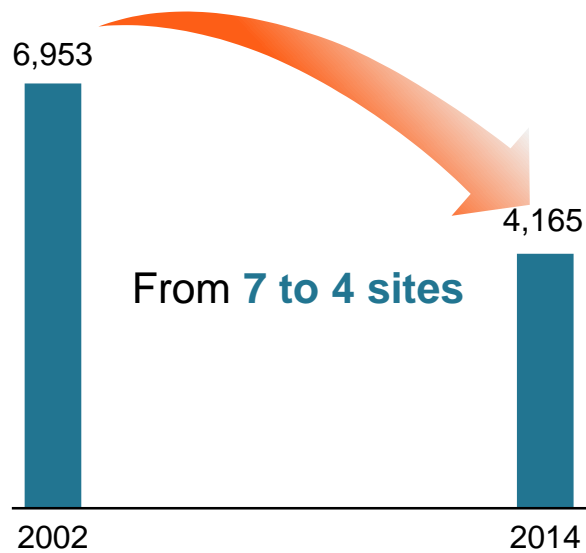
Development of Total Wafer Demand per Diameter, in million 300 mm equivalents per month



Source: Company Information

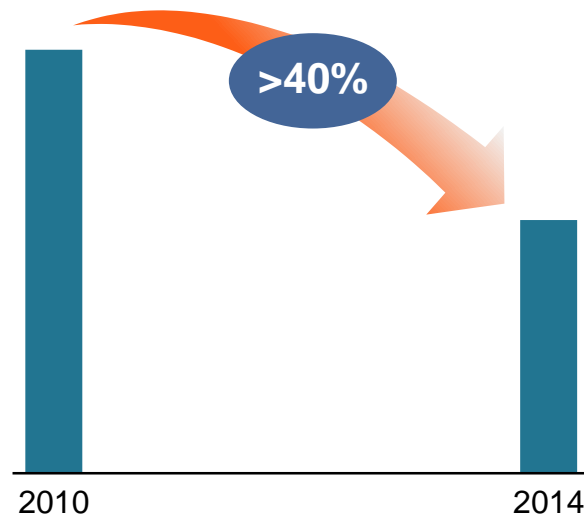
Siltronic: Cost Reduction and Efficiency Improvement Track Record

Number of Employees



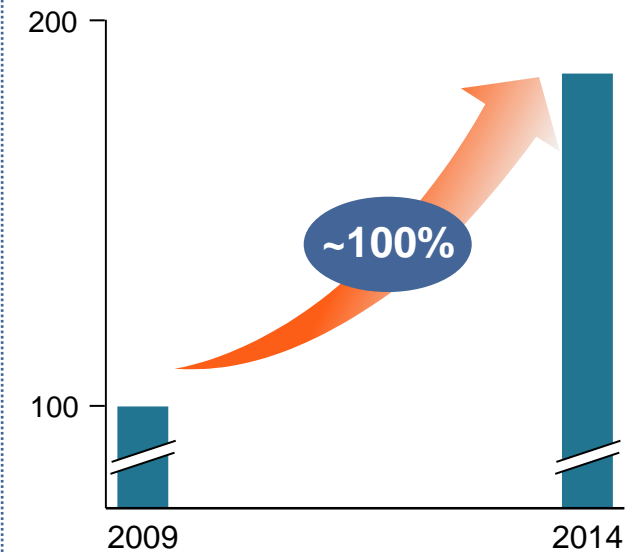
Successful restructuring initiatives including in Germany

300 mm Variable Costs (Germany),
in EUR / wafer



Over 40% variable unit cost reduction achieved in 4 years in 300 mm

300 mm Productivity⁽¹⁾ (Germany)

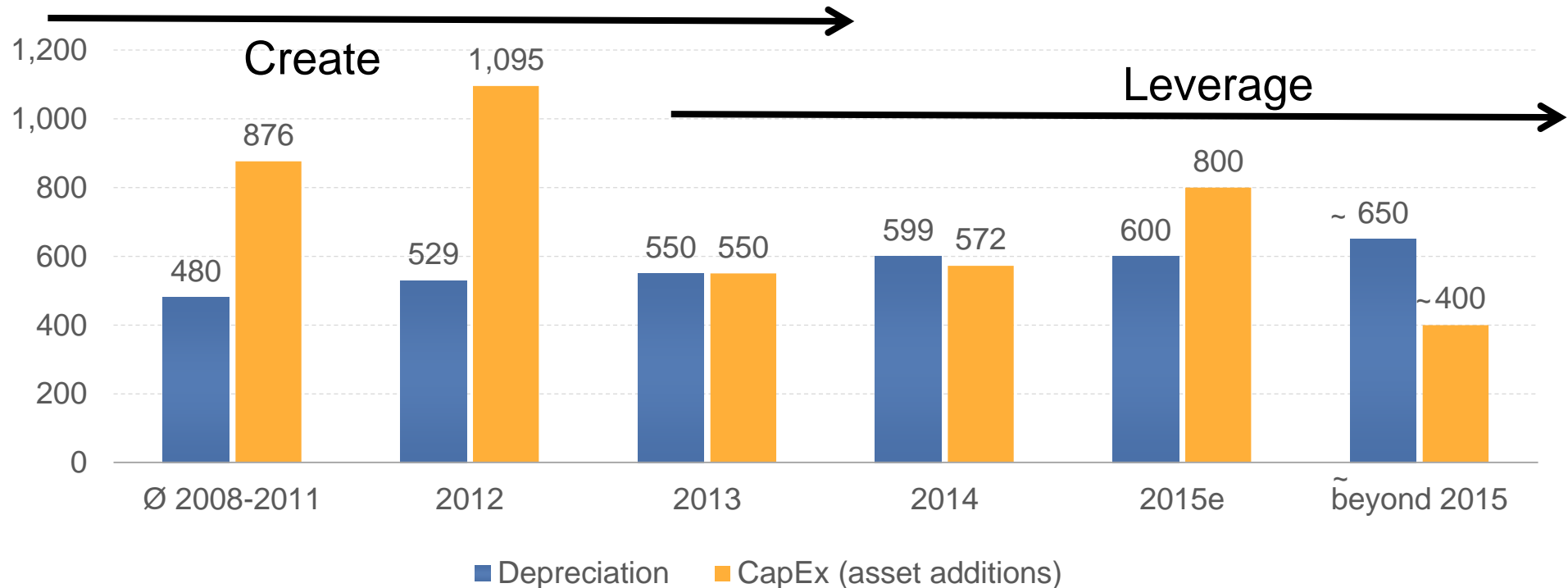


Close to 100% labor productivity improvement in 5 years in 300 mm

(1) Wafers shipped / hours paid (2009 set to 100)

Transforming Growth: Moving from Capital Intensity to Smaller Select Projects targeting Mix, Efficiency, and Customer Intimacy

CapEx vs. Depreciation Expense WACKER Group (€m)



- **Chemicals** funding to remain at low levels (averaging 0.8xDepreciation since 2006)
- **Siltronic/Polysilicon** capex depends on achievable returns
- Tennessee Site last major project in „Create“ phase,
- No major capex or site additions planned through 2017

WACKER: Issuer, Contact and Additional Information

Issuer and Contact

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Financial Calendar

- 03/16/16 – FY Results 2015
- 04/28/16 – Q1 Results 2016
- 05/20/16 – Annual Shareholders' Meeting
- 07/28/16 – Q2 Results 2016
- 10/27/16 – Q3 Results 2016

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

