

WACKER at a Glance

€ million	2012	2011	Change in %
Results/Return			
Sales	4,634.9	4,909.7	-5.6
EBITDA ¹	786.8	1,104.2	-28.7
EBITDA margin ² (%)	17.0	22.5	-
EBIT ³	258.0	603.2	-57.2
EBIT margin ² (%)	5.6	12.3	-
Financial result	-64.8	-35.8	81.0
Income before taxes	193.2	567.4	-65.9
Net income for the year	106.8	356.1	-70.0
Earnings per share (basic/diluted) (€)	2.27	7.10	-68.0
ROCE (%)	5.2	13.9	-
Financial Position/Cash Flows			
Total assets	6,329.9	6,237.0	1.5
Equity	2,617.8	2,629.7	-0.5
Equity ratio (%)	41.4	42.2	-
Financial liabilities	1,197.2	777.9	53.9
Net financial liabilities/net financial receivables ⁴	-700.5	95.7	n.a.
Capital expenditures (including financial assets)	1,095.4	981.2	11.6
Depreciation (including financial assets)	528.8	501.0	5.5
Net cash flow ⁵	-536.2	-157.4	>100
Research and Development			
Research and development expenses	174.5	172.9	0.9
Employees			
Personnel expenses	1,205.3	1,282.5	-6.0
Employees (December 31, number)	16,292	17,168	-5.1

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, and income taxes.

⁴ Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

⁵ Sum of cash flow from operating activities (excluding changes in advance payments received) and cash flow from noncurrent investment activities (before securities), including additions due to finance leases.

Cover

WACKER POLYMERS supplies VINNAPAS® dispersions, which enhance the performance and sustainability of construction-sector products. Dispersions for self-leveling flooring compounds help our customers to comply with environmentally relevant regulations and obtain seals of approval, such as EMICODE® for solvent-free and low-emission construction products.

Milestones in 2012

March 2

South Korea: Technical Center under One New Roof

WACKER opened its expanded technical center near Seoul in South Korea. This regional competence center combines R&D, technical support and training for silicone and polymer applications under one roof. The new silicone laboratory focuses on high-tech products for the electronics industry, while the technical center for polymeric binders will concentrate on construction-chemical applications. The affiliated WACKER ACADEMY training center offers a platform for knowledge transfer among customers, distributors and WACKER specialists.

March 5

Nanjing Site Expanded

WACKER invested around €40 million in two new production facilities at its Nanjing site, slated to start operation in mid-2013. The site's existing facilities for producing vinyl acetate-ethylene copolymer (VAE) dispersions were expanded by the addition of a new reactor with an annual output of 60,000 metric tons. It will double capacity for VAE dispersions at Nanjing to approx. 120,000 metric tons per year. The plant complex is one of the biggest of its kind in China. At the Nanjing site, WACKER is building a plant for production of polyvinyl acetate (PVAc) solid resins with an annual capacity of 20,000 metric tons.

April 27

Nünchritz: Poly 9 Starts Operation

At Nünchritz (Saxony), production of hyperpure polycrystalline silicon was officially launched in a ceremony attended by Saxony's minister president Stanislaw Tillich and federal minister Thomas de Maizière. Overall, WACKER invested some €900 million in the facilities, creating more than 500 new jobs in the process. Start-up at the facilities, with a nominal capacity of approx. 15,000 annual metric tons, was completed in early 2012. Around 1,400 employees work at the Nünchritz plant, one of the world's largest and most modern production sites for silicones and hyperpure polysilicon.

July 12

Innovation Award for Dispersions

Three WACKER researchers received the Alexander Wacker Innovation Award for novel dispersions based on vinyl acetate-ethylene copolymers. These innovative products serve as coating materials, and, within a short time, have conquered the North American market for paper applications. These kinds of coatings ensure that the print on cardboard packaging is particularly durable and vividly colored. Compared to the acrylate-based products used up to now, the new VINNAPAS® EF 101 and EF 575 dispersions give customers an alternative technology offering significant cost advantages.

July 19

500 Million Cartridges Produced

Half a billion cartridges filled with adhesives and sealants have been made at the Nünchritz, Saxony site since WACKER started production there in 1998. The first silicone sealant was produced in the mid-1960s at VEB Chemiewerk Nünchritz, as the chemical plant was called at the time. Most customer orders for adhesives and sealants produced at the site are filled directly into cartridges bearing the customer's own labels, and delivered ready for sale.

September 24

Ulsan: Production Capacities Doubled

At its Ulsan site in South Korea, WACKER is building a new facility for production of vinyl acetate-ethylene copolymer (VAE) dispersions with an annual capacity of 40,000 metric tons, nearly doubling its total capacity for VAE dispersions there. Scheduled to officially start up in February 2013, the production complex is one of the biggest of its kind in South Korea. The expansion allows WACKER to meet increasing demand for high-quality VAE dispersions, especially in emerging markets in Southeast Asia. The Group invested around €10 million in the project.

October 24

Polysilicon Production in the US to Start in 2015

WACKER deferred the launch of polysilicon production at its Charleston site (Tennessee, USA) until mid-2015. This decision was based on altered solar-market conditions and current polysilicon overcapacity. At the moment, 280 or so employees continue construction work, begun in early April 2011, in order to complete the project on time. WACKER is adapting its construction schedule and recruiting efforts to the new production start-up date.

December 14

New Chinese Headquarters Opened

WACKER opened its new company headquarters for the Greater China region (mainland China and Taiwan). The Shanghai Center, which occupies some 10,000 square meters, features offices for marketing, sales and administrative functions along with laboratories for R&D and applications technology. Applications range from dry-mix mortars and exterior insulation and finish systems for construction purposes, to paints and coatings, through to products for the automotive, cosmetics and textile sectors. WACKER has been conducting business in China through its own branch office for 20 years.

Vision

WACKER, as an innovative chemical company, makes a vital contribution to improving the quality of life around the world.

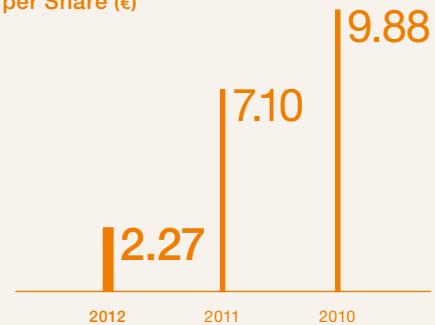
In the future, we want to continue developing and supplying solutions that meet our rigorous demands – creating added value for our customers and shareholders, and growing sustainably.

Key Financial Indicators

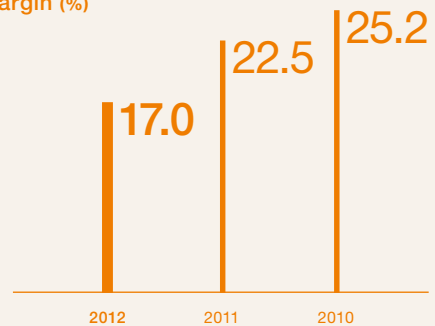
WACKER Share Performance (€)



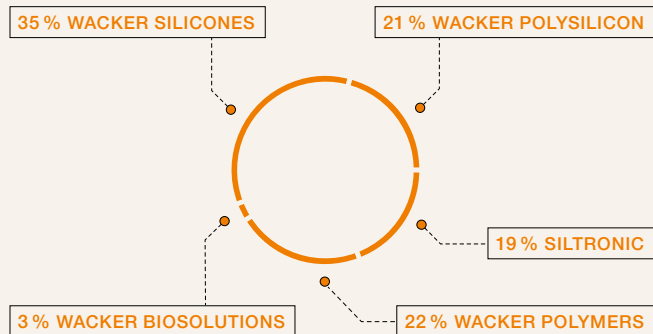
Earnings per Share (€)



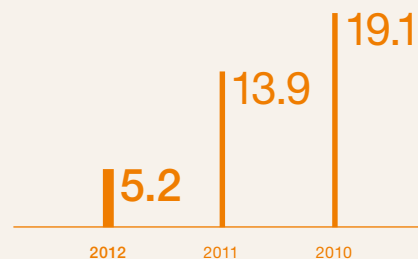
EBITDA Margin (%)



Divisional Shares in Group Sales



Return on Capital Employed (ROCE) (%)

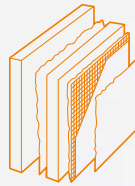


1

For Our Shareholders

Energy-Efficient Construction

VINNAPAS® polymer powders (1) ensure that the adhesive mortar (2) sticks to walls and to the insulation material in external thermal insulation composite systems (3). The dispersible polymer powder increases adhesion and impact resistance within the base coat. Specialty powders protect the top coat against moisture by reducing its water absorption.



As much as
50%
of heating costs can
be reduced by using
ETICS/EIFS.



1

3

2

For Our Shareholders

Letter to Our Shareholders	31
Executive Board	34
Report of the Supervisory Board	36
WACKER Stock in 2012	41

Dear Shareholders,

As expected, 2012 was a challenging year for our company.

The key factor influencing WACKER's performance was solar-grade polysilicon. Although we supplied customers with more polysilicon than ever before in 2012, the marked price decline – 50 percent within one year – significantly dampened Group sales and EBITDA. Additionally, lower volumes and prices held back our semiconductor business. Overall, price effects reduced Group sales by more than €700 million. Growth and increased profitability in chemicals, which remained stable throughout the year, could not fully offset this price impact. Group sales of €4.63 billion were 6 percent below the prior-year period, with EBITDA coming in at €787 million, down 29 percent.

At this point last year, I explained to you in detail the trends seen in the global photovoltaic market over the past two years. The consolidation process – continuing in 2012 – produced all the negative side effects that are inevitable in such a situation: high inventories, strong price pressure, customers in financial difficulties, company insolvencies, and excess capacity along the entire value-added chain.

We responded to this critical market situation with a number of measures. The key decision was to postpone the start-up of our new polysilicon plant in the US state of Tennessee until 2015.

Anti-dumping proceedings additionally weighed on the photovoltaic market and undermined confidence. The European Union is investigating whether to impose punitive duties against Chinese solar companies on the grounds of illegal subsidies. In turn, the Chinese Ministry of Commerce has launched an investigation about levying punitive tariffs on foreign polysilicon manufacturers. Should these proceedings lead to punitive tariffs, photovoltaic-industry momentum would slow globally and the cost of switching to renewable-energy sources would increase. From the start, WACKER took a firm stance in this matter, and we have made our viewpoint clear to the political decision makers. We are strongly in favor of free trade and reject restrictions. The past demonstrates that intervention, be it political or regulatory, has never helped to protect industries from market trends. As a cost and quality leader, we will continue to lower our costs and, in our opinion, are well positioned to remain a leading polysilicon manufacturer.

Positive Signals from the Photovoltaic Market

Although photovoltaics is currently a difficult business field, there are a number of positive developments, which tend to be overlooked amid all the negative news in that sector.

The crucial signal for the future of photovoltaics is that solar energy's competitiveness has increased over other energy sources, due to a marked decline in system prices. In Germany, solar power costs less than 10 cents per kilowatt hour, making it as inexpensive as electricity from gas-fired power plants.

A second piece of good news is that the market is continuing to grow. The installation of new solar systems increased to over 32 gigawatts last year.

And there is a third encouraging signal: newly installed capacity is rising in ever more countries around the world. Photovoltaics is no longer solely dependent on Germany and Italy, so far the largest individual markets. Countries such as China, France, India, Japan, South Africa and the USA are increasingly turning to solar energy. Some of them have launched incentive programs or defined clear expansion targets for the coming years. In China alone, there are plans to install around 35 gigawatts by 2015. Moreover, an increasing number of projects are being realized without incentives.

We are sure that photovoltaics will carry on growing, firmly establishing its position as an indispensable energy source. Consequently, we have continued with our investments, even during this critical phase.

In semiconductors, business is expanding for 300 mm wafers, but not for smaller diameters. As a result, we implemented a number of structural measures for smaller diameters over the past two years – which led to job cuts. Additionally, we took a policy decision to end our work on developing 450 mm wafers. We are concentrating on our existing 300 mm business, which is continuing to grow. Our aim is to improve our cost position there and generate positive cash flow.

In 2012, WACKER's three chemical divisions performed very well, with sales rising 5 percent on the year-earlier period. EBITDA performance in chemicals was even stronger, climbing 15 percent. Across every major region, we invested in new production facilities and reinforced our global presence.

Our silicones business developed particularly strongly in the personal-care sector and in textiles and packaging. In polymers, we achieved growth not only in the construction sector, but also in the carpet and packaging industries, where dispersions can replace other chemical products.

From the start, our policy on dividends has been oriented toward offering our shareholders an appropriate share in the company's economic success, without negatively impacting future growth. The dividend yield should equate to at least 25 percent of the allocable net income. At the Annual Shareholders' Meeting in May, the Supervisory and Executive Boards will propose a dividend of 0.60 cents per dividend-bearing share. The resulting distribution ratio is 26 percent, based on Wacker Chemie AG's net allocable income.

We are dissatisfied with the performance of WACKER's stock, which is mainly impacted by the difficult photovoltaic-market situation. WACKER's share price in 2012 was strongly linked to the development of polysilicon prices, which declined appreciably during the year. We shall renew our efforts to communicate to the capital market that WACKER is a well-positioned chemical company with numerous growth prospects. The emphasis here lies on the word "chemical" – the area that is by far our largest and most profitable sales driver.

Chemical Business Increases in Importance

From today's perspective, 2013 will not be an easy year for us. In the photovoltaic market, consolidation will continue – though with the positive prospect of polysilicon prices not declining any further. The anti-dumping issue poses significant risks for the entire solar sector. The semiconductor market is moving sideways. These factors still dampen our business outlook. If this complex situation is resolved in our favor, there will be a positive impact on sales and earnings.

We are much more optimistic about our chemical business, where we expect to post sales and earnings increases again this year. We see opportunities for further growth in polymers, especially in the area of construction applications. In silicones, we aim to increase our market share with higher-quality products. We will strengthen our global presence, so that we can seize our market opportunities in key growth countries and regions. In the years ahead, we will intensify our focus on expanding our chemical business and on increasing its share of total sales.

A firm basis for pursuing this strategy is now in place. In previous years, WACKER spent very substantial sums on expanding production capacity. The peak level for capital expenditures was reached in 2012. We invested €1.1 billion – more than ever before in the company's history. We will benefit from these

large strategic expenditures in the future. Our high investments will now decrease. This year, capital expenditures will be almost 50 percent lower than in 2012.

The main aspects of our financing policy remain valid. Even amid higher liabilities in 2013, we will stay focused on a strong financial profile, with a sound capital structure and a healthy maturity schedule for our debt.

At the start of the year, Dr. Tobias Ohler joined the Executive Board of Wacker Chemie AG. Taking over as Personnel Director, he succeeded Dr. Wilhelm Sittenthaler, who left the Executive Board on December 31, 2012, after 30 years at the Group.

WACKER is well positioned to continue expanding through its own resources during 2013 and beyond. Our growth opportunities are underpinned by our divisions' leading market and technology positions, by our strong presence in key markets and by our innovative strength.

Our employees shape this growth. Highly committed and very skilled, they worked hard for WACKER in 2012. That is why I and my colleagues on the Executive Board wish to express our thanks to the entire WACKER workforce.

We would also like to thank all our customers and suppliers for our trusting and reliable relationship, and our shareholders for our open dialogue. Our aim is to work together with all of them in shaping WACKER's future and to reinforce their confidence in their company's strengths.

Munich, Germany, March 2013



Dr. Rudolf Staudigl
President & CEO of Wacker Chemie AG

Executive Board

Dr. Rudolf Staudigl

President & CEO

WACKER POLYSILICON

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

Dr. Tobias Ohler

WACKER POLYMERS

Human Resources (Personnel Director)
Technical Procurement & Logistics
Raw Materials Procurement
Region: Asia

Dr. Joachim Rauhut

SILTRONIC

Corporate Accounting and Tax
Corporate Controlling
Corporate Finance and Insurance
Corporate Engineering
Information Technology
Region: The Americas

Auguste Willems

WACKER SILICONES

WACKER BIOSOLUTIONS

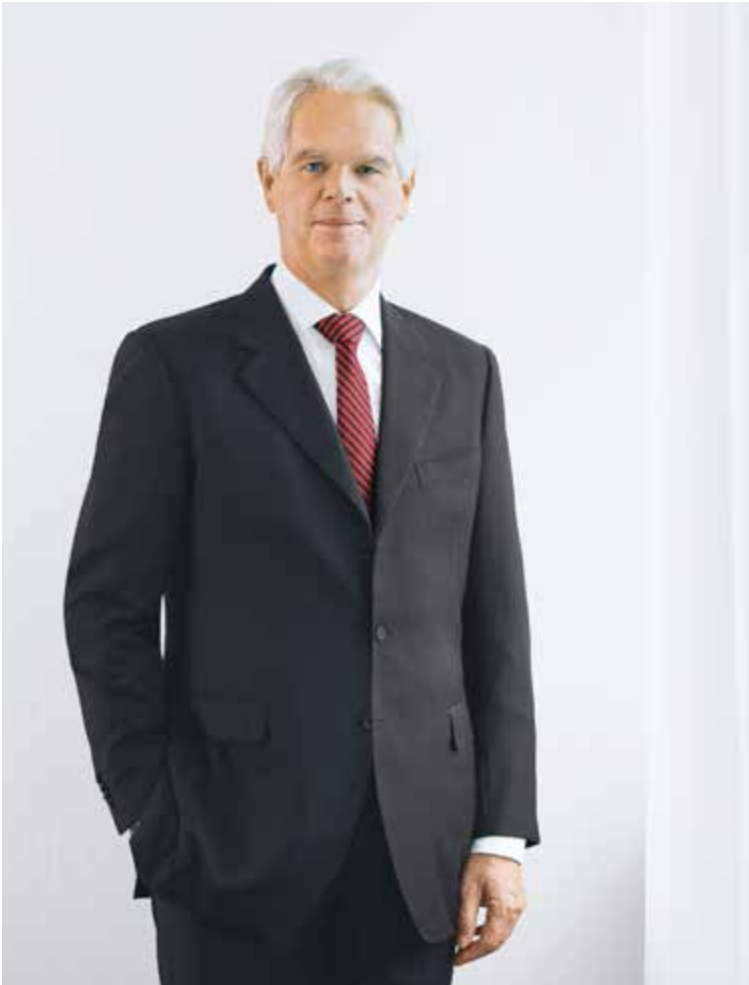
Sales & Distribution
Corporate Research & Development
Intellectual Property
Site Management
Corporate Security
Environment, Health, Safety
Product Stewardship
Regions: Europe, Middle East

The Supervisory Board of Wacker Chemie AG has appointed Dr. Tobias Ohler to the Executive Board. He succeeds Dr. Wilhelm Sittenthaler, who left Wacker Chemie AG on December 31, 2012. Dr. Ohler took up his position on January 1, 2013.



(From left) Auguste Willems, Dr. Joachim Rauhut, Dr. Rudolf Staudigl and Dr. Tobias Ohler

Report of the Supervisory Board



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

Dear Shareholders,

For WACKER, 2012 was characterized by robust chemical performance and persistently difficult photovoltaic-market conditions. Although we sold more polysilicon than ever before, our volume gains did not offset the substantial price declines in this market. WACKER's three chemical divisions were stable and delivered solid earnings.

The future will bring other cyclical swings. WACKER's major advantage here is that it supplies over 3,200 different products to almost every major industrial sector and market. Since we are not reliant on any one specific product or market, we can compensate for difficulties on individual markets. Having a portfolio of businesses with varying risk profiles is one of WACKER's strengths. Pure solar companies, for example, do not have this advantage. Our portfolio enables us to pursue long-term strategies, even amid headwinds. This is underscored by our high investment levels in 2012 and in the past. Last year, we invested €1.1 billion – more than ever before in the history of our company. We are sure that photovoltaics will reinforce its importance as an indispensable energy source for the future. On a solid footing, WACKER has the resources necessary to benefit from both this and other megatrends.

Importantly, WACKER's strength has another pillar: technological and innovative expertise. Novel customer applications and continuous process innovations are vital levers for growing profitably.

WACKER has no problem taking on international competitors, provided that underlying conditions do not unduly restrict our entrepreneurial scope of action. The European Union's anti-dumping proceedings against Chinese solar companies and the Chinese Ministry of Commerce's response of instigating anti-dumping proceedings against non-Chinese polysilicon producers are developments that harm everyone. Political and regulatory intervention occurs whenever industries are threatened by intense competition or are felt to be in need of rescuing. Past experience shows us that such intervention provides only temporary relief. Ultimately, entrepreneurial success hinges on innovations and costs. For this reason, WACKER is emphatically in favor of unrestricted free trade. As a cost and quality leader, we laid the groundwork early on, so that we would remain a leading polysilicon manufacturer.

Our employees are essential for securing WACKER's long-term success. Highly skilled and extremely motivated, they identify closely with their company. The Supervisory Board of Wacker Chemie AG thanks them for their accomplishments in 2012.

Continuous Dialogue with the Executive Board

At WACKER, sound corporate governance and control 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 2012, the Supervisory Board performed – with great diligence – the duties incumbent upon it under the law, the Articles of Association and the internal rules of

procedure. 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. 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 2012, two in the first half of the year and two in the second. Between meetings, the Executive Board immediately informed us in detail by means of 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 important 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 expert counsels from outside.

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

- the appointment of a new member of the Executive Board
- the anti-dumping proceedings against the solar industry in the USA, EU and in China; their impact on WACKER; and courses of action
- the market-price level of polysilicon, demand fluctuations in this segment, and the consequences for WACKER
- a new roadmap for constructing the polysilicon production facility at the Charleston site in the US state of Tennessee
- the financing of the Singapore-based joint venture with Samsung
- refinancing of the siloxane joint venture with Dow Corning in Zhangjiagang (China)
- the financing of the EPS pipeline project to supply ethylene to the companies based in the Bavarian Chemical Triangle
- investments in the semiconductor sector
- performance of the share price
- ensuring Group financing

The Supervisory Board discussed the WACKER Group's plans for the 2013 fiscal year at its meeting held on December 6, 2012. On this occasion, the Supervisory Board also dealt with

medium-term corporate plans for the 2013 – 2017 period. It also discussed and approved the capital expenditure budget for 2013.

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, which is chaired by Dr. Bernd W. Voss, the Chairman of the Supervisory Board chairs the committees.

The Audit Committee met four times in 2012. Key aspects of its work included the audit of the annual financial statements of Wacker Chemie AG and the Group for 2011 and of the consolidated interim financial statements for the first half-year. It also discussed the consolidated quarterly reports, risk management, compliance and auditing issues. Additionally, the Audit Committee awarded the audit assignment (including the focus of auditing) to the chosen auditor and submitted a proposal for the choice of auditor for 2012 to the Supervisory Board's full meeting.

The Executive Committee met twice in 2012. At these meetings, it dealt with personnel issues relating to the Executive Board (such as compensation, Executive Board membership, and employment contracts).

The Mediation Committee did not need to be convened in 2012.

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

Corporate Governance

In 2012, the Supervisory Board dealt intensively with corporate-governance standards. At its meeting of December 6, 2012, the Supervisory Board discussed the application of the German Corporate Governance Code and adopted the annual Declaration of Conformity that must be submitted jointly by the Executive and Supervisory Boards 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. [For further details, refer to page 240 onward](#)

At its meeting in December 2012, the Supervisory Board also discussed the efficiency of its activities. Its findings were that the Supervisory Board works efficiently – one reason being the regular preliminary discussions regarding the Supervisory Board meetings.

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 2012, the consolidated financial statements and the combined management report (reporting date: December 31, 2012), including the accounting.

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 16, 2012. The auditors issued an unqualified audit report.

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 combined management report, 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, 2013, the Audit Committee closely examined the aforementioned financial statements and reports, as well as the audit reports submitted by the auditors of the company and consolidated financial statements, and discussed and examined them in detail with the auditors before reporting to the full Supervisory Board. At its meeting on March 7, 2013, 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 disputing the financial statements and combined management report of either Wacker Chemie AG or the Group, or the auditor's report.

We approve the financial statements of both Wacker Chemie AG and the WACKER Group submitted as of December 31, 2012. The annual financial statements of Wacker Chemie AG are hereby adopted. We concur with the Executive Board's proposal for the distribution of retained profits.

Changes in the Composition of the Supervisory and Executive Boards

In 2012, there were changes in the composition of the Executive Board. Dr. Wilhelm Sittenthaler, Executive Board member of Wacker Chemie AG and its Personnel Director, whose Executive Board contract was scheduled to expire at the end of April 2013, informed the Supervisory Board that, after over 30 years at the company, he would not be available for a further term due to personal reasons. Consequently, he had asked to be relieved of his duties at the end of 2012. At its meeting of December 6, 2012, the Supervisory Board acceded to his request. Effective January 1, 2013, Dr. Tobias Ohler joined the Executive Board as a new member and was appointed Personnel Director. Dr. Ohler's contract is for three years. Previously, he was Executive Board member and Personnel Director at WACKER subsidiary Siltronic AG.

The Supervisory Board's middle management representative, Dr. Konrad Bachhuber, resigned his Supervisory Board position as of December 31, 2011. Konrad Kammergruber was elected to replace him, effective January 1, 2012.

Munich, Germany, March 7, 2013
The Supervisory Board



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

WACKER Stock in 2012

Difficult conditions and adverse sentiment in global capital and financial markets dominated the performance of WACKER's stock in 2012. Uncertainty among market participants was chiefly fueled by the as-yet unsolved sovereign-debt crisis in eurozone countries. In addition, the effects of consolidation and political uncertainty in the solar industry weighed on WACKER's stock price.

Consolidation Process in Photovoltaics and Talk of Trade Barriers Strongly Impact WACKER's Stock Price

The first quarter of 2012 was marked by political efforts to overcome the sovereign-debt crisis in Europe and preserve the European common currency. Accordingly, cautious skepticism was the predominant sentiment on the exchanges in early 2012, even though key corporate data and business indicators were pointing to a gradual improvement in overall economic conditions.

Another major factor impacting the stock's performance was reduced demand and ongoing consolidation in the photovoltaic industry. Public discussion on feed-in tariff cuts in Germany and Italy, previously the key growth markets, plus solar-company insolvencies, were clearly taking their toll on an initially optimistic market.

Overall, the release of WACKER's preliminary 2011 figures on January 26, 2012, and the publication of the annual report on March 14, 2012, did not affect the price of WACKER's stock.

The stock essentially moved sideways in Q1 2012, registering an increase of 6 percent. It started out the year at a price of €62.15 and closed the first quarter at €66.11. Experiencing a temporary upturn in early February, WACKER's stock reached its high for the year at €91.00 on February 9. Then, demand slowed in some of the key markets for solar installations, especially in Germany and Italy, which returned the stock to a lower price level. In March, it traded within a range from approximately €65 to €70.

In Q2 2012, developments in global capital and financial markets were predominantly shaped by Europe's sovereign-debt crisis, which also dampened the world economy. Stock-market sentiment was rather skeptical during Q2 2012.

During that quarter, WACKER's stock fell from €64.71 (April 2, 2012) to €54.20 (June 29, 2012). The stock moved in line with the trends registered by the DAX and MDAX benchmark indices during Q2 2012, though with more volatility.

The release of WACKER's Q1 2012 report on May 4 and the Annual Shareholders' Meeting of May 16 had no directly identifiable impact on the price of the stock.

In the third quarter of 2012, both the situation and mood in capital and financial markets worldwide eased a little, but did not show any fundamental improvement. The European Central Bank's decision to buy crisis-hit countries' sovereign bonds, in unlimited amounts if necessary, helped calm financial markets somewhat.

During this period, WACKER's stock was appreciably undermined by price and consolidation pressures, and by policy-driven uncertainty in the solar industry. In early September, the European Union launched anti-dumping investigations against Chinese solar companies. Earlier, in mid-May, the US Department of Commerce had decided to impose provisional duties – ranging from 31 to 250 percent, in some cases – on Chinese-made solar modules imported into the US. Chinese authorities, in turn, started to investigate the pricing of polysilicon imported into China. Initially limited to US and South Korean products, the investigation was subsequently expanded to include European polysilicon as well. Fears of a potential trade war between not only China and the USA, but also the European Union and China, reduced market confidence further. As reported in its second-quarter publications, WACKER adjusted its polysilicon production capacity to match reduced customer demand.

Entering the third quarter of 2012 at €55.80, the stock subsequently fell, closing the quarter at €49.96. Amid the prevailing situation, the stock was neither lifted by publication of the Q2 Interim Report on July 25, which contained a cautious outlook and a slight correction to the full-year 2012 forecast, nor by WACKER's Capital Markets Day on September 11, 2012. After WACKER announced (on October 24) a target of €750 million for full-year EBITDA, the range of analyst estimates narrowed. But this did not result in any buy signals for the stock. While the chemical divisions delivered stable earnings and Siltronic met its own targets, the business outlook for polysilicon impeded WACKER's stock. Although WACKER held its own in an intensely competitive polysilicon environment, prices and earnings declined markedly as demand remained weak.

As a result, in the third quarter, short-time work was introduced at WACKER POLYSILICON, and the schedule for constructing and commissioning the new Charleston polysilicon site was extended by 18 months. Production start-up at Charleston is now planned for mid-2015.

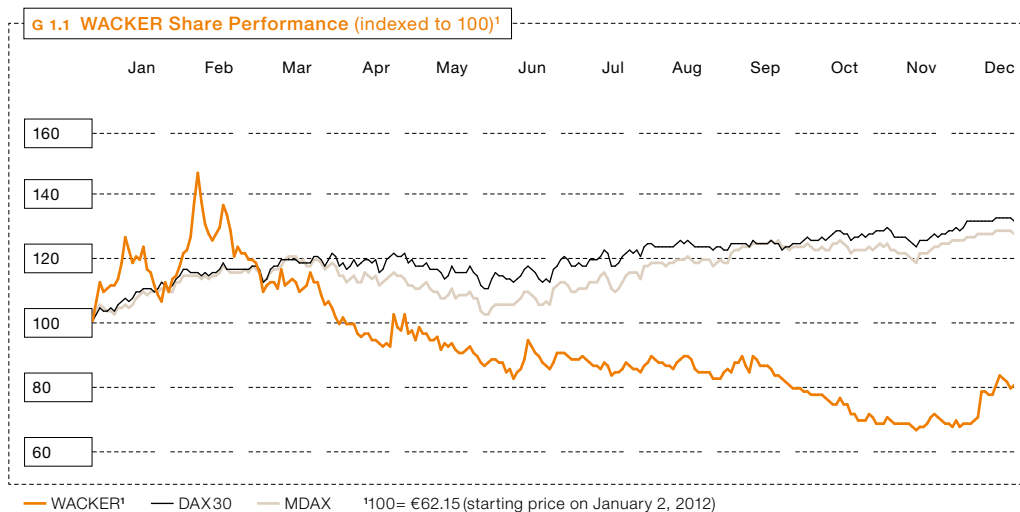
The release of WACKER's Q3 2012 report had no directly identifiable impact on the price of the stock.

WACKER stock entered the fourth quarter at €49.96 (closing price on September 28, 2012). The Group's Q4 business performance was shaped by the weak global economy, by the solar sector's specific difficulties and by the usual seasonal effects facing the chemical divisions, such as slower demand for construction materials during the winter months. The relentless consolidation process in the solar industry continued unabated and business results were impacted accordingly. WACKER's stock price fell to its year-low of €40.87 on November 16, 2012, amid a subdued solar-market outlook, a series of profit warnings from semiconductor companies, and continued financial-market uncertainty over the European debt crisis. In the closing weeks of 2012, the stock was driven up by, among other things, reports that China intends to expand solar energy more intensively than previously planned. It traded at €49.65 at year-end (closing price on December 28, 2012).

Performance of WACKER Stock Compared with DAX and MDAX

Germany's DAX and MDAX equity indices gained 14 percent and 17 percent, respectively, in the three months from January through March 2012. WACKER's stock moved sideways in Q1 2012. It started out 2012 at a price of €62.15 (opening price on January 2, 2012) and closed the first quarter at €66.11. Both the DAX and MDAX fell in Q2, down 9 percent and 5 percent, respectively, between April and June. In the same period, WACKER's share price lost considerably more ground. It decreased by about 18 percent from €66.11 (closing price on March 30, 2012) to €54.20 (closing price on June 29, 2012). Germany's DAX and MDAX developed positively through the end of Q3. The DAX climbed about 11 percent during the July-through-September period to stand at over 7,200 points at the end of September 2012. The MDAX was up 5 percent during the period and moved within a corridor between approximately 10,400 and 11,500 points. WACKER's share price did not mirror this trend. The stock started out in July at a price of €55.80 and then fell during Q3 – apart from short-lived rebounds that took it past the €55 mark on several occasions – to €49.96 (closing price on September 28, 2012). During the fourth quarter, the DAX and MDAX performed positively overall, after a temporary weak

phase in the first two weeks of November. On December 6, the DAX crossed the 7,500-point threshold for the first time that year. The MDAX topped the 11,800-point mark on the same day, also for the first time in 2012. The DAX and MDAX closed Q4 2012 with gains of nearly 9 percent and roughly 8 percent, respectively. For full-year 2012, the DAX rose 27 percent and the MDAX 31 percent. WACKER's stock closed at €49.65 on December 28, leaving it virtually unchanged from where it was at the start of Q4. The stock lost 20 percent of its value in 2012 overall.



T 1.1 Facts & Figures on Wacker Chemie AG's Stock

€	
Year-high (on February 9, 2012)	91.00
Year-low (on November 16, 2012)	40.87
Starting price (on January 2, 2012)	62.15
Year-end closing price (on December 28, 2012)	49.65
Performance for the year (without dividend) (%)	-20.1
Year-end market capitalization (shares outstanding; 2011: 3.1) (billion)	2.5
Average daily trading volume (2011: 29.5) (million)	12.5
Earnings per share (2011: 7.10)	2.27
Dividend per share (proposal)	0.60
Dividend yield ¹ (%)	1.0

¹ Dividend proposal based on an average share-price weighting of €60.28 (2012)

Earnings per Share of €2.27

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 2012, the number of shares in circulation was 49,677,983. On this basis, the EPS is €2.27.

T 1.2 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 (December 31, 2012)	52,152,600

Dividend Payment of €2.20 per Share

At the Annual Shareholders' Meeting of May 16, 2012, it was decided to pay out a total dividend sum of €109.3 million (2010: €159.0 million) from the retained profit of €978.7 million posted in 2011 (2010: €775.3 million). €230.0 million was transferred to retained earnings and €639.4 million carried forward. The dividend per share entitled to dividends for 2011 was therefore €2.20 (2010: €3.20), which was distributed to shareholders on May 17, 2012. At a volume-weighted average share price of €109.67 in 2011 (2010: €114.32), this produced a dividend yield of 2.0 percent.

T 1.3 Dividend Trends

€	2011	2010	2009	2008	2007	2006
Dividend	2.20	3.20	1.20	1.80	2.25	2.00
Plus special bonus per share	–	–	–	–	0.75	0.50
Dividend yield (%)	2.0	2.8	1.3	1.5	2.0	2.1
Net result for the year	352.6	490.7	–70.8	438.5	422.0	311.3
(allocable to WACKER's shareholders) (million)						
Dividend payout (million)	109.3	159.0	59.6	89.4	149.1	124.2
Distribution ratio (%)	31.0	32.4	n.a.	20.4	35.3	39.9

Structural Changes in Broker Reporting

In 2012, the average daily trading volume for WACKER stock was some 208,000 shares (Xetra) – more than 20 percent below the 2011 figure of around 269,000 shares (Xetra). The number of financial analysts regularly covering and valuing the company decreased to 24 in 2012 (2011: 28). Financial markets' increasingly negative attitude toward solar-industry stocks prompted some banks to dissolve their teams of renewable energy analysts. During the fiscal year, analysts' consensus price target for WACKER's stock fell substantially. Whereas the average Q1 estimate had WACKER's share at €63.39 (14 estimates),¹ the fair-value price target fell to just €48.26 (17 estimates)¹ by year-end.

¹ Consensus figures from VARA Research (Q1 = April 23, 2012 / Q3 = November 9, 2012)

T 1.4 The Following Banks and Investment Firms Monitor and Assess WACKER

Bankhaus Lampe KG	JPMorgan Cazenove Ltd.
Bank of America Merrill Lynch (UK)	Landesbank Baden-Württemberg
CA Cheuvreux (Germany)	Macquarie Capital (Europe) Ltd.
Citi Investment Research	MainFirst Bank AG
Commerzbank Corporates & Markets	Metzler Equity Research
Deutsche Bank AG	Morgan Stanley & Co. International Ltd.
DZ Bank AG	Natureo Finance Investment Research
equinet Bank AG	Nomura International Plc.
fairesearch GmbH & Co. KG	Norddeutsche Landesbank Girozentrale
Goldman Sachs International	Westend Brokers GmbH
HSBC Trinkaus & Burkhardt AG	Wolfgang Steubing AG
Independent Research GmbH	UBS Ltd.

As per the end of December 2012

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), we have provided all our key financial-market dates, as well as contact information there. Videos of our annual press conference, analysts' conference and other events are also available for online viewing, or as an audio stream. Interested investors can additionally subscribe to an email newsletter to always stay informed about new developments in the Group. We are also offering an online version of the Annual Report for 2012, just as we did in 2011. The report's easy-to-navigate online version facilitates access to information – and interactive options, such as key-indicator comparisons and a toolbox, enable readers to work directly with the figures.

**Market Capitalization Down – Still in Second Place in GEX Weightings
(Weighting as per December 28, 2012)**

The performance of WACKER stock reduced the Group's year-end market capitalization from €3.1 billion to €2.5 billion (total stock without treasury shares). WACKER's MDAX market capitalization based on the free float, including treasury shares, was €744.6 million. WACKER thus had an MDAX weighting of 0.86 percent, and it is currently ranked sixth (by 12-month trading volume) and 42nd (by market capitalization) among the 50 companies in the index.

WACKER's GEX weighting was 9.78 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 10 years. At year-end 2012, WACKER continued to rank second in the GEX.

WACKER Communicates Closely with Capital Markets

Organic growth and investment in attractive markets of the future remain key elements of our corporate strategy. This strategic focus is reinforced through continual and open communication with institutional and private investors and with analysts. We explained our business strategy, key financial indicators and future outlook in this context throughout 2012. On many occasions, Executive Board members attended in person to answer questions from capital-market participants. There were 17 roadshows with a total of 28 roadshow days in Germany, Europe and the USA. We also held about 480 meetings both in person and via telephone, as well as some 21 group discussions and two investor group tours at the Burghausen site, and we participated in various international conferences. WACKER gave presentations at the following events, for example:

- HSBC Small- and Midcap SRI Conference in Frankfurt
- Jefferies 2012 Global Clean Technology Conference in New York
- Nomura Global Chemical Industry Leaders Conference in Rome

- UBS Global Clean Energy and Utilities Conference in London
- Commerzbank Sustainability Conference in Frankfurt
- Intersolar: Solar Trade Fair in Munich
- Barclays: Utilities and Renewables Conference 2012 in London
- MainFirst Chemicals One-on-One Forum in Frankfurt
- Macquarie Chemicals Conference in Frankfurt
- Macquarie's 5th Alternative Energy Conference in London
- Morgan Stanley Global Chemicals Conference in Boston
- 2nd HSBC Zurich Conference in Zurich
- Bank of America Merrill Lynch: European Chemicals Conference in London
- UBS Munich Senior Investor Day in Munich

On September 11, 2012, WACKER held its Capital Markets Day in Dresden. More than 30 analysts and investors from a total of 30 banks and investment firms attended and were able to gain an up-to-date overview of WACKER and the Group's strategies, technologies, products and innovations. After the conference, participants also had an opportunity to visit the Nünchritz site. Taking center stage were the polysilicon production facilities completed at the start of Q2 2012, and the cartridge-filling station of the WACKER SILICONES division.

Wacker Chemie AG maintained its dialogue with private investors during the past 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 Düsseldorf, Nuremberg and Bonn. We were also at events organized by banks for their private-shareholder clients.

Shareholder Structure

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 (2011: over 50 percent). Blue Elephant Holding GmbH (Pöcking, Germany) once again had no voting-share changes to report in 2012. That means it still holds over 10 percent (2011: over 10 percent) of Wacker Chemie AG. Pursuant to a voting-rights notification in March 2012, BlackRock, Inc., New York, USA, holds under 3 percent of the voting shares in Wacker Chemie AG.

Free Float: Netherlands Represents Biggest Increase in Share Ownership

Based on our shareholder analysis² (December 31, 2012), the number of American shareholders continued to fall. The level of US-held shares dropped from 22 percent in December 2011 to 19 percent in December 2012. The strongest increase in WACKER shareholders was recorded in the Netherlands. Their share of the free float increased to 12 percent during 2012 (2011: 2 percent). Share ownership in Germany rose, accounting for 24 percent (2011: 22 percent). Conversely, the holdings of UK shareholders more than halved, to 11 percent (2011: 25 percent). Share ownership in Canada increased from 4 percent to 12 percent, while European investors (excluding Germany, the Netherlands and the UK) accounted for a rise of almost 1 percent to 20 percent.

Short Positions in WACKER Stock

At the end of 2012, short sales of Wacker Chemie AG's stock amounting to 8.62 percent of the shares outstanding were reported as per Section 30i of Germany's Securities Trading Act ("WpHG"). The largest position amounted to 1.85 percent. Short positions exceeding 0.5 percent of the shares outstanding are published in Germany's Federal Gazette.

www.bundesanzeiger.de

² Shareholder structure analysis based on the free float of 28.75% (= 100%)

Financial Calendar 2013

April 30

Interim Report
on the 1st Quarter

Contacts and Imprint

Investor Relations

Joerg Hoffmann
Head of Investor Relations
Tel. +49 89 6279-1633
joerg.hoffmann@wacker.com

Media Relations

Christof Bachmair
Tel.: +49 89 6279-1830
christof.bachmair@wacker.com

May 8

Annual Shareholders'
Meeting 2013
Munich

Publisher

Wacker Chemie AG
Corporate Communications
Hanns-Seidel-Platz 4
81737 München, Germany
Tel. +49 89 6279-0
Fax +49 89 6279-1770
www.wacker.com

Overall Responsibility

Jörg Hettmann
Project Coordination
Heide Feja

Concept and Design

hw.design gmbh
www.hwdesign.de

July 30

Interim Report
on the 2nd Quarter

October 31

Interim Report
on the 3rd Quarter
