

**WACKER at a Glance**

€ million	2010	2009	Change in %
<b>Results/Return</b>			
Sales	4,748.4	3,719.3	27.7
EBITDA <sup>1</sup>	1,194.5	606.7	96.9
EBITDA margin <sup>2</sup> (%)	25.2	16.3	54.6
EBIT <sup>3</sup>	764.6	26.8	> 100
EBIT margin <sup>2</sup> (%)	16.1	0.7	> 100
Financial result	-32.3	-23.5	37.4
Income before taxes	732.3	3.3	> 100
Net income for the year	497.0	-74.5	n. a.
Earnings per share (€)	9.88	-1.43	n. a.
ROCE (%)	24.8	0.9	> 100
<b>Financial Position/Cash Flows</b>			
Total assets	5,501.2	4,541.9	21.1
Equity	2,446.8	1,942.4	26.0
Equity ratio (%)	44.5	42.8	4.0
Financial liabilities	533.4	439.7	21.3
Net financial receivables/net financial liabilities <sup>4</sup>	-264.0	76.1	n. a.
Capital expenditures (including financial assets)	695.1	740.1	-6.1
Of which payments for acquisitions	81.2	-	n. a.
Depreciation (including financial assets)	429.9	579.9	-25.9
Net cash flow <sup>5</sup>	421.6	-32.9	n. a.
<b>Research and Development</b>			
Research and development expenses	165.1	164.0	0.7
<b>Employees</b>			
Personnel expenses	1,135.7	1,090.3	4.2
Employees (December 31, number)	16,314	15,618	4.5

<sup>1</sup> EBITDA is EBIT before depreciation and amortization

<sup>2</sup> Margins are calculated based on sales

<sup>3</sup> EBIT is the result from continuing operations for the period before interest and other financial results, and income taxes

<sup>4</sup> Sum of liquidity and noncurrent and current financial liabilities

<sup>5</sup> Sum of cash flow from operating activities and noncurrent investment activities


**SILPURAN® Specialty Silicones for Medical Applications**

WACKER SILICONES is one of the world's largest silicone manufacturers with over 3,000 highly specialized and innovative products. SILPURAN® silicones are ultrapure and biocompatible, and therefore ideal for critical medical applications, such as the manufacture of wound dressings.



**North/South America**

- 1 Jandira, São Paulo Brazil
- 2 Mexico City Mexico
- 3 Adrian, Michigan USA
- 4 Allentown, Pennsylvania USA
- 5 Calvert City, Kentucky USA
- 6 Chino, California USA
- 7 Eddyville, Iowa USA
- 8 North Canton, Ohio USA
- 9 Portland, Oregon USA

**Europe**

- 10 Plzén Czech Republic
- 11 Prague Czech Republic
- 12 Lyon France
- 13 Burghausen Germany
- 14 Cologne Germany
- 15 Freiberg, Saxony Germany

- 16 Jena Germany
- 17 Kempton Germany
- 18 Munich Germany
- 19 Nünchritz Germany
- 20 Stetten Germany
- 21 Stuttgart Germany
- 22 Chertsey Great Britain
- 23 Athens Greece
- 24 Budapest Hungary
- 25 Milan Italy
- 26 Krommenie Netherlands
- 27 Kyrksæterøra, Holla Norway
- 28 Warsaw Poland
- 29 Moscow Russia
- 30 Barcelona Spain
- 31 Solna Sweden
- 32 Istanbul Turkey
- 33 Kiev Ukraine

**Asia**

- 34 Dhaka Bangladesh
- 35 Beijing China
- 36 Chengdu China
- 37 Guangzhou China
- 38 Hong Kong China
- 39 Nanjing China
- 40 Shanghai China
- 41 Shunde China
- 42 Wuxi China
- 43 Zhangjiagang China
- 44 Bangalore India
- 45 Chennai India
- 46 Kolkata, West Bengal India
- 47 Mumbai India
- 48 New Delhi India
- 49 Jakarta Indonesia
- 50 Akeno Japan
- 51 Hikari Japan

- 52 Osaka Japan
- 53 Tokyo Japan
- 54 Singapore Singapore
- 55 Jincheon South Korea
- 56 Seoul South Korea
- 57 Ulsan South Korea
- 58 Hsinchu Taiwan
- 59 Taipei Taiwan
- 60 Bangkok Thailand
- 61 Dubai United Arab Emirates
- 62 Ho Chi Minh City Vietnam

**Australia**

- 63 Melbourne, Victoria Australia

Production site

Sales site

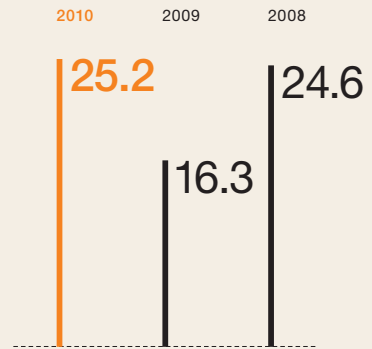
**Vision**

The chemical industry makes a vital, long-term contribution to global progress and sustainable development. Future social and economic success will rest more than ever on worldwide collaboration and interconnected competencies. Thus, the best way of mastering today's and tomorrow's challenges is through flexible and specialized units that can also profit from the opportunities.

**Mission**

WACKER is a leader in the chemical and semiconductor sectors, pushing ahead with technical innovations and the development of new products for the world's key industries. In this way, the company helps improve people's lives. WACKER is organized as a group of independently operating units with extensive responsibility under one strong roof – this provides the necessary flexibility and resolve. Everything we do is conducive to global networking and cultural integration.

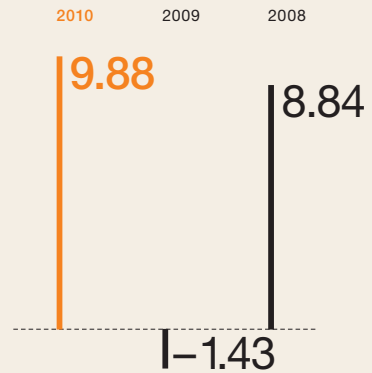
**EBITDA Margin (%)**



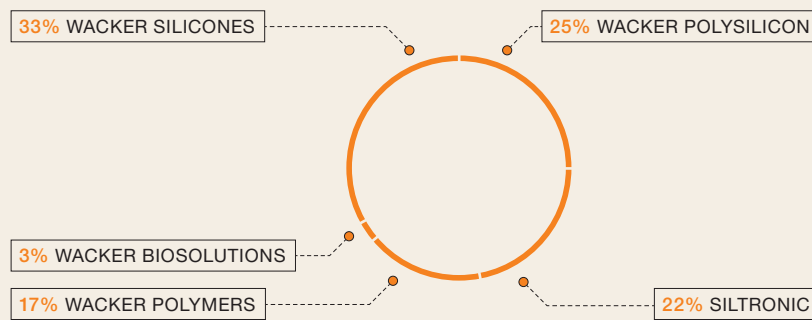
**WACKER Share Performance (€)**



**Earnings per Share (€)**

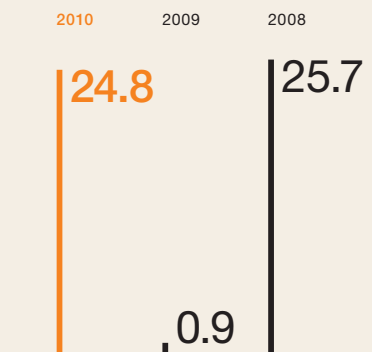


**The WACKER Group's Business Divisions<sup>1</sup>**



<sup>1</sup> Divisional shares in Group sales

**Return on Capital Employed (ROCE) (%)**



Graphite Electrodes



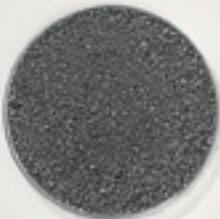
Ethylene



Metallurgical-Grade Silicon



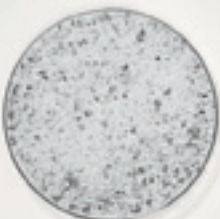
Water-Granulated Silicon



Starch



Granular Industrial Salt



# 1

## For Our Shareholders

Liquid Raw Materials



Rock Salt



High-Voltage Current



Achtung Starkstromkabel

Polysilicon Chunks



### Procurement: Raw Materials and Energy

Raw materials now make up half of WACKER's procurement volume. It is becoming ever more important to ensure a secure supply of high-quality materials at a favorable price.

# 1

## For Our Shareholders

Letter for Our Shareholders .....	31
Executive Board .....	34
Report of the Supervisory Board .....	36
WACKER Stock in 2010 .....	41

*Dear Shareholders,*

After the crisis of 2009, the entire chemical industry rebounded last year, with virtually unparalleled dynamism. It is no exaggeration to say that 2010 was an excellent year for chemicals, and definitely for WACKER, too. Both the Group's sales and operating result reached a record peak.

Our employees played a vital role in helping WACKER weather the world's worst economic crisis for decades so effectively and return to the successful path of previous years. On behalf of the whole Executive Board, I would like to thank all our employees for their outstanding achievements.

#### **Best Year in the Group's History**

At the start of 2010, it was hard to imagine that the world economy would rebound so quickly and, above all, with such momentum. The recovery started from a very low level in 2009, amid persistent production-capacity underutilization. Demand then soared during 2010's first quarter, and remained high until year-end. Even the usual seasonal slump did not come last summer.

Our results reflected the upswing. Sales rose 28 percent to €4.75 billion and EBITDA almost doubled to €1.19 billion. With net income of some €500 million, WACKER achieved an after-tax return of over 10 percent – the best operating result in the Group's entire history. Every business division contributed toward this success.

Without doubt, our performance benefited strongly from the world economy's industry-wide recovery. If global growth rates had not been so high, we would not have surpassed our 2008 record so quickly. Equally decisive, however, were our measures during the slowdown to improve our cost structures and process efficiency.

Despite 2009's demand slump, we avoided any significant reductions to our workforce and production capacities. When necessary, we introduced short-time work, thereby retaining our highly qualified employees. Our strategy certainly paid off in 2010, when we needed to quickly ramp up production capacities. From today's vantage point, we obviously did a lot right during the crisis.

#### **WACKER's Financial Situation Enhanced Further**

WACKER has always made financial strength a top priority, focusing on securing a sound equity base, ensuring adequate liquidity and minimizing debt levels. In 2010, the Group most definitely achieved these goals. We financed our ongoing high level

of investments entirely from net operating cash flow. Given the robust liquidity inflows from operations, cash and cash equivalents exceeded liabilities by about €260 million, and the equity ratio rose to 44.5 percent.

WACKER's operational successes and financial strength allow for a substantial dividend increase compared to 2009. At the Annual Shareholders' Meeting in May 2011, the Supervisory and Executive Boards will propose a dividend of €3.20 for 2010. The resulting distribution ratio is 32.4 percent, based on the net income allocable to Wacker Chemie AG's shareholders – clearly above the minimum distribution ratio of 25 percent.

#### **Successful Backward Integration of Silicon-Metal Production**

To promote the Group's medium to long-term development, we have completed several projects that will greatly spur WACKER's progress. One project was the backward integration into silicon metal, our most important raw material. For about €65 million, we purchased a silicon-metal plant at Holla in Norway. A sound investment, the acquisition makes us more independent of raw-material price fluctuations and increases our supply security. At Holla, we can produce around 50,000 metric tons of silicon metal – covering a third of the Group's annual requirements.

In China, WACKER and its partner Dow Corning jointly launched siloxane production at the world's largest integrated silicone site in Zhangjiagang. This milestone marks the completion of our key investment project in the highly promising Chinese market. Although the investment and start-up costs were higher than originally planned, we now have a local presence for supplying silicone products in China and expanding our business there.

#### **New Plant in Tennessee – the Largest Single Investment in WACKER's History**

In December, we decided to build a new production facility in the US State of Tennessee. Totalling about €1.1 billion, the project is WACKER's single largest investment ever and will open up new opportunities for us. Our first polysilicon plant outside Germany will enable us to meet ongoing photovoltaic-sector growth and to strengthen our position as a leading supplier of polysilicon. Additionally, the new facility will help us compensate more efficiently for currency fluctuations between the dollar and euro.

#### **WACKER Aims to Expand Further**

Our strategy focuses on continued and self-financed growth, as seen in our capital spending. In 2011, we will invest over 20 percent of sales in WACKER's future. We will be able to seize growth opportunities thanks to the investment projects already concluded and initiated. Despite high capital spending, WACKER is in excellent financial shape – a fact that underscores how strongly we are positioned.

We have entered 2011 confidently optimistic. The first few weeks have seen the economic rebound continuing – a good sign for business throughout the year. On the downside, the robust recovery is pushing up raw-material and energy costs. Although it won't be easy to compensate for these accelerating costs, we are confident that we can increase sales and achieve a very good operating result in 2011.



Looking further ahead, WACKER POLYSILICON has contractually secured most of its planned polysilicon output until 2014, a particularly positive signal. Importantly, these contracts already include the output from the plant under construction in Tennessee, which is expected to come on stream in late 2013.

Continued growth is the goal for WACKER's other divisions, too. At WACKER SILICONES, we aim to expand strongly in emerging markets, especially in Brazil, China and India. WACKER POLYMERS, too, is targeting these markets, reinforcing its market leadership through intelligent products for the construction industry. In the dispersions market, we plan to launch new, environmentally-compatible products. At WACKER BIOSOLUTIONS, we are focusing on further profitable expansion in the food and life-science sectors. Siltronic's priorities are to rigorously continue the efficiency and productivity measures already underway, to make its cost structures more flexible, and to strengthen its presence among customers in the 300 mm wafer sector.

A key groupwide goal is to continuously improve each corporate sector's productivity through our "Wacker Operating System" productivity-enhancement program. Another goal is to vigorously push ahead with application-specific product developments, since they are the basis of tomorrow's sales. True to WACKER's success formula of customer proximity, we intend to expand our presence in dynamic growth regions. The closer we are to customers, the better we understand them and the more precisely we know what they want. We adhere to this principle in everything we do, always striving to create added value for our customers.

On behalf of the whole Executive Board, I sincerely thank our suppliers and customers around the globe for maintaining a trusting and reliable relationship with WACKER. I extend my gratitude to you, our shareholders, for your confidence in WACKER and for your open dialog with us.

We look forward to your continued support on the path ahead.

Munich, Germany, March 2011



**Dr. Rudolf Staudigl**  
President & CEO of Wacker Chemie AG



## Executive Board



### Auguste Willems

WACKER POLYMERS  
WACKER BIOSOLUTIONS

Corporate Engineering  
Sales & Distribution  
Corporate Security  
Site Management  
Environment, Health, Safety  
Product Stewardship  
Regions: Europe, Middle East

### Dr. Rudolf Staudigl

President & CEO

SILTRONIC

Executive Personnel  
Corporate Development  
Corporate Communications  
Investor Relations  
Corporate Auditing  
Legal & Insurance  
Compliance



## Dr. Joachim Rauhut

### WACKER POLYSILICON

Corporate Accounting  
Corporate Controlling  
Corporate Finance  
Information Technology  
Raw Materials Procurement  
Technical Procurement & Logistics  
Tax  
Region: The Americas

## Dr. Wilhelm Sittenthaler

### WACKER SILICONES

Human Resources (Personnel Director)  
Corporate Research & Development  
Intellectual Property  
Regions: India, Asia/Pacific

# Report of the Supervisory Board



**Dr. Peter-Alexander Wacker**  
Chairman of the Supervisory Board of Wacker Chemie AG

## Dear Shareholders,

At the start of 2010, it was still unclear how the economy would develop during the course of the year. Markets remained apprehensive in the first two months. But, then, the global economy rebounded with unexpected vigor. From today's vantage point, WACKER's focused and measured response to the economic crisis has paid off. The company's strategy to overcome it was effective, without any appreciable cuts in capacity or personnel. As a result, we were able to ramp up production extremely quickly as soon as the rebound came. In good shape for the strong global recovery, we smoothly shifted up to full capacity to post the most successful year in our corporate history.

WACKER's robust performance is largely the achievement of its employees. It is their hard work, in-depth expertise and outstanding commitment that drive WACKER's success. The Supervisory Board of Wacker Chemie AG sincerely thanks them for accomplishing so much in 2010.

Importantly, WACKER again funded its high-level of capital spending from net operating cash flow. The Group was healthy enough to post a €264.0 million surplus under net financial liabilities and to increase its equity ratio. Facts like this underscore WACKER's financial strength.

In 2009, the Supervisory Board had approved a land purchase in Tennessee for constructing an integrated polysilicon facility in the USA. The project go-ahead has opened up exciting opportunities for us in the US market – undoubtedly one of the world's largest for chemicals and industrial goods. Building an integrated polysilicon facility there is a decisive step toward establishing an integrated WACKER site in the USA. Moreover, production operations there will enable us to more effectively neutralize currency fluctuations between the dollar and euro.

This investment project is the culmination of a global WACKER goal. In recent years, we have built plants in emerging growth markets, primarily China. Now, we are expanding our supply chain in the USA. Tennessee completes our strategy of owning an integrated WACKER production location in every key region of the world.

### Continuous Dialog with the Executive Board

At WACKER, sound corporate management and oversight are built on a relationship of trust between the Executive Board and Supervisory Board as they work closely together in the company's interest. In 2010, the Supervisory Board performed the duties incumbent upon it under the law, the Articles of Association, and the internal rules of procedure with great diligence. The Supervisory Board was involved in every decision of fundamental significance for the company at an early stage.

In both written and verbal reports, the Executive Board regularly provided us with timely and comprehensive information on corporate planning, strategic development, business operations, and the current state of Wacker Chemie AG and the Group, including the risk situation. In view of the uncertainty still surrounding global economic trends early in the year, we observed – along with the Executive Board – the company’s position very closely and in detail. Outside of the scheduled Supervisory Board meetings, the Chairman of the Supervisory Board also remained in regular contact with the Executive Board, especially with the CEO, and was kept informed about the current business situation, trends and key business transactions. Any deviations from business plans and targets were explained to us in detail.

Wherever required by statutory provisions and the Articles of Association, the Supervisory Board voted on the reports and proposals of the Executive Board after detailed examination and discussion.

In the reporting year, we paid particularly close attention to investment projects, the current earnings situation, including the risk position and risk management, and the company’s liquidity and financial position.

The Supervisory Board held four scheduled meetings in 2010, two in the first half of the year and two in the second. Between meetings, the Executive Board immediately informed us – in detailed written reports – about all projects and plans of particular importance to the Group. At its full meetings and in its committees, the Supervisory Board discussed in detail business transactions of importance to the company on the basis of the reports submitted by the Executive Board. The full meetings were prepared by shareholder and employee representatives in their own separate sessions. In the period under review, every Supervisory Board member attended at least half of the meetings held during their period in office.

#### **The Supervisory Board’s Main Areas of Deliberation**

The development of sales, earnings and employment in the Group and its individual segments were the subject of regular deliberations in the full meetings. At each meeting, the Supervisory Board evaluated the Executive Board’s performance – on the basis of Executive Board reports – and discussed strategic development opportunities and other key topics with the Executive Board. There was no need for additional monitoring measures, such as inspection of corporate documents or appointing experts from outside.

Major areas of deliberation dealt with by the Supervisory Board were:

- The decision to invest in a new polysilicon plant in the us State of Tennessee
- The acquisition of a silicon-metal plant in Holla (Norway) from the FESIL Group, and the purchase of the Lucky-Silicone brand from Henkel
- Restructuring at Siltronic AG
- Expanding 300 mm wafer capacity at the Siltronic Samsung Wafer joint venture in Singapore
- Expanding production capacity at Burghausen, Nünchritz and Zhangjiagang
- The new compensation system for Wacker Chemie AG’s Executive Board

The Supervisory Board discussed the WACKER Group’s plans for 2011 at its meeting of December 9, 2010. On this occasion, the Supervisory Board dealt with medium-term corporate plans up until 2014. It also discussed and approved the capital expenditure budget for 2011.

### Work in the Committees

The Supervisory Board is assisted in its work by the committees which it has constituted. WACKER's Supervisory Board has created three committees – an Audit Committee, an Executive Committee and a Mediation Committee (as per the German Co-Determination Act (MitbestG), Section 27, Subsection 3). With the exception of the Audit Committee (chaired by Dr. Bernd W. Voss), the Chairman of the Supervisory Board chairs the committees.

The Audit Committee met four times in 2010. Key aspects of its work included the audit of the annual financial statements of Wacker Chemie AG and the Group for 2009 and of the consolidated interim financial statements for the first half-year. It also discussed the consolidated quarterly reports, risk management and compliance issues. Additionally, the Audit Committee awarded the audit assignment to the chosen auditor and submitted a proposal for the choice of auditor for 2010 to the Supervisory Board's full meeting.

The Executive Committee met once in 2010. At this meeting, it dealt with personnel issues relating to the Executive Board.

The Mediation Committee did not need to be convened in 2010.

The Supervisory Board was regularly informed about the committees' work.

### Corporate Governance

In 2010, the Supervisory Board dealt intensively with corporate-governance standards. At its meeting of December 9, 2010, the Supervisory Board discussed the application of the German Corporate Governance Code and closely examined the latest changes to it. At this meeting, the Supervisory and Executive Boards adopted the annual Declaration of Conformity that they must jointly submit in accordance with Section 161 of the German Stock Corporation Act (AktG). Shareholders can access the Declaration on the company's website.

In its Corporate Governance Report, the Executive Board reports on corporate governance at WACKER, also in the name of the Supervisory Board, in accordance with Item 3.10 of the German Corporate Governance Code. [See further details on page 225](#)

At its meeting in December 2010, the Supervisory Board also reviewed the efficiency of its own activities – and arrived at a positive conclusion.

### Audit of the Annual Financial Statements of Wacker Chemie AG and the WACKER Group

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements prepared by the Executive Board for 2010 (reporting date: December 31, 2010), including the accounting. The audit covered the management report of Wacker Chemie AG, the consolidated financial statements, and the Group management report (reporting date: December 31, 2010). The auditors issued an unqualified audit report. The audit assignment had been awarded by the Supervisory Board's Audit Committee in line with the resolution of the Annual Shareholders' Meeting of May 21, 2010.

The auditors also examined the risk management system in accordance with Section 91 of the German Stock Corporation Act (AktG). The audit verified that the risk management system meets the legal requirements. No risks endangering the continued existence of the company were identified. The financial statement documents (including the auditors' reports, the management reports, and the Executive Board's proposal for the distribution of profits) were submitted to all the Supervisory Board members in good time.

At its meeting on February 25, 2011, the Audit Committee closely examined the aforementioned financial statements and reports, as well as the audit reports submitted by the auditors of the company's and Group's financial statements, and discussed and examined them in detail with the auditors before reporting to the full Supervisory Board. At its meeting on March 10, 2011, the full Supervisory Board discussed and examined the relevant financial statements and reports intensively, taking account of the reports submitted by the Audit Committee and the auditors. At both meetings, the auditors took part in the deliberations. They reported on the main results of the audit and were available to the Audit Committee and the full Supervisory Board to answer questions and provide supplementary information.

After concluding our own examination, we found no grounds for objecting to the financial statements and management reports of either Wacker Chemie AG or the Group, or to the auditors' report.

Accordingly, we concur with the audit's result and approve the financial statements of both Wacker Chemie AG and the WACKER Group submitted by the Executive Board as of December 31, 2010. The annual financial statements of Wacker Chemie AG are hereby adopted. We approve the Executive Board's proposal for the distribution of retained profits.

#### Changes in the Composition of the Supervisory and Executive Boards

In the 2010 fiscal year, there were no changes in the composition of the Executive Board or the Supervisory Board. After extending Dr. Joachim Rauhut's appointment for another five years to 2015 at its meeting of December 10, 2009, the Supervisory Board concluded the related employment contract on July 1, 2010. Dr. Rauhut has been on the Executive Board of Wacker Chemie AG since May 2001.

At its meeting of September 22, 2010, the Supervisory Board re-allocated some areas of responsibility within the Executive Board.

Munich, Germany, March 10, 2011  
The Supervisory Board



**Dr. Peter-Alexander Wacker**  
Chairman of the Supervisory Board of Wacker Chemie AG



## WACKER Stock in 2010

### Stock Markets Show Good Overall Performance

In 2010, stock markets faced strong fluctuations, especially at the start of the year. With the crisis of 2009 still casting its shadow, companies were initially cautious with their growth forecasts. This was reflected in the share-price movements of many stocks, which remained within a narrow corridor during the first two months of the year. From March on, both German and European stock markets then experienced an upward trend. As per December 31, 2010, the leading indices were well above the prior-year figures.

### General Market Trend Benefits WACKER'S Share Price

As the year began, the overriding outlook was still distinctly pessimistic. The major source of concern was the euro's stability. Additionally, there were negative forecasts for two of WACKER's major customer sectors. Cutbacks in German feed-in tariffs led to doubts about the financial viability of photovoltaic-industry projects, and uncertainties surrounded demand for electronic products. In the first two months of 2010, these factors put pressure on WACKER's share price, which hit a low of €87.47 in late February.

At its annual press conference in March, WACKER announced its initial earnings targets for 2010 and issued a more optimistic outlook for subsequent quarters. WACKER's share-price uptrend was supported by accelerating solar-market demand for hyperpure polysilicon (due to the large number of installations, mainly in Germany) and by a better-than-expected performance in the chemical industry.

Market sentiment about WACKER shares remained bullish in the second quarter, thanks to strong growth in the Group's major target sectors – especially the solar industry. Although markets were nervous about the financial crises in Greece and Spain, WACKER's stock climbed to €119.55 on June 30, 2010.

In the July-through-September quarter, the usual seasonal slowdown that affects WACKER's chemical business in the summer did not materialize. Siltronic and WACKER POLYSILICON also posted high sales volumes. The Group's sales and earnings reached new third-quarter records. The main growth drivers were construction and the solar sector, and Asian markets. Additionally, in late 2010, WACKER announced that continuing high demand for hyperpure polysilicon had enabled it to sell all its planned production output until 2013. The stock price reached €135.35 on September 30, 2010.

From October through December 2010, the Group's share-price performance was mixed. At the start of the fourth quarter, there were concerns on financial markets that the economic recovery might weaken again. Even so, the share price climbed to a year-high of €149.65 on October 15, 2010. The solar industry's continuing growth was one of the main factors here. Then, in early November, reports of a drop in demand for 300 mm silicon wafers put pressure on semiconductor shares – also influencing WACKER's share price, which fell to €133.65 on November 19, 2010. On December 9, 2010, WACKER announced its decision to build a new polysilicon production facility in the USA with an annual capacity of 15,000 metric tons. The market responded positively to the news. Toward year-end,

negative reports about a competitor and about the settlement of derivatives led to price declines – with WACKER stock closing at €130.60 on December 30, 2010.

Overall, WACKER stock gained eight percent in value during the year, but did not manage to emulate the performance of major German index averages. Over the same period, the MDAX was up 32 percent and the DAX up 14 percent. The WACKER stock's high for the year was €149.65 and its low €87.47.

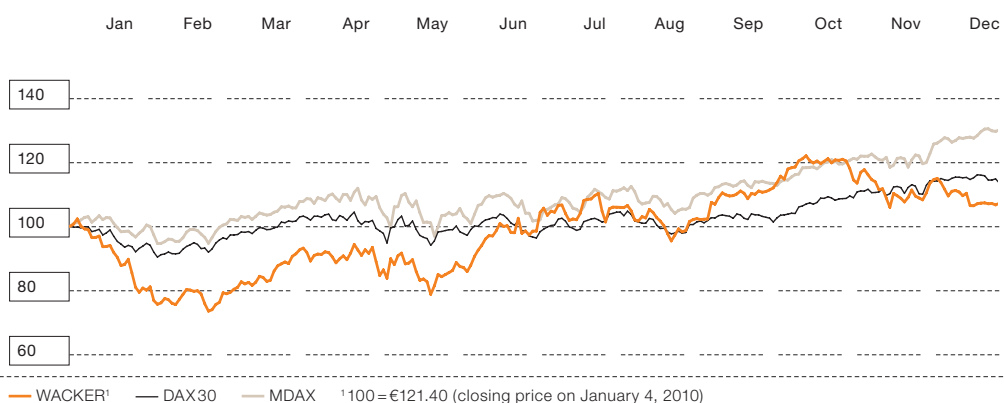
**Facts & Figures on Wacker Chemie AG's Stock**

€	
Year-high (on October 15, 2010) .....	149.65
Year-low (on February 25, 2010) .....	87.47
Starting price .....	121.40
Year-end closing price .....	130.60
Performance for the year (without dividend) (%) .....	7.6
Year-end market capitalization (shares outstanding; 2009: 6.1) (billion) .....	6.5
Average daily trading volume (2009: 17.2) (million) .....	23.3
Earnings per share (2009: -1.43) .....	9.88
Dividend per share (proposal) .....	3.20
Dividend yield <sup>1</sup> (%) .....	2.8

<sup>1</sup> Dividend proposal based on an average share-price weighting of €114.32

All share-related data are based on Xetra trading.

**WACKER Share Performance (indexed to 100)<sup>1</sup>**



### Earnings per Share of €9.88

Earnings per share (EPS) is calculated by dividing net income allocable to Wacker Chemie AG shareholders by the weighted average of all shares in circulation during the year. In 2010, the number of shares in circulation was 49,677,983. On this basis, the EPS is €9.88.

#### Useful Information on WACKER Stock

ISIN .....	DE000WCH8881 .....
Ticker, security identification number (WKN) .....	WCH888 .....
Frankfurt Stock Exchange .....	WCH .....
Bloomberg .....	CHM/WCH.GR .....
Reuters .....	CHE/WCHG.DE .....
Capital stock .....	€260,763,000 .....
Number of shares (as of December 31, 2010) .....	52,152,600 .....

### Dividend Payment of €1.20 per Share

At the Annual Shareholders' Meeting of May 21, 2010, it was decided to pay out a total dividend sum of €59.6 million (2008: €89.4 million) from the retained profit of €533.4 million posted in 2009 (2008: €576.9 million). The dividend per share entitled to dividends for 2009 was therefore €1.20 (2008: €1.80). The dividend was distributed to shareholders on May 22, 2010.

At a volume-weighted average share price of €89.99 in 2009, this produced a dividend yield of 1.33 percent. Because the net result for the year was negative, no distribution ratio can be calculated.

#### Dividend Trends

€	2009	2008	2007	2006
Dividend .....	1.20	1.80	2.25	2.00
Plus special bonus per share .....	-	-	+0.75	+0.50
Dividend yield (%) .....	1.3	1.5	2.0	2.1
Net result for the year .....	-70.8	438.5	422.0	311.3
(allocable to WACKER's shareholders) (million)				
Dividend payout (million) .....	59.6	89.4	149.1	124.2
Distribution ratio (%) .....	n. a.	20.4	35.3	39.9

### Increase in Analysts' Coverage

In 2010, the average daily trading volume for WACKER stock was some 195,000 shares (Xetra) – thus below the 2009 figure of around 204,000 shares (Xetra). The number of financial analysts regularly monitoring and assessing the company increased to 33 in 2010.

During the fiscal year, the analysts' consensus price target rose substantially in line with the general market trend. Whereas the average Q1 estimate had WACKER's share at €109.75 (20 estimates)<sup>1</sup>, the fair-value price target increased to €159.47 (19 estimates)<sup>1</sup> by year-end.

The Following Banks and Investment Firms Monitor and Assess WACKER	
B. Metzler seel. Sohn & Co. KGaA	Jefferies & Company, Inc.
Bankhaus Lampe KG	JPMorgan
Bank of America Merrill Lynch	Kepler Capital Markets
Barclays Capital	Landesbank Baden-Württemberg
BHF-Bank AG	MainFirst Bank AG
CA Cheuvreux	Merck Fink & Co.
Citigroup	M. M. Warburg
Commerzbank	Morgan Stanley
Credit Suisse	Nomura
Deutsche Bank AG	Norddeutsche Landesbank
DZ Bank AG	Princeton Tech. Research
equinet AG	Reuschel & Co. Privatbankiers
Exane BNP Paribas	Silvia Quandt Research GmbH
fairesearch GmbH & Co. (CBS Research)	UBS Deutschland AG
Goldman Sachs International	UniCredit
HSBC Trinkaus	WestLB
Independent Research GmbH	

As per December 2010

On our website, we regularly report on the consensus of analysts' expectations for the current year. Moreover, our website offers extensive information on WACKER stock. In addition to financial reports, presentations, publications and a Fact Book (viewable online or downloadable), you'll find all our key financial-market dates, as well as contact information there. You can also view videos of our annual press conference, analysts' conference and other events online or listen to an audio stream. [www.wacker.com/investor-relations](http://www.wacker.com/investor-relations)

With the publication of our 2010 Online Annual Report, we underscore our services for analysts and investors. The easy-to-navigate online version of the report facilitates information access – and interactive options (such as key-indicator comparisons and a tool-box) enable readers to work directly with the figures.

<sup>1</sup> Consensus figures from VARA Research (Q1 = March 17, 2010/Q3 = November 26, 2010)

### Market Capitalization Sharply Up, Second Place in GEX Weightings

(Weighting as per December 30, 2010)

The performance of WACKER stock boosted its market capitalization to €6.5 billion by year-end (total stock without treasury shares). WACKER's MDAX market capitalization was €1.96 billion and determined exclusively according to the free float, including treasury shares. Thus, WACKER had an MDAX weighting of 2.46 percent – ranking 14th among the 50 companies listed there.

WACKER's GEX weighting was 9.96 percent. Deutsche Börse's GEX mid-cap index (introduced in January 2005) comprises owner-dominated companies listed on the Frankfurt Stock Exchange (Prime Standard) for no more than ten years. In 2010, WACKER again ranked second in that index.

### WACKER in Close Dialog with the Capital Market

Our company's strategic focus on growth and sustainably high margins is reinforced by continual and open communications with institutional/private investors and analysts. In 2010, we increasingly approached national and international investors and analysts to explain our business strategy, key financial indicators and plans for future developments. On many occasions, Executive Board members attended in person to answer questions from capital-market participants.

There were 22 roadshows with a total of 33 roadshow days in Germany, Europe and the USA. We also held about 350 one-on-one talks and some 40 group discussions, and participated in various international conferences.

WACKER gave presentations at, for example:

- Cheuvreux: German Corporate Conference in Frankfurt
- HSBC Small/Midcap SRI Conference in Frankfurt
- LBBW Photovoltaics Conference in Zurich
- Commerzbank: 7th Growth & Responsibility Conference in Frankfurt
- UBS Global Renewable Energy Conference in London
- PVSEC in Valencia
- UniCredit German Investment Conference in Munich
- Solar Power International in Los Angeles (UBS and Deutsche Bank)
- equinet: ESN Cleantech Seminar in Paris
- Cheuvreux: One Stop Shop in Milan
- Macquarie: Wind and Solar Conference in London
- Cheuvreux: One Stop Shop in Edinburgh

WACKER held its Capital Market Days 2010 at Burghausen. Around 50 analysts and investors took part and were able to gain an up-to-date overview of our company, strategies, technologies, products and innovations. Investors and analysts also had the opportunity to visit the plant and personally view WACKER products in use.

Wacker Chemie AG maintained its dialog with private investors last year, presenting the Group and its markets at various events. For example, we attended the shareholder forums organized by the DSW (German association of small investors) in Nuremberg and Munich, as well as the corporate presentations held by the SdK shareholder association in Pforzheim.

### Strong Increase in Number of UK Shareholders

Based on our latest shareholder analysis (December 31, 2010), the number of American investors continued to fall. The level of us-held shares dropped from 29 percent in December 2009 to just 24 percent in December 2010. In Switzerland, too, shareholder numbers declined slightly – from about 9 percent in 2009 to around 7 percent in 2010. By contrast, German shareholders now account for about 22 percent (2009: 19 percent) and UK investors for 25 percent (2009: 20 percent). Share ownership in Canada and Europe (excluding Germany, Switzerland and the UK) remained largely unchanged.

Wacker Chemie AG's largest shareholder is still Dr. Alexander Wacker Familiengesellschaft mbH, Munich. It holds over 50 percent of the voting shares in Wacker Chemie AG (2009: over 50 percent).

In 2010, Blue Elephant Holding GmbH (Pöcking, Germany) once again did not have any voting-share changes to report, which means it still holds over 10 percent (2009: over 10 percent) of Wacker Chemie AG.