

Wacker Chemie AG

WACKER

Report on the 1st Quarter of 2009
January – March 2009

Q1

- Impact of Economic Crisis Reduces Group Sales by 14 Percent to €873 million in Q1 2009
- Earnings before Interest, Taxes, Depreciation and Amortization Down 46 Percent Year-on-Year to €158 million
- Positive Net Cash Flow of €71 million
- Full-Year Sales and Earnings for 2009 Are Expected to Be Well below the Previous Year
- Continuation of Strategic Growth Projects with Full-Year 2009 Investments of about €800 million

[Cover] Chromatography column at Wacker Biotech's cleanroom in Jena. This is where biologics are produced. The desired active protein is purified via chromatography columns.

WACKER at a Glance

€ million	Q1 2009	Q1 2008	Change in %
Sales	872.5	1,019.5	- 14.4
EBITDA ¹	157.8	291.1	- 45.8
EBITDA margin ²	18.1 %	28.6 %	- 36.7
EBIT ³	58.2	198.7	- 70.7
EBIT margin ²	6.7 %	19.5 %	- 65.8
Financial result	- 7.1	- 0.8	> 100
Income before taxes	51.1	197.9	- 74.2
Result for the period	5.5	130.6	- 95.8
Earnings per share in €	0.17	2.63	- 93.6
Investments (incl. financial assets)	176.8	145.5	21.5
Investments in acquisitions	0.0	173.4	- 100
Net cash flow	70.9	- 3.3	n.a.

€ million	31.03.2009	31.03.2008	31.12.2008
Equity	2,106.1	1,908.6	2,082.8
Financial liabilities	283.9	250.2	272.4
Provisions for pensions	382.5	374.4	376.1
Net financial debt	- 100.7	- 152.8	- 32.9
Total assets	4,705.1	4,226.8	4,625.1
Employees	15,851	15,660	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.

Micro-Scale Pharmaceutical Factories



01. 1 Wacker Biotech building at the Beutenberg Campus in Jena.

[Segment] Wacker Biotech GmbH in Jena belongs to the WACKER FINE CHEMICALS business division. In 2008, WACKER FINE CHEMICALS had 259 employees around the world. Its sales were €97.7 million and EBITDA was at €9.2 million.



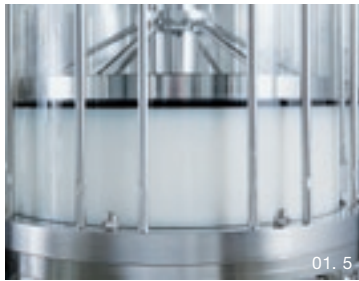
01. 2 – 3 Taking samples out of the fermenter.

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Biologics are pharmaceutical proteins manufactured using genetically modified organisms. They are becoming increasingly important in modern medicine – e.g. in the battle against cancer or to treat multiple sclerosis and many other illnesses. These human proteins are primarily manufactured using genetically altered bacteria, yeasts and cell cultures. Compared to other production methods, the use of bacteria offers many advantages. Wacker Biotech GmbH, based in Jena (Germany), offers unique technologies and many years of experience in the field of microbial systems. As a result, pharmaceutical manufacturers see Wacker Biotech's biologists, chemists and process engineers as globally renowned partners for the production of biologics. Here's a glance at the fascinating world of micro-scale pharmaceutical factories.

[Production sites] Burghausen and Jena, Germany; Eddyville/Iowa, USA.



01. 4 – 5 Chromatography column in the cleanroom.

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When Dr. Thomas Maier, managing director of Wacker Biotech GmbH, inspects the production facilities at his company's Jena-based labs, he evaluates not only the work of people and machines, but also the effectiveness of millions of tiny organisms. These are bacteria, bioengineered to produce proteins known as biologics – some of the most valuable materials of our times. Biologics are increasingly important for the production of highly effective pharmaceuticals – for cancer drugs, growth hormones, agents to combat multiple sclerosis and much more.

The first active of its kind to come on the market, produced using bioengineered *Escherichia coli* bacteria, was human insulin in 1982. In Germany, over 130 recombinant drugs are currently approved – and the market for these products is growing rapidly worldwide. Experts are forecasting growth rates of 15 to 20 percent for the coming years.

Wacker Biotech GmbH belongs to WACKER FINE CHEMICALS, the WACKER Group's life-science division. As a contract biologics manufacturer with a complete service portfolio, Wacker Biotech is now an internationally renowned and sought-after partner, primarily for pharmaceutical and biotech companies from Europe and the USA. The company has over 20 years of extensive experience and unique expertise in the field of industrial biotechnology processes.

As early as 1987, Jena scientists worked on developing bioengineered interferon alpha, an active to combat hepatitis viruses. Then in 1999, ProThera was formed as a spin-off of the state-owned Hans-Knöll Institute. Wacker Chemie AG took over ProThera in January 2005. ProThera's major contributions to our new company comprised important fermentation and protein-purification patents and processes, along with years of experience in complex sector-specific legislation. WACKER's contributions included expertise in cost-efficient biotech processes and the provision of new capital.

When a customer commissions Wacker Biotech to manufacture an active, this is generally the start of a long-term collaboration, requiring great mutual trust.

[Jena: center of scientific expertise] Wacker Biotech is located in Jena, one of Germany's key biotech centers. Here, industry and science work together very closely.



“At this point in time, the customer already knows which active the bacteria should produce and has already carried out initial trials,” explains Dr. Maier. “What is still needed is an efficient industrial-scale manufacturing process. We insert a ring-shaped piece of DNA – a plasmid – into the bacteria (usually *E. coli*). The plasmid, which contains the genes that induce production of the desired protein, is passed on from one generation of bacteria to the next, ensuring that later generations also produce this protein.”

What initially sounds so simple is in fact a highly complex microbial challenge. Selecting suitable bacterial strains, finding the best start sequences on the DNA rings and optimizing the plasmid are the first key steps toward an efficient manufacturing process. There are hundreds of substrains of *E. coli*, for example, to choose from. “We need to have exact knowledge of their genetic make-up and to know which strain is suitable for which process,” explains Dr. Susanne Leonhartsberger, head of project management at Wacker Biotech.

In the production process itself, the culture medium in the bioreactors (also known as fermenters) is inoculated with the plasmid-containing bacterial cultures. There, they thrive for a period of usually 24 to 36 hours and produce the desired active. Wacker Biotech developed a special fermentation process for this, called DENSETEC®. By tuning nutrients and growth rates exactly, the process cultivates the bacterial cells at high cell densities, thereby maximizing growth and volumetric productivity.

Following the fermentation process, cell constituents, cell-wall residues and genetic material must be removed from the culture medium. The desired active is extracted from a wide variety of proteins. “We welcome every method that facilitates obtaining the desired active ingredient in as high a concentration and purity as possible right from the start,” says Leonhartsberger. WACKER has developed its own process here, too: the ESETEC® secretion system. Thanks to this technology, costs for subsequent purification steps are reduced substantially.



01. 8 – 9 Quality control of purified proteins. Manufacturing buffers for protein purification.

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Customers ultimately receive their actives in very pure form (>99%) and can use them for clinical trials. And Wacker Biotech has once again proven its competence as a reliable partner and specialist contract manufacturer for pharmaceutical and biotech companies.

In the future, Wacker Biotech intends to support customers not only during clinical studies, but also at the product's commercialization stage. To do so, the company is currently investing some €15 million in the expansion of its production facilities at Jena's Beutenberg campus – an internationally renowned site with 1,900 researchers.

A new lab building for process development and quality control was finished in December 2008 – a key requirement to optimally satisfy approval agencies' ever stricter standards. "Detailed documentation of all process flows is necessary, starting as early as the process-development stage, to obtain a reliable level of reproducibility," says Dr. Maier. "We work according to precisely specified standards called Good Manufacturing Practices. We want to ensure that our customers don't get any nasty surprises when registering their drugs."

[Applications] Agrochemicals, pharmaceuticals, food, cosmetics and personal care, aromas/ fragrances and flavorings, household goods, paints and plasters, coatings, specialty chemicals, chemical industry.

Report on the 1st Quarter of 2009

Wacker Chemie AG

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January – March 2009

Q1

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Upcoming Dates / Investor Relations

Q1

CAVAMAX® powder



Active Cell Protection

...// Lycopene is considered a free-radical scavenger and strengthens the immune system's defenses more effectively than vitamin C. Contained in high concentrations in tomatoes, this natural cell protection is also available as a tablet supplement. To function effectively, however, the antioxidant needs protection. CAVAMAX® γ -cyclodextrins encapsulate the lycopene, thereby stabilizing its special properties. WACKER FINE CHEMICALS is the world's sole manufacturer of all three natural cyclodextrins – α , β and γ .

Dear Shareholders,

After several years of successful growth with sales and earnings records, WACKER is confronted with a major entrepreneurial challenge – a phase of widespread economic uncertainty amid the global recession. The financial crisis is impacting the real economy with mounting intensity. A sharp global downturn is projected for 2009, and WACKER will not escape its effects. So, beginning in the second half of 2008, we started implementing a package of measures to limit the economic crisis's impact on our company. Among other measures, we decided to cut budgets and introduced short-time work. We also shut down temporarily production plants in both Germany and abroad, and lowered employee numbers.

Although the business climate is harsh at the moment, we intend to leverage our divisions' growth potential, especially in the field of polysilicon. That's why we have decided to proceed with our strategic investment projects this year. In the long term, we remain optimistic about WACKER's future prospects. The major megatrends from which we profit remain unchanged. We have an excellent global position and outstanding production-, plant-, and process-related expertise. Our customer relations are stable and go back many years. With all these fundamental strengths, we are well positioned to secure WACKER's long-term success, even though 2009 will not be an easy year for us.

General Economic Conditions:

Deepest Global Recession in Decades

In 2009, the global economy is caught in its deepest recession for decades. Following Q4 2008, when every major industrial region saw output slow down, expectations are for a serious decline in economic activity in real terms for 2009. According to the International Monetary Fund (IMF), the global economy will contract by 1.3 percent in 2009.¹ This is the steepest decline since the Great Depression of the 1930s. In its latest analysis, the Organisation for Economic Co-operation and Development (OECD) predicts that global output will drop by as much as 2.7 percent.² For many analysts, a recovery is not expected until 2010.

Worldwide, every major industrial nation and region is struggling with deteriorating export sales, weak domestic demand and low investment levels. Increasingly, the recession is also hitting the emerging countries of Asia, Africa and Eastern Europe.

The US economy will contract even further in 2009, with analysts predicting negative GDP growth of between –1.6 (IMF¹) and –4.0 percent (OECD²) for the current year.

¹ International Monetary Fund, World Economic Outlook, Washington, DC, April 22, 2009

² OECD, OECD-Wirtschaftsausblick Zwischenausgabe, Paris / Berlin, March 31, 2009

Asia's economic growth is expected to fall to its lowest rate since 1997. In its latest forecast, the Asian Development Bank (ADB) sees GDP growth in the region shrinking to 3.4 percent this year.¹ While ADB analysts predict 7 percent growth for China, in part due to the large government stimulus packages to support the economy, their forecast for Southeast Asia is only 0.7 percent. As for Japan, the ADB expects growth to contract by 3.5 percent in 2009.

Turning to Germany, the country's leading economic institutes recently published a joint forecast predicting that GDP will shrink by 6 percent this year after 2008's 1.3 percent gain.² The OECD's latest report forecasts a 5.3 percent decrease in German output due to the steep decline in exports and investments. Chiefly geared to exports, German companies are only finding relief in lower energy and raw-material prices and a more favorable euro/dollar exchange rate. The federal government's expectations for 2009 are based on an average oil price of about \$45 per barrel and a euro exchange rate of around \$1.32.³

Germany's chemical sector has not escaped the harsh economic pressures. According to the German chemical industry association (VCI), German chemical output deteriorated much further than expected in Q4 2008. It fell 11.4 percent against Q3 2008. For 2009, the VCI forecasts a 3.5 percent drop in chemical production, with chemical sales slipping 6 percent⁴ year-on-year.

As for the semiconductor industry, it is struggling against a steep global downturn. In its latest market report, Gartner Dataquest (the market research institute) predicts that silicon-wafer surface area sold will fall 35 percent in 2009 before rising 31 percent in 2010.⁵ According to Gartner, falling sales volumes bottomed out in Q1 2009 and subsequent quarters will see volumes increasing continuously towards year end.

Photovoltaic market growth is expected to continue in 2009 despite the economic crisis. In its most recent study, the European Photovoltaic Industry Association (EPIA) estimates that the market will grow worldwide by over 20 percent in 2009, provided there is appropriate governmental support for solar power.⁶

¹ Asian Development Bank, Asian Development Outlook 2009, Mandaluyong City, March 2009

² Projektgruppe Gemeinschaftsdiagnose, "Im Sog der Weltrezession – Gemeinschaftsdiagnose Frühjahr 2009," Munich, April 21, 2009

³ Federal Ministry of Economics and Technology, monthly report ("Schlaglichter der Wirtschaftspolitik") for April 2009, March 24, 2009

⁴ VCI (German chemical industry association), "Bericht zur wirtschaftlichen Lage der chemischen Industrie im 4. Quartal 2008," Frankfurt, March 1, 2009

⁵ Gartner Dataquest Market Statistics, Demand for Silicon Wafers Worldwide 2007 – 2013, March 2009

⁶ European Photovoltaic Industry Association, Global market outlook for photovoltaics until 2013, Brussels, April 2009

WACKER Group's Sales and Earnings Trend:**Sliding Demand and Price Pressure Clearly Affect Business**

The recession clearly impacted Q1 2009. WACKER reported total sales of €872.5 million in the first three months of 2009, down 14 percent year-on-year (Q1 2008: €1,019.5m). The sales decline was driven by lower sales volumes (-17 percent) and deteriorating prices (-1 percent). Demand remained very weak in the semiconductor industry and in many of our chemical-related markets. Price pressures intensified in many product segments because market participants tried to secure volumes – and, in turn, plant capacity utilization – via price concessions. At WACKER's sites, chemical plant utilization averaged between 50 and 80 percent. At Siltronic, the production-capacity utilization rate was well below 50 percent in Q1 2009. So far, we have not seen signs of a sustainable recovery for capacity utilization. Compared to Q1 2008, favorable exchange rates had a positive effect (+4 percent) on sales. WACKER invoiced approximately 29 percent of its Group sales in US dollars in Q1 2009.

WACKER POLYSILICON Sets New Sales Record**Siltronic and WACKER SILICONES Experience Sharp Sales Downturn**

At WACKER POLYSILICON, first-quarter business was robust. Total January-March sales virtually doubled to €315.0 million (Q1 2008: €155.9m), clearing the €300-million mark for the first time. Growth was chiefly fueled by new production capacity at Burghausen (Germany), although our WACKER SCHOTT Solar joint venture's new facilities in Jena (Germany) were also a key factor.

In contrast, Siltronic reported a steep decline in sales. In Q1 2009, total sales fell to €126.0 million, down 64 percent year-on-year (Q1 2008: €346.1m). Silicon-wafer demand remained very weak in all product categories.

WACKER SILICONES, too, was unable to keep up last year's performance during the first three months of 2009. The division posted first-quarter sales of €264.9 million, a year-on-year drop of 27 percent (Q1 2008: €360.3m).

At WACKER POLYMERS, sales performance was impaired by construction-sector weakness and a long European winter. In Q1 2009, the division's sales total was €172.3 million (Q1 2008: €198.5m). That's 13 percent less than a year ago. When adjusted for the Air Products Polymers acquisition, sales slid 22 percent.

WACKER FINE CHEMICALS generated total sales of €21.6 million, 22 percent lower than the same period last year (Q1 2008: €27.7m).

Sales Grow in Germany and Decline in Asia

Benefiting from the strength of its polysilicon business, the WACKER Group saw first-quarter sales in Germany climb some 3 percent year-on-year to €220.8 million (Q1 2008: €215.3m). In the rest of Europe, however, sales fell 23 percent to €202.0 million (Q1 2008: €260.8m).

Asia remains WACKER's largest market. Nevertheless, first-quarter sales decreased 23 percent to €267.0 million (Q1 2008: €345.6m). China accounts for over half of WACKER's Asian sales.

In the Americas WACKER generated sales of €162.3 million in the period under review, nearly matching the comparable prior-year level (Q1 2008: €169.2m). In this region, WACKER profited from the consolidation of Air Products Polymers – a former partner company – and from the favorable euro/dollar exchange rate.

Regional distribution of sales revenue within the WACKER Group:

Sales Revenue by Region

€ million	Q1 2009	Q1 2008	Change in %	Group Sales in %
Asia	267.0	345.6	- 22.7	31
Europe (excl. Germany)	202.0	260.8	- 22.5	23
Germany	220.8	215.3	2.6	25
Americas	162.3	169.2	- 4.1	19
Other regions	20.4	28.6	- 28.7	2
Total sales revenue	872.5	1,019.5	- 14.4	100

Weak Capacity Utilization and Lower Prices Reduce Profitability

Measures to Cut Costs and Safeguard Profitability Are Having a Positive Effect

WACKER's Executive Board took measures in the second half of 2008 to cut costs and temporarily adjust production capacity to slowing demand. In the first quarter of 2009. These measures had an initial benefit on earnings. First quarter earnings before interest, taxes, depreciation and amortization (EBITDA) fell 46 percent year-on-year to €157.8 million (Q1 2008: €291.1m). This lower EBITDA result, however, already reflected

the benefits of lower material costs and personnel expenses, and more favorable raw-material and energy prices. The EBITDA margin for the three-month period from January through March 2009 was 18.1 percent (Q1 2008: 28.6 percent). First-quarter earnings before interest and taxes (EBIT) reached €58.2 million (Q1 2008: €198.7m), which yielded an EBIT margin of 6.7 percent (Q1 2008: 19.5 percent).

15 Percent Reduction Planned for Personnel Expenses in 2009

To reduce the impact of generally weak demand on WACKER's earnings, the Executive Board decided to introduce a number of measures, including budget cuts, temporary plant shutdowns and investment planning modifications. Agreements were made to reduce working hours at Siltronic AG from January 2009 onwards and at Wacker Chemie AG beginning in February, in each case for an initial six months. This step gives individual production facilities the flexibility to adjust employee numbers to order books and capacity-utilization levels. To the same end, limited-term employment contracts have not been extended and hiring of both new and replacement personnel is very restrained. As a result, there were 71 fewer employees on March 31, 2009 than at the end of 2008. Employment agreements with temporary workers were terminated, especially at Siltronic. Additionally, in late March, management and employee representatives agreed on other steps to lower personnel expenses. These measures include a cut in variable salary components. Moreover, regular compensation for the Executive Board and upper management has been reduced. Our goal is to cut total personnel expenses by about 15 percent (some €160 million) in 2009. These savings will, in turn, play a key role in supporting the Group's earnings in difficult times.

WACKER POLYSILICON Achieves EBITDA Margin of over 50 Percent

Siltronic in Negative Territory

At WACKER POLYSILICON, sales growth was accompanied by enhanced profitability and record earnings. In Q1 2009, EBITDA reached €168.1 million (Q1 2008: €71.3m) – up 136 percent. The division's EBITDA margin was 53.4 percent (Q1 2008: 45.7 percent).

In Q1 2009, WACKER SILICONES reported EBITDA of €27.7 million, 57 percent below the same period last year (€64.8m). The EBITDA margin was 10.5 percent (Q1 2008: 18.0 percent).

The picture at WACKER POLYMERS was similar. The division's EBITDA of €21.5 million was well below the year-earlier quarter (€38.1m). This translated into an EBITDA margin of 12.5 percent (Q1 2008: 19.2 percent).

WACKER FINE CHEMICALS generated first-quarter EBITDA of €1.9 million (Q1 2008: €3.2m). Its EBITDA margin was 8.8 percent (Q1 2008: 11.6 percent).

WACKER's semiconductor subsidiary, Siltronic, reported negative first-quarter EBITDA of €-60.0 million, down against Q1 2008 (€114.0m) and Q4 2008 (€23.2m). Earnings collapsed due to plummeting sales volumes and worsening prices, affecting not only all wafer diameters, but also materials for the solar and equipment industry. Extensive and immediate cost-cutting measures did not compensate the earnings decline.

Earnings per Share down to €0.17

Given WACKER's conservative accounting policies, the subdued economic outlook – especially for the Group's semiconductor activities – did not permit the capitalization of deferred taxes on loss carryforwards. Consequently, the Group's tax burden rose in the first quarter from 34.0 percent last year to 89.2 percent. This effect, combined with the Group's declining profitability position, meant that the Q1 2009 result for the period only amounted to €5.5 million (Q1 2008: €130.6m). That's 95.8 percent lower than a year ago. Compared with the last fourth quarter's figure of €-15.7 million, net income increased by €21.2 million. In Q4 2008, net income saw, among other factors, a one-time payment of €40 million to Wacker Chemie AG's pension fund. Earnings per share in Q1 2009 amounted to €0.17 (Q1 2008: €2.63).

Net Cash Flow Clearly Positive thanks to Customer Prepayments and a Focused Investment Strategy

WACKER generated net cash flow of €70.9 million (Q1 2008: €-3.3m) for the January-to-March quarter of 2009. This item was impacted, on the one hand, by further prepayments of €67.9 million and, on the other, by a reduction in current assets and by our investment focus on strategic growth projects. Additionally, in Q1 2008, a €173.4 million payment for acquiring shares in Air Products Polymers and Wacker Polymer Systems (former partner companies) had affected cash flow in that quarter.

In Q1 2009, WACKER invested €176.8 million (Q1 2008: €145.5m). We focused on polysilicon expansion projects at Burghausen and Nünchritz (Germany), as well as on developing our silicones site in Zhangjiagang (China). In WACKER POLYSILICON, we spent some €100 million on expansion projects during the period under review. Over the medium term, WACKER intends to build a new production plant for hyperpure crystalline polysilicon in the USA to satisfy the demand growth predicted for the solar and semiconductor industries in the next few years. In February, we purchased extensive land (550 acres or 220 hectares) in the State of Tennessee for this purpose at a cost of almost \$20 million. Other first-quarter investments focused primarily on improving process flows and boosting efficiency.

Employee Numbers Decline in Q1

On March 31, 2009, WACKER had 15,851 employees worldwide (Dec. 31, 2008: 15,922). 12,103 of this total worked at German sites (Dec. 31, 2008: 12,110). At the end of Q1 2009, WACKER employed 3,748 people outside Germany (Dec. 31, 2008; 3,812).

To gain enough flexibility to react to demand trends amid the global economic crisis, management applied for short-time work at Siltronic AG from January 2009 and at Wacker Chemie AG from February, in each case for six months. In addition, the Group is taking every opportunity to reduce personnel costs by not extending limited employment contracts and by terminating agreements with temporary workers. We are also transferring employees from Siltronic, our semiconductor subsidiary, to other business divisions.

Proposal on Appropriation of 2008's Profits

On March 18, 2009, WACKER released its 2008 annual financial statements and annual report, which stated that Wacker Chemie AG had posted a retained profit (as per German Commercial Code accounting rules) of €576.9 million in 2008. The Executive and Supervisory Boards will propose a dividend of €1.80 per share at the Annual Shareholders' Meeting, which will be held in Munich on May 8, 2009. The payout for 2007 was €2.25, plus a special bonus of €0.75.

The profit-appropriation proposal for 2008 lets shareholders participate in WACKER's good result last year, while simultaneously taking account of the business decline expected in 2009. Based on the number of dividend-bearing shares as per December 31, 2008, the cash dividend corresponds to a payout of €89.4 million. In relation to WACKER's average share price in 2008, the dividend yield is 1.5 percent. At the Annual Shareholders' Meeting, the Executive and Supervisory Boards will propose that the remaining amount be treated as profit carried forward.

Condensed Income Statement

January 1 until March 31, 2009

Condensed Income Statement ...//

Wacker Chemie AG, Q1/2009

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Condensed Income Statement

€ million	Q1 2009	Q1 2008	Change in %
Sales	872.5	1,019.5	- 14.4
Gross profit from sales	216.5	318.9	- 32.1
Selling, R&D and general administrative expenses	- 115.9	- 124.1	- 6.6
Other operating income and expenses	- 19.2	14.2	n.a.
Operating result	81.4	209.0	- 61.1
Income from investments	- 23.2	- 10.3	> 100
EBIT (Earnings before interest and taxes)	58.2	198.7	- 70.7
Financial result	- 7.1	- 0.8	> 100
Income before taxes	51.1	197.9	- 74.2
Income taxes	- 45.6	- 67.3	- 32.2
Result for the period	5.5	130.6	- 95.8
of which			
attributable to Wacker Chemie AG shareholders	8.3	130.6	- 93.6
accounted for by minority interests	- 2.8	0.0	n.a.
Earnings per share in € (basic/diluted)	0.17	2.63	- 93.6
Average number of shares outstanding (weighted)	49,677,983	49,677,983	0.0
Reconciliation to EBITDA in € million			
EBIT	58.2	198.7	- 70.7
Depreciation and amortization	99.6	92.4	7.8
EBITDA	157.8	291.1	- 45.8

In Q1 2009, profitability was marked by the effects of the economic crisis.

Overall, first-quarter sales declined more strongly than costs of goods sold. Gross profit dropped by €102.4 million to €216.5 million year over year. This trend primarily reflects our lower rates of production capacity utilization compared to the prior year.

Selling, general and administrative costs decreased by 6.6 percent compared to the previous year and amounted to €-115.9 million, which was €8.2 million below Q1 2008. The netted position of other operating income and expenses declined from €14.2 million to €-19.2 million, a drop of €33.4 million. As in previous reporting periods, they were particularly influenced by the results of exchange rate changes.

Whereas exchange rate gains exceeded exchange rate losses by €5.4 million in Q1 2008, the overall exchange rate effect was negative for the reporting period. Earnings (€48.0 million) were €23.9 million lower than expenses (€71.9 million).

In addition, the previous year saw earnings from goodwill related to the acquisition of the former APP companies and other expenses for the impairment of assets at the South Brunswick (New Jersey, USA) site. This resulted in a positive earnings impact of €4.2 million last year.

In Q1 2009, income from investments declined €12.9 million from €-10.3 million to €-23.2 million compared to the previous year. This was mainly the result of further start-up losses at joint ventures with Samsung (in Singapore) and Dow Corning (in China).

The financial result decreased €6.3 million from €-0.8 million to €-7.1 million. Thereof, €5.9 million were related to interest-bearing elements in pension provisions.

The tax rate for the reporting period was 89.2 percent; in the prior-year period it was 34.0 percent. This very high tax rate was the result of losses at Siltronic. These losses could not be set off against profits in the chemical and polysilicon sectors. Moreover, as in the past, we were cautious about capitalizing deferred taxes on loss carryforwards.

Condensed Balance Sheet

until March 31, 2009

Condensed Balance Sheet ...//

Wacker Chemie AG, Q1/2009

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Assets

€ million	Mar. 31, 2009	Mar. 31, 2008	Change in %	Dec. 31, 2008	Change in %
Intangible assets, property, plant and equipment and investment property	2,779.1	2,275.3	22.1	2,687.9	3.4
Investment in associates	175.7	179.3	-2.0	191.8	-8.4
Other non-current assets	278.4	121.1	>100	281.3	-1.0
Non-current assets	3,233.2	2,575.7	25.5	3,161.0	2.3
Inventories	495.9	477.9	3.8	504.9	-1.8
Trade receivables	431.9	540.5	-20.1	466.8	-7.5
Other current assets	544.1	632.7	-14.0	492.4	10.5
Current assets	1,471.9	1,651.1	-10.9	1,464.1	0.5
Total assets	4,705.1	4,226.8	11.3	4,625.1	1.7

Liabilities and Equity

€ million	Mar. 31, 2009	Mar. 31, 2008	Change in %	Dec. 31, 2008	Change in %
Equity	2,106.1	1,908.6	10.3	2,082.8	1.1
Long-term provisions	644.8	625.2	3.1	637.1	1.2
Financial liabilities	161.0	151.0	6.6	158.7	1.4
Other liabilities	962.7	771.6	24.8	907.1	6.1
thereof prepayments received	798.1	680.1	17.4	761.8	4.8
Non-current liabilities	1,768.5	1,547.8	14.3	1,702.9	3.9
Financial liabilities	122.9	99.2	23.9	113.7	8.1
Trade liabilities	260.5	276.9	-5.9	296.7	-12.2
Other current provisions and liabilities	447.1	394.3	13.4	429.0	4.2
Current liabilities	830.5	770.4	7.8	839.4	-1.1
Liabilities	2,599.0	2,318.2	12.1	2,542.3	2.2
Total liabilities and equity	4,705.1	4,226.8	11.3	4,625.1	1.7

Compared to year-end 2008, total assets rose €80.0 million as of March 31, 2009. This has mainly impacted non-current assets, which grew by €72.2 million compared to December 31, 2008. Intangible assets, property, plant and equipment, and investment property increased €91.2 million to €2.78 billion. Investments in joint ventures and associates accounted for using the equity method decreased by €16.1 million while other non-current assets decreased by €2.9 million.

After taking investments of €176.8 million, amortization and depreciation of €99.6 million and other changes into account, intangible assets, property, plant and equipment, and investment property increased by €91.2 million or 3.4 percent compared to December 31, 2008.

Investments in joint ventures and associates accounted for using the equity method declined due to the Group's share of start-up losses at our joint ventures in China and Singapore. The balance of other non-current assets decreased slightly – material changes resulted from lower market values of derivative financial instruments, as well as higher deferred VAT for non-current prepayments.

Current assets rose €7.8 million to €1.47 billion compared to December 31, 2008. Inventories decreased by 1.8 percent or €9.0 million to €495.9 million. The decrease in trade receivables was more distinct. They fell 7.5 percent or €34.9 million to €431.9 million.

Other current assets increased 10.5 percent or €51.7 million to €544.1 million, of which €384.6 million were cash and cash equivalents. The increase in other current assets apart from higher cash and cash equivalents was mainly due to higher accruals and deferrals.

Compared to December 31, 2008, equity rose €23.3 million to €2.11 billion. This was mainly the result of two effects. On the one hand, the result for the period contributed €5.5 million to equity. On the other, balance sheet items (currency-translation differences and changes in market value for hedge accounting that are reported in equity) added €17.8 million to equity.

Non-current liabilities grew 3.9 percent or €65.6 million to €1.77 billion. Notable changes stemmed from an increase in other non-current liabilities from €55.6 million to €962.7 million. Non-current prepayments received increased by €36.3 million. Non-current financial liabilities were almost stable.

Compared to December 31, 2008, current liabilities decreased by 1.1 percent or €8.9 million to €830.5 million. The reduction mainly stemmed from trade liabilities. These declined compared to the previous year by €36.2 million to €260.5 million. Other provisions and liabilities increased by €18.1 million to €447.1 million. Here – among other factors – higher negative market values for derivative financial instruments and prepayments received had an impact.

Current financial liabilities increased by €9.2 million to €122.9 million. Overall financial liabilities amounted to €283.9 million and were thus €11.5 million higher than on December 31, 2008. Netting cash and cash equivalents against financial liabilities produced a net surplus of €100.7 million. This represents an increase of €67.8 million compared to year end 2008 (€32.9 million).

Condensed Statement of Cash Flows

January 1 until March 31, 2009

Condensed Statement of Cash Flows ...//

Wacker Chemie AG, Q1/2009

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Condensed Statement of Cash Flows

€ million	Q1 2009	Q1 2008	Change in %
Result for the period	5.5	130.6	- 95.8
Depreciation and amortization	99.6	92.4	7.8
Changes in inventories	8.9	- 54.2	n.a.
Changes in trade receivables	30.4	- 38.3	n.a.
Changes in other assets	24.3	- 25.4	n.a.
Change in advance payments made and received	67.9	86.8	- 21.8
Other non-cash expenses and income	4.6	127.1	- 96.4
Cash flow from operating activities (gross cash flow)	241.2	319.0	- 24.4
Investments in acquisitions	0.0	- 173.4	- 100.0
Other payments for investments	- 170.3	- 148.9	14.4
Cashflow from non-current investment activity	- 170.3	- 322.3	- 47.2
Disposal of current securities	25.5	0.0	n.a.
Cash flow from investing activities	- 144.8	- 322.3	- 55.1
Capital contributions from minority interests	0.0	2.4	- 100.0
Dividends paid on prior year's result	0.0	- 0.2	- 100.0
Changes in financial liabilities	6.5	38.6	- 83.2
Cash flow from financing activities	6.5	40.8	- 84.1
Changes due to exchange rate fluctuations	1.9	- 1.0	n.a.
Changes in cash and cash equivalents	104.8	36.5	> 100
At the beginning of the year	204.2	366.5	- 44.3
At the end of the period	309.0	403.0	- 23.3
Additional information:			
Cash flow from operating activities (gross cash flow)	241.2	319.0	- 24.4
Cash flow from non-current investing activities	- 170.3	- 322.3	- 47.2
Net cash flow	70.9	- 3.3	n.a.

Cash flow from operating activities amounted to €241.2 million, down from the previous year's level of €319.0 million. This €77.8 million decrease was mainly due to the lower result for the period and the decline in other balance sheet items. The latter were mainly affected by changes in other liabilities of €126.1 million (exclusive of effects from prepayments received). Moreover, provisions, especially provisions for taxes, rose at a considerably lower rate than during the same period last year. As a result, cash flow was €32.9 million lower than the previous year. In contrast, other non-cash gains and losses increased by €18.2 million.

A reduction in inventory and trade receivables had positive effects on cash flow from operating activities. Reductions in inventories pushed up cash flow by €63.1 million against the previous year. The increase resulting from lower trade receivables amounted to €68.7 million. Other assets also had a positive effect on cash flow since tax receivables were much lower.

Cash flow from investing activities declined by as much as €152 million to €170.3 million year-on-year. A major reason for the lower cash outflow was last year's payment for the APP and WPS shares acquired. This payment was netted with incoming cash and cash equivalents from these companies, which were consolidated for the first time. Cash and cash equivalents amounted to €173.4 million. Investments in property, plant and equipment, and intangible and financial assets increased by €17.1 million to €171.2 million compared to Q1 2008.

The government bonds acquired in Q4 2008 were reduced by €25.5 million, which led to positive cash flow from short-term investments.

Accordingly, first-quarter net cash flow (defined as the sum of cash flow from operating activities and cash flow from non-current investment activities) was €70.9 million compared to €-3.3 million in the prior year.

Cash flow from financing activities was primarily affected by higher financial liabilities. Excluding currency-related changes, the cash flow increase was €31.9 million. In contrast, financial liabilities relating to equity companies declined by €25.4 million. Overall, cash and cash equivalents increased by €104.8 million compared to December 31, 2008.

Business Division Results

Q1 2009

Business Division Results ...//

Wacker Chemie AG, Q1/2009

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Sales Revenue

€ million	Q1 2009	Q1 2008	Change in %
WACKER SILICONES	264.9	360.3	-26.5
WACKER POLYMERS	172.3	198.5	-13.2
WACKER FINE CHEMICALS	21.6	27.7	-22.0
WACKER POLYSILICON	315.0	155.9	>100
SILTRONIC	126.0	346.1	-63.6
Other	53.1	68.4	-22.4
Consolidation	-80.4	-137.4	-41.5
Group sales	872.5	1,019.5	-14.4

EBIT

€ million	Q1 2009	Q1 2008	Change in %
WACKER SILICONES	5.5	45.1	-87.8
WACKER POLYMERS	12.7	23.6	-46.2
WACKER FINE CHEMICALS	1.0	2.4	-58.3
WACKER POLYSILICON	146.5	57.2	>100
SILTRONIC	-94.5	80.2	n.a.
Other	-9.9	-8.3	19.3
Consolidation	-3.1	-1.5	>100
Group EBIT	58.2	198.7	-70.7

EBITDA

€ million	Q1 2009	Q1 2008	Change in %
WACKER SILICONES	27.7	64.8	-57.3
WACKER POLYMERS	21.5	38.1	-43.6
WACKER FINE CHEMICALS	1.9	3.2	-40.6
WACKER POLYSILICON	168.1	71.3	>100
SILTRONIC	-60.0	114.0	n.a.
Other	1.7	1.2	41.7
Consolidation	-3.1	-1.5	>100
Group EBITDA	157.8	291.1	-45.8

WACKER SILICONES

Q1 2009

Business Division Results ...// WACKER SILICONES

Wacker Chemie AG, Q1/2009

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€ million	Q1 2009	Q1 2008	Change in %
Sales			
External sales	260.4	342.9	- 24.1
Internal sales	4.5	17.4	- 74.1
Total sales	264.9	360.3	- 26.5
EBIT	5.5	45.1	- 87.8
EBIT margin	2.1 %	12.5 %	- 83.4
Depreciation	22.2	19.7	12.7
EBITDA	27.7	64.8	- 57.3
EBITDA margin	10.5 %	18.0 %	- 41.9
Investments	13.1	16.7	- 21.6
As of	Mar. 31, 2009	Dec. 31, 2008	
Number of employees	3,893	3,927	- 0.9

In Q1 2009, WACKER SILICONES generated sales of €264.9 million (Q1 2008: €360.3m). The sales trend was marked by a substantial decline in sales volumes, particularly in the construction, automotive and textile industries. By contrast, sales in power transmission and distribution, and medical technology, developed better. Sales for all regions were between 10 and 30 percent lower year-on-year.

WACKER SILICONES posted an EBITDA of €27.7 million for January to March 2009 (Q1 2008: €64.8m), thus achieving an EBITDA margin of 10.5 percent (Q1 2008: 18 percent). The year-on-year earnings drop resulted almost entirely from lower sales volumes. Favorable exchange rates and lower personnel costs had a positive effect on earnings. In response to weak demand, primarily in the hard-hit construction and automotive industries, WACKER SILICONES is scaling back production capacity. Furthermore, short-time work has been introduced at German sites.

After completing the first expansion stage of our Zhangjiagang pyrogenic silica and siloxane production facilities in Q4 2008, we continued to focus investments on this Chinese site in the reporting period. The investment volume from January through March 2009 amounted to €13.1 million (Q1 2008: €16.7m).

WACKER SILICONES had 3,893 employees on March 31, 2009 (Dec. 31, 2008: 3,927).

WACKER POLYMERS

Q1 2009

Business Division Results ...// WACKER POLYMERS

Wacker Chemie AG, Q1/2009

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€ million	Q1 2009	Q1 2008	Change in %
Sales			
External sales	170.8	195.5	- 12.6
Internal sales	1.5	3.0	- 50.0
Total sales	172.3	198.5	- 13.2
EBIT	12.7	23.6	- 46.2
EBIT margin	7.4 %	11.9 %	- 38.0
Depreciation	8.8	14.5	- 39.3
EBITDA	21.5	38.1	- 43.6
EBITDA margin	12.5 %	19.2 %	- 35.0
Investments	11.0	12.2	- 9.8
As of	Mar. 31, 2009	Dec. 31, 2008	
Number of employees	1,548	1,579	- 2.0

Global construction-sector weakness and the seasonal effects of Europe's severe winter took a considerable toll on WACKER POLYMERS' sales. At €172.3 million, total first-quarter sales dropped 13 percent compared to the same period last year (2008: €198.5m). Adjusted for the integration of Air Products Polymers' dispersion business, the decline amounted to 22 percent. In light of the global economic and financial crisis, construction projects are being postponed in many countries because financing is not secured. It remains to be seen just how the world's economic stimulus programs will affect the construction industry. With demand being low for dispersions and dispersible polymer powders, prices are sinking. Production capacity utilization is significantly below that of the previous year. Sales are declining in all regions.

The division's Q1 2009 EBITDA was €21.5 million (Q1 2008: €38.1m), resulting in an EBITDA margin of 12.5 percent (2008: 19.2 percent). The earnings drop against Q1 2008 was primarily caused by declining sales volumes and price pressure. In contrast, lower raw-material costs and more favorable exchange rates positively affected the result. Measures to optimize production efficiency are also having a beneficial effect.

To counter the current economic crisis and weak demand, WACKER POLYMERS has introduced various measures. Certain plants in Germany and abroad, for example, have been temporarily idled (depending on order levels). Ramp up of the new production facilities in Nanjing (China) has been postponed for several months. In Q1 2009, the investment volume dropped to €11.0 million (Q1 2008: €12.2m).

WACKER POLYMERS had 1,548 employees on March 31, 2009 (Dec. 31, 2008: 1,579).

WACKER FINE CHEMICALS

Q1 2009

Business Division Results ...// WACKER FINE CHEMICALS

Wacker Chemie AG, Q1/2009

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€ million	Q1 2009	Q1 2008	Change in %
Sales			
External sales	20.6	25.9	- 20.5
Internal sales	1.0	1.8	- 44.4
Total sales	21.6	27.7	- 22.0
EBIT	1.0	2.4	- 58.3
EBIT margin	4.6 %	8.7 %	- 46.6
Depreciation	0.9	0.8	12.5
EBITDA	1.9	3.2	- 40.6
EBITDA margin	8.8 %	11.6 %	- 23.9
Investments	3.5	1.9	84.2
As of	Mar. 31, 2009	Dec. 31, 2008	
Number of employees	258	259	- 0.4

WACKER FINE CHEMICALS generated total sales of €21.6 million in Q1 2009, 22 percent less year-on-year (Q1 2008: €27.7m). The decrease stems from the discontinuation of certain catalog products during the consolidation of fine chemical activities. Furthermore, acetylacetone sales to the construction and automotive sectors fell significantly against the previous year.

The division's earnings performance presents a similar picture. With EBITDA at €1.9 million for January to March 2009 (Q1 2008: €3.2m), the division achieved an EBITDA margin of 8.8 percent (Q1 2008: 11.6 percent).

WACKER FINE CHEMICALS' biotech products, such as cyclodextrins and cysteine, performed particularly well. The same was true for pharmaceutical proteins, thanks to rising sales volumes. Production-capacity utilization was high in both product segments.

To cover strong demand for ESETEC® (our secretion technology based on E. coli bacteria), Wacker Biotech GmbH opened a new process development building for the production of pharmaceutical proteins at Jena in March 2009. The new unit has already started shipping to some customers. During the January to March reporting period, the division invested €3.5 million (Q1 2008: €1.9m).

WACKER FINE CHEMICALS had 258 employees on March 31, 2009 (Dec. 31, 2008: 259).

WACKER POLYSILICON

Q1 2009

Business Division Results ...// WACKER POLYSILICON

Wacker Chemie AG, Q1/2009

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€ million	Q1 2009	Q1 2008	Change in %
Sales			
External sales	279.9	95.2	> 100
Internal sales	35.1	60.7	- 42.2
Total sales	315.0	155.9	> 100
EBIT	146.5	57.2	> 100
EBIT margin	46.5 %	36.7 %	26.8
Depreciation	21.6	14.1	53.2
EBITDA	168.1	71.3	> 100
EBITDA margin	53.4 %	45.7 %	16.7
Investments	113.9	77.7	46.6
As of	Mar. 31, 2009	Dec. 31, 2008	
Number of employees	1,377	1,289	6.8

In Q1 2009, WACKER POLYSILICON continued to profit from the strong and sustained demand for polysilicon. Total January-March sales doubled to €315.0 million (Q1 2008: €155.9m). In fact, first-quarter sales even clearly outperformed the strong Q4 2008 figure of €239.1 million. WACKER POLYSILICON has thus become the largest sales and earnings contributor within the WACKER Group.

Sales growth was chiefly fueled by large production capacity additions at Burghausen. An additional growth factor was the high demand for road salt due to the very snowy winter.

Turning to EBITDA, it even outstripped first-quarter sales growth, climbing to €168.1 million – up 136 percent year-on-year (Q1 2008: €71.3m). At 53.4 percent (Q1 2008: 45.7 percent), the EBITDA margin remains at the same high level as in previous quarters. Growth was driven by higher sales volumes, as well as by positive price and product-mix effects. Any surplus polysilicon that Siltronic did not take was sold at favorable conditions on the spot market. Polysilicon production continues to run at full capacity.

Expansion of polysilicon production capacity at Burghausen (Poly 8) and Nünchritz (Poly 9) continues on schedule. Q1 2009's investments amounted to €113.9 million (Q1 2008: €77.7m) and focused on these two projects. The expansion program's ultimate target is to increase nominal capacity to over 35,000 metric tons per year from the current level of 15,000 metric tons.

In the medium term, WACKER plans to build a new integrated production site for hyper-pure crystalline polysilicon outside of the eurozone. The site will enable us to meet expected future demand growth and will support our market position. For this purpose, we purchased a 550-acre (220-hectare) parcel of land in the state of Tennessee (USA) in Q1 2009. The purchase price was almost \$20 million.

WACKER POLYSILICON had 1,377 employees on March 31, 2009 (Dec. 31, 2008: 1,289).

SILTRONIC

Q1 2009

Business Division Results ...// SILTRONIC

Wacker Chemie AG, Q1/2009

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€ million	Q1 2009	Q1 2008	Change in %
Sales			
External sales	125.4	345.1	- 63.7
Internal sales	0.6	1.0	- 40.0
Total sales	126.0	346.1	- 63.6
EBIT	- 94.5	80.2	n.a.
EBIT margin	- 75.0 %	23.2 %	n.a.
Depreciation	34.5	33.8	2.1
EBITDA	- 60.0	114.0	n.a.
EBITDA margin	- 47.6 %	32.9 %	n.a.
Investments	20.5	19.6	4.6
As of	Mar. 31, 2009	Dec. 31, 2008	
Number of employees	5,380	5,469	- 1.6

At Siltronic, the negative business trend marking the last few months of 2008 grew considerably worse during Q1 2009. Sales only reached €126.0 million in the reporting period. They were down 64 percent year-on-year (Q1 2008: €346.1m) and were also below the Q4 2008 level of €303.6 million. In Q1 2009, demand for all silicon-wafer diameters was extremely weak in every region. As a result, sales volumes fell significantly and market prices plunged. First-quarter plant capacity utilization was over 50 percent below last year's level. The current market crisis also weighed heavily on sales of silicon monocrystalline ingots (produced for the solar industry and equipment industry). Market pressures were reflected not only in volumes, but also in spot-market prices.

Due to hedging transactions, we were not able to use favorable exchange rates to compensate for the highly tense situation on global semiconductor markets. As a result, Siltronic posted first-quarter EBITDA of €-60.0 million (Q1 2008: €114.0m). The EBITDA margin dropped accordingly from 32.9 percent in Q1 2008 to -47.6 percent in Q1 2009. Siltronic's earnings were influenced positively by contractual payments of €23.1 million received for canceled polysilicon delivery quantities. WACKER POLYSILICON sold these surplus quantities primarily to the spot market.

To counteract the negative earnings situation, Siltronic implemented an extensive package of measures to reduce personnel expenses. These included introducing short-time work at sites in Germany and not renewing limited-term employment contracts. Siltronic has also terminated employment agreements with temporary workers. Additionally, Siltronic employees are being redeployed to other WACKER divisions, chiefly WACKER POLYSILICON.

Due to these measures, Siltronic was able to reduce first-quarter personnel expenses by 30 percent compared to the same period last year.

Siltronic's Q1 2009 investments amounted to €20.5 million (Q1 2008: €19.6m). The focus here was exclusively on keeping pace with technological semiconductor-sector progress – for example, the capability to manufacture wafers that accommodate semiconductor devices featuring smaller line widths.

Siltronic had 5,380 employees on March 31, 2009 (Dec. 31, 2008: 5,469).

Others

In Q1 2009, sales posted under "Other" totaled €53.1 million (Q1 2008: €68.4m). "Other" EBITDA from January through March 2009 amounted to €1.7 million (Q1 2008: €1.2m).

Outlook and Forecast

Overview of Performance Expectations

WACKER is adjusting to a global economic downturn in 2009. Today, it's not clear whether the world economy will return to a growth trajectory in 2010. Given the cyclical uncertainties, we cannot make a reliable and quantifiable forecast for 2009 at this time. Currently, we expect WACKER's full year sales and operating result to decline considerably.

Despite the difficult global environment, we do see growth potential, especially at WACKER POLYSILICON, which is profiting from plant and product-line expansions. At our other three large divisions, however, business will be tougher. According to our estimates, our silicon-wafer business will perform particularly weakly, not least because of the price declines for 300 mm wafers. Presently, no reliable forecast is possible for WACKER SILICONES or WACKER POLYMERS.

As already mentioned, we took steps at an early stage to counter the pressures of the global financial and economic crisis. For example, we cut budgets, introduced short-time work and other measures to lower personnel expenses, placed restraints on hiring, modified our investment plans and secured our operational financing. We anticipate additional positive effects in 2009 from lower raw-material and energy costs, which we estimate will be below last year's level.

Investments in Strategic Growth Projects

Parallel to our cost-cutting effort, we are focusing investments on strategic growth projects. Given the difficult climate, though, this year's investments will not be as high as last year's and will be aligned with economic developments. Currently, we expect full-year 2009 investments to total some €800 million. Most of this amount has been earmarked for our projects at WACKER POLYSILICON, where we will focus on bringing new production capacity on stream over the next two years.

Starting Up Additional Production Plants

Site	Project / Product	New Capacity	Planned Commissioning
Nanjing (China)	Dispersible polymer powder	30,000 t/a	2009
Burghausen (Germany)	Polysilicon expansion stage 8	10,000 t/a	2009
Burghausen (Germany)	Polysilicon expansion stage 5	650 t/a	2009
Jena (Germany)	Expansion of biologics production facility	–	2009
Zhangjiagang (China)	Siloxane and pyrogenic silica	200,000 t/a (WACKER share: 25 and 51%, respectively)	2010
Nünchritz (Germany)	Polysilicon expansion stage 9	10,000 t/a	2011

A further decision was to purchase 550 acres of land (220 hectares) in the US State of Tennessee. This move is an initial step toward developing another integrated production site for hyperpure crystalline polysilicon – for the first time outside of the eurozone.

We will continue to focus our efforts on improving productivity at existing plants in the years ahead. In addition to our Wacker Operating System (WOS) program, we have set up an academy to train employees to systematically apply productivity-enhancing methods.

To secure and bolster operational financing, WACKER prolonged a €300 million syndicated credit facility in 2008 by another year to 2013. In Q1 2009, the Group also secured new three-year credit lines, totaling almost €200 million. On top of this, we are in the process of negotiating a project financing agreement for the construction of polysilicon production facilities at our Nünchritz site.

On the procurement side, raw-material spending dropped noticeably year-on-year to €157 million (Q1 2008: €198m). The chief factor here was a decrease in production volumes, falling prices overall played a minor role. Ethylene, for example, was some 40 percent below Q1 2008's price level. As for methanol, the decrease was over 60 percent. In contrast, silicon metal was more expensive, rising 24 percent. Similarly, natural gas and electricity prices were significantly higher year-on-year. We expect ethylene and methanol to gradually become more expensive during the rest of the year.

Over the next two years, we will keep our R&D focus firmly on priorities in our five research groups: Catalysis & Processes, Functional Materials, Polymers, Organic Synthesis, and Biotechnology. R&D expenses should be slightly above the prior-year figure in both 2009 and 2010.

In 2009, we will hire new employees and use contract workers only as needed. Recruiting young talent will continue to be a high Group priority. We expect employee numbers to be slightly below the prior-year figure.

Regardless of today's adverse global economic climate, WACKER has the strengths needed to ensure our long-term success in the years ahead. So, at the moment, we are not planning any major changes to business policies and organizational structures. WACKER's business activities, we assume, will continue the trend of past years and become ever more international. Our production, sales and service networks will continue to expand.

In the long term, we believe that key megatrends will remain strong, enabling us to sustainably profit from them. Take energy, for example. We have a whole series of products to serve this megatrend. As in the past, the largest growth opportunities here arise from the manufacture of solar-grade polysilicon. As for the digitization megatrend, our silicon wafers for the semiconductor industry will enable us to benefit from further growth. In view of our strong regional presence in Asia's growth markets and in emerging countries elsewhere, we can offer a whole range of products and solutions that are ideal for boosting living standards in these regions.

We are optimistic about WACKER's future despite the current cyclical decline in demand. Once the global economy has come out of recession, we intend to return to our well-defined growth path.

The Executive Board

Munich, April 30, 2009

Condensed Interim Financial Statements

January 1 until March 31, 2009

Condensed Interim Financial Statements ...//

Wacker Chemie AG, Q1/2009

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Income Statement

€ million	Q1 2009	Q1 2008	Change in %
Sales	872.5	1,019.5	- 14.4
Cost of goods sold	- 656.0	- 700.6	- 6.4
Gross profit from sales	216.5	318.9	- 32.1
Selling expenses	- 58.1	- 59.8	- 2.8
Research and development expenses	- 37.7	- 38.3	- 1.6
General administrative expenses	- 20.1	- 26.0	- 22.7
Other operating income	58.6	73.3	- 20.1
Other operating expenses	- 77.8	- 59.1	31.6
Operating result	81.4	209.0	- 61.1
Income from investments in joint ventures and associates	- 23.2	- 10.3	> 100
EBIT (earnings before interest and taxes)	58.2	198.7	- 70.7
Interest result	0.5	2.3	- 78.3
Other financial result	- 7.6	- 2.2	> 100
Limited partnership interests	0.0	- 0.9	- 100.0
Income before taxes	51.1	197.9	- 74.2
Income taxes	- 45.6	- 67.3	- 32.2
Result for the period	5.5	130.6	- 95.8
of which			
attributable to Wacker Chemie AG shareholders	8.3	130.6	- 93.6
accounted for by minority interests	- 2.8	0.0	n.a.
Earnings per share in € (basic/diluted)	0.17	2.63	- 93.6
Average number of shares outstanding (weighted)	49,677,983	49,677,983	0.0

Statement of Comprehensive Income

January 1 until March 31, 2009

Statement of Comprehensive Income ...//

Wacker Chemie AG, Q1/2009

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Statement of Comprehensive Income

€ million	2009		2008	
	Before taxes	Deferred taxes	Before taxes	Deferred taxes
Result for the period		5.5		130.6
Change in foreign currency translation adjustments	21.1	0.0	21.1	-23.0
Cash flow hedge	-7.0	-1.2	-8.2	15.0
thereof included in profit and loss	17.2	-1.2	16.0	-10.8
Pro rata cash flow hedge at companies accounted for using the equity method	4.5	0.0	4.5	0.8
Minority interests	0.4	0.0	0.4	-0.7
Total income and expenses recognized in equity	19.0	-1.2	17.8	-7.9
Total income and expenses		23.3		125.5
of which				
attributable to Wacker Chemie AG shareholders			25.7	126.2
accounted for by minority interests			-2.4	-0.7

Balance Sheet

Q1 2009

Balance Sheet ...//

Wacker Chemie AG, Q1/2009

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Assets

€ million	Mar. 31, 2009	Mar. 31, 2008	Change in %	Dec. 31, 2008	Change in %
Intangible assets	23.9	9.9	>100	24.7	- 3.2
Property, plant and equipment, and investment property	2,755.2	2,265.4	21.6	2,663.2	3.5
Investment in associates	175.7	179.3	- 2.0	191.8	- 8.4
Financial assets	72.8	8.5	>100	72.0	1.1
Other assets	176.8	95.7	84.7	178.1	- 0.7
Deferred taxes	28.8	16.9	70.4	31.2	- 7.7
Non-current assets	3,233.2	2,575.7	25.5	3,161.0	2.3
Inventories	495.9	477.9	3.8	504.9	- 1.8
Trade receivables	431.9	540.5	- 20.1	466.8	- 7.5
Other assets	159.5	229.7	- 30.6	187.1	- 14.8
Cash and cash equivalents	384.6	403.0	- 4.6	305.3	26.0
Current assets	1,471.9	1,651.1	- 10.9	1,464.1	0.5
Total assets	4,705.1	4,226.8	11.3	4,625.1	1.7

Liabilities and Equity

€ million	Mar. 31, 2009	Mar. 31, 2008	Change in %	Dec. 31, 2008	Change in %
Subscribed capital	260.8	260.8	0.0	260.8	0.0
Capital reserves	157.4	157.4	0.0	157.4	0.0
Treasury shares	- 45.1	- 45.1	0.0	- 45.1	0.0
Other equity	1,721.0	1,520.5	13.2	1,695.3	1.5
Minority interests	12.0	15.0	- 20.0	14.4	- 16.7
Equity	2,106.1	1,908.6	10.3	2,082.8	1.1
Provisions for pensions	382.5	374.4	2.2	376.1	1.7
Other provisions	262.3	250.8	4.6	261.0	0.5
Deferred taxes	47.2	53.3	- 11.4	51.5	- 8.3
Financial liabilities	161.0	151.0	6.6	158.7	1.4
Other liabilities	915.5	718.3	27.5	855.6	7.0
Non-current liabilities	1,768.5	1,547.8	14.3	1,702.9	3.9
Other provisions	78.3	62.6	25.1	82.4	- 5.0
Financial liabilities	122.9	99.2	23.9	113.7	8.1
Trade liabilities	260.5	276.9	- 5.9	296.7	- 12.2
Other liabilities	368.8	331.7	11.2	346.6	6.4
Current liabilities	830.5	770.4	7.8	839.4	- 1.1
Liabilities	2,599.0	2,318.2	12.1	2,542.3	2.2
Total liabilities and equity	4,705.1	4,226.8	11.3	4,625.1	1.7

Statement of Cash Flows

January 1 until March 31, 2009

Statement of Cash Flows ...//

Wacker Chemie AG, Q1/2009

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Statement of Cash Flows

€ million	Q1 2009	Q1 2008	Change in %
Result for the period	5.5	130.6	- 95.8
Depreciation and amortization	99.6	92.4	7.8
Changes in provisions	3.3	36.2	- 90.9
Changes in deferred taxes	1.8	- 2.6	n.a.
Changes in inventories	8.9	- 54.2	n.a.
Changes in trade receivables	30.4	- 38.3	n.a.
Changes in other assets	24.3	- 25.4	n.a.
Change in advance payments made and received	67.9	86.8	- 21.8
Changes in other liabilities	- 29.0	97.1	n.a.
Other non-cash expenses and income	28.5	- 3.6	n.a.
Cash flow from operating activities (gross cash flow)	241.2	319.0	- 24.4
Payments related to intangibles and property, plant and equipment	- 171.2	- 154.1	11.1
Proceeds from disposal of intangibles and property, plant and equipment	0.9	5.2	- 82.7
Investments in acquisitions	0.0	- 173.4	- 100.0
Cash flow from non-current investment activity	- 170.3	- 322.3	- 47.2
Disposal of current securities	25.5	0.0	n.a.
Cash flow from investment activity	- 144.8	- 322.3	- 55.1
Capital contributions from minority interests	0.0	2.4	- 100.0
Dividends paid on prior year's result	0.0	- 0.2	- 100.0
Changes in financial liabilities	6.5	38.6	- 83.2
Cash flow from financing activities	6.5	40.8	- 84.1
Changes due to exchange rate fluctuation	1.9	- 1.0	n.a.
Changes in cash and cash equivalents	104.8	36.5	> 100
At the beginning of the year	204.2	366.5	- 44.3
At the end of period	309.0	403.0	- 23.3
Additional information:			
Cash flow from operating activities (gross cash flow)	241.2	319.0	- 24.4
Cash flow from non-current investment activity	- 170.3	- 322.3	- 47.2
Net cash flow	70.9	- 3.3	n.a.

Statement of Changes in Equity / Reconciliation of Other Equity Items

January 1 until March 31, 2009

Statement of Changes in Equity ...// Reconciliation of Other Equity Items

Wacker Chemie AG, Q1/2009

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Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	Treasury shares	Retained earnings / Net income	Other equity item	Total	Minority interests	Total
As per 01.01.2008	260.8	157.4	- 45.1	1,541.3	- 64.1	1,850.3	15.3	1,865.6
Result for the period	-	-	-	130.6	-	130.6	-	130.6
Income and expenses recognized in equity	-	-	-	-	- 4.4	- 4.4	- 0.7	- 5.1
Total	-	-	-	130.6	- 4.4	126.2	- 0.7	125.5
Dividends paid	-	-	-	-	-	-	- 0.2	- 0.2
Capital contributions	-	-	-	-	-	-	2.4	2.4
Scope of consolidation/other	-	-	-	- 82.9	-	- 82.9	- 1.8	- 84.7
As per 31.03.2008	260.8	157.4	- 45.1	1,589.0	- 68.5	1,893.6	15.0	1,908.6
As per 01.01.2009	260.8	157.4	- 45.1	1,751.9	- 56.6	2,068.4	14.4	2,082.8
Result for the period	-	-	-	8.3	-	8.3	- 2.8	5.5
Income and expenses recognized in equity	-	-	-	-	17.4	17.4	0.4	17.8
Total	-	-	-	8.3	17.4	25.7	- 2.4	23.3
As per 31.03.2009	260.8	157.4	- 45.1	1,760.2	- 39.2	2,094.1	12.0	2,106.1

Reconciliation of Other Equity Items

€ million	Change in the fair value of securities available for sale	Change in foreign currency adjustments	Cash flow hedge	Total
As per 01.01.2008	0.0	- 93.7	29.6	- 64.1
Changes	0.0	- 23.0	18.6	- 4.4
As per 31.03.2008	0.0	- 116.7	48.2	- 68.5
As per 01.01.2009	0.6	- 44.1	- 13.1	- 56.6
Changes	0.0	21.1	- 3.7	17.4
As per 31.03.2009	0.6	- 23.0	- 16.8	- 39.2

Accounting and Valuation Methods

The Group interim financial statements of Wacker Chemie AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union. The same standards were used for the Group's most recent annual financial statements, apart from the exception stated below.

In Q1 2009, the revised version of IAS 23: "Borrowing Costs" was applied for the first time. The revised standard prescribes the capitalization of borrowing costs in conjunction with the accrual of certain asset additions. IAS 23 does not provide for retroactive application, therefore no interest was capitalized for the previous year nor was the previous year adjusted for accruals of the affected "qualified" assets. 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, thereby impacting EBIT.

Segment Reporting

Please refer to the interim management report for information required on segment reporting.

Exchange Rates

During the reporting period and the previous year, the following EUR / USD exchange rates were used for calculating foreign currency positions and for the financial statements of companies whose functional currency is the USD:

€ million	Due date rate		Average rate	
	Mar. 31, 2009	Mar. 31, 2008	Q1 2009	Q1 2008
US dollar	1.33	1.58	1.30	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.

Events after the Balance Sheet Date

There were no material events after the balance sheet date.

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, April 30, 2009

Wacker Chemie AG

Rudolf Staudigl

Wilhelm Sittenthaler

Joachim Rauhut

Auguste Willems

Upcoming Dates

Annual Shareholders' Meeting
on May 8, 2009, ICM, Munich

Capital Market Day
on September 17, 2009, London

The 2nd Quarter Report 2009 is scheduled for publication
on July 30, 2009.

The 3rd Quarter Report 2009 is scheduled for publication
on November 5, 2009.


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This report contains forward-looking statements based on assumptions and estimates of WACKER's Executive Board. Although we assume the expectations in these forward-looking statements are realistic, we cannot guarantee they will prove to be correct. The assumptions may harbor risks and uncertainties that may cause the actual figures to differ considerably from the forward-looking statements. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, variations in exchange and interest rates, the introduction of competing products, lack of acceptance for new products or services, and changes in corporate strategy. WACKER does not plan to update the forward-looking statements, nor does it assume the obligation to do so.



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