REPORT ON THE 1ST QUARTER 2006

JANUARY – MARCH 2006

CREATING TOMORROW'S SOLUTIONS

WACKER AT A GLANCE

€ million	Q1 2006	Q1 2005	Change in %
Sales	798.5	608.2	31
EBITDA [1]	183.6	92.0	100
EBITDA margin [2]	23.0 %	15.1 %	52
EBIT [3]	105.7	9.2	> 100
EBIT margin [2]	13.2 %	1.5 %	> 100
Financial result	– 11.0	– 14.2	– 23
Pre-tax result	94.7	– 5.0	n. a.
Net profit/loss	66.2	– 20.3	n. a.
Net profit/loss per share in €	1.49	– 0.39	n. a.
Investment in intangibles and property, plant and equipment	75.0	59.6	26
Net cash flow	22.7	– 93.8	n. a.

€ million	Mar. 31, 2006	Mar. 31, 2005	Dec. 31, 2005
Equity	930.7	893.7	934.4
Financial liabilities	990.6	1,019.0	946.2
Provisions for pensions	355.3	342.9	352.1
Net financial debt	954.1	994.0	911.5
Total assets	3,019.8	2,900.2	2,922.9
Employees (number at end of period)	14,520	14,494	14,434

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 period before interest and other financial results, limited partnership interests and income tax.

REPORT ON THE 1ST QUARTER 2006

- EBITDA more than doubles to € 183.6 million
- At € 798.5 million, Group sales rise € 190 million year on year
- Earnings per share increase markedly to € 1.49
- For 2006, sales growth above prior year rate and EBITDA between € 640 and 680 million expected

Dear Shareholders,

Against the backdrop of a robust global economy and the ongoing German chemical sector upturn, WACKER increased Q1 2006 sales compared to the prior year figure. Earnings grew even faster than sales, despite higher raw material and energy costs, helped by a strengthening US dollar.

Economic Environment Remains Robust

According to the OECD[1], the global economy has regained its footing after a somewhat weaker Q4 2005 performance. In the G7 countries, Q1 2006 GDP growth increased by 0.8 percent compared to Q4 2005, accelerating quarter-on-quarter GDP growth by 0.3 percent. According to the VCI (German Chemical Industry Association)[2], the German chemical industry got off to a good start in 2006. The association expects that the German chemical sector upturn will continue – at least during the first half of 2006. SEMI Silicon Manufacturers Group (SMG) states in its quarterly analysis of the silicon wafer industry, that total silicon wafer area shipments in the first quarter 2006 were about 29 percent above last year's first quarter shipments.

Substantial Sales Gains Compared to the Prior Year Quarter

Under these favorable conditions, the WACKER Group generated sales of € 798.5 million in Q1 2006, a year-on-year rise of 31 percent (Q1 2005: € 608.2 million). All business divisions clearly surpassed their prior year sales figures. The sales gains stemmed mainly from higher sales volumes and product-mix effects (+ 29 percent). Price changes (– 3 percent), which mainly originated at Siltronic, were more than matched by positive exchange rate changes (+ 5 percent).

The semiconductor business contributed strongly to this growth. Siltronic's total sales from January to March 2006 rose to € 286.4 million (same period 2005: € 172.7 million) – a year-on-year increase of 66 percent. WACKER SILICONES, WACKER POLYMERS and WACKER FINE CHEMICALS all posted sales gains of over 20 percent. Ongoing capacity expansions had not yet had a noticeable effect on WACKER POLYSILICON as sales increased in this division by 7 percent to € 85.5 million (2005: € 79.7 million).

In terms of regional growth, most of the Group's sales gains were made on international markets. In Asia, Q1 2006 sales grew by 86 percent to € 217.8 million (Q1 2005: € 117 million). In China, sales more than doubled. At € 173.9 million (Q1 2005: € 135 million), sales in the Americas were also strong, rising by 29 percent. In the European markets excluding Germany, sales rose by 16 percent to € 232.5 million (Q1 2005: € 200.5 million) – with central and eastern European countries making an above average contribution. In Germany, sales in Q1 rose 10 percent to € 152.7 million (Q1 2005: € 138.2 million).

Earnings More than Doubled

Despite higher raw material and energy costs, the Group's earnings gains clearly outperformed sales growth in Q1 2006. EBITDA totaled € 183.6 million (Q1 2005: € 92.0 million) – an increase of 100 percent compared to the prior year period. In Q1 2006, EBIT rose to € 105.7 million (Q1 2005: € 9.2 million).

Semiconductor operations contributed particularly strongly to this marked improvement in earnings. Compared to a weak Q1 2005, Siltronic generated an EBITDA of € 69.3 million (Q1 2005: € 1.8 million). WACKER SILICONES and WACKER POLYMERS also posted very strong Q1 earnings. At € 64.8 million (Q1 2005: € 45.6 million), WACKER SILICONES increased its EBITDA by 42 percent. WACKER POLYMERS achieved an EBITDA increase of 35 percent to € 23.7 million (Q1 2005: € 17.6 million). At WACKER FINE CHEMICALS and WACKER POLYSILICON EBITDA also significantly exceeded prior year levels.

Operational Improvements Drive Higher Net Cash Flow

Net cash flow improved significantly in the period under review. In Q1 2006, net cash flow totaled € 22.7 million (Q1 2005: € – 93.8 million), upon strong contributions from Siltronic. In addition, prepayments by solar customers for WACKER POLYSILICON's capacity expansion contributed positively to cash flow.

Investing for Growth

Strategic growth projects drove capital expenditures 26 percent over last years Q1 level of € 75.0 (59.6) million. This number reflects two opposing developments. At Siltronic capital expenditures were down by 23 percent compared to the prior year level – resulting from the ramp-up of the Freiberg 300-mm plant which was ongoing in Q1 last year.

Both WACKER SILICONES and WACKER POLYSILICON invested significantly more than in Q1 2005 in strategic growth projects. Priorities were strategic growth projects such as the construction of production facilities for downstream silicone products at Zhangjiagang (China) and capacity expansions for the production of hyper-pure polysilicon at Burghausen (Germany).

Number of Employees Flat

On March 31, 2006, WACKER had 14,520 employees worldwide (Dec. 31, 2005: 14,434). Group employee numbers stayed constant since the end of last year.

Joint Ventures with Air Products

Joint venture partner Air Products has informed WACKER of its intention to withdraw from the joint ventures (Air Products Polymers and Wacker Polymer Systems). Based on the contractual situation, WACKER does not expect an impact on the operating business.

Earnings per Share Markedly Up Compared to Prior Year Quarter

Group result rose by € 86.5 million to € 66.2 million resulting from earnings increases across the board. Earnings per share increased significantly from € – 0.39 to € 1.49.

1 Economic outlook for OECD countries: an interim assessment. Paris, March 6, 2006.
2 Bericht zur Lage der Chemischen Industrie im 4. Quartal 2005 [Report on the status of the Chemical Industry in Q4, 2005]. Frankfurt, March 7, 2006.

CONSOLIDATED INCOME STATEMENT

€ million	Q1 2006	Q1 2005	Change in %
Sales	**798.5**	**608.2**	**31**
Costs of goods sold	– 572.4	– 478.0	20
Gross profit from sales	**226.1**	**130.2**	**74**
Selling expenses	– 54.4	– 56.3	– 3
Research and development expenses	– 36.5	– 38.7	– 6
General administration expenses	– 22.2	– 22.4	– 1
Other operating income	15.8	27.2	– 42
Other operating expenses	– 23.7	– 31.1	– 24
Operating result	**105.1**	**8.9**	**> 100**
Equity result	0.6	0.3	100
EBIT	**105.7**	**9.2**	**> 100**
Interest result	– 8.1	– 9.7	– 17
Other financial result	– 0.4	– 3.1	– 87
Limited partnership interests	– 2.5	– 1.4	79
Pre-tax result	**94.7**	**– 5.0**	**n. a.**
Income tax	– 28.4	– 15.1	88
Net profit/loss	**66.3**	**– 20.1**	**n. a.**
Minority interest	– 0.1	– 0.2	– 50
Group profit/loss	**66.2**	**– 20.3**	**n. a.**

Earnings per share in €	Q1 2006	Q1 2005	Change in %
Profit per share	1.49	– 0.39	n. a.
Average number of shares outstanding (weighted)	44,329,600	52,152,600	n. a.

Reconciliation to EBITDA in € million	Q1 2006	Q1 2005	Change in %
EBIT	105.7	9.2	> 100
Depreciation/amortization	77.9	82.8	– 6
EBITDA	183.6	92.0	100

Gross profit was boosted by 74 percent to € 226.1 million, as higher sales and capacity utilizations outgrew increases in costs of goods sold, while selling, administration and research expenses remained at prior year levels.

Declines in both other operating income and other operating expenses were primarily due to lower effects from currency changes.

The tax rate for the period under review was 30 percent, due to the initial capitalization of deferred taxes. Excluding these effects the tax rate would have been at 33 percent. In the previous year positive taxable results in some Group companies triggered tax payments, while losses at other Group companies, notably Siltronic, were not matched by deferred taxes.

CONSOLIDATED BALANCE SHEET

Assets in € million	Mar. 31, 2006	Mar. 31, 2005	Dec. 31, 2005
Intangible assets, property, plant and equipment	1,864.7	1,886.9	1,875.2
Investments valued at equity	14.4	12.3	14.0
Financial assets	66.1	65.5	64.8
Other assets	4.3	21.5	1.7
Deferred taxes	22.1	5.5	20.4
Long-term assets	**1,971.6**	**1,991.7**	**1,976.1**
Inventories	397.7	384.9	382.0
Trade receivables	464.2	372.0	420.2
Other assets	149.8	126.6	109.9
Cash and cash equivalents	36.5	25.0	34.7
Current assets	**1,048.2**	**908.5**	**946.8**
Total assets	**3,019.8**	**2,900.2**	**2,922.9**

Liabilities in € million	Mar. 31, 2006	Mar. 31, 2005	Dec. 31, 2005
Subscribed capital	260.8	260.8	260.8
Capital reserves	59.9	202.5	59.9
Own shares	– 142.6	0	– 142.6
Other equity	748.6	427.1	753.0
Minority interests	4.0	3.3	3.3
Equity capital	**930.7**	**893.7**	**934.4**
Minority shares in limited partnership capital	32.1	29.5	29.6
Provisions for pensions	355.3	342.9	352.1
Other provisions	182.3	233.0	177.9
Deferred taxes	17.0	42.1	17.3
Financial liabilities	883.9	661.7	890.2
Trade liabilities	3.1	4.3	4.3
Other liabilities	62.7	0	19.2
Long-term liabilities	**1,536.4**	**1,313.5**	**1,490.6**
Other provisions	75.6	35.8	69.5
Financial liabilities	106.7	357.3	56.0
Trade liabilities	171.6	149.4	216.4
Other liabilities	198.8	150.5	156.0
Short-term liabilities	**552.7**	**693.0**	**497.9**
Liabilities	**2,089.1**	**2,006.5**	**1,988.5**
Total liabilities and equity	**3,019.8**	**2,900.2**	**2,922.9**

Compared to the previous year, total assets rose by € 119.6 million to € 3,019.8 million. This was primarily due to an increase in trade receivables resulting from higher business volume. Long-term assets declined slightly due to the disposal of fixed assets. Compared to the prior year figure, equity showed a net increase of € 37.0 million. The acquisition of treasury shares in 2005 at € 142.6 million and dividend payments of € 70.9 million weighed on equity. These effects on equity were more than compensated by the increased Group result generated during the reporting period and in the last three quarters of the prior year.

The maturity structure of liabilities was given an increasingly long-term focus.

Long-term financial liabilities grew by € 222.2 million year-on-year, while short-term financial liabilities decreased by € 250.6 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Q1 2006	Q1 2005	Change in %
Profit for the period, after tax	66.3	– 20.1	n. a.
Depreciation/Reversed depreciation on fixed assets	77.9	82.8	– 6
Changes in provisions and accruals	14.7	0.1	> 100
Changes in deferred taxes	– 3.1	– 1.0	> 100
Other non-cash expenses	2.2	0.9	> 100
Changes in inventories	– 17.4	– 12.8	36
Changes in trade receivables	– 45.1	– 40.1	13
Changes in other receivables, other assets	– 40.1	8.4	n. a.
Changes in liabilities	74.7	– 9.1	n. a.
Cash flow from operating activities (gross cash flow)	**130.1**	**9.1**	**> 100**
Investment in intangibles and property, plant and equipment	– 110.9	– 98.2	– 13
Income from disposal of intangibles and property, plant and equipment	3.5	0.3	> 100
Income from disposal of financial assets	0	– 5.0	n. a.
Cash flow from investment activities	**– 107.4**	**– 102.9**	**4**
Net cash flow	**22.7**	**– 93.8**	**n. a.**
Increase of equity capital – paid-in capital from other shareholders	0.6	0	n. a.
Dividends paid on prior year's result	– 70.9	0	n. a.
Change in bank liabilities and other borrowings	49.5	93.7	– 47
Cash flow from financing activities	**– 20.8**	**93.7**	**n. a.**
Changes in cash flow due to exchange rate fluctuations and changes in the scope of consolidation	– 0.1	0.4	n. a.
Change in cash and cash equivalents	**1.8**	**0.3**	**> 100**
At beginning of year	34.7	24.7	41
At period end	36.5	25.0	46

The increase in cash flow from operating activities primarily resulted from the comparably higher year-on-year Group result, which rose by € 86.4 million. Further influences virtually canceled each other out. Cash inflows went up through the increases in other liabilities resulting from markedly higher prepayments received in connection with the expansion of polysilicon capacities. In contrast, cash positions were reduced through increases in inventories and trade receivables following the expansion of sales and resulting in cash outflows and lower cash inflows.

Cash outflows related to investments in intangibles and property, plant and equipment and financial assets dropped € 12.7 million to € 110.9 million. These outflows, though, included the settlement of liabilities for investment purchases made in previous reporting periods. Overall, the change in cash flow from investment activities totaled € 4.5 million, leading to a cash outflow of € 107.4 million.

The resultant net cash flow was € 22.7 million (€ 116.5 million above the prior-year figure). During the reporting period € 70.9 million were distributed out of previous period's profits.

On a group level, increases in financial liabilities led to cash inflows of € 49.5 million.

DEVELOPMENT OF CONSOLIDATED EQUITY

€ million	Subscribed capital	Capital reserves	Equity capital	Reserve revenues/ Consolidated result	Translation adjustment	Changes in equity capital w/o impact on result	Minority interests	Total
Dec. 31, 2005, as previously reported	**260.8**	**59.9**	**– 142.6**	**791.2**	**– 35.1**	**– 1.3**	**3.3**	**936.2**
Effect of implementation of new accounting standards				– 1.8				– 1.8
Jan. 1, 2006	**260.8**	**59.9**	**– 142.6**	**789.4**	**– 35.1**	**– 1.3**	**3.3**	**934.4**
Result for the period				66.2			0.1	66.3
Derivatives						1.5		1.5
				66.2		**1.5**	**0.1**	**67.8**
Dividends paid				– 70.9				– 70.9
Paid-in capital							0.6	0.6
Exchange-rate differences					– 1.2			– 1.2
March 31, 2006	**260.8**	**59.9**	**– 142.6**	**784.7**	**– 36.3**	**0.2**	**4.0**	**930.7**
Dec. 31, 2004, as previously reported	**260.8**	**202.5**	**0.0**	**504.4**	**– 65.6**	**7.1**	**2.9**	**912.1**
Effect of implementation of new accounting standards				– 1.3				– 1.3
Jan. 1, 2005	**260.8**	**202.5**	**0.0**	**503.1**	**– 65.6**	**7.1**	**2.9**	**910.8**
Result for the period				– 20.3			0.2	– 20.1
Derivatives						– 7.2		– 7.2
				– 20.3		**– 7.2**	**0.2**	**– 27.3**
Exchange-rate differences					10.0		0.2	10.2
March 31, 2005	**260.8**	**202.5**	**0.0**	**482.8**	**– 55.6**	**– 0.1**	**3.3**	**893.7**

In 2005, the Group acquired own shares of the then Wacker-Chemie GmbH for € 142.6 million. After a change in the legal form from private limited company (GmbH) to stock corporation (AG) this resulted in 7,823,000 own shares. The treasury shares represented a share of € 39.1 million of the subscribed capital at the end of the reporting period.

BUSINESS DIVISION RESULTS

Sales in € million	Q1 2006	Q1 2005	Change in %
WACKER SILICONES	323.0	266.5	21
WACKER POLYMERS	121.4	99.8	22
WACKER FINE CHEMICALS	33.5	27.4	22
WACKER POLYSILICON	85.5	79.7	7
Siltronic	286.4	172.7	66
Corporate functions/Other	52.3	42.9	22
Consolidation	– 103.6	– 80.8	28
Group sales	**798.5**	**608.2**	**31**

Business Divisions’ EBIT in € million	Q1 2006	Q1 2005	Change in %
WACKER SILICONES	44.2	23.4	89
WACKER POLYMERS	19.2	12.2	57
WACKER FINE CHEMICALS	4.0	2.9	38
WACKER POLYSILICON	24.6	19.0	30
Siltronic	33.3	– 35.5	n. a.
Corporate functions/Other	– 18.0	– 12.7	42
Consolidation	– 1.6	– 0.1	> 100
Group EBIT	**105.7**	**9.2**	**> 100**

Business Divisions’ EBITDA in € million	Q1 2006	Q1 2005	Change in %
WACKER SILICONES	64.8	45.6	42
WACKER POLYMERS	23.7	17.6	35
WACKER FINE CHEMICALS	5.8	4.8	21
WACKER POLYSILICON	30.9	25.3	22
Siltronic	69.3	1.8	> 100
Corporate functions/Other	– 9.3	– 2.7	> 100
Consolidation	– 1.6	– 0.4	> 100
Group EBITDA	**183.6**	**92.0**	**100**

WACKER SILICONES

€ million	Q1 2006	Q1 2005	Change in %
Sales			
External sales	312.1	257.7	21
Internal sales	10.9	8.8	24
Total sales	**323.0**	**266.5**	**21**
EBIT	**44.2**	**23.4**	**89**
EBIT margin	13.7 %	8.8 %	56
Depreciation	20.6	22.2	– 7
EBITDA	**64.8**	**45.6**	**42**
EBITDA margin	20.1 %	17.1 %	17
Capital expenditures	23.1	13.3	74
	Mar. 31, 2006	**Dec. 31, 2005**	
Number of employees	3,672	3,596	2

WACKER SILICONES generated total sales of € 323.0 million in Q1 2006, a year-on-year rise of 21 percent (Q1 2005: € 266.5 million). Key factors were higher sales volumes and product-mix improvements, which accounted for about 16 percent of the increase. Other contributing factors were price increases for some products and positive currency effects. All regions outside of Germany saw similar increases in sales, with Asia and the Americas delivering the highest growth rates.

The division's earnings growth was much stronger than its sales performance. Earnings were mainly driven by capacity expansions and improved capacity utilization, which more than offset price increases for raw materials and energy. EBITDA reached € 64.8 million, a rise of 42 percent (Q1 2005: € 45.6 million). EBIT increased by as much as 89 percent, reaching € 44.2 million (Q1 2005: € 23.4 million).

At WACKER SILICONES, capital expenditures amounted to € 23.1 million in Q1 2006 (Q1 2005: € 13.3 million). Strategic growth projects are under way such as continued development of the Nünchritz site and the building of plants for downstream silicone products at Zhangjiagang (China). Several production facilities for downstream elastomers and sealants are due to come on stream at Zhangjiagang in 2006.

The division had 3,672 employees on March 31, 2006 (Dec. 31, 2005: 3,596).

WACKER POLYMERS

€ million	Q1 2006	Q1 2005	Change in %
Sales			
External sales	118.7	99.6	19
Internal sales	2.7	0.2	> 100
Total sales	**121.4**	**99.8**	**22**
EBIT	**19.2**	**12.2**	**57**
EBIT margin	15.8 %	12.2 %	30
Depreciation	4.5	5.4	– 17
EBITDA	**23.7**	**17.6**	**35**
EBITDA margin	19.5 %	17.6 %	11
Capital expenditures	3.2	3.1	3
	Mar. 31, 2006	**Dec. 31, 2005**	
Number of employees	1,035	1,000	4

Total sales at WACKER POLYMERS for Q1 were at € 121.4 million, a year-on-year increase of 22 percent (Q1 2005: € 99.8 million).
Growth was primarily driven by higher sales volumes, which accounted for about 17 percent of the sales increase. Price increases and positive currency effects only had a minor impact on sales. All regions showed strong growth. Sales growth rates were strongest in Asia and the Americas.

EBITDA rose to € 23.7 million, 35 percent above Q1 2005 (€ 17.6 million). The main reasons for earnings growth were higher sales volumes, productivity gains and enhanced capacity utilization – more than offsetting the raw-material and energy price increases. EBIT grew to € 19.2 million, up 57 percent (Q1 2005: € 12.2 million).

The division's first-quarter capital expenditures of € 3.2 million (Q1 2005: € 3.1 million) focused on debottlenecking opportunities.

WACKER POLYMERS had 1,035 employees on March 31, 2006 (Dec. 31, 2005: 1,000).

WACKER FINE CHEMICALS

€ million	Q1 2006	Q1 2005	Change in %
Sales			
External sales	30.6	26.2	17
Internal sales	2.9	1.2	> 100
Total sales	**33.5**	**27.4**	**22**
EBIT	**4.0**	**2.9**	**38**
EBIT margin	11.9 %	10.6 %	12
Depreciation	1.8	1.9	– 5
EBITDA	**5.8**	**4.8**	**21**
EBITDA margin	17.3 %	17.5 %	– 1
Capital expenditures	0	6.0	n. a.
	Mar. 31, 2006	**Dec. 31, 2005**	
Number of employees	320	321	0

WACKER FINE CHEMICALS generated total sales of € 33.5 million from January to March 2006 (Q1 2005: € 27.4 million).
The main growth drivers were organic fine chemicals and customer projects that were finalized by the end of Q1. Market demand for organic intermediates remained particularly strong throughout the quarter.

An improved product-mix helped WACKER FINE CHEMICALS increase EBITDA by 21 percent to € 5.8 million (Q1 2005: € 4.8 million). EBIT reached € 4.0 million, a rise of 38 percent (Q1 2005: € 2.9 million).

The division recorded no capital expenditures during Q1 2006 – in contrast to the € 6.0 million invested in Q1 2005.

WACKER FINE CHEMICALS had 320 employees on March 31, 2006 (Dec. 31, 2005: 321).

WACKER POLYSILICON

€ million	Q1 2006	Q1 2005	Change in %
Sales			
External sales	40.0	44.0	– 9
Internal sales	45.5	35.7	28
Total sales	**85.5**	**79.7**	**7**
EBIT	**24.6**	**19.0**	**30**
EBIT margin	28.8 %	23.8 %	21
Depreciation	6.3	6.3	0
EBITDA	**30.9**	**25.3**	**22**
EBITDA margin	36.1 %	31.7 %	14
Capital expenditures	22.9	5.6	> 100
	Mar. 31, 2006	**Dec. 31, 2005**	
Number of employees	858	832	3

In Q1 2006, WACKER POLYSILICON posted total sales of € 85.5 million (Q1 2005: € 79.7 million).
Sales were constrained to an increase of 7 percent as ongoing capacity additions had not yet had an impact. Strong internal sales met an increasing demand from Siltronic, limiting quantities available for delivery to external customers in the electronics and photovoltaics sectors. Due to the long and harsh German winter, first-quarter sales of road salt surpassed even the high prior year figure.

Benefiting mainly from a sharp rise in average sales prices and a decrease in unit costs for hyper-pure polysilicon, earnings grew faster than sales. EBITDA grew 22 percent to € 30.9 million (Q1 2005: € 25.3 million) and EBIT rose by as much as 30 percent, reaching € 24.6 million (Q1 2005: € 19.0 million).

Capital expenditures for strategic expansion of capacities for hyper-pure polysilicon increased more than fourfold to € 22.9 million (Q1 2005: € 5.6 million). An additional 1,000 metric tons from existing plants are scheduled to come on stream by the end of 2006. Nameplate capacity is expected to reach 6,500 metric tons annually as a result. Work on the current expansion stage should provide an additional 3,500 metric tons of polysilicon annually from the start of 2008.

WACKER POLYSILICON had 858 employees on March 31, 2006 (Dec. 31, 2005: 832).

SILTRONIC

€ million	Q1 2006	Q1 2005	Change in %
Sales			
External sales	284.8	168.2	69
Internal sales	1.6	4.5	– 64
Total sales	**286.4**	**172.7**	**66**
EBIT	**33.3**	**– 35.5**	**n. a.**
EBIT margin	11.6 %	– 20.6 %	n. a.
Depreciation	36.0	37.3	– 4
EBITDA	**69.3**	**1.8**	**> 100**
EBITDA margin	24.2 %	1.0 %	> 100
Capital expenditures	18.9	24.4	– 23
	Mar. 31, 2006	**Dec. 31, 2005**	
Number of employees	5,602	5,631	– 1

Siltronic's Q1 2006 figures reflect the sustained success of measures to enhance the division's operational performance.
Total sales reached € 286.4 million from January to March 2006, a year-on-year rise of 66 percent (Q1 2005: € 172.7 million). Sales growth more than doubled for 300-mm-wafers and grew by about 40 percent for smaller wafer diameters.

The key growth drivers were volume gains and product-mix enhancements. The impacts of pricing and currency changes virtually canceled each other out.

As in the prior year period, Asia was the division's largest sales market from January to March 2006. For the first time, Siltronic generated over half of its total sales in this region.

Earnings at Siltronic followed up on the success displayed during the second half of 2005. EBITDA reached € 69.3 million (Q1 2005: € 1.8 million) and EBIT rose to € 33.3 million (Q1 2005: € – 35.5 million). Main drivers for profitability were sustained benefits from productivity gains and cost reduction efforts, as well as high capacity utilizations and the successful ramp-up of 300-mm-production at Freiberg (Germany).

Capital expenditures were 23 percent below Q1 last year (€ 24.4 million) when the expansion of 300-mm-production capacity was still in progress.

Siltronic had 5,602 employees on March 31, 2006 (Dec. 31, 2005: 5,631)

CORPORATE FUNCTIONS/OTHER AND OUTLOOK

Corporate Functions/Other

The total sales for Corporate functions/Other increased to € 52.3 million (+ 22 percent) due to services provided to foreign Group companies. EBITDA was reduced from € – 2.7 million to € – 9.3 million.

Outlook

We expect business to continue the upward trend during 2006, with a favorable economic environment. An uncertain factor, however, is the impact of higher oil prices on the global economy. Profitability will benefit from higher capacity utilizations and price increases, moderated by an increasingly strong Euro. Mainly our chemicals business will be impacted by higher raw material and energy costs. For the full year 2006, we now expect sales growth slightly higher than 10 percent, which was last year's growth rate. Full year EBITDA 2006 is expected between € 640 and € 680 million.

The Executive Board
Munich, May 16, 2006

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS PER MARCH 31, 2006

Accounting and Valuation Methods

The consolidated financial statements of Wacker Chemie AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid in the European Union on March 31, 2006. Last year's consolidated financial statements were based on the same standards.

IFRIC 4 ("Determining Whether an Arrangement Contains a Lease") was used for the first time in the current year. As a result, the book value of property, plant and equipment rose by € 37.5 million; financial liabilities rose € 40.5 million. The previous year's values (property, plant and equipment € 41.1 million, financial liabilities € 43.3 million) were also adapted accordingly. Compared to the balance values published in the stock exchange folder on December 31, 2005, the adaptation of previous figures in Q1 2006 had following effect: While property, plant and equipment increased by € 38.4 million, the deferred tax assets (offset against the resulting deferred tax liabilities) increased by € 1.0 million and the liabilities by € 41.2 million. The retained earnings decreased by € 1.8 million (Q1 2005: € 1.3 million). This lead to a negative effect on the Group results of € 0.5 million and a higher net cash flow of € 2.9 million. This change in IFRS accounting had only a minor effect on equity, therefore equity per January 1, 2005, as well as January 1, 2006, was not adjusted. This accounting change had a positive effect on EBIT (€ 0.4 million) and EBITDA (€ 1.3 million) on the results of Q1 2005.

IFRIC 6 ("Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment") was also in evidence for the first time in the period under review; IFRIC 6 had no impact on the WACKER Group's financial situation.

The implementation of IAS 19, as revised, had no effect on the consolidated financial statements; the WACKER Group does not apply the option of recognizing actuarial gains and losses directly in equity.

Exchange Rates

The following exchange rates were used in the reporting period and the previous year's period to convert foreign currency positions, as well as for the accounts of Group companies with the US dollar as a functional currency:

Exchange rates (1 EUR)	Mar. 31, 2006[1]	Mar. 31, 2005[1]	Q1 2006[2]	Q1 2005[2]
US dollar	1.21	1.29	1.20	1.31

1 Due date rate. 2 Average rate.

Dividend Payment

In the quarter under review, a dividend of € 1.60 was paid for each share entitled to a dividend. The amount distributed totaled € 70.9 million.

Events after the Reporting Date

Wacker Chemie AG's shares were admitted to trading on the official market of the Frankfurt Stock Exchange on April 10. The Group recorded a cash inflow before IPO costs of € 427.9 million through the sale of 5,348,383 own shares.

CORPORATE GOVERNANCE, UPCOMING DATES AND INVESTOR RELATIONS

Corporate Governance

The first declaration of conformity with the German Corporate Governance Code for the current year is expected by the end of the first half-year. It will be made available to the public on Wacker Chemie AG's website (www.wacker.com).

Investor Relations

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Upcoming Dates

The Q2 report is scheduled for publication on August 3, 2006.

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