Wacker Chemie AG

Report on the 3rd Quarter of 2009
July – September 2009

Q3

- Group sales up 7 percent on second quarter of 2009 to €987 million
- EBITDA climbs quarter on quarter by 8 percent to €184 million, despite non-recurring charges of €52 million
- Net income for the reporting period reaches €35.9 million
- Higher demand and sales volumes in third quarter drive confidence

[Cover] LED production using LUMISIL® transparent silicones

WACKER at a Glance

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales	986.5	1,156.9	– 14.7	2,784.5	3,299.4	– 15.6
EBITDA[1]	184.0	327.5	– 43.8	511.9	936.5	– 45.3
EBITDA margin[2]	18.7 %	28.3 %	– 33.9	18.4 %	28.4 %	– 35.2
EBIT[3]	82.9	237.9	– 65.2	87.4	661.5	– 86.8
EBIT margin[2]	8.4 %	20.6 %	– 59.2	3.1 %	20.0 %	– 84.5
Financial result	– 6.6	– 4.6	43.5	– 20.0	– 8.5	> 100
Income before taxes	76.3	233.3	– 67.3	67.4	653.0	– 89.7
Net income for the period	35.9	170.8	– 79.0	– 33.1	454.0	n.a.
Earnings per share in €	0.68	3.44	– 80.2	– 0.62	9.14	n.a.
Investments (incl. financial assets)	171.8	219.3	– 21.7	542.9	546.2	– 0.6
Investments in acquisitions	–	–	–	–	– 171.2	– 100.0
Net cash flow	92.7	86.0	7.8	53.4	187.5	– 71.5

€ million	Sept. 30, 2009	Sept. 30, 2008	Dec. 31, 2008
Equity	1,984.7	2,080.1	2,082.8
Financial liabilities	517.9	306.8	272.4
Provisions for pensions	394.9	387.1	376.1
Net financial debt	50.2	– 188.8	– 32.9
Total assets	4,734.4	4,605.1	4,625.1
Employees (end of reporting period)	15,685	15,843	15,922

[1] EBITDA is EBIT before depreciation and amortization.
[2] Margins are calculated based on sales.
[3] EBIT is the result from continuing operations for the reporting period before interest and other financial result, limited partnership interests, and income taxes.

01. 1 Ionic content measurement of SEMICOSIL® silicones used in the electronics industry

[Segment] WACKER SILICONES supplies over 3,000 silicone products and is a leading global producer of silanes and silicones. The division employs about 3,900 staff worldwide. In 2008, WACKER SILICONES posted €1.4 billion in sales and an EBITDA of €168 million.

01. 2 Testing the curing speed of silicone elastomers by means of calorimetry 01. 3 Dr. Philipp Müller

Light means progress. The light bulb, which once triggered a major technological advance throughout the world, is now slowly disappearing from lamps and lighting. The proverbial baton has long since been passed to new sources of light. In the multimedia society of tomorrow, color screens the size of a house will provide crystal clear images, and high-performance lights will illuminate entire stadiums. The drivers of these innovative new lighting technologies are energy-efficient light emitting diodes: LEDs. Materials scientists at WACKER have now developed a new silicone which enables particularly cost-efficient production of these power saving lights of the future.

[Production sites] Burghausen, Kempten, Nünchritz, Germany; Adrian/Michigan, Chino/California, Duncan/South Carolina, North Canton/Ohio, USA; Jandira/São Paulo, Brazil; Kolkata, India; Akeno, Japan; Shanghai, Shunde, Zhangjiagang, China

01. 4 The flow characteristics of silicones are measured using a rheometer 01. 5 LUMISIL® silicones

Nothing is faster than light. Without its waves, neither internet nor telephone conversations would work. Fiberglass cables carry the beams' signals around the globe at breakneck speed. However, in the last ten years, not only the amount of data traffic has grown enormously. New visualization methods have also become established. Information is available everywhere on cell phone and laptop screens, and books are becoming e-books.

Thanks to energy saving backlighting by light emitting diodes, LEDs for short, this is also a particularly efficient development. This is because LEDs are real energy savers. "High energy efficiency, a great color range, stability, long life, brilliance, and completely new design opportunities make the LEDs suitable for all lighting applications," explains Dr. Bernd Pachaly, Head of the Elastomers business unit in the WACKER SILICONES division.

The good old light bulb has now had its day. Following a decision by the European Commission, stores in Europe will no longer be selling light bulbs as of September 2012. In Australia, the axe falls as early as 2010. The reason for the ban is that traditional, incandescent light bulbs are extremely inefficient. They convert just five percent of the energy they consume into light and the rest into heat. So, around the world, eight billion light bulbs now need changing. According to the experts, energy saving lights are just an interim solution. One reason is that the light output of LEDs is particularly convincing, doubling around every three years. To date, a conventional LED achieves around 50 lumens per watt, but a four-fold light output seems feasible in the near future. An incandescent bulb, by contrast, only manages to emit 12 lumens per watt.

Replacing them with more efficient lights can therefore save a lot of energy. Specialists estimate that private households in Germany could economize up to €2 billion per year. However, to start with, the LEDs will take over the streets. This is where an upgrade is most urgently required. "According to estimates by the German trade association for electric lighting, 50 percent of German municipalities still operate street lights based on technology from the 1960s," says Dr. Norbert Hüttenhölscher, CEO of EnergieAgentur.NRW. "The

[Product innovation] Development of a new optical high-performance silicone by materials scientists at WACKER for the efficient and cost-effective manufacture of LEDs

01. 6 Sample preparation in the silicones test laboratory

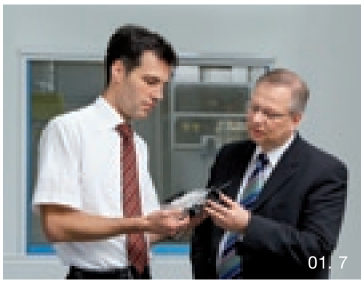
potential nationwide saving is estimated at 2.7 billion kilowatt hours, which equates to €400 million," continues the energy expert.

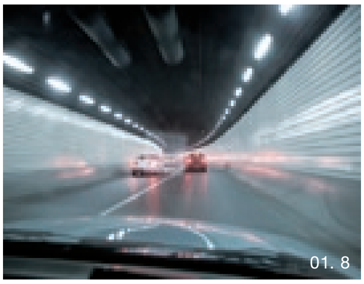
The diodes don't just make sense financially, they also protect the climate. Professor Tran Quoc Khanh from the Laboratory of Lighting Technology at the Technische Universität Darmstadt believes that with today's technology alone, Germany could cut its carbon emissions by 1.6 million metric tons per year. On a global level, currently available LEDs could reduce the worldwide power requirement for lighting by approximately 30 percent. Industry experts forecast that further technological developments could contribute another 30 percent. This would then save up to 650 million metric tons of CO_2.

As the LEDs' output rises, however, the demands made of the materials multiply. Take lenses for example – epoxy resins in common use before-hand turn yellow under the strong light rays. That's why, in the future, silicone will be the material of choice for modern high-performance LEDs. "Silicone elastomers have the necessary heat and light stability," explains Dr. Philipp Müller, an applications engineer at WACKER in Burghausen. The new optical high-performance silicone brand LUMISIL® enables optical lenses for LEDs to be produced directly on the light emitting diode chip for the first time. This method is particularly efficient and reduces the traditionally high production costs. "In the past, the LED producers made their silicone lenses using a complex injection molding process. Thanks to our new development, they can now eliminate around five steps of that process," explains Dr. Müller.

The developers had to focus on setting the silicone flow very precisely. This is because the material has to be dripped on, but still has to hold a stable lens shape that does not run. Then, the silicone drops dry and harden. With a clever mix of materials, the WACKER experts took care of this step and also ensured optimized adhesion. Dr. Müller adds, "The silicone has to adhere perfectly to both metal and plastic and must not blur the LED lens." The new LED material has already proven itself in practical trials. "Our silicone convinced

[Products] Silicone fluids, silicone emulsions, silicone rubber, silicone resins, silicone sealants, pyrogenic silica, thermoplastic silicone elastomers





01. 7 Dr. Bernd Pachaly (on the right) and Dr. Philipp Müller discuss an electronics control unit 01. 8 LED tunnel lighting

one of the world's leading LED manufacturers thanks to its excellent transparency, good mechanical rigidity, and long-term resistance to extreme levels of UV light," notes Dr. Müller.

The market for LEDs is set to grow further. By 2025, one in three light sources will be an LED, according to experts from iSuppli. LEDs have been present in cars for a while now. Here too, their energy saving properties are much appreciated. In Germany alone, this results in fuel economies of several million liters a year. For drivers, the LED light has clear benefits also. At night, the road and the curb appear in natural colors. This enables the human eye to distinguish the contrasts better. The new LED systems also enable intelligent light control, which sets the brightness of the lights according to weather and traffic conditions.

With LUMISIL®, WACKER is giving lighting technology an extra boost. The new technology is to be marketed around the world. "Now, we can also supply the major markets such as the USA and Japan," says Dr. Bernd Pachaly, Head of the Elastomers business unit at WACKER SILICONES. He is optimistic. "We are expecting annual growth rates for LEDs of 20 percent."

[Spheres of application] Automotive and transport, construction chemicals, office & household equipment, chemical industry, coatings, consumer care, electrical and electronics industries, moldmaking, fabric coating, insulation technology, cosmetics, adhesives and sealants, telecommunications, plastics and rubber processing, engineering and metal construction, medical technology, paper and film coating, textiles and pulp

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ELASTOSIL® silicone rubber

Crystal-Clear Visibility

...// Leak-tight, skin-compatible and stable, a crystal-clear ELASTOSIL® silicone rubber grade in swimming goggles ensures good visibility for underwater fun. This is just one of many product applications from WACKER SILICONES, a world-leading silicone manufacturer.

Report on the 3rd Quarter of 2009
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Dear Shareholders,

At times of widespread economic difficulty, taking timely, effective steps for successful long-term business performance is a real entrepreneurial challenge. Recent months have clearly shown how important and right it was to have taken measures to improve the cost structures in the WACKER Group and to increase our productivity and flexibility in all divisions as early as mid-2008. Our diverse measures are bearing fruit and made a major contribution to stabilizing our earnings development in the 3rd quarter of 2009.

Times of crisis prompt us to reflect on our strengths and put existing structures under the microscope. This is exactly what we are doing. In July, we announced plans to make the integrated production system at Siltronic more flexible and optimize it further with a new lead site strategy. We have now begun to implement this strategy and will continue to pursue it.

In the WACKER POLYSILICON division, we have drawn the conclusions from the changes in market conditions for solar wafers and the unsatisfactory performance of our joint venture with SCHOTT Solar AG. We have decided to withdraw from this business. In the solar area, we will be concentrating on our core competence, manufacturing hyperpure polycrystalline silicon. This is where we have the best opportunities to fully utilize the benefits of our technology leadership and our strong market position.

In parallel with these structural measures, we are also strengthening our presence in attractive growth markets. Expanding our technical center in Dubai and the new test center for construction applications in the Vietnamese capital of Hanoi are two examples of this from the current reporting period.

The worst of the global economic crisis now seems to have passed, but the road to a full market recovery is still long. For precisely this reason, we will continue to be guided in our entrepreneurial activities by an important maxim: to be successful in the future, you must shape it.

Overall Economic Situation:
Economic Revival at a Low Level Spurs Hopes of Turnaround in Business Fortunes

In the middle of the second half of 2009, there are more and more signs that the global recession is coming to an end. The dramatic economic collapse at the beginning of the year has slowed appreciably, and all national economies are showing clear signs of an emerging stabilization. A sustainable recovery is, however, by no means assured, as global financial markets and the expectations of market participants are still characterized by considerable risks and uncertainties.

The main economic data and forecasts suggest that in the second and third quarters the corner was turned, signaling a return to positive economic development faster than originally thought. In its current World Economic Outlook from October 2009, the International Monetary Fund (IMF) has adjusted its forecast for global economic output up slightly, to + 3.1 percent for the full year of 2009 and to – 1.1 percent for 2010.[1] The Organisation for Economic Co-operation and Development (OECD) also struck a more optimistic note in its most recent interim report. For the G7 nations, it is predicting global growth of 1.2 percent in the third quarter and 1.4 percent in the fourth quarter of the current year, following – 8.4 percent in the first quarter and – 0.1 percent in the second quarter of 2009. For the full year of 2009, the OECD is expecting the gross domestic product of its member states to contract by 3.7 percent.[2]

The emerging industrialized economies in Asia are providing a key impetus for the recovery of the world economy. The IMF is forecasting growth rates of 5.0 percent and 6.8 percent for them in 2009 and 2010 respectively. China and India are leading this growth. Gross domestic product in China is set to rise by 8.5 percent in 2009, and the IMF expects an increase of 9.0 percent for 2010. The growth forecasts for India are 5.4 percent (2009) and 6.4 percent (2010). After a drastic economic collapse in the fourth quarter of 2008 and the first quarter of 2009, Japan is gradually regaining altitude, thanks to massive government support. According to IMF estimates, it is heading for modest growth of 1.7 percent in 2010, following a fall in gross domestic product of 5.4 percent for the year 2009 as a whole.[1]

In the USA, economic output is stabilizing, albeit at a low level. IMF and OECD concur in their estimate that the US gross domestic product only fell slightly, by 1.0 percent, in the second quarter of 2009. In the first quarter, the rate was – 6.4 percent. For the second half of 2009, both institutes are already expecting positive growth rates for the US economy, adding up to a total figure of – 2.7 percent for the full year of 2009. For 2010, the IMF is forecasting + 1.5 percent.[1]

The recession also appears to have bottomed out in the eurozone. Gross domestic product in the region, which receded by 2.5 percent in the first three months of 2009, only sank by 0.2 percent in the period April through June of 2009 compared with the previous quarter. For the third and fourth quarters, the Ifo Institute for Economic Research is expecting an increase of 0.4 percent and 0.2 percent respectively, primarily thanks to government stimulus programs. In total, the decline is forecast to be 4.1 percent for the full year of 2009.[3]

The German economy has also started to turn the corner, in the assessment of the German Federal Ministry of Economics and Technology. Following a slight increase in the second quarter of 2009, total economic output rose again in the third quarter as well, to judge by the available indicators.[4] The OECD is expecting German gross domestic product

[1] International Monetary Fund, World Economic Outlook October 2009: Sustaining the Recovery, Washington, October 2009
[2] OECD, What is the economic outlook for OECD countries? An interim assessment, Paris, September 3, 2009
[3] Ifo Institute for Economic Research, Eurozone Economic Outlook: modest revival, Munich, October 7, 2009
[4] German Federal Ministry of Economics and Technology, The Economic Situation in the Federal Republic of Germany in October 2009, September 22, 2009

to pick up sharply, by 4.2 percent compared with the previous quarter for the period July through September of 2009 and by a further 1.8 percent in the fourth quarter.[1] As a result of the dramatic slump at the beginning of the year, the year as a whole is set to be significantly worse, however. According to the IMF, it will be in the order of – 5.3 percent.[2] Germany's five leading economic research institutes are somewhat more optimistic, predicting a fall in national gross domestic product of 5.0 percent for the current year in their autumn 2009 joint forecast. For 2010, they are again expecting a recovery, however, a tentative one of 1.2 percent.[3]

The trade association for the chemical industry (VCI) is also talking of a trend towards stabilization and recovery in Germany. For the period April through June of 2009, it has identified a low-level rise among its members. Domestic chemical production rose in the second quarter by 2.5 percent compared with the previous quarter, but was still down 15.9 percent on the second quarter of 2008. Every sixth production facility in the industry has been halted, according to VCI. It reports that low capacity utilization is still making life difficult for companies.[4] For the second half of the year, VCI expects markets to recover further, but for the full year it is forecasting a fall in production of 10 percent compared with last year. Sales for the sector are expected to decline by 12 percent in 2009. Foreign sales are likely to perform better than domestic business.[4]

Following a sharp rise in global demand for silicon wafers in the second quarter 2009, the market research institute Gartner is assuming seasonally strong volume growth of 12 – 13 percent for the reporting period July through September of 2009. However, in the fourth quarter, sales are to slip by 7 to 8 percent. Gartner estimates total demand for silicon wafers in 2009 at around 6,480 million square inches (MSI). This corresponds to a fall of almost 23 percent compared with 2008. For 2010, the institute is anticipating volume growth of 22.3 percent, with an above average increase of 27.5 percent predicted for the 300 mm wafer segment. The level of 2007 is, however, not expected to be regained before 2011.[5]

The industry experts at new energy finance are forecasting a sharp upturn in the photovoltaics market up to the end of the year, which on conservative estimates should lead to demand of at least 5.4 GW for 2009 as a whole. In their best case scenario, the market researchers are expecting a volume of up to 7.3 GW, which would significantly outstrip the 2008 figure of 6 GW. Solar projects in Germany, Italy, and the Czech Republic are making a major contribution to this development. For early 2010, new energy finance is initially expecting an oversupply of solar modules, but this should rapidly balance out given the long-term dynamic growth rates (2010–2011: + 60 percent).[6]

[1] OECD, What is the economic outlook for OECD countries? An interim assessment, Paris, September 3, 2009
[2] International Monetary Fund, World Economic Outlook October 2009: Sustaining the Recovery, Washington, October 2009
[3] Joint Forecast Project Group, Hesitant recovery - rising public sector debt. Joint forecast, Autumn 2009, Essen, October 13-15, 2009
[4] Verband der Chemischen Industrie e.V. Report on the Economic Situation in the Chemical Industry in the Second Quarter 2009, Frankfurt, September 2, 2009
[5] Gartner Dataquest Market Statistics, Forecast: Silicon Wafers 2007-2013, Worldwide, 3Q 09 Update, September 2009
[6] new energy finance, PV Market Outlook, Q3 2009, London, September 30, 2009

Sales and Earnings Development for the WACKER Group: Positive Business Development in 2009. Sales Still Below Last Year's Level

The indications that the economy is rising at a low level are also reflected in the performance of the WACKER Group. Over the reporting period July through September, WACKER generated total sales of €986.5 million (Q3 2008: €1,156.9 million). This meant sales were down by around 15 percent on the same period last year. However, the quarterly performance of the current fiscal year shows a positive trend. Compared with the second quarter of 2009 (€925.5 million), the WACKER Group increased its sales by around 7 percent. Aggregate sales totaled €2,784.5 million (9M 2008: €3,299.4 million) for the nine-month period from January through September of 2009. This is around 16 percent below the comparable period last year.

Volumes and the product mix, as well as favorable exchange rate movements in comparison to last year, had a positive impact on sales of around 2 percent for the reporting period. In contrast, lower prices depressed the course of business by around 18 percent. WACKER invoiced approximately 30 percent of its Group sales in US dollars in the third quarter.

The upturn in demand caused capacity utilization to increase, currently reaching 70 percent for the WACKER Group's chemical divisions. Production volumes in the Siltronic division were also significantly higher than in the second quarter of 2009. The WACKER POLYSILICON division again ran its production facilities for hyperpure polycrystalline silicon at full capacity.

Despite positive market signals, it is still not certain how fast and how sustainably the economy will recover. Now that inventories have been depleted, many clients are still ordering very cautiously and for short periods. This makes it difficult to forecast future business performance accurately.

Price trends for raw materials and energy were uneven over the reporting period. Ethylene and methanol cost significantly less than in the third quarter of last year, but were more expensive than in the second quarter of 2009. The price for silicon metal was slightly up on last year, but down on the previous quarter. Electricity costs have remained largely stable in recent months.

WACKER POLYSILICON Beats Last Year's Sales Figures WACKER SILICONES Remains Largest Contributor to Sales

In the third quarter of 2009, the largest contribution to Group sales again came from WACKER SILICONES, which improved constantly over the year to date with sales of €343.9 million (Q3 2008: €370.6 million). The division reported sales of €264.9 million in the first quarter of 2009 and of €304.9 million in the second. Nevertheless, sales volumes are still below last year's. For the nine-month period January through September of 2009, sales declined by around 18 percent compared with the same period last year to €913.7 million (9M 2008: €1,111.5 million). Capacity utilization rose again thanks to increasing sales volumes, particularly of silicones for construction applications. Production of the starting material siloxane ran at nearly full capacity during the reporting period.

Robust demand for dispersible polymer powders meant that WACKER POLYMERS had higher sales volumes in the period July through September of 2009 than in the previous quarter. At €200.2 million (Q3 2009: €238.9 million), sales were nevertheless 16 percent down on the same period last year due to lower sales volumes and prices. The polyvinyl acetate solid resins business for making chewing gum has been reported in the WACKER FINE CHEMICALS division since the start of the third quarter of 2009. This resulted in a reallocation of approximately €10 million in sales between divisions in the reporting period. In the first nine months of the 2009 fiscal year, WACKER POLYMERS generated sales of €579.0 million (9M 2008: 682.0 million).

The reallocation of the gumbase business was the main reason for the rise in sales at WACKER FINE CHEMICALS in the reporting period. Sales came in at €32.6 million (Q3 2008: €22.7 million). While sales of fine chemicals fell for economic and pricing reasons, the pharmaceutical proteins business performed well, leading to high capacity utilization in this division. In the first nine months of the current fiscal year, WACKER FINE CHEMICALS generated sales of €76.3 million and was, therefore, slightly above last year (9M 2008: 74.7 million).

New production records raised sales at WACKER POLYSILICON to €268.6 million (Q3 2008: €238.9 million) in the reporting period from July through September of 2009. This is an increase of around 12 percent compared with the third quarter of 2008. Unbroken demand for solar silicon enabled the additional volumes from ramping up the new Poly 8 production facility at the Burghausen site to be sold in full. Demand in Spain sank appreciably, due to the cap on solar subsidies adopted at the end of 2008. However, lost sales were more than made up for by growth in other markets. Clients are increasingly focusing on high-quality material such as that produced by WACKER, so that our production facilities are operating at full capacity. In the first nine months of the current fiscal year, WACKER POLYSILICON reported sales of €852.7 million (9M 2008: €589.0 million). This is an increase of 45 percent.

The semiconductor division Siltronic generated sales of €174.0 million in the third quarter of 2009 (Q3 2008: €359.4 million). Thanks to higher sales volumes and a bottoming out in prices, total sales were up by 14 percent compared to the previous quarter, but still over 50 percent down in comparison to last year. Aggregate sales at Siltronic totaled €453.1 million (9M 2008: €1,057.2 million) for the nine-month period from January through September of 2009. The major shortfall compared with last year’s figure gives a clear indication of the difficult state of the industry. The production of 300 mm wafers in Singapore, which is run as a joint venture with Samsung Electronics, reached a monthly capacity of around 200,000 wafers.

Asian Sales Market Continues to Gain Significance

As for the global economy as a whole, for the WACKER Group, the most significant catalyst for growth came from Asia, particularly from China. In the third quarter of 2009, WACKER generated sales of €354.4 million (Q3 2008: €349.8 million) in the Asian region, or around 36 percent (Q3 2008: 30 percent) of its total sales volume. In the WACKER POLYSILICON division particularly, the regional breakdown of sales shows a further shift towards Asia. For the nine-month period January through September of 2009, the WACKER Group's regional sales in Asia including Japan came to €946.5 million (9M 2008: €1,062.9 million).

Other European countries remain the second largest market for WACKER's products. In the three months from July through September 2009, the Group reported sales of €253.8 million in this region (Q3 2008: €261.5 million). In the nine-month period since the beginning of the year, the figure was €686.0 million (9M 2008: €788.8 million), 13 percent less than in the previous year.

Sales in Germany amounted to €180.4 million (Q3 2008: €246.2 million) in the third quarter of 2009. They were, therefore, well below the figure for the same period last year. In the first nine months of fiscal 2009, domestic sales came in at €593.8 million (9M 2008: €709.9 million).

Sales in the Americas were also well down on last year at €162.7 million (Q3 2008: €263.5 million), but picked up by a good 9 percent compared with the previous quarter. This results in sales of €473.7 million for the nine-month period (9M 2008: €638.2 million).

Sales in the other regions amounted to €35.2 million in the third quarter of 2009 (Q3 2008: €35.9 million), bringing the total for the first nine months of 2009 to €84.5 million (9M 2008: 99.6 million).

Regional Breakdown of Sales within the WACKER Group:

Sales Revenue by Region

€ million	**Q3 2009**	Q3 2008	Change in %	**9M 2009**	9M 2008	Change in %	Share of Group Sales in %
Asia	**354.4**	349.8	1	**946.5**	1,062.9	– 11	36
Rest of Europe	**253.8**	261.5	– 3	**686.0**	788.8	– 13	26
Germany	**180.4**	246.2	– 27	**593.8**	709.9	– 16	18
Americas	**162.7**	263.5	– 38	**473.7**	638.2	– 26	16
Other regions	**35.2**	35.9	– 2	**84.5**	99.6	– 15	4
Total sales	**986.5**	1,156.9	– 15	**2,784.5**	3,299.4	– 16	100

Higher Capacity Utilization and Strict Cost Management Benefit Income
Non-recurring Effect from Discontinuing Solar Wafer Business Decreases EBITDA Margin to 18.7 Percent

The WACKER Group's operating profitability improved sharply in the reporting period compared with the previous quarter, thanks to higher capacity utilization in the chemicals and semiconductor businesses and further strict cost management. However, this was partly eroded by a final loss of €51.9 million from the former stake in the WACKER SCHOTT Solar joint venture. WACKER announced at the end of September that it would be withdrawing from the solar wafers business and transferring its shares in the joint venture to SCHOTT Solar AG.

After the non-recurring effect of discontinuing the solar wafer business, earnings before interest, taxes, depreciation, and amortization (EBITDA) came in at €184.0 million from July through September of 2009 (Q3 2008: €327.5 million). This brought the EBITDA margin to 18.7 percent (Q3 2008: 28.3 percent). Adjusted for the non-recurring factor of WACKER SCHOTT Solar, the EBITDA margin for the third quarter would have reached 23.9 percent. Aggregate EBITDA totaled €511.9 million (9M 2008: €936.5 million) for the nine-month period from January through September of 2009. This corresponds to an EBITDA margin of 18.4 percent (9M 2008: 28.4 percent).

Earnings before interest and taxes (EBIT) were €82.9 million in the third quarter of 2009 (Q3 2008: €237.9 million). In the previous quarter, they were negative at €– 53.7 million, due to provisions for job cuts and other one-off factors in connection with Siltronic's new lead-site strategy. Aggregate EBIT, therefore, totaled €87.4 million for the nine-month period from January through September of 2009 (9M 2008: €661.5 million). The EBIT margin for the quarter under review came in at 8.4 percent (Q3 2008: 20.6 percent). For the first nine months of the current fiscal year, the EBIT margin was 3.1 percent (9M 2008: 20.0 percent).

WACKER SILICONES Increases EBITDA Margin Sharply to 20.2 Percent
Non-recurring Factors Curb Profitability at WACKER POLYSILICON

The result for the WACKER SILICONES division improved, delivering EBITDA of €69.4 million for the reporting period (Q3 2008: €61.0 million), despite lower sales than in the same quarter last year. This outstripped the comparable figures both for last year and for the second quarter of 2009 (€37.2 million). As a result, the EBITDA margin for the period July through September of 2009 was also above last year's at 20.2 percent (Q3 2008: 16.5 percent). For the first nine months of 2009, WACKER SILICONES reported aggregate EBITDA of €134.3 million (9M 2008: 186.3 million), which corresponds to an EBITDA margin of 14.7 percent (9M 2008: 16.8 percent).

After a poor start to the year 2009, the WACKER POLYMERS division was able to improve its profitability significantly over the course of the year. Rising demand for dispersible polymer powders, as well as low operating and raw material costs, resulted in EBITDA of €42.6 million for the third quarter of 2009 (Q3 2008: €29.3 million), matching the level of the previous quarter (€42.9 million). The EBITDA margin rose in the third quarter of 2009 to 21.3 percent (Q3 2008: 12.3 percent). In the nine-month period from January through September, WACKER POLYMERS increased its aggregate EBITDA for 2009 by 2 percent year on year to €107.0 million (9M 2008: 104.7 million). The EBITDA margin came in at 18.5 percent (9M 2008: 15.4 percent).

WACKER FINE CHEMICALS was able to improve its EBITDA again in the third quarter of 2009, both year on year and in comparison with this year's prior quarters, to €4.0 million (Q3 2008: €2.4 million). The EBITDA margin for the reporting period again reached double-digit figures at 12.3 percent (Q3 2008: 10.6 percent). Aggregate EBITDA totaled €9.2 million for the nine-month period from January through September of 2009 (9M 2008: €8.9 million), and the EBITDA margin came in at 12.1 percent (9M 2008: 11.9 percent).

The WACKER POLYSILICON division topped the profitability tables again in the third quarter of 2009, thanks to moderate operating costs and larger sales volumes in the reporting period. However, the one-off expense of €51.9 million for terminating the joint venture with SCHOTT Solar significantly depressed divisional earnings in the third quarter. For this reason, WACKER POLYSILICON posted EBITDA of €86.5 million (Q3 2008: €130.7 million), also well down on the figure for the second quarter of 2009 (€136.0 million). This results in an EBITDA margin for the reporting period of 32.2 percent, following 54.7 percent for the same period last year and 50.5 percent in the second quarter of 2009. Adjusted for the non-recurring effect of WACKER SCHOTT Solar, the division would have achieved an EBITDA margin for the third quarter 2009 of 51.5 percent. Aggregate EBITDA for the first nine months of the current fiscal year, therefore, amounted to €390.6 million (9M 2008: 306.8 million) and the EBITDA margin to 45.8 percent (9M 2008: 52.1 percent).

Siltronic further reduced its losses in the third quarter of 2009. Sales volumes and capacity utilization in the third quarter were well above the Q2 figures. Steps to cut personnel expenses and positive exchange rate fluctuations also bolstered the result in this division substantially. Despite these positive trends, the earnings situation at Siltronic remains unsatisfactory. EBITDA for July through September of 2009 came in at €–21.6 million (Q3 2008: €108.1 million) and the EBITDA margin was –12.4 percent (Q3 2008: 30.1 percent). Aggregate EBITDA totaled €–139.8 million for the nine-month period from January through September of 2009 (9M 2008: €334.1 million), and the EBITDA margin came in at –30.9 percent (9M 2008: 31.6 percent).

Earnings Per Share of €0.68 in Third Quarter of 2009

The WACKER Group reported a net income of €35.9 million for the third quarter of 2009 (Q3 2008: 170.8 million). The Group's earnings performance was impaired by the non-recurring factors of €51.9 million discussed above. Earnings per share for the third quarter of 2009 were €0.68 (Q3 2008: €3.44). For the first nine months of fiscal 2009, this adds up to a net income of €–33.1 million (9M 2008: 454 million) and earnings per share of €–0.62 (9M 2008: €9.14).

Investment Focus on Polysilicon Growth Segment

WACKER made further progress on the strategic expansion of its production capacities in the third quarter. Between July and September of 2009, the Group invested a total of €171.8 million (Q3 2008: €219.3 million). Despite this high cash outflow for investing activities, WACKER reported a positive net cash flow of €92.7 million in the third quarter (Q3 2008: €86.0 million). This was largely due to the strong operating performance of the chemical divisions and at WACKER POLYSILICON. Total investments, including investments in financial assets, for the WACKER Group came in at €542.9 million for the nine-month period from January through September of 2009 (9M 2008: €546.2 million). Net cash flow for the same period amounted to €53.4 million (9M 2008: 187.5 million).

Between July and September of 2009, investment was focused on the Group's further expansion of its polysilicon capacities at the sites in Burghausen and Nünchritz. Long-term market demand in this segment is set to grow further and promises adequate profitability. The WACKER POLYSILICON division accounted for nearly two thirds of total investment by the WACKER Group in the third quarter of 2009. The new production capacities for hyperpure polycrystalline silicon at the site in Burghausen (Poly 8) are currently coming on stream as planned. The new facility at the site in Nünchritz (Poly 9) is under construction. Production is due to start there before the end of 2011. Further investment was made in the ongoing development of the Chinese silicone site at Zhangjiagang.

In order to build WACKER POLYMERS' and WACKER SILICONES' global market presence in attractive growth regions, WACKER expanded its Technical Center for Construction Applications in Dubai in August of this year and opened a new test center for dry mortar in the Vietnamese capital of Hanoi in September.

Back in July of 2009, WACKER DYMATIC SILICONES, a joint venture between Wacker Chemie AG and DYMATIC Chemicals Inc. from China, moved into new administrative and production premises in Shunde in the province Guangdong, bringing a new facility for silicone emulsions on stream. It has a production capacity of around 4,500 metric tons per year.

Reduced Working Hours Prove a Successful Instrument to Make Up for Downturn in Demand in First Half of 2009

After the massive downturn in customer demand in the semiconductor business and the chemical divisions in the first quarter of 2009, the situation eased considerably over the course of the year. Rising sales volumes have had a positive effect on capacity utilization at the production plants, so that the number of employees working reduced hours could be significantly scaled back. At the peak in April 2009, around 3,100 employees were working reduced hours at WACKER's sites in Germany, but in mid-September the figure was down to just 180.

These figures show that reduced working hours have proven their value as an instrument to manage employment and inventories in times of crisis. They made it possible to keep highly qualified staff in the company, while simultaneously reducing the Group's personnel expenses.

In parallel, the structures in the production system at Siltronic and in the WACKER SILICONES division are being optimized and made more flexible. Overall, around 800 jobs are to be cut in both divisions by the end of 2010 (compared with March 31, 2009), by socially acceptable means including natural fluctuation and transferring employees to other areas of the Group. In addition, WACKER will offer its staff in the chemical divisions more phased early retirement plans.

As a result of the specific job cuts and the usual staff fluctuation, the number of employees in the WACKER Group worldwide decreased to 15,685 as of the reporting date of September 30, 2009 (June 30, 2009: 15,721). As of the reporting date, 11,979 employees were based at sites in Germany (June, 30 2009: 12,002) and 3,706 in other locations around the world (June 30, 2009: 3,719).

Awards for Exemplary Spirit of Research and Innovative Thinking

In July 2009, Dr. Philipp Müller received this year's Alexander Wacker Innovation Award for developing a new family of optical high-performance silicones. The LUMISIL® brand silicone elastomers make it possible to create optical lenses for light-emitting diodes (LEDs) on the LED chip directly without complex injection molding and shaping processes. WACKER foresees great prospects for LEDs, which have enormous potential in terms of energy efficiency, with annual growth rates of 20 percent.

Also in July, the 2009 WACKER Silicone Award went to Dr. Ulrich Schubert, who holds the Vienna University of Technology's chair of inorganic chemistry. Schubert had been chosen for his ground-breaking fundamental research work, on metal-silicon complexes for instance, and in materials chemistry, such as the sol-gel process. In the presence of Bavaria's Economics Minister Martin Zeil, the President and CEO of Wacker Chemie AG, Dr. Rudolf Staudigl, lauded this year's winner as one of the great researchers in the field of silicon-organic chemistry with a wide spectrum of research successes.

In September of 2009, Germany's Association of Chemical Industry Executives (VAA) awarded WACKER the 2009 Cologne Chemical-Industry Prize for the outstanding employee satisfaction levels which the company received from its managers in a survey by the association. The jury's decision was based on a survey carried out by the VAA in 2009 for the eighth time among approximately 2,000 non-pay-scale and managerial employees in 26 major chemical and pharmaceutical companies.

Condensed Statement of Income
January 1 through September 30, 2009

Condensed Statement of Income

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales	**986.5**	1,156.9	– 14.7	**2,784.5**	3,299.4	– 15.6
Gross profit from sales	**261.5**	365.0	– 28.4	**700.4**	1,030.8	– 32.1
Selling, R&D, and general administrative expenses	**– 119.6**	– 125.7	– 4.9	**– 356.3**	– 379.7	– 6.2
Other operating income and expenses	**1.5**	7.8	– 80.8	**– 139.0**	41.5	n.a.
Operating result	**143.4**	247.1	– 42.0	**205.1**	692.6	– 70.4
Result from investments	**– 60.5**	– 9.2	> 100	**– 117.7**	– 31.1	> 100
EBIT	**82.9**	237.9	– 65.2	**87.4**	661.5	– 86.8
Financial result	**– 6.6**	– 4.6	43.5	**– 20.0**	– 8.5	> 100
Income before taxes	**76.3**	233.3	– 67.3	**67.4**	653.0	– 89.7
Income taxes	**– 40.4**	– 62.5	– 35.4	**– 100.5**	– 199.0	– 49.5
Net income for the period	**35.9**	170.8	– 79.0	**– 33.1**	454.0	n.a.
of which						
attributable to Wacker Chemie AG shareholders	**33.7**	170.8	– 80.3	**– 30.8**	454.2	n.a.
accounted for by non-controlling interests	**2.2**	–	n.a.	**– 2.3**	– 0.2	> 100
Earnings per share in € (basic/diluted)	**0.68**	3.44	– 80.3	**– 0.62**	9.14	n.a.
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–	49,677,983	49,677,983	–
Reconciliation to EBITDA						
EBIT	**82.9**	237.9	– 65.2	**87.4**	661.5	–86.8
Depreciation and amortization	**101.1**	89.6	12.8	**424.5**	275.0	54.4
EBITDA	**184.0**	327.5	– 43.8	**511.9**	936.5	–45.3

WACKER's earnings situation continued to stabilize in the reporting period. Despite this, the Group's sales and earnings could not match last year's levels. Business is still affected by the global recession. As in the second quarter of 2009, non-recurring factors influenced the Group's results for the reporting period.

Sales in the third quarter of 2009 were €170.4 million lower than last year. This corresponds to a fall of 15 percent. Production costs sank by 8 percent over the same period, as declining volumes covered a lower proportion of fixed costs. This meant that gross profit from sales fell more sharply than sales. It went down by €103.5 million or 28 percent on the year. In comparison with the second quarter of 2009, sales rose by €61.0 million or 7 percent. Gross profit from sales improved quarter on quarter by €39.1 million or 18 percent.

Overall, sales for the first nine months of fiscal 2009 were €514.9 million or 16 percent lower than a year ago. Gross profit for the reporting period declined by €330.4 million year on year. The cost of goods sold ratio worsened from 69 percent in the first nine months of 2008 to 75 percent in the first nine months of 2009. The higher ratio reflects the lower capacity utilization rate at the production plants compared with the previous year.

Functional costs (sales, research and development, and administrative overhead) fell year on year by 5 percent or €6.1 million in the third quarter of 2009. For the nine-month period, the functional costs were also lower, by 6 percent or €23.4 million. The main reduction was registered in administrative overhead. It was 17 percent, or €12.8 million lower than from January through September of 2008. The reasons for the decline were lower bonuses and structural improvements such as the merging of subsidiaries in the WACKER POLYMERS division.

The balance of other operating income and expenses deteriorated year on year by €6.3 million to €1.5 million in the third quarter of 2009. This is largely due to a fall of €12.7 million in net currency gains. In the third quarter of the current year, impairment losses of €5.9 million on property, plant, and equipment were also recognized in other operating expenses. They stemmed primarily from the decision to close a production line in China at a cost of €4.3 million. Other operating income and expenses improved on balance by €12.3 million. For the full nine-month period of 2009, the other operating result fell by €180.5 million on the year to €–139.0 million. The main causes of the decline were impairment losses for the Siltronic division, which amounted to €121.3 million and restructuring provisions of €15.0 million. Both effects were recognized in the second quarter of 2009. Net currency income of €64.9 million last year also became a net loss of €29.3 million in the reporting period.

The result of investments was negative in the third quarter of 2009 at €– 60.5 million. This represents a drop of €51.3 million compared with the third quarter of 2008. The reason for the decline is the appropriation of losses from the joint venture WACKER SCHOTT Solar GmbH. Wacker Chemie AG will be relinquishing its stake in the joint venture based on the agreement reached with the joint venture partner SCHOTT Solar AG at the end of September 2009. Under the terms of the disposal, Wacker Chemie AG will meet its shareholder obligations by making a final capital contribution of €37.0 million. Furthermore, all the shares in the sales company WACKER SCHOTT Solar Vertriebs GmbH are to be transferred to SCHOTT Solar AG. Under equity accounting rules, investment expenses totaling €51.9 million are to be reported in the third quarter of 2009. The share transfer agreement does not provide for any income to offset these expenses. For the first nine months of 2009, the result of investments is negative at €–117.7 million. This includes losses of €74.8 million on WACKER SCHOTT Solar.

Net interest and other financial income fell year on year by €11.5 million to €–20.0 million in the nine-month period. This is primarily due to lower income from plan assets in connection with pension obligations. The impact on interest recognized on pension obligations came in at €–17.9 million in the 2009 reporting period. Higher returns on plan assets in 2008 limited the impact on interest to €–2.0 million. Over the nine-month period, €9.3 million was capitalized as borrowing costs during the construction period in accordance with IAS 23. Net interest income was up by the same amount.

Income taxes for the nine-month period fell by €98.5 million compared with last year. The reduction is mainly attributable to the Group's lower pre-tax result. The tax ratio for the first nine months of 2009 was 149 percent. This is principally due to losses generated by consolidated companies accounted for using the equity method and impairment losses, which were not tax deductible. Deferred tax assets were only stated in part in line with the probability of being realized. Adjusted for these effects, the tax ratio came in at around 30 percent.

Condensed Statement of Financial Position
as of September 30, 2009

Assets

€ million	Sept. 30, 2009	Sept. 30, 2008	Change in %	Dec. 31, 2008	Change in %
Intangible assets, property, plant, and equipment, and investment property	**2,766.0**	2,500.0	10.6	2,687.9	2.9
Investment in associates accounted for using the equity method	**137.3**	194.5	– 29.4	191.8	– 28.4
Other noncurrent assets	**192.4**	165.4	16.3	281.3	– 31.6
Noncurrent assets	**3,095.7**	2,859.9	8.2	3,161.0	– 2.1
Inventories	**440.2**	507.9	– 13.3	504.9	– 12.8
Trade receivables	**506.0**	584.2	– 13.4	466.8	8.4
Other current assets	**616.2**	653.1	– 5.6	492.4	25.1
Current assets	**1,562.4**	1,745.2	– 10.5	1,464.1	6.7
Noncurrent assets held for sale and disposal groups	**76.3**	–	n.a.	–	n.a.
Total assets	**4,734.4**	4,605.1	2.8	4,625.1	2.4

Equity and Liabilities

€ million	Sept. 30, 2009	Sept. 30, 2008	Change in %	Dec. 31, 2008	Change in %
Equity	**1,984.7**	2,080.1	– 4.6	2,082.8	– 4.7
Noncurrent provisions	**636.0**	644.7	– 1.3	637.1	– 0.2
Financial liabilities	**354.5**	169.8	> 100	158.7	> 100
Other noncurrent liabilities	**824.7**	812.2	1.5	907.1	– 9.1
of which prepayments received	**731.0**	722.7	1.1	761.8	– 4.0
Noncurrent liabilities	**1,815.2**	1,626.7	11.6	1,702.9	6.6
Financial liabilities	**163.4**	137.0	19.3	113.7	43.7
Trade liabilities	**223.7**	309.3	– 27.7	296.7	– 24.6
Other current provisions and liabilities	**478.7**	452.0	5.9	429.0	11.6
Current liabilities	**865.8**	898.3	– 3.6	839.4	3.1
Liabilities in connection with assets held for sale and disposal groups	**68.7**	–	n.a.	–	n.a.
Liabilities	**2,749.7**	2,525.0	8.9	2,542.3	8.2
Total equity and liabilities	**4,734.4**	4,605.1	2.8	4,625.1	2.4

Total assets as of September 30, 2009 were €109.3 million higher than as of December 31, 2008. This stems in particular from greater liquidity, in combination with higher financial liabilities.

Intangible assets, property, plant, and equipment, and investment property were up €78.1 million or 3 percent in comparison with December 31, 2008. Asset additions amounted to €519.4 million, and depreciation and amortization totaled €424.5 million. This included impairment losses of €129.2 million. The latter rose by €5.9 million compared with the previous quarter. In the third quarter of 2009, a decision was made to shut down an old production line for dispersible polymer powders in China in the course of transferring production to new sites. Its residual carrying amount of €4.3 million was impaired.

The carrying amount for "Investments in associates accounted for using the equity method" contracted by 28 percent or €54.5 million to €137.3 million due to the pro rata losses absorbed. These losses mainly come from start-up costs for joint ventures in Asia and from WACKER SCHOTT Solar GmbH.

Other noncurrent assets fell by €88.9 million to €192.4 million compared with December 31, 2008. Prepayments of €62.3 million received by WACKER SCHOTT Solar Vertriebs GmbH were reclassified along with the company as a disposal group. Noncurrent assets also declined by €13.6 million due to lower market values of derivative financial instruments.

Current assets rose by 7 percent or €98.3 million compared with December 31, 2008. Inventories decreased by €64.7 million or 13 percent as production volumes were adjusted to demand and raw materials stocks were impaired. As expected, trade receivables went up in contrast, by 8 percent or €39.2 million. Other current assets also fell, here too due to a €10.9 million lower market valuation of derivative financial instruments and to lower receivables from tax authorities.

Equity shrank by 5 percent or €98.1 million compared with December 31, 2008. The decline stems from the dividend payment of €89.4 million for fiscal 2008 and the aggregate net loss for the period of €33.1 million. Market value changes from hedge accounting and foreign currency translation adjustments raised equity on the other hand, increasing by €13.8 million. Noncontrolling interests increased due to funds injected into a joint venture in China by the minority shareholder Dow Corning. The equity ratio fell from 45 percent to 42 percent.

Noncurrent liabilities increased by €112.3 million from €1,702.9 million to €1,815.2 million. This corresponds to an increase of 7 percent. Financial liabilities rose largely as a result of the noncurrent promissory note bond (Schuldschein) which WACKER issued for €155 million in the second quarter and for €25 million in the third quarter. The partial tranches of the loan reach final maturity in the 2011 and 2013 fiscal years and are largely subject to a floating interest rate.

Noncurrent provisions were nearly unchanged compared with December 31, 2008. This was the result of equal and opposing factors. Provisions for personnel measures rose by €20.0 million due to increased offers of phased early retirement for staff. Provisions for pensions went up by €18.8 million. The reclassification of tax provisions from noncurrent to current provisions had the opposite effect of reducing noncurrent provisions. The tax provisions were reclassified as of June 30, 2009 as they are expected to be utilized in the 2010 fiscal year.

Other noncurrent liabilities fell by €82.4 million compared with December 31, 2008. The decline is primarily the result of reclassifying prepayments received of €62.3 million, as all the assets and liabilities of WACKER SCHOTT Solar Vertriebs GmbH have been designated as a disposal group. The valuation of derivative financial instruments also reduced the figure by €11.4 million.

Current liabilities rose by €26.4 million or 3 percent compared with December 31, 2008. Trade liabilities fell on the one hand by €73.0 million. On the other, the obligations of €64.0 million from the withdrawal from the joint venture WACKER SCHOTT Solar were recognized as an additional current financial liability. Current provisions also went up due to the reclassification of tax provisions to current liabilities.

Condensed Statement of Cash Flows
January 1 through September 30, 2009

Condensed Statement of Cash Flows

€ million	9M 2009	9M 2008	Change in %
Net income for the period	**– 33.1**	454.0	n.a.
Depreciation and amortization	**424.5**	275.0	54.4
Changes in inventories	**56.2**	– 72.7	n.a.
Changes in trade receivables	**– 45.7**	– 78.1	– 41.5
Changes in other assets	**54.2**	– 32.8	n.a.
Change in advanced payments made and received	**65.7**	118.4	– 44.5
Non-cash expenses and income from equity accounting	**117.8**	30.8	> 100
Other non-cash expenses and income	**16.6**	181.0	– 90.8
Cash flow from operating activities (gross cash flow)	**656.2**	875.6	– 25.1
Investments in acquisitions	**–**	– 171.2	– 100.0
Other payments for investments	**– 602.8**	– 516.9	16.6
Cash flow from noncurrent investment activities	**– 602.8**	– 688.1	– 12.4
Disposal of current securities	**101.1**	–	n.a.
Cash flow from investing activities	**– 501.7**	– 688.1	– 27.1
Capital increases	**11.3**	2.4	> 100
Dividends paid on previous year's result	**– 90.1**	– 149.3	– 39.7
Changes in financial liabilities	**189.4**	86.0	> 100
Cash flow from financing activities	**110.6**	– 60.9	n.a.
Changes due to exchange rate fluctuations	**– 1.6**	2.5	n.a.
Changes in cash and cash equivalents	**263.5**	129.1	> 100
At the beginning of the year	**204.2**	366.5	– 44.3
At the end of the period	**467.7**	495.6	– 5.6
Additional information:			
Cash flow from operating activities (gross cash flow)	**656.2**	875.6	– 25.1
Cash flow from noncurrent investment activities	**– 602.8**	– 688.1	– 12.4
Net cash flow	**53.4**	187.5	– 71.5

In the first nine months of the current fiscal year, cash flow from operating activities went down by 25 percent year on year to €656.2 million. This principally results from the decline of €487.1 million in net income for the period. Adjusted for depreciation and amortization in the reporting period, net income fell by €337.6 million, from €729.0 million in the nine-month period of 2008 to €391.4 million in the nine-month period of 2009.

The decline of €56.2 million in inventories, the increased provisions of €92.0 million and the decrease of €54.2 million in other assets had a positive effect on gross cash flow. The decline in other assets stemmed predominantly from lower tax receivables. Prepayments received in 2009 also increased cash flow from operating activities by €65.7 million. The addition of €92.0 million to provisions had a positive effect on other non-cash expenses and income as well. The reduction of other liabilities by €68.0 million, mainly due to the decline in performance-related pay, had the opposite effect. The rise in trade receivables diminished gross cash flow by €45.7 million. The obligation of €64.0 million arising from the withdrawal from the WACKER SCHOTT Solar joint venture and disclosed under current liabilities has not yet been reflected in gross cash flow statement, as the payment will be accounted for in the fourth quarter of 2009 following the signing of the contract.

Cash flow from noncurrent investment activities went down compared with the previous period by €85.3 million to €– 602.8 million. This cash outflow is solely the result of investments in property, plant, and equipment. The majority of these investments were made in expanding production facilities in the WACKER POLYSILICON division. In the comparable period for 2008, cash flow from noncurrent investment activities included additional payments of €171.2 million for the complete acquisition of shares in the companies APP and WPS.

All of the German government securities (Bundeswertpapiere) acquired in the fourth quarter of 2008 were sold, which boosted the cash flow from investing activities by €101.1 million.

Net cash flow, the total of cash flow from operating activities and cash flow from noncurrent investing activities, therefore, amounted to €53.4 million in the nine-month period, compared with €187.5 million in the same period last year.

Cash flow from financing activities mainly shows the year-on-year increase in financial liabilities of €189.4 million, in connection with expanding capacity. Higher financial liabilities result primarily from the issue of a promissory note bond (Schuldschein) for €180.0 million.

Cash and cash equivalents, being the total of the three cash flows presented above, went up by €263.5 million after eliminating exchange rate fluctuations and came in at €467.7 million as of the reporting date.

Division Results
Q3 2009

Sales

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
WACKER SILICONES	**343.9**	370.6	– 7.2	**913.7**	1,111.5	– 17.8
WACKER POLYMERS	**200.2**	238.9	– 16.2	**579.0**	682.0	– 15.1
WACKER FINE CHEMICALS	**32.6**	22.7	43.6	**76.3**	74.7	2.1
WACKER POLYSILICON	**268.6**	238.9	12.4	**852.7**	589.0	44.8
SILTRONIC	**174.0**	359.4	– 51.6	**453.1**	1,057.2	– 57.1
Other	**37.9**	65.1	– 41.8	**148.1**	200.3	– 26.1
Consolidation	**– 70.7**	– 138.7	– 49.0	**– 238.4**	– 415.3	– 42.6
Group sales	**986.5**	1,156.9	– 14.7	**2,784.5**	3,299.4	– 15.6

EBIT

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
WACKER SILICONES	**46.1**	40.6	13.5	**65.9**	124.9	– 47.2
WACKER POLYMERS	**29.9**	25.3	18.2	**76.5**	75.0	2.0
WACKER FINE CHEMICALS	**2.6**	1.6	62.5	**5.9**	6.6	– 10.6
WACKER POLYSILICON	**58.7**	112.5	– 47.8	**317.5**	259.2	22.5
SILTRONIC	**– 44.9**	72.6	n.a.	**– 351.0**	230.3	n.a.
Other	**– 12.3**	– 19.5	– 36.9	**– 30.9**	– 34.5	– 10.4
Consolidation	**2.8**	4.8	– 41.7	**3.5**	–	n.a.
Group EBIT	**82.9**	237.9	– 65.2	**87.4**	661.5	– 86.8

EBITDA

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
WACKER SILICONES	**69.4**	61.0	13.8	**134.3**	186.3	– 27.9
WACKER POLYMERS	**42.6**	29.3	45.4	**107.0**	104.7	2.2
WACKER FINE CHEMICALS	**4.0**	2.4	66.7	**9.2**	8.9	3.4
WACKER POLYSILICON	**86.5**	130.7	– 33.8	**390.6**	306.8	27.3
SILTRONIC	**– 21.6**	108.1	n.a.	**– 139.8**	334.1	n.a.
Other	**0.3**	– 8.8	n.a.	**7.1**	– 4.3	n.a.
Consolidation	**2.8**	4.8	– 41.7	**3.5**	–	n.a.
Group EBITDA	**184.0**	327.5	– 43.8	**511.9**	936.5	– 45.3

Reconciliation with segment results

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Operating result of reporting segments	**92.4**	252.6	– 63.4	**114.8**	696.0	– 83.5
Operating result of Corporate Center / Other	**– 12.3**	– 19.5	– 36.9	**– 30.9**	– 34.5	–10.4
Consolidation	**2.8**	4.8	– 41.7	**3.5**	–	n.a.
Group EBIT	**82.9**	237.9	– 65.2	**87.4**	661.5	– 86.8
Financial result	**– 6.6**	– 4.6	43.5	**– 20.0**	– 8.5	> 100
Income before taxes	**76.3**	233.3	– 67.3	**67.4**	653.0	– 89.7

WACKER SILICONES
Q3 2009

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales						
External sales	338.8	364.7	– 7.1	900.0	1,071.0	– 16.0
Internal sales	5.1	5.9	– 13.6	13.7	40.5	– 66.2
Total sales	343.9	370.6	– 7.2	913.7	1,111.5	– 17.8
EBIT	46.1	40.6	13.5	65.9	124.9	– 47.2
EBIT margin	13.4 %	11.0 %	21.8	7.2 %	11.2 %	– 35.7
Depreciation	23.3	20.4	14.2	68.4	61.4	11.4
EBITDA	69.4	61.0	13.8	134.3	186.3	– 27.9
EBITDA margin	20.2 %	16.5 %	22.4	14.7 %	16.8 %	– 12.5
Investments	31.9	41.6	– 23.3	59.5	83.6	– 28.8
As of	Sept. 30, 2009	June 30, 2009		Sept. 30, 2009	Dec. 31, 2008	
Number of employees	3,869	3,840	0.8	3,869	3,927	– 1.5

The WACKER SILICONES division improved its total sales in the third quarter of 2009 by 13 percent compared with the previous quarter, but, at €343.9 million (Q3 2008: €370.6 million), the figure was 7 percent down on the previous year. After a poor start to 2009, the division's aggregate sales for the nine-month period January through September were also below last year's at €913.7 (9M 2008: €1,111.5 million). Increasing demand for silicone products lead to higher utilization of production capacity in the reporting period than in the previous quarter. Utilization of plants producing the starting material siloxane was at over 90 percent in the third quarter of 2009. Sales in the medical technology and power transmission and distribution segments developed particularly well. Sales volumes to clients from the automotive and electronic sectors also recovered, but were well down on last year.

Sales grew in all regions compared with the second quarter of 2009, most strongly in Asia. There, sales for the period July through September of 2009 were 24 percent up on the preceding quarter and 7 percent up year on year. Sales in the Americas were roughly the same as last year's. In Germany and Europe, demand was weaker.

The improved utilization of production capacity in comparison with the first half-year resulted in lower specific production costs and had a positive impact on the result for WACKER SILICONES in the reporting period. The costs of raw materials and energy were lower in the third quarter than a year ago, as were administrative expenses. In addition, there was non-recurring income of some €8 million from the billing of an engineering project.

The division generated EBITDA of €69.4 million in the third quarter of 2009 (Q3 2008: €61.0 million). This corresponds to an EBITDA margin of 20.2 percent (Q3 2008: 16.5 percent). Aggregate EBITDA totaled €134.3 million for the nine-month period from January through September of 2009 (9M 2008: €186.3 million), and the EBITDA margin came in at 14.7 percent (9M 2008: 16.8 percent).

Investments by WACKER SILICONES amounted to €31.9 million (Q3 2008: €41.6 million) in the period July through September of 2009. The majority of these funds were used for the ongoing development of the Chinese silicone site in Zhangjiagang. In the first nine months of fiscal 2009, WACKER SILICONES invested €59.5 million (9M 2008: 83.6 million).

As one of the world's largest producers of silicone products, WACKER SILICONES is continuing to expand its presence in Asia's growth markets. To this end, WACKER DYMATIC Silicones, a joint venture between WACKER and DYMATIC Chemicals Inc. from China, brought a new facility for silicone emulsions in Shunde in southern China on stream in July. The production plant has a capacity of around 4,500 metric tons per year and is situated on the new company premises, along with the administration. The company supplies the textile, fiber, and leather industries in China with silicone emulsions. WACKER DYMATIC Silicones has been producing silicone emulsions in Zhangjiagang since May of 2008.

As of September 30, 2009, the WACKER SILICONES division employed 3,869 people (June 30, 2009: 3,840).

WACKER POLYMERS
Q3 2009

€ million	**Q3 2009**	Q3 2008	Change in %	**9M 2009**	9M 2008	Change in %
Sales						
External sales	**196.1**	237.0	– 17.3	**571.5**	675.6	– 15.4
Internal sales	**4.1**	1.9	> 100	**7.5**	6.4	17.2
Total sales	**200.2**	238.9	– 16.2	**579.0**	682.0	– 15.1
EBIT	**29.9**	25.3	18.2	**76.5**	75.0	2.0
EBIT margin	**14.9 %**	10.6 %	41.0	**13.2 %**	11.0 %	20.0
Depreciation	**12.7**	4.0	> 100	**30.5**	29.7	2.7
EBITDA	**42.6**	29.3	45.4	**107.0**	104.7	2.2
EBITDA margin	**21.3 %**	12.3 %	73.2	**18.5 %**	15.4 %	20.1
Investments	**5.0**	23.2	– 78.4	**31.6**	50.3	– 37.2
As of	**Sept. 30, 2009**	June 30, 2009		**Sept. 30, 2009**	Dec. 31, 2008	
Number of employees	**1,395**	1,510	– 7.6	**1,395**	1,579	– 11.7

Thanks to robust demand for dispersible polymer powders, the WACKER POLYMERS division was able to maintain its total sales for the third quarter of 2009 at the same level as the preceding quarter. Sales for the period July through September of 2009 came in at €200.2 million (previous year: €238.9 million). Compared with the same period last year, the division sold 9 percent more dispersible polymer powders. However, sales of dispersions were down on the previous year. Overall, the worst seems to have passed in this division. Demand picked up significantly, especially in Asia, although price pressure continued in the reporting period. Sales totaled €579.0 million (9M 2008: €682.0 million) for the nine-month period from January through September of 2009. This is around 15 percent below the comparable period last year.

The gumbase business has been reported in the WACKER FINE CHEMICALS division since the beginning of the third quarter of 2009. This meant that WACKER POLYMERS ceded around €10 million of its sales for the quarter to its sister division.

Cost savings and cheaper raw materials compared with a year ago had a positive impact on earnings development at WACKER POLYMERS. This enabled the division to make significant improvements to its profitability in the third quarter of 2009. EBITDA climbed to €42.6 million (Q3 2008: 29.3 million), beating last year's figure by 45 percent. The EBITDA margin for the quarter under review came in at 21.3 percent (Q3 2008: 12.3 percent). In the nine months from January through September of 2009, WACKER POLYMERS generated EBITDA of €107.0 million (9M 2008: 104.7 million) and raised its EBITDA margin to 18.5 percent (9M 2008: 15.4 percent).

WACKER POLYMERS invested €5.0 million (Q3 2008: €23.2 million) in the reporting period. Investment totaled €31.6 million for the nine-month period from January through September of 2009 (9M 2008: €50.3 million).

The expansion of the existing Technical Center for construction applications in Dubai was successfully completed in the reporting period. It serves as a development and testing laboratory for chemical applications for the construction industry and contributes to developing the rapidly growing building market in the Gulf region for WACKER.

In September of 2009, WACKER POLYMERS and the Vietnam Institute of Building Materials (VIBM) jointly opened a test center for dry mortar in the Vietnamese capital of Hanoi. Its objective is to promote the development and professional use of dry mortar in Vietnam and certify the products according to local and international construction standards. WACKER is supporting the center with testing equipment, on-site training for construction professionals, and knowledge transfer on international testing procedures. This enables the WACKER POLYMERS division to enhance its position as technology leader for high-quality construction chemical products in Vietnam.

As of September 30, 2009, the WACKER POLYMERS division employed 1,395 people (June 30, 2009: 1,510).

WACKER FINE CHEMICALS
Q3 2009

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales						
External sales	**31.8**	21.1	50.7	**72.6**	69.5	4.4
Internal sales	**0.8**	1.6	– 50.0	**3.7**	5.2	– 28.8
Total sales	**32.6**	22.7	43.6	**76.3**	74.7	2.1
EBIT	**2.6**	1.6	62.5	**5.9**	6.6	– 10.6
EBIT margin	**8.0 %**	7.0 %	14.2	**7.7 %**	8.8 %	– 12.5
Depreciation	**1.4**	0.8	75.0	**3.3**	2.3	43.5
EBITDA	**4.0**	2.4	66.7	**9.2**	8.9	3.4
EBITDA margin	**12.3 %**	10.6 %	16.0	**12.1 %**	11.9 %	1.6
Investments	**1.9**	4.4	– 56.8	**8.5**	9.3	– 8.6
As of	**Sept. 30, 2009**	June 30, 2009		**Sept. 30, 2009**	Dec. 31, 2008	
Number of employees	**346**	259	33.2	**346**	259	33.2

In the period July through September of 2009, the WACKER FINE CHEMICALS division generated total sales of €32.6 million (Q3 2008: 22.7 million). The rise in sales compared with the same period last year is essentially due to the fact that, since July 1, 2009, the gumbase business has no longer been part of WACKER POLYMERS, but rather included in this division.

The pharmaceutical proteins business progressed well, thanks, for instance, to a successful production campaign for Pieris AG. Sales of the bioengineered products cysteine and gamma cyclodextrins were also higher than last year. Lower sales of fine and base chemicals were primarily the result of general economic conditions. For the nine months from January to September of 2009, WACKER FINE CHEMICALS' sales were slightly above last year's at €76.3 million (9M 2008: €74.7 million).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) in this division came in at €4.0 million for the third quarter of 2009 (Q3 2009: €2.4 million). This represents a year-on-year rise of 67 percent and an EBITDA margin of 12.3 percent (Q3 2008: 10.6 percent). Aggregate EBITDA totaled €9.2 million for the nine-month period from January through September of 2009 (9M 2008: €8.9 million), and the EBITDA margin reached to 12.1 percent (9M 2008: 11.9 percent).

Investment during the reporting period of €1.9 million (Q3 2008: €4.4 million) was mainly for ongoing expansion of the Jena site. In the first nine months of the current fiscal year, WACKER FINE CHEMICALS invested €8.5 million (9M 2008: €9.3 million).

Integrating the gumbase business took the number of employees in the WACKER FINE CHEMICALS division up to 346 as of September 30, 2009 (June 30, 2009: 259).

WACKER POLYSILICON
Q3 2009

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales						
External sales	230.2	162.0	42.1	741.2	385.5	92.3
Internal sales	38.4	76.9	– 50.0	111.5	203.5	– 45.2
Total sales	268.6	238.9	12.4	852.7	589.0	44.8
EBIT	58.7	112.5	– 47.8	317.5	259.2	22.5
EBIT margin	21.9 %	47.1 %	– 53.5	37.2 %	44.0 %	– 15.4
Depreciation	27.8	18.2	52.7	73.1	47.6	53.6
EBITDA	86.5	130.7	– 33.8	390.6	306.8	27.3
EBITDA margin	32.2 %	54.7 %	– 41.1	45.8 %	52.1 %	– 12.1
Investments	105.7	102.3	3.3	341.1	264.1	29.2
As of	Sept. 30, 2009	June 30, 2009		Sept. 30, 2009	Dec. 31, 2008	
Number of employees	1,516	1,443	5.1	1,516	1,289	17.6

In the third quarter of 2009, the WACKER POLYSILICON division again benefited from additional sales volumes from the ongoing ramp-up of the new production facility for hyperpure polycrystalline silicon (Poly 8) at the Burghausen site, which were successfully sold in the market. Thanks to new production and sales records, total sales for this division in the third quarter of 2009 climbed by a good 12 percent year on year to €268.6 million (Q3 2008: €238.9 million). Lower spot prices for polysilicon had the opposite effect. For the nine-month period January through September of 2009, WACKER POLYSILICON reported sales of €852.7 million (9M 2008: €589.0 million), outstripping last year's figure by 45 percent.

Inventories remain very low and the production facilities are running at full capacity. By the end of the year, WACKER expects to produce approximately 18,000 metric tons of polysilicon. Demand for solar power systems in Spain has slumped considerably in 2009 since a decision was made to cap subsidies there at the end of 2008. This was more than made up for by growth in other markets, however, so that the solar industry's global polysilicon requirement has continued to rise. WACKER POLYSILICON benefits from the fact that the manufacturers of solar cells are increasingly asking for the type of high-quality material that the division produces.

Moderate operating costs and high capacity utilization had a positive impact on WACKER POLYSILICON's earnings development over the reporting period. Nevertheless, this was not enough to make good the shortfall which the withdrawal from the former WACKER SCHOTT Solar (WSS) joint venture caused in the result from investments. The pro rata loss and the expenses linked to exiting the joint venture added up to €51.9 million in the reporting period. This meant that EBITDA only reached €86.5 million in the months July through September of 2009 (Q3 2008: €130.7 million). The EBITDA margin for the third quarter of 2009 came in at 32.2 percent (Q3 2008: 54.7 percent). Adjusted for the non-recurring effect of WSS, WACKER POLYSILICON would have had an EBITDA margin of 51.5 percent from July through September of 2009. Aggregate EBITDA totaled €390.6 million for the nine-month period from January through September of 2009 (9M 2008: €306.8 million), and the EBITDA margin reached 45.8 percent (9M 2008: 52.1 percent).

On September 30, 2009, WACKER announced its intention to withdraw from the solar wafers business and transfer its shares in WSS to its partner SCHOTT Solar. WACKER and SCHOTT Solar signed the relevant agreements after the close of the reporting period on October 27, 2009. In the future, WACKER POLYSILICON will again concentrate exclusively on producing hyperpure polycrystalline silicon, as this offers the best opportunities for optimally exploiting the division's technology leadership and strong market position. Production capacities for polysilicon are to be expanded further. In addition to the Poly 8 facility in Burghausen, which is currently ramping up as planned, another plant (Poly 9) is under construction at the Nünchritz site. Production is due to start there before the end of 2011.

These two projects also constitute the main thrust of investment at WACKER POLYSILICON, which came in at €105.7 million in the reporting period (Q3 2008: 102.3 million). In the first nine months of the 2009 fiscal year, WACKER POLYSILICON invested a total of €341.1 million (9M 2008: 264.1 million).

The WACKER POLYSILICON division had 1,516 employees as of September 30, 2009 (June 30, 2009: 1,443).

SILTRONIC
Q3 2009

€ million	Q3 2009	Q3 2008	Change in %	9M 2009	9M 2008	Change in %
Sales						
External sales	173.1	358.3	– 51.7	450.9	1,053.8	– 57.2
Internal sales	0.9	1.1	– 20.0	2.2	3.4	– 35.9
Total sales	174.0	359.4	– 51.6	453.1	1,057.2	– 57.1
EBIT	– 44.9	72.6	n.a.	– 351.0	230.3	n.a.
EBIT margin	– 25.8 %	20.2 %	n.a.	– 77.5 %	21.8 %	n.a.
Depreciation	23.3	35.5	– 34.4	211.2	103.8	> 100
EBITDA	– 21.6	108.1	n.a.	– 139.8	334.1	n.a.
EBITDA margin	– 12.4 %	30.1 %	n.a.	– 30.9 %	31.6 %	n.a.
Investments	12.7	27.8	– 54.3	53.3	77.6	– 31.3
As of	Sept. 30, 2009	June 30, 2009		Sept. 30, 2009	Dec. 31, 2008	
Number of employees	5,192	5,285	– 1.8	5,192	5,469	– 5.1

The Siltronic division closed the third quarter of 2009 with a sales and earnings performance that was better than previous quarters, but still unsatisfactory. Higher sales volumes in all wafer diameters delivered total sales revenue of €174.0 million (Q3 2008: €359.4 million). This meant that sales were 52 percent down on the year, but around 14 percent up on the previous quarter (€153.1 million). The sale of silicon monocrystals to the solar industry and engineering clients has fallen to well below 10 percent of total sales revenue. Market prices for silicon wafers fell back slightly in the reporting period compared with the preceding quarter, but now appear to have bottomed out. The extremely difficult market situation is also visible in the nine-month perspective. With sales of €453.1 million (9M 2008: 1,057.2 million) for the period January through September of 2009, Siltronic is 57 percent below the figure for last year.

Thanks to higher sales, utilization of production capacity in the third quarter was significantly better than in the previous quarter. According to wafer diameter, it ranged up to 80 percent, which had a positive impact on earnings development. This took EBITDA up by €36.6 million compared with the second quarter, but it was still negative in the reporting period at €–21.6 million (Q3 2008: €108.1 million). This corresponds to an EBITDA margin of –12.4 percent (Q3 2008: 30.1 percent). Aggregate negative EBITDA totaled €–139.8 million for the nine-month period from January through September of 2009 (9M 2008: €334.1 million), and the EBITDA margin was –30.9 percent (9M 2008: 31.6 percent).

The new lead site strategy announced in early July, which is intended to optimize Siltronic's global production network and make it more flexible, is still being systematically implemented. In order to be able to serve clients from the defined lead sites in the future, Siltronic is currently pushing ahead with the necessary customer qualification of the wafers produced there. As part of this lead site strategy, Siltronic is to cut around 450 jobs (compared with March 31, 2009) by the end of 2010 in a socially responsible manner.

Siltronic invested €12.7 million (Q3 2008: €27.8 million) in the reporting period. Investment totaled €53.3 million for the nine-month period from January through September of 2009 (9M 2008: €77.6 million).

In regional terms, Asia including Japan remains the main sales market for Siltronic. In the third quarter of 2009, nearly 60 percent of total sales revenue was generated there. Siltronic is continuing to expand its production capacities in the Far East given the significance of the Asian market. The production of 300 mm wafers at Siltronic Samsung Wafer in Singapore, which is run as a joint venture with Samsung Electronics, has now reached a monthly capacity of around 200,000 wafers.

Siltronic had 5,192 employees as of September 30, 2009 (June 30, 2009: 5,285).

Other / Risks and Opportunities / Outlook
Q3 2009

Other
The sales posted under "Other" totaled €37.9 million (Q3 2008: €65.1 million) in the reporting period January through September of 2009. EBITDA for the third quarter of 2009 came in at €0.3 million (Q3 2008: €– 8.8 million).

Risks and Opportunities
The Global Economic Crisis Demands Dynamic Action
The effects of the global financial and economic crisis make great demands of a company in terms of efficient risk controlling and far-sighted corporate governance. After the drastic slump in demand in the quarters before and after the end of 2008, many clients are still cautious and hesitant in their ordering, even as general demand is beginning to pick up. This makes it difficult to plan production and capacity for the long term.

The WACKER Group is responding to these challenges by systematically optimizing its corporate and sales structures. The main goal is to achieve greater flexibility and efficiency in operating activities. Further focus points are consistent cash flow and liquidity management, as well as cost and budget cuts in all divisions and administrative departments.

By temporarily shutting down production facilities and reducing working hours, we took swift steps to adapt our capacities to the change in demand and, thus, have been able to stabilize earnings in the affected divisions. As demand and, therefore, capacity utilization at our facilities has risen considerably over the course of the year, reduced working hours have now been rolled back significantly in many areas or even lifted altogether. At the peak in April 2009, around 3,100 employees were working reduced hours at WACKER's sites in Germany, but in mid-September the figure was down to just 180.

In the second quarter of 2009, we made provisions for the financial and balance sheet effects of optimizing production and cost structures, particularly in the WACKER SILICONES and Siltronic divisions. From a current perspective, these will be sufficient to cover WACKER's expected costs in this regard. In addition, we recognized an impairment loss of €121.3 million on noncurrent assets at Siltronic companies in the second quarter of 2009.

The financial effects of our withdrawal from the WACKER SCHOTT Solar joint venture are reflected in the financial statements for the third quarter. We do not anticipate any further financial expenses from this venture, which is now terminated. On the contrary, we expect this decision to have a positive impact on earnings development in the WACKER POLYSILICON division.

The control and profit and loss transfer agreement signed with retroactive effect from January 1, 2009 in the second quarter of 2009 between Siltronic AG and a wholly owned subsidiary of Wacker Chemie AG, makes it possible to offset the losses at Siltronic AG against profits at Wacker Chemie AG. This had a positive tax effect of €52.6 million in the first nine months of the current fiscal year.

Decisions by company management are based on our principles, objectives, and mechanisms for corporate governance and sustainable risk management in the WACKER Group, as described in the 2008 Annual Report, starting on pages 51, 99, and 109. It also includes a detailed description of the main opportunities and risks for the divisions' sales and earnings development, as well as for the WACKER Group's earnings, assets, liabilities, and financial position.

No further material risks have become apparent in the reporting period in addition to those described in the 2008 Annual Report, and in the relevant sections of the 2nd and 3rd Quarterly Reports of 2009. Despite the considerable setbacks and difficulties resulting from the global economic crisis, we can currently identify no risks which singly or in combination would jeopardize the continued existence of the WACKER Group.

In the long term, we consider that the megatrends from which the WACKER Group and its business operations will derive lasting benefit are still intact. For instance, we provide ecological and sustainable power generation, a major topic for the future, with a whole range of products, especially polysilicon for the solar industry. The dispersible polymer powders we make play a key role in exterior insulation and finish systems for buildings. These insulation systems are being used more and more around the world, to save energy and reduce emissions of the greenhouse gas carbon dioxide. From a regional point of view, we can use our significant presence on the fast-growing markets in Asia and newly-industrializing countries in other parts of the world to offer a broad portfolio of products and solutions which are suitable for increasing living standards in those regions.

The deliberate diversification of our business activities in five divisions and across five continents helps us to balance out the unforeseeable nature of global economic developments.

Outlook and Forecast

Global Economy Shows Hesitant Recovery

After the current phase of economic stabilization, all the present forecasts and predictions for the months ahead assume that the global economy will pick up steadily, but the general feeling is that the recovery will be moderate and hesitant. The International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) are forecasting a gradual return to growth for both the US economy and the eurozone and Germany. According to the IMF, the global economy will expand by 3.1 percent in 2010. The emerging Asian economies, especially China and India, will remain the locomotive for global growth, with forecast growth rates of 9.0 percent and 8.4 percent respectively.[1] In the USA, the experts from the OECD are predicting a slight increase in gross domestic product of 1.5 percent for 2010.[2] German economic output should go up by 1.2 percent next year, according to the current fall forecast from the five leading German economic research institutes.[3]

Nevertheless, uncertainties for global economic growth do remain. In addition to the persistent uncertainty on financial markets, these primarily relate to the future development of energy and raw materials prices and to the inflation rate. Most scenarios assume that developments in this respect will be mostly stable. However, the current weakness of the US dollar gives cause for concern.

The gradual recovery of the global economy will also revive demand and sales opportunities in the sectors of particular importance for the WACKER Group, such as chemicals, construction, semiconductors, and solar.

Experts from the market research institute Gartner Dataquest are expecting worldwide demand for silicon wafers to rise by a good 22 percent in 2010. This growth will primarily benefit the 300 mm segment.[4] In the photovoltaics market, there may be a temporary oversupply of solar modules in early 2010, but this will evaporate quickly given the dynamic long-term growth forecasts (2010–2011: + 60 percent).[5] One imponderable for the future development of demand on the German solar market is the possibility of amendments to the Renewable Energy Act. Whether there will be changes or not, and which decisions the new German federal government could make on them, are not presently clear.

Greater Utilization of Production Capacities Lowers Specific Production Costs

Expanding production capacities in the WACKER POLYSILICON division will enable us to meet expected growth in demand for hyperpure polycrystalline silicon. Thanks to our strong technological and cost position, we see particularly good chances for further profitable growth in this field. For this reason, the expansion of our polysilicon capacities is also a focus of our strategic investment program. Overall, the WACKER Group expects to make investments of approximately €800 million in fiscal 2009.

[1] International Monetary Fund, World Economic Outlook October 2009: Sustaining the Recovery, Washington, October 2009
[2] OECD, What is the economic outlook for OECD countries? An interim assessment, Paris, September 3, 2009
[3] Joint Forecast Project Group, Hesitant recovery – rising public sector debt. Joint forecast, Autumn 2009, Essen, October 13 – 15, 2009
[4] Gartner Dataquest Market Statistics, Forecast: Silicon Wafers 2007-2013, Worldwide, 3Q 09 Update, September 2009
[5] new energy finance, PV Market Outlook, Q3 2009, London, September 30, 2009

If business in key industries such as construction, electronics, automotive, and engineering picks up sustainably, we expect this to catalyze growth for our company, particularly in the WACKER SILICONES and WACKER POLYMERS divisions. If demand continues to increase in these areas of application, it will not only lead to better utilization of our existing production capacities and reduce our direct production costs, but also have a positive impact on market prices for our products. It should nevertheless be borne in mind that client demand in key sectors, such as the construction industry, generally softens in the fourth quarter for seasonal reasons.

Once we have optimized our structures in the Siltronic integrated production system, we will be able to respond more flexibly to changes in market demand and, thereby, improve our cost position in the silicon wafers business.

Further Production Facilities Come On Stream

Site	Project / Product	New Capacity	Commissioning
Nanjing (China)	Dispersible polymer powder	30,000 t/a	November 2009
Burghausen (Germany)	Polysilicon expansion stage 8	10,000 t/a	Ramp-up underway, full capacity in 2010
Jena (Germany)	Expansion of biologics production facility	–	2009
Zhangjiagang (China)	Siloxane and pyrogenic silica	210,000 t/a	2010
Nünchritz (Germany)	Polysilicon expansion stage 9	10,000 t/a	2011

Raw Materials Costs Down on Last Year, but Up over Q2 2009

Expenses for raw materials came in at €216 million in the reporting period (Q3 2008: €235 million). This was 8 percent below the figure for last year, but 10 percent higher than in the second quarter of 2009 (€196 million). Prices for ethylene and methanol went up in the reporting period. In contrast, prices for silicon metal fell slightly. Electricity was also slightly cheaper than the previous quarter. We expect prices for silicon metal in the second half of 2009 to be lower than in the same period last year. Methanol will probably continue to get more expensive.

Number of Employees Expected to Decline as of End of 2009

Despite the global economic recovery, client demand is still well below its pre-crisis levels. We, therefore, intend to maintain our strict cost and cash flow management and to cut jobs as planned. Production facilities in Germany and abroad, which were temporarily shut down or only partially operated in the first half of 2009, are to be ramped up again in line with demand. We will stop the reduced working hours introduced at German sites at the beginning of the year as soon as a sustainable revival of demand allows us to do so. We will continue to handle the recruitment of new employees and the hiring of temporary staff in line with our requirements. Overall, we assume that, as of the end of the year, the number of employees in the Group will be below last year's figure.

Group Investment Program Is Solidly Funded

To ensure and strengthen the financing of its operating activities and its strategic investment program, WACKER secured sufficient debt funding by various means as early as 2008 and in the first half of 2009. These funding measures are described individually in the 2nd Quarterly Report of 2009 on page 41. In the reporting period, WACKER successfully issued the second tranche of a promissory note bond (Schuldschein). The proceeds for the company were €25 million. Up to the end of 2010, the Group has used and unused credit lines of some €1.2 billion at its disposal. From today's perspective, and along with the expected cash inflow from operating activities, this should provide sufficient financial scope for WACKER's planned investments.

Research and Development Spending Remain High

As far as research and development is concerned, we will continue to focus on our five research groups: catalysis and processes, functional materials, polymers, organic synthesis, and biotechnology in the next two fiscal years. In 2009 and 2010, expenses for research and development are scheduled to remain almost at last year's high level.

Strategic Alignment of WACKER Group Offers Good Chances for Profitable Growth

Based on current economic forecasts, the WACKER Group sees itself in a solid position, both in strategic and organizational terms, to exploit future growth and earnings potential in attractive markets and regions when the global economy recovers sustainably. The structure and strategy of the Group and its divisions, as well as key business processes, sales markets, and competitive positioning are described in detail in the 2008 Annual Report on pages 43 – 56. Ongoing adjustments to organizational structure and strategy, as well as their causes and effects, are discussed in this Report and the 2nd Quarterly Report of 2009. This relates above all to the new lead site strategy for Siltronic, as well as to the withdrawal from the solar wafer business. Apart from these, no material alterations are currently planned to the alignment of the company.

The course of business in the third quarter was characterized by rising sales volumes. Compared with the first and second quarters, both sales and profitability improved substantially in all divisions. These are encouraging signals for an economic turnaround. However, it is still not certain how stable this recovery will be. The majority of economic forecasters are currently predicting the upturn in 2010 to be moderate. At the moment, our clients are continuing to act cautiously and are placing rather short-term orders.

All of this makes it difficult for us to reliably forecast business development in the fourth quarter. While we do not expect the economic upturn to weaken in the fourth quarter, we anticipate the presence of the usual seasonal factors which normally subdue our business in this period. We continue to assume that the WACKER Group's sales and operating result for 2009 as a whole will remain well below the levels achieved in 2008.

If the economic recovery continues – in particular in the key sales sectors and regions for WACKER – we see good chances of increasing both Group sales and the operating result again in the year ahead. WACKER meets all the conditions for continuing to successfully overcome the effects of the crisis and proceed along its course of profitable growth.

The Executive Board

Munich, Germany, November 5, 2009

Condensed Interim Financial Statements / Statement of Income
January 1 through September 30, 2009

Statement of Income

€ million	**Q3 2009**	Q3 2008	Change in %	**9M 2009**	9M 2008	Change in %
Sales	**986.5**	1,156.9	– 14.7	**2,784.5**	3,299.4	– 15.6
Cost of goods sold	**– 725.0**	– 791.9	– 8.4	**– 2,084.1**	– 2,268.6	– 8.1
Gross profit from sales	**261.5**	365.0	– 28.4	**700.4**	1,030.8	– 32.1
Selling expenses	**– 59.1**	– 61.2	– 3.4	**– 176.3**	– 186.1	– 5.3
R&D expenses	**– 39.0**	– 39.9	– 2.3	**– 116.6**	– 117.4	– 0.7
General administrative expenses	**– 21.5**	– 24.6	– 12.6	**– 63.4**	– 76.2	– 16.8
Other operating income	**33.3**	81.4	– 59.1	**159.0**	207.2	– 23.3
Other operating expenses	**– 31.8**	– 73.6	– 56.8	**– 298.0**	– 165.7	79.8
Operating result	**143.4**	247.1	– 42.0	**205.1**	692.6	– 70.4
Result from investments in joint ventures and associates	**– 60.6**	– 9.2	> 100	**– 117.8**	– 31.1	> 100
Result from other investments	**0.1**	–	n.a.	**0.1**	–	n.a.
EBIT (earnings before interest and taxes)	**82.9**	237.9	– 65.2	**87.4**	661.5	– 86.8
Interest result	**1.2**	0.3	> 100	**3.4**	1.8	88.9
Other financial result	**– 7.8**	– 4.9	59.2	**– 23.4**	– 9.4	> 100
Limited partnership result	**–**	–	–	**–**	– 0.9	– 100.0
Income before taxes	**76.3**	233.3	– 67.3	**67.4**	653.0	– 89.7
Income taxes	**– 40.4**	– 62.5	– 35.4	**– 100.5**	– 199.0	– 49.5
Result for the period	**35.9**	170.8	– 79.0	**– 33.1**	454.0	n.a.
of which						
attributable to Wacker Chemie AG shareholders	**33.7**	170.8	– 80.3	**– 30.8**	454.2	n.a.
accounted for by non-controlling interests	**2.2**	–	n.a.	**– 2.3**	– 0.2	> 100
Earnings per share in € (basic / diluted)	**0.68**	3.44	– 80.2	**– 0.62**	9.14	n.a.
Average number of shares outstanding (weighted)	**49,677,983**	49,677,983	–	**49,677,983**	49,677,983	–

Statement of Comprehensive Income
January 1 through September 30, 2009

January – September

€ million	Before taxes	Deferred taxes	2009	Before taxes	Deferred taxes	2008
Net income for the period			– 33.1			454.0
Change in foreign currency translation adjustments	– 13.4	–	– 13.4	27.6	–	27.6
Cash flow hedge	35.9	– 10.1	25.8	– 48.5	10.4	– 38.1
of which included in profit and loss	25.1	– 7.1	18.0	– 42.0	10.4	– 31.6
Pro rata cash flow hedge at companies accounted for using the equity method	2.5	–	2.5	– 0.4	–	– 0.4
Non-controlling interests	– 1.1	–	– 1.1	– 0.2	–	– 0.2
Total income / expenses recognized in equity	23.9	– 10.1	13.8	– 21.5	10.4	– 11.1
Total income / expenses			– 19.3			442.9
of which						
attributable to Wacker Chemie AG shareholders			– 15.9			443.3
accounted for by non-controlling interests			– 3.4			– 0.4

July – September

€ million	Before taxes	Deferred taxes	2009	Before taxes	Deferred taxes	2008
Net income for the 3rd quarter			35.9			170.8
Change in foreign currency translation adjustments	– 11.3	–	– 11.3	49.2	–	49.2
Cash flow hedge	13.0	– 3.7	9.3	– 49.2	3.5	– 46.4
of which included in profit and loss	2.0	– 0.5	1.5	– 13.2	3.5	– 9.7
Pro rata cash flow hedge at companies accounted for using the equity method	– 3.6	–	– 3.6	– 0.2	–	– 0.2
Non-controlling interests	– 0.5	–	– 0.5	0.7	–	0.7
Total income / expenses recognized in equity	– 2.4	– 3.7	– 6.1	– 0.2	3.5	3.3
Total income / expenses			29.8			174.1
of which						
attributable to Wacker Chemie AG shareholders			28.1			173.4
accounted for by non-controlling interests			1.7			0.7

Statement of Financial Position
as of September 30, 2009

Assets

€ million	**Sept. 30, 2009**	Sept. 30, 2008	Change in %	Dec. 31, 2008	Change in %
Intangible assets	**21.2**	19.6	8.2	24.7	– 14.2
Property, plant, and equipment, and investment property	**2,744.8**	2,480.4	10.7	2,663.2	3.1
Investment in associates accounted for using the equity method	**137.3**	194.5	– 29.4	191.8	– 28.4
Financial assets	**72.6**	11.9	> 100	72.0	0.8
Other assets	**95.7**	119.1	– 19.6	178.1	– 46.3
Deferred taxes	**24.1**	34.4	– 29.9	31.2	– 22.8
Noncurrent assets	**3,095.7**	2,859.9	8.2	3,161.0	2.1
Inventories	**440.2**	507.9	– 13.3	504.9	– 12.8
Trade receivables	**506.0**	584.2	– 13.4	466.8	8.4
Other assets	**148.5**	157.5	– 5.7	187.1	– 20.6
Cash and cash equivalents	**467.7**	495.6	– 5.6	305.3	53.2
Current assets	**1,562.4**	1,745.2	– 10.5	1,464.1	6.7
Noncurrent assets held for sale and disposal groups	**76.3**	–	n.a.	–	n.a.
Total assets	**4,734.4**	4,605.1	2.8	4,625.1	2.4

Equity and Liabilities

€ million	**Sept. 30, 2009**	Sept. 30, 2008	Change in %	Dec. 31, 2008	Change in %
Subscribed capital	**260.8**	260.8	–	260.8	–
Capital reserves	**157.4**	157.4	–	157.4	–
Treasury shares	**– 45.1**	– 45.1	–	– 45.1	–
Other equity	**1,590.0**	1,691.8	– 6.0	1,695.3	– 6.2
Non-controlling interests	**21.6**	15.2	42.1	14.4	50.0
Equity	**1,984.7**	2,080.1	– 4.6	2,082.8	– 4.7
Provisions for pensions	**394.9**	387.1	2.0	376.1	5.0
Other provisions	**241.1**	257.6	– 6.4	261.0	– 7.6
Deferred taxes	**52.4**	42.5	23.3	51.5	1.7
Financial liabilities	**354.5**	169.8	> 100	158.7	> 100
Other liabilities	**772.3**	769.7	0.3	855.6	– 9.7
Noncurrent liabilities	**1,815.2**	1,626.7	11.6	1,702.9	6.6
Other provisions	**171.8**	108.4	58.5	82.4	> 100
Financial liabilities	**163.4**	137.0	19.3	113.7	43.7
Trade liabilities	**223.7**	309.3	– 27.7	296.7	– 24.6
Other liabilities	**306.9**	343.6	– 10.7	346.6	– 11.5
Current liabilities	**865.8**	898.3	– 3.6	839.4	3.1
Liabilities in connection with assets held for sale and disposal groups	**68.7**	–	n.a.	–	n.a.
Liabilities	**2,749.7**	2,525.0	8.9	2,542.3	8.2
Total equity and liabilities	**4,734.4**	4,605.1	2.8	4,625.1	2.4

Statement of Cash Flows
January 1 through September 30, 2009

Statement of Cash Flows

€ millions	9M 2009	9M 2008	Change in %
Net income for the period	**– 33.1**	454.0	n.a.
Depreciation and amortization	**424.5**	275.0	54.4
Changes in provisions	**92.0**	90.0	2.2
Changes in deferred taxes	**– 2.1**	– 11.1	– 81.1
Changes in inventories	**56.2**	– 72.7	n.a.
Changes in trade receivables	**– 45.7**	– 78.1	– 41.5
Changes in other assets	**54.2**	– 32.8	n.a.
Change in advance payments made and received	**65.7**	118.4	– 44.5
Changes in other liabilities	**– 68.0**	119.2	n.a.
Non-cash expenses and income of equity accounting	**117.8**	30.8	> 100
Other non-cash expenses and income	**– 5.3**	–17.1	– 69.0
Cash flow from operating activities (gross cash flow)	**656.2**	875.6	– 25.1
Payments related to intangibles and property, plant, and equipment	**– 606.8**	– 524.6	15.7
Proceeds from disposal of intangibles and property, plant, and equipment	**4.0**	7.7	– 48.1
Investments in acquisitions	**–**	– 171.2	– 100.0
Cash flow from noncurrent investment activities	**– 602.8**	– 688.1	– 12.4
Disposal of current securities	**101.1**	–	n.a.
Cash flow from investment activities	**– 501.7**	– 688.1	– 27.1
Capital increases	**11.3**	2.4	> 100
Dividends paid on previous year's result	**– 90.1**	– 149.3	– 39.7
Changes in financial liabilities	**189.4**	86.0	> 100
Cash flow from financing activities	**110.6**	– 60.9	n.a.
Changes due to exchange rate fluctuations	**– 1.6**	2.5	n.a.
Changes in cash and cash equivalents	**263.5**	129.1	> 100
At the beginning of the year	**204.2**	366.5	– 44.3
At the end of the period	**467.7**	495.6	– 5.6
Additional information:			
Cash flow from operating activities (gross cash flow)	**656.2**	875.6	– 25.1
Cash flow from noncurrent investment activities	**– 602.8**	– 688.1	– 12.4
Net cash flow	**53.4**	187.5	– 71.5

Statement of Changes in Equity / Reconciliation of Other Equity Items
January 1 through September 30, 2009

Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	Treasury shares	Retained earnings / Net income	Other equity item	Total	Non-controlling interests	Total
As of Jan. 01, 2008	260.8	157.4	– 45.1	1,541.3	– 64.1	1,850.3	15.3	**1,865.6**
Net income for the period	–	–	–	454.2	–	454.2	– 0.2	**454.0**
Dividends paid	–	–	–	– 149.0	–	– 149.0	– 0.3	**– 149.3**
Capital contributions	–	–	–	–	–	–	2.4	**2.4**
Income and expenses recognized in equity	–	–	–	–	– 10.9	– 10.9	– 0.2	**– 11.1**
Scope of consolidation / Other	–	–	–	– 79.7	–	– 79.7	– 1.8	**– 81.5**
As of Sept. 30, 2008	260.8	157.4	– 45.1	1,766.8	– 75.0	2,064.9	15.2	**2,080.1**
As of Jan. 01, 2009	260.8	157.4	– 45.1	1,751.9	– 56.6	2,068.4	14.4	**2,082.8**
Result for the period	–	–	–	– 30.8	–	– 30.8	– 2.3	**– 33.1**
Dividends paid	–	–	–	– 89.4	–	– 89.4	– 0.7	**– 90.1**
Capital contributions	–	–	–	–	–	–	11.3	**11.3**
Income and expenses recognized in equity	–	–	–	–	14.9	14.9	– 1.1	**13.8**
Scope of consolidation / Other	–	–	–	–	–	–	–	**–**
As of Sept. 30, 2009	260.8	157.4	– 45.1	1,631.7	– 41.7	1,963.1	21.6	**1,984.7**

Reconciliation of Other Equity Items

€ million	Change in market value of available-for-sale securities	Currency translation adjustments	Cash flow hedge	Total (without non-controlling interests)
As of Jan. 01, 2008	–	– 93.7	29.6	**– 64.1**
Changes	–	27.6	– 38.5	**– 10.9**
As of Sept. 30, 2008	–	– 66.1	– 8.9	**– 75.0**
As of Jan. 01, 2009	0.6	– 44.1	– 13.1	**– 56.6**
Changes	–	– 13.4	28.3	**14.9**
As of Sept. 30, 2009	0.6	– 57.5	15.2	**– 41.7**

Notes
Q3 2009

Accounting and Valuation Methods

The interim consolidated financial statements for Wacker Chemie AG as of September 30, 2009 have been prepared in accordance with the International Financial Reporting Standard (IAS) 34 applicable in the European Union, in condensed form and maintaining unchanged the accounting and valuations methods applied in fiscal 2008. We refer to the consolidated financial statements for Wacker Chemie AG as of December 31, 2008 for further information on the individual accounting and valuation methods applied.

The revised version of IAS 23 Borrowing Costs was applied for the first time in the first quarter of 2009. The revised standard prescribes the capitalization of borrowing costs in relation to the accrual of certain asset additions. IAS 23 is not intended to be applied retroactively. Consequently, no interest was capitalized for additions to qualifying assets last year, nor were the figures for last year adjusted. The interest expense will be lower in the future due to the change of valuation methods. Conversely, depreciation is increased for the period of use of the affected assets, which will adversely impact EBIT. Up to September 30, 2009, interest expense of €9.3 million was capitalized as part of the acquisition and production costs of property, plant, and equipment.

IFRS 8 “Operating segments” was applied for the first time in fiscal 2009. It had no effect on the consolidated financial statements for Wacker Chemie AG.

Changes in WACKER Group’s Scope of Consolidation

Two new companies were established – Wacker Polysilicon GmbH & Co. KG, Nünchritz (Germany), and the general partner Wacker Polysilicon Geschäftsführungs GmbH, Nünchritz (Germany). The companies are set to pool the production and marketing activities for polysilicon at the Nünchritz site. Wacker Polysilicon North America LLC, Cleveland, Tennessee, was also founded in the USA. Going forward, this company is to be responsible for polysilicon production and sales activities in the USA.

Mergers with Wacker Chemical Corp., Adrian, Michigan reduced the group of consolidated companies by eliminating Wacker Polymer Systems L.P., Allentown, Pennsylvania and WPS General Partners Inc., Adrian, Michigan.

Wacker Chemie (Schweiz) AG, Basel (Switzerland), was liquidated in the third quarter of 2009. The company had been dormant since July of 2008. Wacker Polymer Systems GmbH & Co. KG and Wacker Polymer Systems Geschäftsführungs GmbH were also merged with Wacker Chemie AG.

Held-for-sale Noncurrent Assets and Disposal Groups, Including Liabilities
As of September 30, 2009, noncurrent assets and disposal groups held for sale include the assets and liabilities of WACKER SCHOTT Solar Vertriebs GmbH. They also include the carrying amount of zero for the interest in WACKER SCHOTT Solar GmbH, measured using the equity method. These companies are part of the WACKER POLYSILICON division. In September, an agreement was reached with SCHOTT Solar AG on the disposal of these companies. This led to contracts being signed on October 27, 2009. For this reason, the assets and liabilities were reclassified as of September 30, 2009 in accordance with IFRS 5. We refer to the Chapter Major Events During the Reporting Period for further information. The assets essentially consist of prepayments of €62.3 million received by WACKER SCHOTT Solar GmbH, which is accounted for using the equity method, and trade receivables of €8.4 million. Liabilities comprise the prepayments of €62.3 million received from third parties and trade payables of €6.4 million.

Segment Reporting
Please refer to the interim management report for information on segment reporting. The polyvinyl acetate solid resins business for making chewing gum has been reported in the WACKER FINE CHEMICALS division since the beginning of the 3rd quarter of 2009. The gumbase business was reclassified from the WACKER POLYMERS segment as part of changes to internal management and reporting. The Q3 2009 sales from the gumbase business to be reported in the WACKER FINE CHEMICALS segment came in at €11.3 million and contributed a minor positive amount in earnings. There were effects of a similar amount in the previous year and no adjustment was made.

Exchange Rates
During the reporting period and the previous year, the following euro / US dollar exchange rates were used for translating foreign currency items and for the financial statements of companies of which the functional currency is the US dollar:

Exchange Rates

€ million	Rate on reporting date		Average rate	
	Sept. 30, 2009	Sept. 30, 2008	**Q3 2009**	Q3 2008
USD	1.46	1.44	1.43	1.50

Major Events During the Reporting Period
The events during the reporting period that are considered significant in terms of impact, nature, and frequency are described in the interim management report.

At the end of September 2009, Wacker Chemie AG reached an agreement with SCHOTT Solar AG on the main points of a contract for the transfer of the 50 percent interest in WACKER SCHOTT Solar GmbH (WSS) and the 51 percent interest in WACKER SCHOTT Solar Vertriebs GmbH (WSS Vertriebs GmbH) held by WACKER. In the consolidated financial statements for Wacker Chemie AG, WSS Vertriebs GmbH was fully consolidated and WSS was included using the equity method. Based on the main provisions of the contract, Wacker Chemie AG commits to transferring its interest and to make a capital contribution of €37.0 million to WSS in order to cover a share of the losses incurred there up to September 30, 2009. In addition, a prepayment of €27.0 million received under the existing supply contract for polysilicon is to be returned to WSS. As the obligation to provide non-cash benefits in exchange for the prepayment no longer exists, the €27.0 million is now shown as a current financial liability. The capital contribution of €37.0 million is also presented as a current financial liability. Under equity accounting rules, investment expenses totaling €51.9 million were incurred in the third quarter of 2009.

Impairment tests conducted on property, plant, and equipment at the Siltronic division as of June 30, 2009 compared the present value of the estimated future cash flow from use of the assets with their fair value. The different companies included within the Siltronic division are defined as the cash-generating units. The average discount rate before tax used was 12 percent. The resulting impairments were reported under other operating expenses.

Events after the Balance Sheet Date
On October 27, 2009, the contract on the transfer of the WACKER shares in WACKER SCHOTT Solar GmbH and WACKER SCHOTT Solar Vertriebs GmbH was signed by both parties. The contract stipulates that SCHOTT Solar AG will relieve Wacker Chemie AG of its guarantee obligations arising from the external financing of the joint venture in the amount of €100 million.

Responsibility Statement

We hereby affirm, to the best of our knowledge and in accordance with the applicable reporting principles for interim reporting, that the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities, financial position, and profit or loss. We also affirm that the Group's interim management report presents a true and fair view of the development and performance of the Group's business and position, and also describes the principal opportunities and risks associated with the Group's expected performance in the remainder of the fiscal year.

Munich, Germany, November 5, 2009

Wacker Chemie AG

Rudolf Staudigl	Wilhelm Sittenthaler
Joachim Rauhut	Auguste Willems

Upcoming Dates / Investor Relations

Upcoming Dates

March 24, 2010	Presentation of the 2009 Annual Report
April 29, 2010	Presentation of the 1st Quarterly Report of 2010
May 21, 2010	Annual Shareholders' Meeting
June 28–29, 2010	Capital Market Days, Burghausen, Germany
July 30, 2010	Presentation of the 2nd Quarterly Report of 2010
November 5, 2010	Presentation of the 3rd Quarterly Report of 2010

Investor Relations

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