WACKER

Q2

Interim Report
January – June 2015

Published August 3, 2015

Interim Report January – June 2015

Group sales for Q2 2015 reach €1.37 billion, up 10 percent year over year and almost 3 percent quarter over quarter

Favorable exchange rates and higher volumes lift sales trend

Second-quarter EBITDA reaches €329 million, with non-recurring effects contributing to the increase of 43 percent on a year ago and 23 percent on Q1 2015

Net income for Q2 2015 amounts to €108 million

At €214 million, capital expenditures are over twice the prior-year figure due to project-related effects, with the focus remaining on completing the Tennessee site

Forecast confirmed: Group sales for full-year 2015 are expected to increase by about 10 percent, with EBITDA growing modestly when adjusted for special income

Cover

3D printing is a highly promising trend. It is used by companies, product developers and designers to manufacture spare parts, prototypes and much more. Now, WACKER has developed a method that allows silicone articles to be produced by 3D printing.

WACKER at a Glance

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales	**1,370.5**	1,242.3	10.3	**2,705.4**	2,399.7	12.7
EBITDA[1]	**329.0**	229.5	43.4	**596.1**	514.7	15.8
EBITDA margin[2] (%)	**24.0**	18.5	–	**22.0**	21.4	–
EBIT[3]	**187.9**	82.1	>100	**314.2**	215.9	45.5
EBIT margin[2] (%)	**13.7**	6.6	–	**11.6**	9.0	–
Financial result	**–19.9**	–23.0	–13.5	**–26.9**	–46.7	–42.4
Income before taxes	**168.0**	59.1	>100	**287.3**	169.2	69.8
Net income for the period	**108.2**	29.4	>100	**178.8**	93.6	91.0
Earnings per share (basic/diluted) (€)	**2.21**	0.64	>100	**3.63**	1.99	82.2
Capital expenditures (including financial assets)	**214.2**	101.0	>100	**389.1**	190.3	>100
Net cash flow[4]	**21.0**	49.6	–57.7	**38.4**	154.1	–75.1

€ million	June 30, 2015	June 30, 2014	Dec. 31, 2014
Equity	**2,687.7**	2,066.1	1,946.5
Financial liabilities	**1,508.4**	1,458.0	1,601.5
Net financial debt[5]	**938.9**	920.9	1,080.6
Total assets	**7,425.7**	6,616.1	6,947.2
Employees (number at end of period)	**16,928**	16,758	16,703

[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 flow from operating activities (excluding changes in advance payments) and cash flow from long-term investing activities (before securities), including additions due to finance leases.
[5] Sum of cash and cash equivalents, noncurrent and current securities, and noncurrent and current financial liabilities.

Interim Report January – June 2015

High-Tech Material Meets Cutting-Edge Technology

3D Printing with Silicones

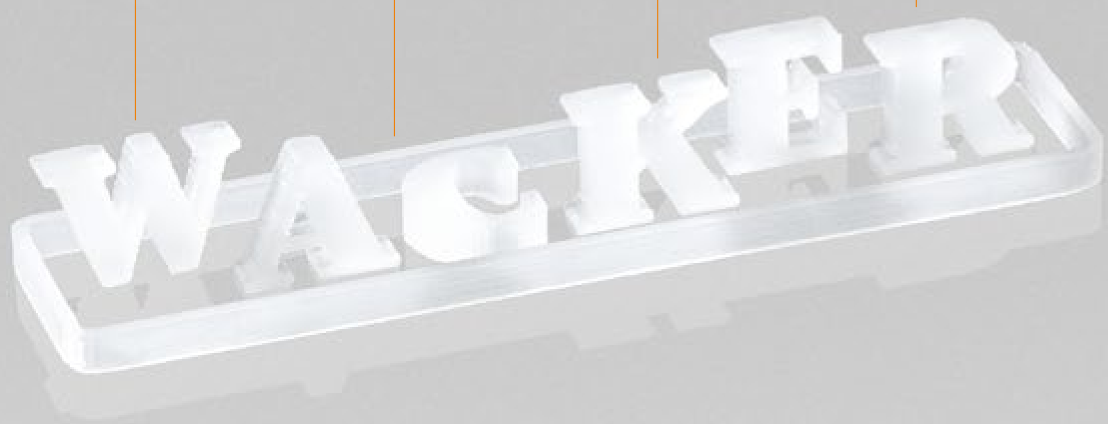
3D printing with silicones has plenty of advantages:

It's compact,
since no injection-molding
machine is required

It's efficient,
since small series can be
produced at low cost

It's flexible,
since the parts can be
easily modified to suit
changing requirements

It's fast,
so new designs can be
created easily and quickly



3D printing is a technology with a great future. It is used by companies, product developers and designers to manufacture spare parts, prototypes and much more. But the range of materials is limited. So far, it has only been possible to print plastics and metals. But now, WACKER has developed a method that also allows silicone articles to be produced by 3D printing. A robot deposits tiny droplets from a nozzle side by side, to build up the article layer by layer. Then the silicone is vulcanized with UV light. The homogeneous objects that are produced have virtually smooth surfaces. The material is biocompatible, heat resistant and transparent – opening up a wealth of potential industrial applications in automotive and medical technology, or in household appliances and optics. Experts are predicting a huge market for 3D printing of silicone.

The marathon, a race of 26 miles and 385 yards, is a real challenge every time for Maximilian Peter, a doctor of chemical engineering and WACKER employee. Besides being physically fit, it is also necessary to have the right gear, in particular well-fitting running shoes. This gave him his idea: shock-absorbing insoles, custom-made to conform to his feet. "There's nothing like that available yet," says the impassioned athlete, "but we're on the home stretch."

Custom-Made Articles

Together with his colleagues at WACKER SILICONES and the engineers at enders Ingenieure GmbH, a product development and prototyping company based in Ergolding, southern Germany, he developed the solution: three-dimensional printing of silicone. It represents a breakthrough in additive manufacturing – the technical term for 3D printing. "Until now, it had been impossible to print elastomers – i.e. rubbery materials. There were just no suitable processes available," explains Dr. Bernd Pachaly, head of silicones research at WACKER SILICONES. Silicone parts could only be produced by expensive injection-molding processes. Because of the costs for custom-making the molds, the process is only worthwhile for large production runs. A single pair of insoles was out of the question. "Injection molding is the established process for series production, and will remain so," says Pachaly. "But people who design prototypes or only want to make a few copies of a part can now very rapidly and flexibly modify such small series to meet changing demands. That is the unique advantage of the process."

With this new technology, silicone joins the ranks of materials such as thermoplastics, metals and ceramics. They have been processable by 3D printing for quite a while. 3D printing is a game-changer, and is inspiring many "makers" – the current buzzword for the fans of this technology. There are no limits to the imagination: creative minds and artists with a flair for technology print their objects based on three-dimensional designs. And there are also established specialty companies producing, for example, film sets, jewelry, prosthetics or toys. We should also not forget the variety of spare parts, prototypes and small series, for which 3D printing was originally developed.

Pioneering Technology with a Growing Market

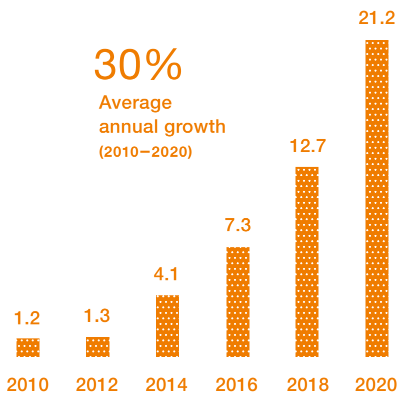
Experts estimate the global market for additive production for 2014 at about US$3.8 billion, with robust growth rates of 30 percent and more per year. Less than half of that is for the hardware, i.e. the printer and materials. Services such as product development and customer solutions are an even more important market. Researchers and entrepreneurs in the US have long recognized the trend toward additive manufacturing. There are already 150,000 printers there – even children in elementary school are experimenting with them.

Germany is lagging well behind. True, politicians in Hamburg committed the state government there to a 3D printing strategy in April 2015, but there is no strategic promotion on a federal level, as was recently noted by the German government's "Expert Commission for Research and Innovation." The Association of German Engineers (VDI) also sees need for action. In their "Additive Manufacturing Processes" status report in fall 2014, the experts called for more printable materials, more efficient machines and greater integration and automation of the processes.

It is precisely these topics that WACKER and the engineers at enders were already pursuing together. It was clear that 3D printing of silicone required a fundamentally new approach. Silicone is not melted by heat in the same way as thermoplastics or metals. It cannot simply be applied layer by layer as a powder, and melted by laser beam to the desired three-dimensional shape. The experts eventually opted for a process that they developed in just one year. "It was a very exciting and constructive time," notes Pachaly with a touch of pride.

Market Trend of the 3D Printing Industry

US$ billion



Source: Wohlers Associates (2015)

Robots and Ultraviolet Light

The result is impressive. It all takes place in a glass case containing the workspace and a robot. The machine is equipped with a nozzle, which rapidly deposits one droplet of silicone at a time on a base surface. Not just anywhere, but at exactly the point governed by the computer file with the design software – just like inkjet printing on paper. The developers couldn't use an off-the-shelf solution to control the robot. "A key step in the development work was to write a custom program," adds Florian Ganz, CEO of enders. Pachaly reckons the work truly paid off: "It is the first really user-friendly software in this field," he continues.

The robot regularly pauses and a UV beam scans over the tiny drops, which have merged into a fine line. The silicone then vulcanizes in less than a second in the UV light, crosslinking the molecules into an elastomeric material. The robot then applies the next layer of silicone droplets. Thanks to the vulcanization, a homogeneous object is formed because, after being applied, the viscous material immediately bonds to the layers directly adjacent to or below it. With impressive speed, the WACKER logo appears from nowhere. After a good quarter of an hour, the letters with their distinctive serifs are about a centimeter in height and several millimeters thick. Of course, it takes longer to produce larger objects. But in the long term, the developers want to process about 100 grams of silicone per hour – fast enough for any conceivable application.

Perfectly Formed

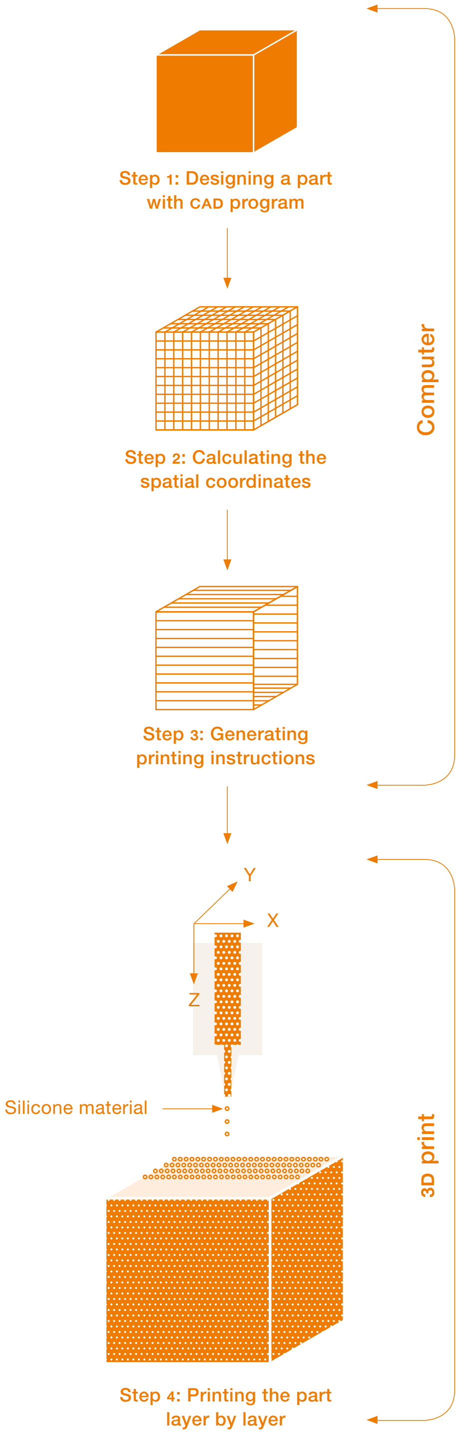
The precision is impressive, since the structures generated by the robot are extremely fine. The silicone strip is about 0.6 millimeters wide, and only half as thick. That makes it possible to produce extremely precise contours and results in a surface that is almost smooth and is pleasant to the touch. "The roughness may be even better than 100 micrometers," says Pachaly. That is hardly a hair's breadth, and significantly smoother than printed thermoplastics.

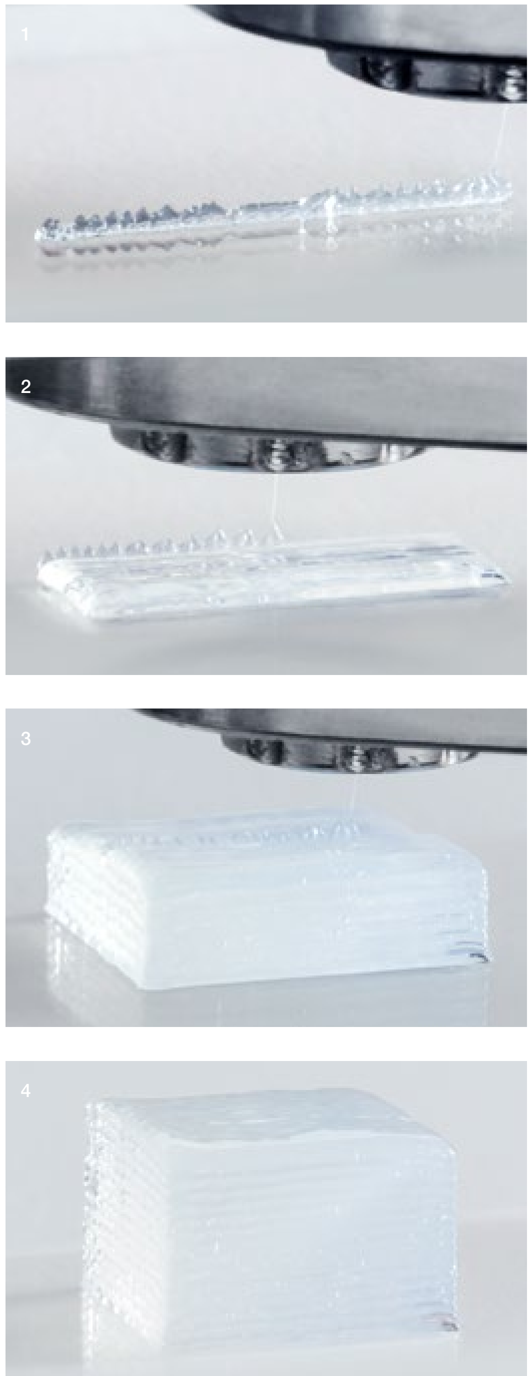
The articles look almost like injection moldings – you hardly notice that they have been made by additive manufacturing. To achieve that, Dr. Ernst Selbertinger, a silicone developer, had to create a formulation that can be dosed as tiny liquid droplets that immediately remain stationary at the place they were deposited. "Think toothpaste – it flows under pressure as you squeeze it from the tube, but is firm when on the brush," explains the chemist. But he won't disclose any more about the mixture – only that it contains a platinum catalyst that is responsible for crosslinking the molecules under UV light.

The silicone WACKER logo is only one of many tangible results of the development project that demonstrate the method's potential. 3D printing is much faster than conventional technologies for manufacturing small series and one-off articles, such as prototypes and spare parts for the many silicone elements contained in every car: "In the auto sector, it will no longer be necessary to keep

Manufacturing Process

3D Printing with Silicones





1–4
The WACKER 3D process works like an ink-jet printer: the nozzle deposits a drop of silicone precisely at the point determined by the computer program, generating a three-dimensional silicone replica layer by layer from the virtual drawing.

1
Dr. Ernst Selbertinger, applications engineer at WACKER SILICONES (left), and Dr. Maximilian Peter, process engineer at Corporate Engineering, were key players in the development of the 3D process.

2
Dr. Bernd Pachaly, head of silicones R&D at WACKER, and lab technician Stefanie Schuster developed new formulations for 3D printing in less than a year. The silicone not only needs to be color-fast and free of bubbles, but also has to have suitable flow properties.

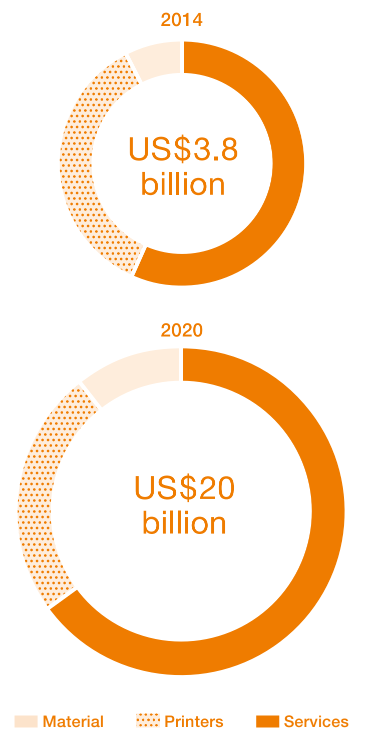
3
WACKER's new 3D process operates with extreme precision. The printer robot produces structures with a line width of 0.6 millimeters. The silicone is placed drop by drop, and is immediately stable after application. That enables extremely precise contours to be produced.

costly and complex stocks of silicone parts," states Pachaly. The medical sector is also interested in the material for its biocompatibility. For example, implants could be custom-made for the patient, even during an operation – based on data provided by technologies such as magnetic resonance imaging (MRI).

New Applications and Markets

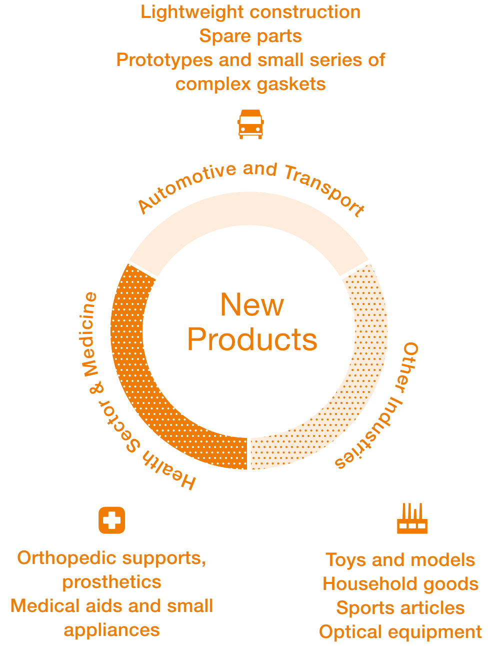
Custom-made silicone respirator masks and hearing aids will soon be manufactured by 3D printing. And every wearer of eyeglasses will welcome nose pads that really fit. The optician will only need to scan the three-dimensional contour of the nose and read it into a 3D printer, which will then produce a perfectly fitting pad. In the home, it will be possible to produce baking molds bearing the customer's name. Silicone is famously heat resistant. Because it is also valued for its transparency, the researchers are also devising optical applications, such as lenses printed to order. And last but not least, individually manufactured insoles for running shoes. There is a huge market for printed silicone – the developers are in no doubt about that.

Market Overview of Additive Manufacturing



Sources: Wohlers Associates (2015), Bloomberg

3D Printing with Silicones Has Applications in Many Key Industries



"We have a lot of ideas, and we want to provide our customers with much more than just silicone for additive manufacturing," says Pachaly. That means a company that wants to print a product from silicone no longer needs to develop a new process at huge expense. In the near future, WACKER will be able to take care of the system solution, which means providing a suitable machine and the appropriate software – and thereby offering its customers new kinds of services. "It will no longer be enough to drop off drums of chemicals in front of the factory hall," says the innovation manager. In the future, added value will be mainly achieved through comprehensive, customer-oriented solutions. And 3D printing of silicone is an ideal solution.

WACKER Stock

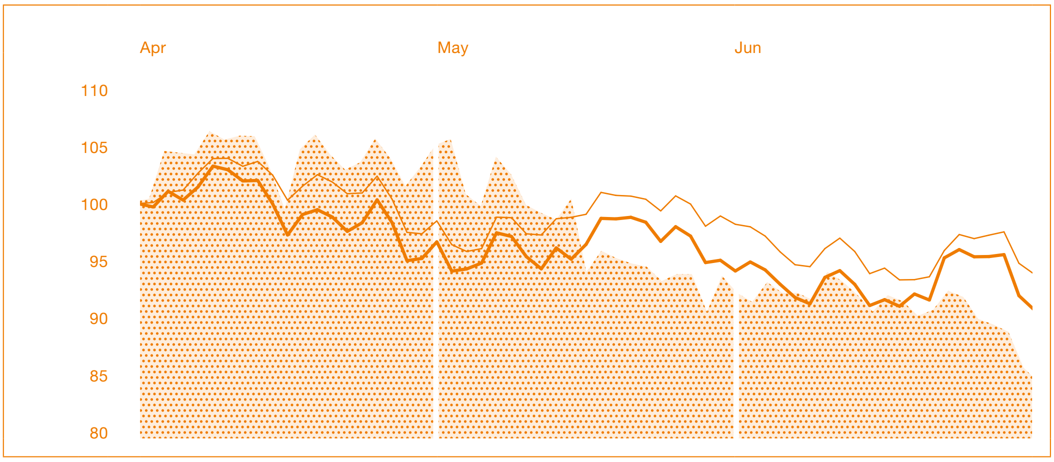
International financial markets saw a turbulent second quarter in 2015. In April, sentiment among market participants was still buoyed by the low-interest-rate policies of the major central banks in the USA and Europe. But as the second quarter progressed, the markets were increasingly dominated by concerns about the financial situation in Greece and the country's possible exit from the eurozone. The continued inability of political leaders, European financial institutions and the International Monetary Fund to reach a viable agreement with Greece in the debt dispute weighed increasingly on market sentiment and, from mid-May, sent stock prices lower all over the world. As of mid-June, investors were additionally unsettled by the stock-market slump in China. WACKER stock was not immune to this trend and traded in the same direction as the two main German benchmark indices from April through June. The stock's price fell by a total of almost 15 percent during the reporting quarter. Over the same period, Germany's DAX and MDAX lost close to 9 percent and almost 6 percent, respectively.

In Q2 2015, WACKER stock started trading at €108.50 on April 1. Initially resuming its upward trend of Q1 until mid-April, it reached its reporting-quarter high of €114.75 on April 10. In the weeks that followed, the stock trended sideways. Amid increasingly negative market sentiment, WACKER stock started on a downward trajectory from mid-May, as did the DAX and MDAX. On June 30, 2015, the stock reached its reporting-quarter low of €92.60, which corresponded to a market capitalization of €4.6 billion.

Viewed over the three-year period from July 2012 through July 2015, WACKER stock gained significant ground following its lows of November 2012. On the whole, the stock price increased by approximately 66 percent over this period. As a result, the stock performed roughly in line with the DAX (+69 percent), but trailed the MDAX, which gained almost 88 percent compared with July 2012. The stock's upward trend is due to various factors, including improvements in Group operating activities and the more favorable solar-market conditions since the end of 2012 that have benefited WACKER's polysilicon business.

WACKER Share Performance in Q2 2015 (indexed to 100)[1]

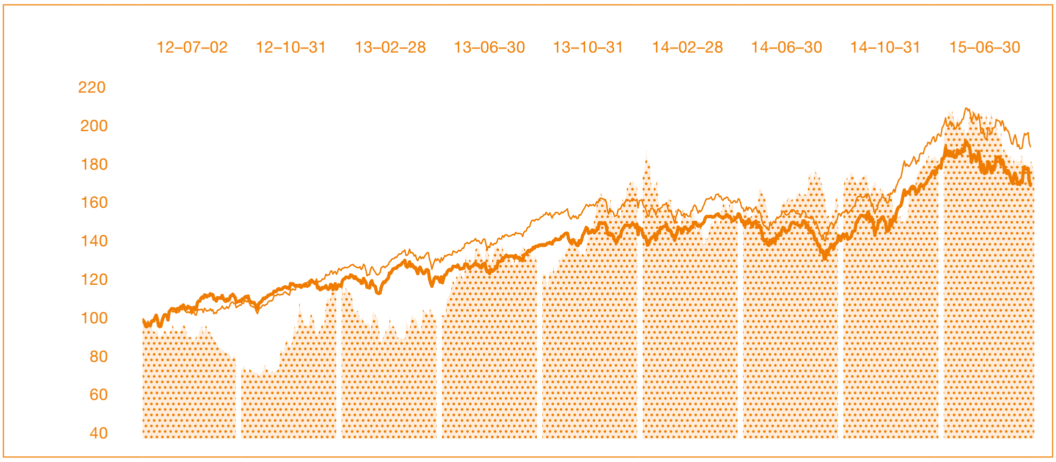
G 1.1



····· WACKER[1] — DAX 30 — MDAX [1]100 = €108.50 (closing price on April 1, 2015)

WACKER Share Performance from July 2, 2012 to June 30, 2015 (indexed to 100)[1]

G 1.2



····· WACKER[1] — DAX 30 — MDAX [1]100 = €55.80 (closing price on July 2, 2012)

Facts & Figures on WACKER Stock

T 1.3

€	Q2 2015	6M 2015
Closing price at the start of the reporting period	108.50	90.85
High in the reporting period	114.75	115.10
Low in the reporting period	92.60	83.53
Closing price at the end of the reporting period	92.60	92.60
Change during the reporting period (%)	–14.7	1.9
Average daily trading volume in shares/day (Xetra, Chi-X and Turquoise)	184,640	196,973
Market capitalization at the start of the reporting period (billion) (based on shares outstanding)	5.39	4.51
Market capitalization at the end of the reporting period (billion) (based on shares outstanding)	4.60	4.60
Earnings per share (€)	2.21	3.63

Dividend of €1.50 per Share for 2014

At the Annual Shareholders' Meeting of Wacker Chemie AG held in Munich on May 8, 2015, all Executive and Supervisory Board proposals were adopted by large majorities. WACKER distributed a total of €74.5 million to its shareholders as a dividend for fiscal year 2014 (2013: €24.8 million). The dividend per dividend-bearing share is €1.50 (2013: €0.50). The dividend yield based on WACKER's average share price in 2014 is 1.7 percent (2013: 0.8 percent).

Successful IPO for Siltronic AG

Siltronic AG successfully completed its initial public offering in the reporting quarter. Siltronic shares started trading on June 11, 2015 in the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange, under the ticker symbol WAF300 and the ISIN DE000WAF3001. A total of 12.65 million shares were placed, including the greenshoe option that the syndicate banks exercised in full on June 15. The total consisted of 5 million new shares issued through a capital increase at Siltronic and 7.65 million shares originally held by WACKER. The WACKER Group and Siltronic, together with the joint global coordinators and the joint bookrunners, had set the public offering price at €30 per share. The total proceeds from the IPO amounted to close to €380 million. The free float for Siltronic AG stands at 42.2 percent. At present, WACKER still holds a 57.8-percent stake in the company.

At the end of the reporting period, short sales of Wacker Chemie AG's stock amounting to 8.66 percent of the shares outstanding were reported as per Section 30h of Germany's Securities Trading Act. The largest position amounted to 2.93 percent. Short positions exceeding 0.5 percent of the shares outstanding are published in the Company Register in Germany's Federal Gazette (www.bundesanzeiger.de).

Please refer to the 2014 Annual Report (pages 46 to 52) and the internet (www.wacker.com/investor-relations) for more details about WACKER stock (e.g. the dividend, shareholder structure, banks and investment firms that cover and rate WACKER, analyst estimates, and investor and analyst events held or attended by WACKER).

Report on the 2nd Quarter of 2015

January – June 2015

Dear Shareholders,

For WACKER, 2015 is in several ways a significant year, marked by strategic decisions with long-term implications.

After a positive start in the first few months of the year, we raised our sales forecast for the full year. We expect to increase our annual sales by around 10 percent, which will put us over the €5-billion mark for the first time in the company's history.

There are several factors influencing this trend: growing sales volumes due to robust customer demand in many areas, better prices for some of our products, and favorable exchange rates. The numerous measures we have been taking to bring about a lasting improvement in productivity and earnings are also making a substantial contribution to our success.

Our subsidiary Siltronic AG went public in mid-June. A total of 12.65 million shares were placed, the majority with institutional investors with a long-term horizon. WACKER's stake in Siltronic AG now amounts to 57.8 percent.

The IPO has opened up attractive new options, both for the WACKER Group and for Siltronic. WACKER can invest the funds made available by this move to strengthen its chemical and polysilicon businesses. In turn, Siltronic AG has gained direct access to capital markets, providing it with additional growth opportunities.

Before the year is out, we aim to start gradually ramping up the facilities at our new polysilicon production site in Charleston, Tennessee (USA). The new site is the largest investment project we have ever implemented. Above all, the project is essential to our strategy of operating fully integrated, large-scale sites for silicon-based products in the world's key economic regions.

In addition to these milestones, many other projects and initiatives in every division have helped WACKER to continue on its path of sustainable growth in the second quarter of 2015.

In fiscal 2015, the company successfully embarked on its second 100 years. We will uphold and refine what has made us strong in the past: our willingness to continually reinvent ourselves and constantly search for new and even better solutions.

We thank you for continuing to support your company along this path.

Munich, August 3, 2015
Wacker Chemie AG's Executive Board

Interim Group Management Report

Overall Economic Situation and State of the Industry

World Economy Continues to Grow Moderately, with Divergent Trends Across the Individual Regions

At mid-2015, the global economy is on a moderate, but stable, growth trajectory. There are still significant differences in regional economic trends, which in some cases are even intensifying. The upturn in advanced economies is gaining some momentum. And the eurozone's subdued upward trend is beginning to stabilize. In the emerging economies of Asia, Eastern Europe and South America, growth rates are retreating slightly. Consistently low oil prices and inflation rates are supporting and strengthening growth impetus, as are the fiscal measures being taken by many governments and the expansionary monetary policies of the leading central banks. The strength of the US dollar is having a noticeable impact on global trade relations.

In its current forecast (July 2015), the International Monetary Fund (IMF) projects that global economic output will grow by 3.3 percent this year (2014: 3.4 percent). This represents a slight downward revision of the IMF's April forecast (+3.5 percent). Gross domestic product in advanced economies is expected to grow by 2.1 percent in 2015 – an improvement on last year (2014: 1.8 percent). Growth in emerging markets and in developing economies, on the other hand, will lose a little momentum, with the IMF expecting them to post full-year growth of 4.2 percent in 2015 (2014: 4.6 percent).[1]

The IMF projects that GDP in Asian economies will increase by 6.6 percent this year (2014: 6.8 percent). China's growth, at 6.8 percent (2014: 7.4 percent), will be noticeably lower this year than in 2014. For India, on the other hand, the IMF expects momentum to intensify further in 2015, with growth reaching 7.5 percent (2014: 7.3 percent).[1]

After experiencing a slight decline last year, the Japanese economy has now resumed a modest growth trajectory. According to the IMF, Japan's gross domestic product will expand by 0.8 percent this year (2014: –0.1 percent).[1]

In the USA, the main economic driver is domestic consumer demand. The IMF estimates that the weakness experienced to some extent by the US economy in Q1 will be only temporary, attributable in large part to the harsh winter weather. Rising wages, low fuel prices and positive labor-market trends are strengthening domestic purchasing power. Exports, however, are being held back by the strong US dollar. The IMF expects gross domestic product in the USA to rise by 2.5 percent this year (2014: 2.4 percent).[1]

[1] International Monetary Fund, World Economic Outlook Update: Slower Growth in Emerging Markets, a Gradual Pickup in Advanced Economies, Washington, July 9, 2015

Economic Recovery Takes Hold in Europe

The economic recovery in Europe remains sluggish, but the upward trend is now gaining some strength. The IMF estimates a growth rate of 1.5 percent for the countries of the eurozone this year (2014: 0.8 percent).[1] That is largely in line with the estimate of the Organisation for Economic Co-operation and Development (OECD), which is projecting 1.4-percent growth for 2015.[2] Although a viable solution to the Greek crisis was not achieved in the reporting quarter, the economic and financial situation has now improved noticeably in Spain and Italy.

In Germany, consumer spending is strengthening the economy, driven by rising incomes and employment. Currently, exports and investment spending are benefiting from low oil prices and the weak euro but they remain, as a result, vulnerable to uncertainties in the international financial and commodity markets.[3] For the full year, the IMF projects that the economy will grow by 1.6 percent in Germany (2014: 1.6 percent).[1] This forecast is markedly more cautious than that of the leading German economic institutes, which in their spring report predicted that Germany's GDP would grow by 2.1 percent (2014: 1.6 percent).[4]

Chemical Industry Benefits Only Modestly from Economic Recovery in Europe

Although the chemical industry in Europe marginally increased its production output in the first months of 2015, it is now facing growing price pressure for its products. The European Chemical Industry Council (Cefic) reports that the industry's Q1 2015 sales were down 5.2 percent year over year.[5] According to the German Chemical Industry Association (VCI), the first half of 2015 produced mixed results for the chemical industry in Germany. Despite increased production, sales performance was only sluggish due to falling prices. The industry's first-half sales grew by 0.5 percent to €96.5 billion. For full-year 2015, the VCI stands by its forecast for a 1.5-percent increase in chemical production. According to its latest estimate, total sales will rise by 0.5 percent to reach €191.8 billion.[6]

Although growth in the industry as a whole was moderate, WACKER's chemical divisions achieved a substantial increase in overall sales for Q2 2015 compared with a year ago. The rise was primarily attributable to positive exchange-rate effects as well as to higher volumes and better prices in individual product groups.

In the semiconductor industry, demand for silicon wafers is expected to be higher in 2015 than last year. Market research company IHS Technology forecasts that global volumes by surface area sold will rise by 4.0 percent this year. Stronger demand for silicon is being driven by the rising number of smartphones and solid state drives sold, as well as by the industrial sector. Sales of silicon wafers, too, are expected to continue growing in 2015. According to IHS Technology, sales this year will grow by 3.1 percent to around US$346 billion.[7]

[1] International Monetary Fund, World Economic Outlook Update: Slower Growth in Emerging Markets, a Gradual Pickup in Advanced Economies, Washington, July 9, 2015

[2] Organisation for Economic Co-operation and Development (OECD), OECD Economic Outlook No. 97, Volume 2015 Issue 1, Paris, June 3, 2015

[3] Federal Ministry for Economic Affairs and Energy, monthly report ("Schlaglichter der Wirtschaftspolitik") for July 2015, Berlin, June 30, 2015

[4] Joint Economic Forecast Project Group, A Strong Upswing Thanks to Cheap Oil and Weak Euro, Munich, April 14, 2015

[5] European Chemical Industry Council (Cefic), Chemicals Trends Report, Monthly Summary, June 2015, Brussels, July 8, 2015

[6] VCI (German Chemical Industry Association), Economic situation of the German chemical industry in the 1st half 2015 – Mixed developments in the German chemical industry, Frankfurt, July 22, 2015

[7] IHS Technology, Application Market Forecast Tool AMFT – Silicon, Q3 2015, El Segundo (USA), July 13, 2015

Siltronic AG posted substantially higher sales in the reporting quarter relative to a year ago. The company benefited not only from the strong US dollar, but also from higher volumes year over year and quarter over quarter.

In photovoltaics, the trend is for further growth. Industry analysts at market research company IHS expect newly installed photovoltaic capacity to reach approximately 57 gigawatts in 2015, which would equate to a year-over-year increase of 30 percent.[1] WACKER's own market surveys indicate that new photovoltaic capacity will range between 50 and 60 gigawatts this year. At WACKER POLYSILICON, second-quarter business was noticeably impacted by the fact that customers – after strong first-quarter demand – decided to reduce their inventories. Somewhat lower polysilicon prices slowed sales growth year over year.

Sales and Earnings for the WACKER Group

WACKER Remains on Growth Path in Q2 2015: Sales Lifted by Higher Volumes and Favorable Exchange Rates

WACKER continued on its growth trajectory in Q2 2015, generating sales of €1,370.5 million (Q2 2014: €1,242.3 million). That was a good 10 percent higher than a year ago. Sales benefited noticeably from favorable exchange rates due to the weaker euro. Additionally, sales growth was supported by volumes, which were somewhat higher overall. Relative to Q1 2015 (€1,334.9 million), Group sales increased by nearly 3 percent. The rise mainly stemmed from exchange-rate effects and higher volumes for chemicals and semiconductor wafers. WACKER's first-half sales in 2015 amounted to €2,705.4 million (6M 2014: €2,399.7 million), up almost 13 percent.

The three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – generated combined second-quarter sales of €873.6 million (Q2 2014: €773.3 million), 13 percent more than a year ago. In addition to favorable exchange rates, the increase was attributable to higher volumes and better prices in a number of product segments. Relative to Q1 2015 (€808.8 million), sales at the chemical divisions rose by 8 percent, primarily as a result of higher volumes. Exchange-rate effects also lifted sales. In the first-half of 2015, sales at the chemical divisions totaled €1,682.4 million (6M 2014: €1,478.0 million), an increase of almost 14 percent compared with the same period last year.

WACKER SILICONES' total sales in the reporting quarter were nearly 15 percent higher year over year, and almost 7 percent higher than in the first quarter, driven mainly by favorable exchange rates and higher volumes. In addition, prices in some product segments were higher than a year ago. Silicones for the electronics sector performed particularly well in the reporting quarter, and the division also posted substantial growth in silicone rubber and silicones for medical applications. Volumes slowed for silicones used in automotive and general industrial applications.

WACKER POLYMERS raised its total sales in Q2 2015 by roughly 10 percent relative to the prior-year period. This growth primarily stemmed from favorable exchange rates and a slight year-over-year increase in overall volumes. Compared with the preceding quarter, sales were up almost 11 percent. Quantities of dispersible polymer powders sold were substantially higher than in the first quarter. In dispersions, polymer products for the coating and carpet industries performed well in Q2, while demand for polymers used in industrial textiles and adhesives was more subdued.

[1] IHS, Chinese Suppliers Continued to Lead the Solar PV Module Market in 2014, IHS Says, Shanghai, April 23, 2015

Second-quarter sales at WACKER BIOSOLUTIONS were also higher year over year and quarter over quarter. Compared with Q2 2014, the division lifted its sales by 13 percent, mainly due to exchange-rate effects and better prices. The increase relative to Q1 2015 was almost 7 percent. Year-over-year sales gains were particularly substantial for acetylacetone, cysteine and gumbase polymers. Sales of pharmaceutical proteins grew strongly compared with the first quarter.

At WACKER POLYSILICON, lower year-over-year prices resulted in second-quarter sales declining more than 4 percent on the prior-year figure. Relative to Q1 2015, sales decreased by almost 10 percent amid lower volumes. After robust demand in the first quarter of the year, many customers reduced their inventory levels in the second quarter and ordered less polysilicon. Euro prices for polysilicon were slightly lower compared with Q1.

Siltronic increased its total sales in Q2 2015 by more than 17 percent year over year. Favorable exchange rates and substantially higher volumes, especially for 300 mm wafers, were the main reasons for this growth. Prices for silicon wafers were lower than a year ago. Quarter over quarter, wafer prices were virtually unchanged. Siltronic improved its sales by over 3 percent relative to Q1 2015, primarily thanks to higher volumes.

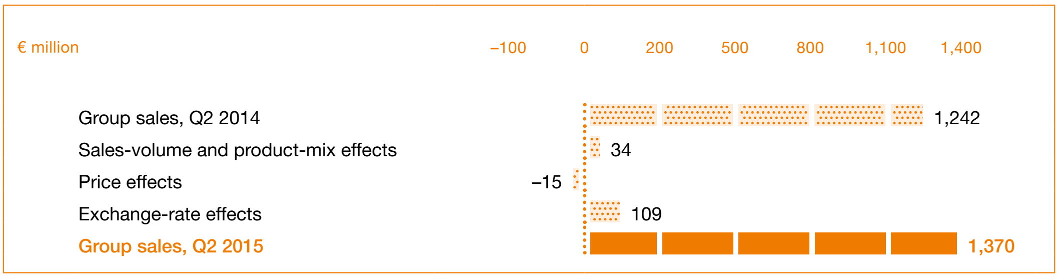
Favorable Exchange Rates Support WACKER's Business

The continuing low exchange rate of the euro relative to the US dollar and other currencies positively impacted the WACKER Group's sales in Q2 2015. Year over year, foreign currency translation gains increased sales by almost 9 percent. Higher volumes and positive product-mix effects lifted WACKER's sales by close to 3 percent. On the other hand, somewhat lower prices overall reduced Group sales by over 1 percent.

The average euro exchange rate in the reporting period was US$1.11 – down 19 percent from a year ago (US$1.37). The euro also lost a little ground relative to the average first-quarter exchange rate of US$1.13. The Japanese yen traded at an average rate of ¥134 to the euro in Q2 2015, making it somewhat stronger than a year ago (¥140). The exchange rate did not change relative to the preceding quarter (¥134). The WACKER Group invoiced roughly 31 percent of its sales in US dollars in Q2 2015, compared with 30 percent a year earlier. The US dollar thus remains the foreign currency with the biggest influence on the Group's business.

Year-over-Year Sales Comparison

G 2.1



Production Facilities Run at High Capacity Across All Divisions

Higher volumes in many product segments kept production capacity well or very well utilized in all divisions of the WACKER Group in Q2 2015. WACKER SILICONES' siloxane and pyrogenic silica facilities ran at full capacity in the reporting quarter. WACKER POLYMERS reported an average utilization rate of some 80 percent of its global capacity for dispersions and dispersible polymer powders. Siltronic's overall plant-utilization rate was over 90 percent in the reporting quarter, while facilities at WACKER POLYSILICON ran at full capacity in Q2 2015.

The performance of each of WACKER's five divisions during the second quarter of 2015 is described in detail in the "Division Results" section of this Interim Report, starting on page 37.

Year-Over-Year Sales Growth in All Regions

The WACKER Group's sales in the current reporting quarter exceeded the figures for Q2 2014 in all regions. Growth was highest in percentage terms in the Americas, influenced by favorable exchange rates. Sales in Asia and in the markets grouped under "Other regions" also rose at double-digit rates, likewise partially due to changes in exchange rates. Compared with Q1 2015, sales rose in every region except Germany.

In the reporting quarter, Asia was once again by far the largest market for WACKER products, with the Group generating 42 percent of its global sales there (Q2 2014: 42 percent). At €577.4 million (Q2 2014: €525.5 million), sales were up 10 percent year over year. Apart from WACKER POLYSILICON, where sales declined, every division posted double-digit growth in this region. Silicones and polymer products performed particularly well. Compared with Q1 2015 (€569.3 million), the WACKER Group increased its sales by over 1 percent in Asia. WACKER's first-half sales in Asia totaled €1,146.7 million (6M 2014: €1,015.4 million).

In Europe, WACKER achieved second-quarter sales of €314.1 million (Q2 2014: €300.8 million), up a good 4 percent year over year and almost 6 percent quarter over quarter (€297.0 million). All of the business divisions exceeded their respective prior-year figures, except for WACKER POLYMERS, whose sales in Europe held steady. Relative to Q1 2015, every division grew its European sales. In the first six months of 2015, sales for this region totaled €611.1 million (6M 2014: €574.9 million).

WACKER's sales in Germany came in at €172.1 million in the reporting quarter (Q2 2014: €161.6 million), up almost 7 percent on a year ago, but over 2 percent less than in Q1 2015 (€176.0 million). Sales of polysilicon and silicones, in particular, grew year over year. WACKER's sales in Germany for the first half of 2015 totaled €348.1 million (6M 2014: €328.9 million).

In the Americas, the Q2 sales trend remained strongly influenced by the favorable effects of the weak euro. At the same time, the good economic conditions in the reporting quarter helped fuel brisk customer demand for WACKER's products. Silicones performed particularly strongly in this region. Overall, the WACKER Group's sales in the Americas totaled €249.8 million for the quarter through June 2015 (Q2 2014: €207.2 million), up almost 21 percent on a year ago and over 2 percent more than in Q1 2015 (€243.8 million). From January through June 2015, WACKER's sales in the Americas totaled €493.6 million (6M 2014: €390.3 million).

Group sales in the markets combined under "Other regions" totaled €57.1 million in Q2 2015, after €47.5 million in Q2 2014 and €48.8 million in Q1 2015. From January through June 2015, aggregate sales in the "Other Regions" amounted to €105.9 million (6M 2014: €90.2 million).

In total, WACKER generated over 87 percent of its second-quarter sales with customers outside Germany (Q2 2014: 87 percent).

Group Sales by Region

T 2.2

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %	% of Group sales
Asia	577.4	525.2	10	1,146.7	1,015.4	13	42
Europe (excluding Germany)	314.1	300.8	4	611.1	574.9	6	23
Germany	172.1	161.6	7	348.1	328.9	6	13
The Americas	249.8	207.2	21	493.6	390.3	27	18
Other Regions	57.1	47.5	20	105.9	90.2	17	4
Total sales	1,370.5	1,242.3	10	2,705.4	2,399.7	13	100

Please refer to WACKER's 2014 Annual Report (pages 59 to 60) for more detailed information on the major products, markets and competitive positions of the Group's divisions. There were no material changes in this respect during Q2 2015.

Earnings Slightly Dampened by Changes in Energy and Raw-Material Prices

The price trends for the raw materials essential to the production processes at WACKER varied in the reporting quarter.

In particular, the price of methanol decreased year over year, and was almost 12 percent less expensive in the reporting quarter than a year ago. Compared with Q1 2015, however, the price was up by more than 3 percent. The cost of ethylene declined by almost 10 percent in the space of a year. Compared with Q1 2015, though, ethylene was over 16 percent more expensive. Vinyl acetate monomer (VAM) was cheaper in the reporting quarter and cost roughly 5 percent less than in both Q2 2014 and Q1 2015. Silicon metal was 9 percent more expensive than a year ago, though the price remained virtually unchanged quarter over quarter.

In Germany, the procurement price for natural gas was noticeably lower both year over year and quarter over quarter. One of the reasons for this trend was the expiry of gas supply contracts linked to the price of oil. Natural gas became almost 20 percent less expensive in the space of twelve months. Compared with Q1 2015, the procurement price for natural gas declined by 17 percent. The procurement price for electricity in Germany was 3 percent lower than a year ago and over 10 percent lower than in Q1 2015.

Overall, year-on-year changes in raw-material and energy prices led to a slight decrease in WACKER Group earnings during the second quarter of 2015.

Special Income Raises EBITDA to €329 Million – EBITDA Margin Reaches 24.0 Percent

In Q2 2015, the WACKER Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of €329.0 million (Q2 2014: €229.5 million), up a good 43 percent. Compared with the preceding quarter (€267.1 million), EBITDA grew by around 23 percent. There was a corresponding improvement in the EBITDA margin, which rose to 24.0 percent from 18.5 percent in Q2 2014 and 20.0 percent in Q1 2015. Group EBITDA for the first six months of 2015 totaled €596.1 million (6M 2014: €514.7 million). The EBITDA margin was 22.0 percent (6M 2014: 21.4 percent).

Advance payments retained and damages received were a significant factor in the strong rise in EBITDA. In the reporting quarter, WACKER terminated contractual and delivery relationships with customers from the solar sector, resulting in special income of €86.7 million. Adjusted for this amount, WACKER's EBITDA grew by almost 6 percent year over year. There were no non-recurring effects in Q2 2014.

All of WACKER's business divisions posted substantial EBITDA gains and double-digit EBITDA margins in the reporting quarter, mainly as a result of favorable exchange rates and higher volumes. Good coverage of fixed costs due to high plant utilization was another positive factor in the earnings trend.

The three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – generated total EBITDA of €143.6 million in Q2 2015 (Q2 2014: €109.1 million), up nearly 32 percent on a year ago and over 5 percent more than in Q1 2015 (€136.4 million). Higher volumes, better prices in individual product segments and favorable exchange rates all contributed to the rise in earnings. The somewhat higher price of silicon metal compared with a year ago held back earnings growth. In the first half of 2015, EBITDA at the chemical divisions totaled €280.0 million (6M 2014: €197.8 million).

WACKER POLYSILICON's second-quarter EBITDA amounted to €161.4 million (Q2 2014: €87.9 million), almost 84 percent more than a year ago. This strong rise was chiefly due to the special income of €86.7 million mentioned above. Adjusted for this income, the division's EBITDA fell by 15 percent. The main reasons for this drop in adjusted EBITDA were the year-over-year decline in polysilicon prices and higher start-up costs for the new Charleston, Tennessee (USA) site. WACKER POLYSILICON more than doubled its EBITDA relative to Q1 2015 (€78.7 million). In the first six months of 2015, the division posted total EBITDA of €240.1 million (6M 2014: €267.9 million).

Siltronic achieved EBITDA of €31.4 million in Q2 2015 (Q2 2014: €28.1 million), up 12 percent. Earnings benefited from not only higher sales, but also good coverage of fixed costs due to high plant utilization. In addition, the efforts made by Siltronic to cut costs and enhance productivity are having a positive long-term effect on earnings. Compared with the preceding quarter (€40.0 million), Siltronic's EBITDA decreased by almost 22 percent, mainly due to currency hedging losses and currency translation effects with respect to receivables. For the full first half of 2015, EBITDA at Siltronic amounted to €71.4 million (6M 2014: €43.1 million).

The profitability trend of each of WACKER's five divisions in Q2 2015, and the respective key factors involved, are described in detail in the "Division Results" section of this Interim Report, starting on page 37.

WACKER's earnings before interest and taxes (EBIT) amounted to €187.9 million in Q2 2015 (Q2 2014: €82.1 million). That was more than twice as much as a year ago and yielded an EBIT margin of 13.7 percent (Q2 2014: 6.6 percent). Here, too, special income at WACKER POLYSILICON had a positive impact on EBIT. Adjusted for non-recurring effects, EBIT at the WACKER Group increased by a good 23 percent year over year. Relative to Q1 2015 (€126.3 million), EBIT grew by nearly 49 percent. In the first quarter of 2015, the Group's EBIT margin had been 9.5 percent.

Second-Quarter Earnings per Share of €2.21

In the three-month period through June 2015, the WACKER Group generated net income of €108.2 million (Q2 2014: €29.4 million). Earnings per share in Q2 2015 amounted to €2.21 (Q2 2014: €0.64). Net income for the first half of 2015 amounted to €178.8 million (6M 2014: €93.6 million), while earnings per share for the six-month period totaled €3.63 (6M 2014: €1.99).

Additional details regarding the development of WACKER's earnings in Q2 2015 are discussed in the "Condensed Statement of Income – Earnings" section of this Interim Report, starting on page 26.

Second-Quarter Business Performance Ahead of Expectations in Some Areas

WACKER's key financial performance indicators are EBITDA, EBITDA margin, return on capital employed (ROCE) and net cash flow. The supplementary financial performance indicators include sales, investment spending and net financial debt. The Group's management processes as presented and discussed on pages 66 to 71 of the 2014 Annual Report remained unchanged in the period under review.

The WACKER Group's second-quarter sales and earnings were better than had been expected when the interim report for Q1 2015 was presented. In response to the positive business performance in the first months of 2015, WACKER had raised its sales forecast for current year when it published the figures for the first quarter. Due in part to the altered exchange-rate environment, the Group now expects that its sales for the full year will grow by around 10 percent. Sales in the first half of 2015 were almost 13 percent higher than a year ago. As of mid-year, WACKER is thus well on course to reach its full-year sales target.

The fact that EBITDA came in higher in absolute terms than had been expected when the interim report for Q1 2015 was presented is attributable first and foremost to the special income mentioned previously. Adjusted for the non-recurring effects of the current and previous year, EBITDA in the first half of 2015 was 26 percent higher than in the first half of 2014. WACKER is therefore well positioned to exceed its 2014 EBITDA as announced, after adjustment of EBITDA for non-recurring effects. In spite of the special income from advance payments retained and damages received in the first half of 2015, we still expect that – on a full-year basis – special income will be lower than it was in 2014. Accordingly, the WACKER Group's EBITDA margin will also be lower in 2015 than it was last year.

During the reporting quarter, net financial debt fell from its level at the end of Q1 2015, a development that was better than previously expected. This reflects the proceeds received by WACKER from the initial public offering of Siltronic AG. Depreciation totaled €141.1 million in Q2 2015. At €21.0 million, net cash flow was positive, while investment spending for the reporting quarter was in line with expectations.

Investing Activities Remain Focused on the Expansion of Polysilicon Capacities

The WACKER Group invested €214.2 million in the second quarter of 2015 (Q2 2014: €101.0 million). That was more than twice as much as a year ago, and was the result of project-related factors and changes in currency effects. Capital expenditures in Q1 2015 had amounted to €174.9 million. In the first half of 2015, the WACKER Group's investments totaled €389.1 million (6M 2014: €190.3 million).

The demand-driven expansion of polysilicon production capacities remained the focus of investing activities at the WACKER Group in the second quarter, with projects of this kind accounting for almost 80 percent of the Group's total investment spending during the quarter. Construction of the new polysilicon site in Charleston, Tennessee (USA) continued on schedule in the current reporting period. Before the end of this year, WACKER will begin ramping up the facilities at this site, the biggest single investment project in the company's history. In parallel, the production output of the existing hyperpure polysilicon facilities at the Burghausen and Nünchritz sites in Germany is to be expanded by optimizing the processes already in place. WACKER intends to increase its overall annual production capacity for polysilicon to about 80,000 metric tons by 2017.

Further capital expenditures during the reporting quarter focused on increasing capacities for polymer products. WACKER is expanding its production plants for vinyl acetate-ethylene copolymer dispersions at Calvert City, Kentucky (USA), where it is building a new reactor with an annual capacity of 85,000 metric tons. Capital expenditures for the new facilities and for infrastructure expansion amount to some €50 million. The new reactor is due to come on stream in the next few weeks.

At Burghausen (Germany), WACKER officially started up a new dispersible-polymer-powder plant with an annual capacity of 50,000 metric tons in mid-April. In early June, a new plant for specialty monomers also started up at Burghausen, with an annual capacity of 3,800 metric tons. The specialty monomers in question – vinyl neodecanoate and vinyl laurate – are important raw materials for producing high-value specialty grades of dispersible polymer powders. The new facilities reinforce WACKER's position as the world's biggest manufacturer of dispersible polymer powders in a growth market shaped by such global trends as urbanization, renovation and energy efficiency.

In addition to expanding its production capacities, WACKER is strengthening its worldwide presence and customer proximity by establishing more application and training facilities for its customers. To this end, WACKER expanded its technical center in Moscow to include a new service laboratory, which officially opened in May 2015. The lab will be used for testing silicone rubber grades and ready-to-use silicone compounds for the energy, electrical and automotive industries. The purpose of this investment is to improve support for key customers in Russia and Eastern Europe and to continue expanding silicone business in the region.

Second-Quarter Net Cash Flow Positive at €21 Million

From April through June 2015, WACKER generated net cash flow of €21.0 million (Q2 2014: €49.6 million). In addition to the Group's good operating activities, special income at WACKER POLYSILICON also had a positive influence on cash flow. In the first half of 2015, net cash flow totaled €38.4 million (6M 2014: €154.1 million).

WACKER's net financial debt fell by almost 22 percent from its level at the end of the first quarter. It amounted to €938.9 million as of June 30, 2015 (Dec. 31, 2014: €1,080.6 million). The decline was mainly due to the proceeds received by WACKER from the initial public offering of Siltronic AG. As a result, the Group's liquidity increased by about €360 million.

Additional details regarding cash flows are discussed in the "Condensed Statement of Cash Flows – Financial Position" section of this Interim Report, starting on page 34.

WACKER is Developing New Products and Enhancing Proven Quality

In Q2 2015, the WACKER Group spent €43.1 million on R&D activities (Q2 2014: €43.2 million). In the first half of 2015, spending on research and development totaled €87.8 million (6M 2014: €91.1 million).

Numerous innovations, product launches and tradeshow participations are the result of systematic R&D, conducted at two levels: locally at the individual business divisions and centrally at the Corporate Research & Development department, which coordinates these activities. Here are a few examples from the current reporting quarter:

- WACKER has developed a new silicone surfactant for pulp industry customers. Marketed under the name PULPSIL® 968 S, it serves as the active ingredient for dewatering formulations used in pulp washing. The silicone delivers unparalleled efficiency in pulp dewatering and greatly reduces the washing time.

- At the PaperCon tradeshow, which took place in Atlanta, Georgia (USA) in April 2015, WACKER introduced its new VINNAPAS® EF 104 binder. This vinyl acetate-ethylene copolymer dispersion was developed specifically for the coating of paperboard surfaces. It is easy to process and provides good print quality on coated paperboard. The dispersion complies with numerous food-contact regulatory requirements, making it suitable for coating applications such as breakfast-cereal packaging and boxes for frozen food.

- In mid-May, WACKER presented a new high-tack silicone adhesive gel for wound-care applications to specialists attending the 25th Conference of the European Wound Management Association (EWMA) in London. Marketed as SILPURAN® 2117, this adhesive gel is suitable for manufacturing the skin-friendly adhesives frequently used in clinical wound care. Wound dressings made with this highly pure silicone adhesive provide reliable protection over extended time periods, yet remain soft and flexible. This makes it possible, for example, to change dressings virtually without causing any pain. SILPURAN® 2117 is also the preferred choice wherever hypoallergenic skin compatibility is a crucial requirement.

Avery Dennison Recognizes WACKER for Excellence in Sustainability

In June 2015, the label and packaging manufacturer Avery Dennison honored WACKER with its Best Supplier Sustainability award. WACKER and the Swedish specialty paper manufacturer Munksjö were recognized at an award ceremony for their joint efforts in the development of a low-platinum solution for silicone release liners. Silicone release agents ensure that self-adhesive labels can be removed from their backing paper more easily. Over the last 20 years, WACKER has become a leading supplier to this US label manufacturer.

WACKER Joins Diversity Charter

WACKER is intensifying its commitment to a diverse and inclusive workforce and, to this end, has signed Germany's Diversity Charter. The aim of this nationwide initiative is to promote diversity and inclusion in companies and institutions. The Diversity Charter was launched in December 2006. Since then, over 2,000 companies and public institutions have signed this voluntary commitment.

WACKER sees diversity and inclusion as a key factor in being even more successful in the future. And the global nature of the company is increasingly reflected in its management structure. In recent years, WACKER has intensified its focus on filling leadership positions outside Germany with local employees rather than with German executives sent there on assignment. Members of the Group's executive personnel now come from 17 different countries. To enable more women to take up leadership positions, the company uses effective HR tools, such as a groupwide Talent Management system and mentoring programs. A wide variety of working-time models makes it possible for men and women to achieve a work-life balance.

Number of Employees Remains Largely Stable

Relative to Q1 2015, the number of WACKER employees worldwide changed only marginally during the second quarter of 2015. The Group had 16,928 employees as of June 30, 2015 (March 31, 2015: 16,844). Employee numbers were also only slightly higher year over year (June 30, 2014: 16,758).

As of June 30, 2015, WACKER had 12,378 employees in Germany (March 31, 2015: 12,400) and 4,550 at its international sites (March 31, 2015: 4,444).

Changes in WACKER's Executive Board

At the end of June 2015, WACKER announced that Dr. Joachim Rauhut (61), CFO of Wacker Chemie AG, would be leaving the company as planned when his contract expires on October 31, 2015. Dr. Tobias Ohler (44), a WACKER Executive Board member since early 2013, is to take over as CFO on November 1. The Supervisory Board has extended his contract – which was due to expire on December 31, 2015 – for another five years. Effective November 1, 2015, Dr. Christian Hartel (44) is to join the Executive Board as Personnel Director. The duration of his contract is three years. Currently, he is president of WACKER SILICONES.

For detailed information on the organization and structure of Wacker Chemie AG, as well as on its corporate goals and strategy, please refer to WACKER's 2014 Annual Report, especially the sections "Group Business Fundamentals" (pages 55 to 63) and "Goals and Strategies" (pages 64 to 65), as well as to the "Non-Financial Performance Indicators and Other Information" section (pages 106 to 133). The principles, guidelines and processes described there did not change materially during the reporting quarter and continue to apply.

Condensed Statement of Income – Earnings

January 1 through June 30, 2015

Condensed Statement of Income

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€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales	1,370.5	1,242.3	10.3	2,705.4	2,399.7	12.7
Gross profit from sales	297.5	234.4	26.9	589.1	398.8	47.7
Selling, R&D and general administrative expenses	–153.4	–144.6	6.1	–307.3	–290.4	5.8
Other operating income and expenses	43.2	–8.3	n.a.	32.6	107.0	–69.5
Operating result	187.3	81.5	>100	314.4	215.4	46.0
Result from investments in joint ventures and associates	0.6	0.6	–	–0.2	0.5	n.a.
EBIT	187.9	82.1	>100	314.2	215.9	45.5
Financial result	–19.9	–23.0	–13.5	–26.9	–46.7	–42.4
Income before taxes	168.0	59.1	>100	287.3	169.2	69.8
Income taxes	–59.8	–29.7	>100	–108.5	–75.6	43.5
Net income for the period	108.2	29.4	>100	178.8	93.6	91.0
Of which						
Attributable to Wacker Chemie AG shareholders	110.0	32.0	>100	180.4	99.0	82.2
Attributable to non-controlling interests	–1.8	–2.6	–30.8	–1.6	–5.4	–70.4
Earnings per share in € (basic/diluted)	2.21	0.64	>100	3.63	1.99	82.2
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–	49,677,983	49,677,983	–
Reconciliation to EBITDA						
EBIT	187.9	82.1	>100	314.2	215.9	45.5
Depreciation/appreciation of noncurrent assets	141.1	147.4	–4.3	281.9	298.8	–5.7
EBITDA	329.0	229.5	43.4	596.1	514.7	15.8

Thanks to healthy customer demand, and supported by favorable exchange rates, the WACKER Group's second-quarter sales exceeded those of the previous year. The business trend for silicon wafers and in the chemical divisions was good, lifting Group sales by 10 percent compared with Q2 2014. WACKER POLYSILICON experienced a slight sales decline as individual customers proceeded to clear previously purchased inventory. Total Group sales in the first half of 2015 rose by 13 percent. Group EBITDA of €329.0 million was substantially above the prior-year level of €229.5 million. Non-recurring effects increased EBITDA by €86.7 million in the reporting quarter, whereas the Q2 2014 figure did not contain any non-recurring effects.

Group Sales of €1.37 Billion 10 Percent Higher Than a Year Earlier

In Q2 2015, WACKER generated sales of €1,370.5 million compared with €1,242.3 million a year ago, a rise of 10 percent. Sales grew relative to Q1 2015 (€1,334.9 million) as well, rising almost 3 percent. As in the preceding quarter, higher volumes and favorable exchange rates had a positive impact on sales in Q2 2015. First-half Group sales totaled €2,705.4 million, exceeding the prior-year figure (€2,399.7 million) by 13 percent.

The Group's chemical divisions grew their sales by 13 percent in the reporting quarter, to €873.6 million (Q2 2014: €773.3 million). As in the preceding quarter, the increase in sales was due especially to higher volumes and better prices for some products, and was supported by favorable euro exchange rates relative to the US dollar and other currencies. Viewed on a six-month basis, sales at the chemical divisions were higher as well, rising from €1,478.0 million in the first half of 2014 to €1,682.4 million in the period under review. Siltronic profited during the reporting quarter from higher sales volumes for semiconductor wafers and from favorable exchange rates. Even though silicon-wafer prices fell in US-dollar terms, Siltronic's sales still climbed 17 percent to €246.7 million (Q2 2014: €210.4 million). The price decline was thus offset by favorable exchange-rate effects. First-half sales amounted to €485.4 million (6M 2014: €414.2 million). WACKER POLYSILICON generated sales of €261.3 million in Q2 2015, more than 4 percent down on a year ago (€273.2 million). This year-over-year sales decline was due to lower solar-silicon prices. In the first half of 2015, WACKER POLYSILICON generated total sales of €550.7 million (6M 2014: €535.2 million), up roughly 3 percent.

Group Q2 EBITDA €329 Million

In Q2 2015, EBITDA amounted to €329.0 million (Q2 2014: €229.5 million), a 43-percent increase. The main reason for the increase was a non-recurring effect: in Q2 2015, WACKER retained advance payments and received damages, resulting in special income of €86.7 million. The prior-year quarter included no special-income items. Adjusted for this non-recurring effect, WACKER's EBITDA slightly exceeded that of the previous year.

Higher sales enhanced earnings. The chemical divisions in particular saw their EBITDA rise by 32 percent year over year to €143.6 million (Q2 2014: €109.1 million). Siltronic's EBITDA from April through June amounted to €31.4 million, after €28.1 million a year earlier. Higher sales attributable to increased volumes and favorable exchange-rate effects were offset by currency-hedging losses and the currency translation of receivables. WACKER POLYSILICON achieved EBITDA of €161.4 million in the reporting quarter, up €73.5 million on a year earlier (€87.9 million). The increase stemmed from the reported special income of €86.7 million. Start-up costs for the new polysilicon site in Tennessee (USA), on the other hand, reduced the division's EBITDA. The Group's EBITDA margin increased year over year, reaching 24.0 percent in Q2 2015 (Q2 2014: 18.5 percent).

Group EBITDA for the first half of 2015 totaled €596.1 million (6M 2014: €514.7 million). The increase reflected the positive impact of the strong US dollar, which benefited the Group's operating activities by increasing sales. Special income was recorded in the first six months of both 2015 (€91.4 million) and 2014 (€114.0 million). The chemical divisions improved their six-month EBITDA by 42 percent year over year to €280.0 million (6M 2014: €197.8 million). Siltronic achieved EBITDA of €71.4 million in the first half of 2015 (6M 2014: €43.1 million), up 66 percent. At €240.1 million, WACKER POLYSILICON's EBITDA for the first half of 2015 was down 10 percent from a year earlier (€267.9 million) because of the lower special-income item. The first-half EBITDA margin for the Group was 22.0 percent (6M 2014: 21.4 percent).

In Q2 2015, WACKER's EBIT totaled €187.9 million (Q2 2014: €82.1 million), more than double the amount of the year-ago period. The non-recurring effect described was likewise reflected in this figure. When adjusted, EBIT increased by 23 percent. Depreciation totaled €141.1 million (Q2 2014: €147.4 million), down 4 percent after the expiration of depreciation.

For detailed information on the individual divisions' sales and operating results, please see the "Division Results" section starting on page 37 of this Interim Report.

Cost of Goods Sold Higher Year over Year

In the second quarter, gross profit from sales grew by 27 percent to €297.5 million (Q2 2014: €234.4 million). The gross margin was 22 percent, up 3 percentage points from a year ago, mainly due to higher sales. The cost of goods sold rose by nearly 7 percent in the reporting quarter, amounting to €1,073.0 million (Q2 2014: €1,007.9 million). The Q2 cost-of-sales ratio was 78 percent, 3 percentage points lower than a year ago. Gross profit for the first half of 2015 totaled €589.1 million (6M 2014: €398.8 million), an increase of 48 percent. The six-month gross margin was 22 percent (6M 2014: 17 percent) and the cost-of-sales ratio was 78 percent (6M 2014: 83 percent). In addition to sales growth, the main reasons for both the quarterly and the six-month improvement were high plant-utilization rates and reduced costs.

Functional Costs Higher

In Q2 2015, other functional costs (selling, R&D and general administrative expenses) were about 6 percent higher year over year, having risen from €144.6 million to €153.4 million. The year-over-year increase was also 6 percent when comparing half-year periods. Selling expenses in particular were substantially higher as a result of higher sales.

Other Operating Income and Expenses

The second-quarter balance of other operating income and expenses was €43.2 million (Q2 2014: €–8.3 million). The marked increase was mainly attributable to the special income from advance payments retained and damages received in connection with terminated contracts with polysilicon customers. WACKER collected €86.7 million from this source in the reporting quarter. No special income was recognized in the prior-year quarter. The Group posted a foreign currency loss of €–30.2 million in the reporting quarter (Q2 2014: gain of €5.7 million). Of that amount, €–17.6 million (Q2 2014: €4.1 million) was recognized for Siltronic, while €–12.6 million (Q2 2014: €1.6 million) was recognized under Other. The difference primarily reflects the expiration of forward-exchange contracts used for currency hedging and the translation of receivables denominated in foreign currencies. In the first six months of 2015, the balance of other operating income and expenses totaled €32.6 million (6M 2014: €107.0 million). Foreign currency gains and losses totaled €–34.5 million in the first half of 2015 (6M 2014: €9.4 million). Of that amount, €–19.7 million (6M 2014: €6.6 million) was recognized for Siltronic, while €–14.8 million (6M 2014: €2.8 million) was recognized under Other.

Operating Result

Due to the effects described above, the operating result rose by €105.8 million in the second quarter of 2015, amounting to €187.3 million (Q2 2014: €81.5 million). In the first six months of 2015, the operating result climbed to €314.4 million (6M 2014: €215.4 million).

Financial and Net Interest Result

In Q2 2015, the financial result improved slightly on the prior-year quarter to €–19.9 million (Q2 2014: €–23.0 million). While interest income was €2.0 million (Q2 2014: €1.7 million), interest expenses amounted to €8.3 million (Q2 2014: €10.7 million). In the second quarter, the capitalization of construction-related borrowing costs in the amount of €4.6 million reduced interest expenses. In the first half of the year, WACKER posted a financial result of €–26.9 million (6M 2014: €–46.7 million). Interest income came in at €3.8 million (6M 2014: €3.5 million), and interest expenses were lower, at €15.2 million (6M 2014: €22.4 million). The capitalization of construction-related borrowing costs totaling €9.6 million reduced interest expenses, which in turn led to the year-over-year improvement.

The other financial result amounted to €–13.6 million (Q2 2014: €–14.0 million) and primarily comprised interest-bearing components of pension and other noncurrent provisions. It also included income and expenses from the exchange-rate effects of financial investments. For the first half of the year, WACKER posted a net other financial result of €–15.5 million (6M 2014: €–27.8 million). The improvement in this result was due to the impact of positive exchange-rate effects from financial assets on the result in Q1 2015.

Income Taxes

For the first half of 2015, the Group recognized tax expenses of €108.5 million after €75.6 million a year earlier. The effective tax rate for the first six months of 2015 was 37.8 percent (6M 2014: 44.7 percent). The lower effective tax rate was attributable to higher income before taxes of €287.3 million (6M 2014: €169.2 million). This rate is affected by start-up costs for the Tennessee production site and by losses incurred by a number of subsidiaries, none of which are deductible for tax purposes.

Net Income for the Period

Net income was substantially higher in both the second quarter and first half of 2015 due to the effects mentioned above. At €108.2 million, second-quarter net income more than tripled year over year (Q2 2014: €29.4 million) due to the special income described above and substantially higher sales. In the first half of 2015, net income totaled €178.8 million (6M 2014: €93.6 million).

Condensed Statement of Financial Position – Net Assets

June 30, 2015

Assets

T 2.4

€ million	June 30, 2015	June 30, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets, property, plant and equipment, and investment property	**4,651.5**	4,050.2	14.8	4,345.7	7.0
Investments in joint ventures and associates accounted for using the equity method	**20.7**	19.1	8.4	20.5	1.0
Other noncurrent assets	**504.6**	471.3	7.1	487.9	3.4
Noncurrent assets	5,176.8	4,540.6	14.0	4,854.1	6.6
Inventories	**782.6**	689.9	13.4	734.3	6.6
Trade receivables	**790.6**	741.6	6.6	684.0	15.6
Other current assets	**675.7**	644.0	4.9	674.8	0.1
Current assets	2,248.9	2,075.5	8.4	2,093.1	7.4
Total assets	7,425.7	6,616.1	12.2	6,947.2	6.9

Equity and Liabilities

T 2.5

€ million	June 30, 2015	June 30, 2014	Change in %	Dec. 31, 2014	Change in %
Equity	2,687.7	2,066.1	30.1	1,946.5	38.1
Noncurrent provisions	**1,821.3**	1,574.0	15.7	1,983.7	–8.2
Financial liabilities	**1,333.4**	1,140.3	16.9	1,318.2	1.2
Other noncurrent liabilities	**398.5**	609.1	–34.6	533.9	–25.4
Of which advance payments received	**391.1**	603.6	–35.2	523.0	–25.2
Noncurrent liabilities	3,553.2	3,323.4	6.9	3,835.8	–7.4
Financial liabilities	**175.0**	317.7	–44.9	283.3	–38.2
Trade payables	**432.1**	317.7	36.0	374.5	15.4
Other current provisions and liabilities	**577.7**	591.2	–2.3	507.1	13.9
Current liabilities	1,184.8	1,226.6	–3.4	1,164.9	1.7
Liabilities	4,738.0	4,550.0	4.1	5,000.7	–5.3
Total equity and liabilities	7,425.7	6,616.1	12.2	6,947.2	6.9

WACKER's total assets were 7 percent higher compared with December 31, 2014, rising by €478.5 million to €7.43 billion as of June 30, 2015 (Dec. 31, 2014: €6.95 billion). There are several reasons for this substantial increase. The fall in value of the euro relative to the US dollar and other currencies had a marked impact on the Group's assets and liabilities in the reporting period. Foreign currency translation effects increased the balance sheet total by €243.4 million and mainly impacted noncurrent assets and financial liabilities. The increase in operating activities led to higher trade receivables and higher inventory levels. On the equity and liabilities side of the balance sheet, there was a drop in provisions for pensions and, in particular, in advance payments received from polysilicon contracts as a result of termination of customer contracts. The Group's equity rose by €456.8 million, due in part to the net income for the period, lower actuarial losses, and currency translation effects. In addition, proceeds from the successful IPO of Siltronic AG increased Group equity by €361.9 million.

Noncurrent Assets

Compared with the end of last year, noncurrent assets climbed by €322.7 million to €5.18 billion (Dec. 31, 2014: €4.85 billion), accounting for 70 percent of total assets (Dec. 31, 2014: 70 percent). Intangible assets, property, plant and equipment, and investment property grew by €305.8 million, amounting to €4.65 billion as of June 30, 2015 (Dec. 31, 2014: €4.35 billion). The rise was partly attributable to currency translation effects, but ongoing investments also increased property, plant and equipment, which grew by €304.9 million as of June 30, 2015. Current investment spending on property, plant and equipment and intangible assets amounted to €389.1 million, with more than 70 percent of this amount going toward construction of the production site in Charleston, Tennessee (USA). Conversely, depreciation reduced intangible assets and property, plant and equipment by €282.4 million in the first six months of 2015 (6M 2014: €298.8 million). Changes in exchange rates increased the value of noncurrent assets by €202.2 million.

Investments in joint ventures and associates accounted for using the equity method remained nearly constant, amounting to €20.7 million as of the balance sheet date (Dec. 31, 2014: €20.5 million).

Other noncurrent assets totaled €504.6 million as of June 30, 2015 (Dec. 31, 2014: €487.9 million), an increase of over 3 percent from year-end 2014. Investments in noncurrent securities rose by €30.8 million to €68.4 million. On the other hand, deferred tax assets decreased – dropping to €306.3 million (Dec. 31, 2014: €334.3 million) due to the higher discount rates used to calculate pension provisions. Other noncurrent assets also included €101.8 million in loans (Dec. 31, 2014: €93.5 million), as well as noncurrent tax receivables.

Current Assets

Compared with December 31, 2014, current assets rose by €155.8 million to €2.25 billion, an increase of 7 percent. Their share in total assets remained unchanged from the previous period, accounting for 30 percent. Inventory levels grew from €734.3 million to €782.6 million, due among other things to currency translation effects. That represented a year-over-year increase of close to seven percent. Trade receivables amounted to €790.6 million at the end of the six-month period (Dec. 31, 2014: €684.0 million). While this increase of 16 percent was primarily due to the change in the value of the euro against the US dollar and other currencies, the higher volume of business was another contributing factor. Inventories and trade receivables together accounted for 21 percent of total assets. Favorable exchange rates increased the value of inventories by about €15 million.

Other current assets mainly comprise securities, and cash and cash equivalents. Current securities, which totaled €90.0 million at the end of the first half of the year (Dec. 31, 2014: €157.4 million), comprised investments of liquid funds in fixed-term deposits and in securities. Liquid funds rose from €325.9 million at year-end 2014 to €411.1 million as of June 30, 2015, due in part to proceeds from the IPO of Siltronic AG on June 11, 2015. Total proceeds of €361.9 million flowed to the Group after deduction of transaction costs. WACKER invested part of this amount in securities, using the rest to finance capital expenditure. Other current assets include income tax receivables of €11.2 million (Dec. 31, 2014: €15.2 million), positive fair values of derivative financial instruments amounting to €10.0 million (Dec. 31, 2014: €3.9 million) and other tax receivables of €36.9 million (Dec. 31, 2014: €49.6 million). Other current assets accounted for 9 percent of total assets (Dec. 31, 2014: 10 percent).

Equity Up by 38 Percent

Group equity increased by €741.2 million compared with year-end 2014, amounting to €2.69 billion as of June 30, 2015 (Dec. 31, 2014: €1.95 billion). The resulting equity ratio was 36.2 percent (Dec. 31, 2014: 28.0 percent). Retained earnings increased by €178.8 million as a result of net income for the first six months of 2015. Other equity items increased equity, essentially as a result of the adjustment to pension provisions that was not recognized in the income statement. The remeasurement of defined benefit plans at the end of Q2 2015 resulted in lower actuarial losses, which increased equity by €124.4 million. Foreign currency translation effects increased equity by €120.8 million. The dividend paid by Wacker Chemie AG reduced equity by €74.5 million in the second quarter.

When Siltronic AG went public on June 11, 2015, 12.65 million shares were placed with investors, consisting of 5 million new shares issued through a capital increase at Siltronic and 7.65 million shares originally held by WACKER. WACKER increased its equity by €361.9 million as a result of the IPO. At the same time, WACKER's stake in Siltronic AG was reduced from 100 percent to 57.8 percent. The minority interest in Siltronic AG and its subsidiaries now accounts for 42.2 percent. Because the Group still retains a majority of shares in the companies, the equity of Wacker Chemie AG shareholders rose by €197.1 million as a result of the transaction. At the same time, the share of non-controlling interests in Group equity rose by €164.8 million.

Noncurrent Liabilities

As of June 30, 2015, noncurrent liabilities amounted to €3.55 billion (Dec. 31, 2014: €3.84 billion). Down 7 percent from the end of the previous year, they accounted for 48 percent of total equity and liabilities (Dec. 31, 2014: 55 percent). Provisions for pensions fell by €168.5 million to €1.59 billion, a decline of 10 percent. This was due to remeasurement of defined benefit plans using a higher discount rate. Provisions for pensions accounted for 21 percent of total equity and liabilities (Dec. 31, 2014: 25 percent). Other noncurrent provisions increased only marginally.

Noncurrent financial liabilities rose by €15.2 million to €1.33 billion (Dec. 31, 2014: €1.32 billion). This increase was mainly attributable to currency translation effects, as WACKER recognizes bank loans and promissory notes in US dollars and other currencies. Overall, other noncurrent liabilities were substantially lower at €398.5 million (Dec. 31, 2014: €533.9 million). This was due to the change in noncurrent advance payments received, which amounted to €391.1 million as of the reporting date (Dec. 31, 2014: €523.0 million). The termination of long-term supply contracts meant that advance payments received were retained and recognized though profit and loss. In addition, noncurrent financial liabilities were reclassified as current.

Current Liabilities

Current liabilities rose from €1.16 billion at year-end 2014 to €1.18 billion. Their share in total equity and liabilities was 16 percent (Dec. 31, 2014: 17 percent). Trade payables climbed by 15 percent compared with year-end 2014, amounting to €432.1 million as of the balance sheet date (Dec. 31, 2014: €374.5 million). At €577.7 million, other current provisions and liabilities were 14 percent higher than at year-end 2014 (€507.1 million). The increase reflects the creation of current income tax provisions and the accrual of personnel liabilities during the year, including those related to vacation and flextime credits. Due to exchange rate changes, liabilities from currency hedging derivatives also rose, by €8.3 million to €53.2 million. Current advance payments received amounted to €174.7 million as of the reporting date (Dec. 31, 2014: €166.1 million).

WACKER Posts Net Financial Debt of Around €939 Million

Current financial liabilities decreased by 38 percent, amounting to €175.0 million as of June 30, 2015 (Dec. 31, 2014: €283.3 million). The main reason for this reduction was extinguishment of a promissory note (German Schuldschein) in the amount of €150 million. Conversely, exchange-rate effects caused financial liabilities to increase. Financial liabilities declined overall to €1,508.4 million compared with year-end 2014 (€1,601.5 million) and accounted for 20 percent of total equity and liabilities. The fall in value of the euro against the dollar and other currencies during the first half of 2015 caused financial liabilities to rise by around €60 million. Current liquidity (current securities, cash and cash equivalents) grew compared with December 31, 2014, amounting to €501.1 million (Dec. 31, 2014: €483.3 million). This increase of €17.8 million comprises both the proceeds of the IPO of Siltronic AG and repayment of the promissory note (German Schuldschein). Noncurrent securities rose from €37.6 million to €68.4 million because WACKER invested part of the proceeds from the IPO in medium-term securities. As of the balance sheet date of June 30, 2015, WACKER had net financial debt (the balance of gross financial debt and noncurrent and current liquidity) totaling €938.9 million (Dec. 31, 2014: €1,080.6 million), down 13 percent compared with December 31, 2014.

Off-Balance-Sheet Financing Instruments

WACKER does not use any off-balance-sheet financing instruments.

Condensed Statement of Cash Flows – Financial Position

January 1 through June 30, 2015

Condensed Statement of Cash Flows

T 2.6

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Net income for the period	108.2	29.4	>100	178.8	93.6	91.0
Depreciation/appreciation of noncurrent assets	141.1	147.4	–4.3	281.9	298.8	–5.7
Changes in inventories	4.2	–19.6	n.a.	–31.9	–37.0	–13.8
Changes in trade receivables	16.6	–38.8	n.a.	–99.0	–122.6	–19.2
Changes in other assets	–24.3	40.6	n.a.	14.8	15.7	–5.7
Changes in advance payments received	–80.4	–38.2	>100	–123.3	–73.6	67.5
Changes from equity accounting	0.7	1.1	–36.4	1.5	1.2	25.0
Other non-cash expenses, income and other items	–26.6	–12.2	>100	79.7	82.4	–3.3
Cash flow from operating activities (gross cash flow)	139.5	109.7	27.2	302.5	258.5	17.0
Cash receipts and payments for acquisitions	–	–	–	–	25.8	–100.0
Cash receipts and payments for investments	–198.9	–98.3	>100	–387.4	–203.8	90.1
Cash flow from long-term investing activities before securities	–198.9	–98.3	>100	–387.4	–178.0	>100
Acquisition/disposal of securities and fixed deposits	–24.2	–0.8	>100	35.3	0.8	>100
Cash flow from investing activities	–223.1	–99.1	>100	–352.1	–177.2	98.7
Distribution of profit from prior-year net income	–75.9	–25.7	>100	–75.9	–25.7	>100
Cash receipts from the change in ownership interests in Siltronic AG	361.9	–	n.a.	361.9	–	n.a.
Changes in financial liabilities	–40.3	3.6	n.a.	–154.4	–140.5	9.9
Cash flow from financing activities	245.7	–22.1	n.a.	131.6	–166.2	n.a.
Changes due to exchange-rate fluctuations	–2.4	0.9	n.a.	3.2	1.0	>100
Changes in cash and cash equivalents	159.7	–10.6	n.a.	85.2	–83.9	n.a.
At the beginning of the period	251.4	358.5	–29.9	325.9	431.8	–24.5
At the end of the period	411.1	347.9	18.2	411.1	347.9	18.2

Net Cash Flow

T 2.7

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Cash flow from operating activities (gross cash flow)	139.5	109.7	27.2	302.5	258.5	17.0
Changes in advance payments received	80.4	38.2	>100	123.3	73.6	67.5
Cash flow from long-term investing activities before securities	–198.9	–98.3	>100	–387.4	–178.0	>100
Additions from finance leases	–	–	n.a.	–	–	n.a.
Net cash flow	21.0	49.6	–57.7	38.4	154.1	–75.1

Our key financial-management goal is to maintain WACKER's long-term financial strength. The central task is to sufficiently cover the financing requirements of operations and investment projects. WACKER's operations and the incoming payments they generate are the company's key source of liquidity. In order to enhance the financial scope for ongoing investment projects, WACKER's financing strategy now also includes the option of taking out long-term loans.

Net cash flow serves as the internal indicator for measuring the liquidity of operating activities. Net financial debt is an indicator of the Group's level of debt.

Gross Cash Flow

The cash flow from operating activities (gross cash flow) totaled €302.5 million in the first six months of 2015 (6M 2014: €258.5 million), an increase of 17 percent. The higher net income for the period of €178.8 million had a positive impact. This income included depreciation of €281.9 million (6M 2014: €298.8 million). The increase in working capital (trade receivables less trade payables, plus inventories) reduced gross cash flow by €86.7 million. In particular, trade receivables and inventories were substantially higher because business volumes increased. Advance payments received for polysilicon deliveries changed by €–123.3 million in the first six months of 2015 (6M 2014: €–73.6 million) in line with the deliveries made and the advance payments retained in connection with terminated contracts. The item "Other non-cash expenses, income and other items" produced a positive effect of €79.7 million (6M 2014: €82.4 million). It included higher personnel liabilities and liabilities relating to vacation and flextime credits as well as increased liabilities from derivatives. Additions to pension provisions also had a positive impact on cash flow from operating activities.

Cash Flow from Investing Activities

The cash flow from long-term investing activities amounted to €–387.4 million and essentially comprised the cash outflow for investing activities. Relative to the prior-year period (€–178.0 million), cash payments for investments were substantially higher. Over 70 percent of the funds went toward ongoing construction at the polysilicon site in Charleston, Tennessee (USA). Compared with 2014, the project has now reached a more intensive phase as it nears completion, prompting WACKER to make substantially higher payments. A cash inflow of €25.8 million in the prior-year period was essentially attributable to the first-time recognition of the cash and cash equivalents of Siltronic Silicon Wafer Pte. Ltd. (SSW) in WACKER's consolidated financial statements.

The cash flow from investing activities came to €–352.1 million in the first six months of 2015 (6M 2014: €–177.2 million). Alongside investments in noncurrent assets, it included cash receipts and payments for securities and fixed deposits with maturities of more than three months.

Net Cash Flow

Net cash flow comprises cash flow from operating activities (excluding advance payments received) and cash flow from long-term investing activities (excluding securities), taking account of additions from finance leases. It amounted to €38.4 million in the first six months of 2015 compared with €154.1 million in the prior-year period.

Cash Flow from Financing Activities

The cash flow from financing activities came to €131.6 million in the first half of 2015 (6M 2014: €–166.2 million). Cash receipts from the IPO of Siltronic AG and the associated change in the owners' stakes amounted to €361.9 million, increasing the cash flow from financing activities. The dividend payment by Wacker Chemie AG in the second quarter of 2015 led to a cash outflow of €74.5 million. Furthermore, the cash outflow for the repayment of liabilities to banks in the amount of €154.4 million reduced cash flow from financing activities. In the previous year, SSW's external financial debt had been repaid following Siltronic's acquisition of a majority stake in that company.

Compared with December 31, 2014, cash and cash equivalents were up by €85.2 million (6M 2014: decrease of €83.9 million) and amounted to €411.1 million as of June 30, 2015 (Dec. 31, 2014: €325.9 million).

Division Results

January 1 through June 30, 2015

Sales

T 2.8

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
WACKER SILICONES	506.3	441.2	14.8	981.1	866.5	13.2
WACKER POLYMERS	314.6	285.5	10.2	599.2	524.2	14.3
WACKER BIOSOLUTIONS	52.7	46.6	13.1	102.1	87.3	17.0
WACKER POLYSILICON	261.3	273.2	–4.4	550.7	535.2	2.9
SILTRONIC	246.7	210.4	17.3	485.4	414.2	17.2
Corporate functions / Other	49.8	39.5	26.1	101.6	79.9	27.2
Consolidation	–60.9	–54.1	12.6	–114.7	–107.6	6.6
Group sales	1,370.5	1,242.3	10.3	2,705.4	2,399.7	12.7

EBIT

T 2.9

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
WACKER SILICONES	56.7	37.5	51.2	104.3	67.0	55.7
WACKER POLYMERS	47.5	35.7	33.1	98.9	62.4	58.5
WACKER BIOSOLUTIONS	6.7	6.0	11.7	12.7	8.9	42.7
WACKER POLYSILICON	105.0	29.6	>100	126.7	151.3	–16.3
SILTRONIC	0.7	–9.5	n.a.	9.4	–36.2	n.a.
Corporate functions / Other	–29.5	–16.8	75.6	–38.0	–35.1	8.3
Consolidation	0.8	–0.4	n.a.	0.2	–2.4	n.a.
Group EBIT	187.9	82.1	>100	314.2	215.9	45.5

EBITDA

T 2.10

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
WACKER SILICONES	77.3	57.4	34.7	145.0	106.5	36.2
WACKER POLYMERS	56.8	43.5	30.6	116.7	77.7	50.2
WACKER BIOSOLUTIONS	9.5	8.2	15.9	18.3	13.6	34.6
WACKER POLYSILICON	161.4	87.9	83.6	240.1	267.9	–10.4
SILTRONIC	31.4	28.1	11.7	71.4	43.1	65.7
Corporate functions / Other	–8.2	4.8	n.a.	4.5	8.3	–45.8
Consolidation	0.8	–0.4	n.a.	0.1	–2.4	n.a.
Group EBITDA	329.0	229.5	43.4	596.1	514.7	15.8

Reconciliation with Segment Results

T 2.11

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
EBIT of reporting segments	**216.6**	99.3	>100	**352.0**	253.4	38.9
Corporate functions / Other	**–29.5**	–16.8	75.6	**–38.0**	–35.1	8.3
Consolidation	**0.8**	–0.4	n.a.	**0.2**	–2.4	n.a.
Group EBIT	187.9	82.1	>100	314.2	215.9	45.5
Financial result	**–19.9**	–23.0	–13.5	**–26.9**	–46.7	–42.4
Income before taxes	168.0	59.1	>100	287.3	169.2	69.8

WACKER SILICONES

WACKER SILICONES

T 2.12

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales						
External sales	506.2	441.1	14.8	981.0	866.4	13.2
Internal sales	0.1	0.1	–	0.1	0.1	–
Total sales	506.3	441.2	14.8	981.1	866.5	13.2
EBIT	56.7	37.5	51.2	104.3	67.0	55.7
EBIT margin (%)	11.2	8.5	–	10.6	7.7	–
Depreciation	20.6	19.9	3.5	40.7	39.5	3.0
EBITDA	77.3	57.4	34.7	145.0	106.5	36.2
EBITDA margin (%)	15.3	13.0	–	14.8	12.3	–
Investments	19.0	17.7	7.3	32.7	33.2	–1.5
As of	June 30, 2015	March 31, 2015		June 30, 2015	Dec. 31, 2014	
Number of employees	4,347	4,305	1.0	4,347	4,240	2.5

WACKER SILICONES increased its sales and earnings in Q2 2015. Between April and June 2015, the division generated total sales of €506.3 million (Q2 2014: €441.2 million). It was the first time that it exceeded the half-a-billion-euro threshold in a single quarter. Relative to a year ago, sales were up almost 15 percent. Compared with Q1 2015 (€474.8 million), WACKER SILICONES achieved close to 7-percent growth, primarily due to favorable exchange rates and higher volumes. Somewhat improved prices in certain product segments also lifted sales year over year. First-half sales at WACKER SILICONES totaled €981.1 million (6M 2014: €866.5 million), up a good 13 percent.

In the reporting quarter, silicones business was especially strong in the electronics sector. At the same time, silicone rubber and silicones for medical technology also posted substantial growth. Volumes slowed somewhat for silicones used in automotive and general industrial applications.

Compared with a year ago, WACKER SILICONES increased its sales in every region. Growth was especially robust in Asia and the Americas, with exchange-rate effects playing a significant role. Relative to the first quarter, sales again rose in Asia, the Americas and the countries grouped under “Other regions.” In Germany and Europe, sales were roughly on a par with the first quarter. Pyrogenic silica and siloxane production facilities ran at full capacity in the reporting quarter. At the same time, capacity utilization at plants for downstream silicone products was very good in Q2 2015.

EBITDA Up 35 Percent Year over Year

In Q2 2015, WACKER SILICONES generated substantial EBITDA growth, fueled primarily by higher sales due to favorable exchange rates, volume growth, and improved prices in certain product segments. Second-quarter EBITDA reached €77.3 million (Q2 2014: €57.4 million), almost 35 percent more than a year ago. Compared with Q1 2015 (€67.7 million), EBITDA rose by around 14 percent. The EBITDA margin for the second quarter of 2015 was 15.3 percent, after 13.0 percent in the prior-year period and 14.3 percent in Q1 2015. Cumulative EBITDA for the six-month period from January through June 2015 totaled €145.0 million (6M 2014: €106.5 million), a rise of about 36 percent. The EBITDA margin for the first half of 2015 was 14.8 percent (6M 2014: 12.3 percent).

WACKER SILICONES' second-quarter investments totaled €19.0 million (Q2 2014: €17.7 million). Capital expenditures primarily went toward expanding capacities for downstream silicone products. In the six months from January through June 2015, investment spending totaled €32.7 million (6M 2014: €33.2 million).

In May 2015, WACKER SILICONES officially opened a new service laboratory in Moscow for testing silicone rubber grades and ready-to-use silicone compounds for the energy, electrical and automotive industries. The purpose of this investment is to enhance support for key customers in Russia and Eastern Europe, and to continue expanding silicone business in the region.

The number of employees at WACKER SILICONES was 4,347 as of June 30, 2015 (March 31, 2015: 4,305).

WACKER POLYMERS

WACKER POLYMERS

T 2.13

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales						
External sales	**308.4**	279.4	10.4	**586.5**	512.8	14.4
Internal sales	**6.2**	6.1	1.6	**12.7**	11.4	11.4
Total sales	314.6	285.5	10.2	599.2	524.2	14.3
EBIT	47.5	35.7	33.1	98.9	62.4	58.5
EBIT margin (%)	**15.1**	12.5	–	**16.5**	11.9	–
Depreciation	**9.3**	7.8	19.2	**17.8**	15.3	16.3
EBITDA	56.8	43.5	30.6	116.7	77.7	50.2
EBITDA margin (%)	**18.1**	15.2	–	**19.5**	14.8	–
Investments	**12.0**	10.2	17.6	**25.3**	17.1	48.0
As of	June 30, 2015	March 31, 2015		June 30, 2015	Dec. 31, 2014	
Number of employees	**1,441**	1,415	1.8	**1,441**	1,408	2.3

In Q2 2015, WACKER POLYMERS generated total sales of €314.6 million (Q2 2014: €285.5 million), up by over 10 percent. Compared with the first quarter (€284.6 million), sales grew by almost 11 percent. Favorable exchange rates, higher overall volumes and better year-over-year prices contributed to this sales growth. WACKER POLYMERS' total sales for the first six months of 2015 came in at €599.2 million after €524.2 million in the same period last year. That was a good 14 percent higher.

In the reporting quarter, WACKER POLYMERS sold higher quantities of dispersible polymer powders than a year ago. In the case of dispersions, volumes edged down on the prior-year period. Relative to Q1 2015, dispersible-polymer-powder volumes increased by around 25 percent. Dispersion volumes were also higher than in January through March. In particular, polymer products for the coating and carpet industries performed well. Customer demand was somewhat slower for dispersions used in industrial textiles and adhesive applications.

In regional terms, sales grew year over year at double-digit rates in Asia, the Americas and the countries grouped under "Other regions." In Germany and Europe, sales remained at roughly the prior-year level. Compared with the first quarter of the year, sales increased in all regions except for the Americas. Growth was especially robust in Asia and Europe. Capacity utilization at plants for dispersions and dispersible polymer powders averaged about 80 percent in the reporting period.

Q2 2015 saw a marked improvement in WACKER POLYMERS' EBITDA, which climbed almost 31 percent to €56.8 million (Q2 2014: €43.5 million). The main reasons for this increase were higher sales due to favorable exchange rates and to higher quantities of dispersible polymer powders sold. At the same time, the division almost matched its first-quarter EBITDA (€59.9 million). The EBITDA margin for the second quarter was 18.1 percent, after 15.2 percent a year ago and 21.0 percent in the first quarter. In the six months to June 2015, WACKER POLYMERS' EBITDA totaled €116.7 million (6M 2014: €77.7 million), corresponding to an EBITDA margin of 19.5 percent (6M 2014: 14.8 percent).

Ongoing Expansion of Production Capacity

WACKER POLYMERS invested €12.0 million during the reporting quarter (Q2 2014: €10.2 million). For the first six months, investments amounted to €25.3 million (6M 2014: €17.1 million). These funds went primarily toward the demand-driven expansion of production capacity for dispersions.

WACKER POLYMERS is expanding its production plants for vinyl acetate-ethylene copolymer dispersions at Calvert City, Kentucky (USA), where it is building a new reactor with an annual capacity of 85,000 metric tons. Capital expenditures for the new facilities and for infrastructure expansion amount to some €50 million. The new reactor is due to come on stream in the next few weeks.

In mid-April, WACKER POLYMERS officially opened a new plant for dispersible polymer powders at its site in Burghausen (Germany), with an annual capacity of 50,000 metric tons. In early June, a new plant for specialty monomers also started up at Burghausen, with an annual capacity of 3,800 metric tons. The specialty monomers in question – vinyl neodecanoate and vinyl laurate – are important raw materials for producing high-value specialty grades of dispersible polymer powders. The new plant strengthens WACKER's position as the world's biggest manufacturer of dispersible polymer powders – in a growth market shaped by the global trends of urbanization, renovation and energy efficiency.

As of June 30, 2015, WACKER POLYMERS had 1,441 employees (March 31, 2015: 1,415).

WACKER BIOSOLUTIONS

WACKER BIOSOLUTIONS

T 2.14

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales						
External sales	52.7	46.6	13.1	102.1	87.3	17.0
Internal sales	–	–	–	–	–	–
Total sales	52.7	46.6	13.1	102.1	87.3	17.0
EBIT	6.7	6.0	11.7	12.7	8.9	42.7
EBIT margin (%)	12.7	12.9	–	12.4	10.2	–
Depreciation	2.8	2.2	27.3	5.6	4.7	19.1
EBITDA	9.5	8.2	15.9	18.3	13.6	34.6
EBITDA margin (%)	18.0	17.6	–	17.9	15.6	–
Investments	0.9	1.1	–18.2	1.9	2.3	–17.4
As of	June 30, 2015	March 31, 2015		June 30, 2015	Dec. 31, 2014	
Number of employees	481	495	–2.8	481	484	–1.0

In the second quarter of 2015, WACKER BIOSOLUTIONS generated total sales of €52.7 million (Q2 2014: €46.6 million), 13 percent more than a year ago. Favorable exchange rates and higher prices were the main drivers of this growth. Relative to Q1 2015 (€49.4 million), sales rose by close to 7 percent. Acetylacetone and cysteine performed especially well year over year. Biologics saw substantial growth compared with the first quarter, while cyclodextrin volumes were lower. First-half sales at WACKER BIOSOLUTIONS totaled €102.1 million (6M 2014: €87.3 million), 17 percent higher than in the prior-year period.

In Q2 2015, WACKER BIOSOLUTIONS also posted further EBITDA growth. At €9.5 million, EBITDA was up by about 16 percent (Q2 2014: €8.2 million). This year-over-year increase was mainly due to higher sales amid favorable exchange rates and improved prices. Compared with the first quarter (€8.8 million), EBITDA rose by 8 percent. The EBITDA margin for the reporting quarter amounted to 18.0 percent, after 17.6 percent in Q2 2014 and 17.8 percent in Q1 2015. From January through June 2015, WACKER BIOSOLUTIONS posted total EBITDA of €18.3 million (6M 2014: €13.6 million), with the EBITDA margin climbing accordingly to 17.9 percent (6M 2014: 15.6 percent).

WACKER BIOSOLUTIONS invested €0.9 million in the reporting quarter (Q2 2014: €1.1 million). Once the new production plant for polyvinyl acetate solid resins in Nanjing, China, came on stream in late March, the division closed down its former plant at Wuxi in the reporting quarter as planned.

WACKER BIOSOLUTIONS had 481 employees as of June 30, 2015 (March 31, 2015: 495).

WACKER POLYSILICON

WACKER POLYSILICON

T 2.15

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales						
External sales	237.9	247.7	–4.0	505.8	483.1	4.7
Internal sales	23.4	25.5	–8.2	44.9	52.1	–13.8
Total sales	261.3	273.2	–4.4	550.7	535.2	2.9
EBIT	105.0	29.6	>100	126.7	151.3	–16.3
EBIT margin (%)	40.2	10.8	–	23.0	28.3	–
Depreciation	56.4	58.3	–3.3	113.4	116.6	–2.7
EBITDA	161.4	87.9	83.6	240.1	267.9	–10.4
EBITDA margin (%)	61.8	32.2	–	43.6	50.1	–
Investments	168.8	57.2	>100	302.4	110.2	>100
As of	June 30, 2015	March 31, 2015		June 30, 2015	Dec. 31, 2014	
Number of employees	2,249	2,168	3.7	2,249	2,093	7.5

In Q2 2015, WACKER POLYSILICON achieved total sales of €261.3 million (Q2 2014: €273.2 million), over 4 percent less than a year ago. This decrease stemmed mainly from the fact that euro prices for solar silicon were somewhat lower compared with the same quarter last year. Relative to Q1 2015 (€289.4 million), sales were down by almost 10 percent due to lower volumes. After robust demand in the first quarter, many customers reduced their stock levels in the second quarter and ordered less polysilicon. Euro prices for polysilicon were slightly lower compared with Q1. From January through June 2015, WACKER POLYSILICON's sales reached €550.7 million (6M 2014: €535.2 million), up by around 3 percent. The division's production plants ran at full capacity during the reporting quarter.

EBITDA Grows 84 Percent Thanks to Special Income

WACKER POLYSILICON's second-quarter EBITDA amounted to €161.4 million (Q2 2014: €87.9 million). This year-over-year increase of almost 84 percent yielded an EBITDA margin of 61.8 percent (Q2 2014: 32.2 percent). Relative to Q1 2015 (€78.7 million), WACKER POLYSILICON more than doubled its EBITDA. This strong growth was attributable to advance payments retained and damages received. In the reporting quarter, the division terminated contractual and delivery relationships with customers from the solar sector, resulting in special income of €86.7 million. Earnings in Q2 2014 had not been influenced by any non-recurring effects of this type.

Adjusted for advance payments retained and damages received, second-quarter EBITDA at WACKER POLYSILICON was 15 percent below the prior-year level. The main reasons for the decline were lower polysilicon prices relative to a year ago and higher start-up costs for the Charleston, Tennessee site (USA). Ongoing measures to enhance efficiency and productivity could not fully compensate for this decrease. In line with our forecast, the adjusted EBITDA margin in Q2 2015 was 28.6 percent.

In the first six months of 2015, the division posted total EBITDA of €240.1 million (6M 2014: €267.9 million). That was a decrease of over 10 percent and yielded an EBITDA margin of 43.6 percent (6M 2014: 50.1 percent). In addition to the lower prices year over year for solar silicon, the main reason for this decline was that special income was lower. In the first half of 2014, a total of €114.0 million was posted for advance payments retained and damages received. The corresponding amount in the first six months of 2015 was €91.4 million.

Demand-Driven Expansion of Polysilicon Capacity Remains on Schedule

WACKER POLYSILICON's second-quarter investments totaled €168.8 million (Q2 2014: €57.2 million). The division continued to focus on the demand-driven expansion of production capacity.

Construction of the new polysilicon site in Charleston, Tennessee (USA) remained on schedule in the reporting quarter, with the ramp-up set to begin before year-end. The division is also expanding production capacity at Burghausen and Nünchritz in Germany by optimizing the processes in place there. WACKER POLYSILICON intends to increase its overall annual capacity for polysilicon to about 80,000 metric tons by 2017.

WACKER POLYSILICON had 2,249 employees as of June 30, 2015 (March 31, 2015: 2,168).

SILTRONIC

SILTRONIC

T 2.16

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales						
External sales	245.0	209.2	17.1	482.2	412.0	17.0
Internal sales	1.7	1.2	41.7	3.2	2.2	45.5
Total sales	246.7	210.4	17.3	485.4	414.2	17.2
EBIT	0.7	–9.5	n.a.	9.4	–36.2	n.a.
EBIT margin (%)	0.3	–4.5	–	1.9	–8.7	–
Depreciation	30.7	37.6	–18.4	62.0	79.3	–21.8
EBITDA	31.4	28.1	11.7	71.4	43.1	65.7
EBITDA margin (%)	12.7	13.4	–	14.7	10.4	–
Investments	8.9	6.4	39.1	13.3	13.0	2.3
As of	June 30, 2015	March 31, 2015		June 30, 2015	Dec. 31, 2014	
Number of employees	4,045	4,103	–1.4	4,045	4,165	–2.9

Markedly higher volumes, especially for 300 mm wafers, enabled Siltronic to grow both its sales and earnings year over year. Siltronic generated total sales of €246.7 million in the second quarter of 2015 (Q2 2014: €210.4 million), a good 17 percent more than a year ago. Sales rose by over 3 percent relative to Q1 2015 (€238.7 million). For the first half of 2015, sales at Siltronic totaled €485.4 million (6M 2014: €414.2 million), a rise of over 17 percent.

In addition to higher volumes, the weak euro had a favorable impact on sales in the reporting quarter. Although prices for silicon wafers, which are mostly invoiced in US dollars, were noticeably lower than a year ago, the favorable exchange rate meant that average euro prices were higher. Wafer prices were virtually unchanged quarter over quarter. On average, Siltronic's production facilities across the globe operated at more than 90-percent capacity.

EBITDA Rises Almost 12 Percent Year over Year

Siltronic generated second-quarter EBITDA of €31.4 million (Q2 2014: €28.1 million). That was a rise of close to 12 percent and yielded an EBITDA margin of 12.7 percent, after 13.4 percent a year ago. Sales growth and higher volumes, especially for 300 mm wafers, were the main reasons for the EBITDA increase. Good coverage of fixed costs thanks to high plant utilization was another factor influencing earnings. In addition, the efforts made by Siltronic to cut costs and enhance productivity are having a lasting, positive effect on earnings.

Compared with the preceding quarter (€40.0 million), Siltronic's EBITDA decreased by almost 22 percent, mainly due to €17.6 million in currency hedging losses and currency translation effects with respect to receivables. For the full first half of 2015, EBITDA at Siltronic amounted to €71.4 million (6M 2014: €43.1 million), almost 66 percent more than a year ago. EBITDA in the first six months of the year included currency translation losses in the amount of €19.7 million. The EBITDA margin for the January-through-June period was 14.7 percent (6M 2014: 10.4 percent).

Siltronic invested €8.9 million during the reporting quarter (Q2 2014: €6.4 million), mainly in product enhancements and production process improvements. In addition, Siltronic is investing selectively in expanding its crystal-pulling capacities.

Successful IPO of Siltronic AG

Siltronic AG successfully completed its initial public offering in the reporting quarter. Siltronic shares started trading on June 11, 2015 in the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange, under the ticker symbol WAF300 and the ISIN DE000WAF3001. A total of 12.65 million shares were placed, including the greenshoe option that the syndicate banks exercised in full on June 15. The total consisted of 5 million new shares issued through a capital increase at Siltronic and 7.65 million shares originally held by WACKER. The WACKER Group and Siltronic, together with the joint global coordinators and the joint bookrunners, had set the public offering price at €30 per share. The total proceeds from the IPO amounted to approximately €380 million. The free float for Siltronic AG stands at 42.2 percent. At present, WACKER still holds a 57.8-percent stake in the company.

Siltronic had 4,045 employees as of June 30, 2015 (March 31, 2015: 4,103).

Other

The WACKER Group's sales posted under "Other" totaled €49.8 million in Q2 2015 after €39.5 million a year ago. "Other" EBITDA for the reporting quarter was €–8.2 million (Q2 2014: €4.8 million). Currency translation losses diminished Q2 EBITDA by €12.6 million.

In the first half of 2015, sales totaled €101.6 million (6M 2014: €79.9 million). EBITDA amounted to €4.5 million in the first six months of the year (6M 2014: €8.3 million) and included currency translation losses of €14.8 million.

As of June 30, 2015, the "Other" segment had 4,365 employees (March 31, 2015: 4,358). This figure includes, for example, site-management and infrastructure-unit employees at Burghausen and Nünchritz.

Risks and Opportunities

Risk Management and Opportunity Management Are Integral Parts of Corporate Management

As a global specialty-chemical and semiconductor company, WACKER is exposed to numerous risks directly connected with the operating activities of its five divisions. The Group also has a particular responsibility to ensure plant safety and to protect human health and the environment. Active risk management is therefore an integral part of corporate management at the WACKER Group.

The risk management and control system we use to identify, evaluate, manage and monitor risks is described and explained in detail on pages 142 to 146 of our 2014 Annual Report. No changes were made to this system in the period under review. The same applies to the opportunity management system, which is presented on page 162 of the 2014 Annual Report.

Current Assessment and Evaluation of Key Risks Facing the WACKER Group

WACKER has defined categories for describing the probability that specific risks will occur. These categories provide a framework for understanding our evaluations of individual areas of risk. The categories define the range of probability as follows:

- Unlikely: under 25 percent
- Possible: 25 –75 percent
- Likely: over 75 percent

Categories are also used to describe how the occurrence of the risks listed might impact the Group's earnings, net assets and financial position. The possible effect on earnings is assessed using the net method, i.e. after taking appropriate countermeasures, such as establishing provisions or hedging. We have defined the possible financial impact of our three probability categories as follows:

- Low: up to €25 million
- Medium: up to €100 million
- High: over €100 million

The following table shows our current estimation of the likelihood of the main risks facing WACKER and their possible impact on Group earnings, net assets and financial position. The status describes any changes that may have occurred between the end of the period under review and the evaluation stated in the 2014 Annual Report. The appraisals refer to 2015.

Probability and Possible Impact of Our Risks in 2015

T 2.17

Risk/Category	Probability	Possible Impact	Status
Overall economic risks			
Chemical business	Unlikely	Medium	●
Siltronic	Unlikely	Medium	●
Polysilicon	Unlikely	Medium	●
Sales-market risks			
Chemical-segment overcapacity	Unlikely	Medium	●
Cyclical fluctuations and intense competition on the semiconductor market	Possible	Medium	●
Polysilicon overcapacities and price risks	Possible	High	●
Procurement-market risks	Unlikely	Low	●
Market-trend risks	Unlikely	Low	●
Investment risks	Likely	Medium	▲
Production risks	Unlikely	Medium	●
Financial risks			
Credit risks	Unlikely	Low	●
Market-price risks and risks of fluctuating payment flows	Unlikely	Low	●
Liquidity risk	Unlikely	Low	●
Pensions	Unlikely	Low	●
Legal risks	Possible	Low	●
Environmental risks	Possible	Low	●
Tax-related risks	Possible	Low	●
Other risks	Unlikely	Low	●
Regulatory risks			
Energy transition	Possible	Low	●
Polysilicon anti-dumping proceedings	Possible	Low	●
New regulations for upstream, intermediate and downstream products and for production processes	Likely	Low	●
IT risks	Unlikely	Medium	●
Personnel-related risks	Unlikely	Low	●
External risks	Unlikely	Low	●

● Unchanged ▼ Decreased ▲ Increased

WACKER's Evaluations of Risk Areas, Probability of Occurrence and Possible Impact Remain Largely Unchanged

Construction of the polysilicon production facilities at the new site in Charleston, Tennessee (USA) is currently being completed in preparation for production ramp-up before the end of this year. Ongoing and scheduled large-scale chemical construction projects in the USA have created competition for resources, driving up the cost of materials and wages for our project. We now expect that the total investment will be about US$100 million higher than was forecast in the 2014 Annual Report and will amount to approximately US$2.5 billion.

As of mid–2015, there is every chance that – despite all political and economic uncertainties – operating activities at the Group's five business divisions will continue to develop favorably in the course of the year. From today's perspective, the chemical divisions and polysilicon and semiconductor-wafer operations are all likely to post full-year sales gains.

The opportunities and risks in relation to our product portfolio and the specific opportunities and risks facing the individual divisions, corporate functions, market segments and sales regions are described in detail in our 2014 Annual Report. On pages 146 to 161 of the Risk Management Report and 162 to 164 of the Opportunities Report, we additionally discuss the measures we take to counter these risks, how we evaluate their probability and how risk occurrence might impact the Group's earnings, net assets and financial position.

Aside from the changes described above, the appraisals and evaluations made in those sections did not change during the period under review and continue to apply.

Executive Board Assessment of Overall Risk

The global economy is projected to continue growing both this year and next. This will enable us to further increase sales volumes in many product segments. At the same time, we will take advantage of any opportunities to raise our product prices, market conditions permitting.

On the one hand, the debt crisis in Greece still entails risks to the stability both of the eurozone and the global economy that should not be underestimated. Likewise, the political and military conflicts in the Middle East and Eastern Europe continue to pose threats to the stability of global trade relations and to raw-material and energy supply security. In our estimation, however, these risks are on the whole manageable.

Overall, at the time this report was published, the Group's Executive Board did not see any individual or aggregate risks that could endanger WACKER's future in any material way. We remain confident that WACKER is so well positioned strategically, financially and operationally that we will be able to take advantage of any opportunities that may arise.

Munich, August 3, 2015
Wacker Chemie AG's Executive Board

Events after the Balance Sheet Date

June 30, 2015

No material events occurred between the balance sheet date of June 30, 2015, and the publication of this Interim Report. There were no fundamental changes in the WACKER Group's overall economic and business environment. The company's legal and organizational structures likewise remained unchanged.

Outlook and Forecast

Overall Economic Situation and Sector-Specific Conditions

Regional Differences in Global Growth Intensify

Consensus estimates by economic experts indicate that the global economy is set to continue growing moderately through the rest of 2015 and beyond. This, however, presupposes that there will be no further escalation of financial risks and geopolitical conflicts, and that Chinese stock-market turbulence will be only temporary. As long as prices of crude oil, energy and raw materials remain at their current, relatively low levels, global growth drivers will continue to strengthen. The regional differences in economic trends will persist, and in some cases intensify further, in the foreseeable future.

The International Monetary Fund (IMF) anticipates that the world economy will grow by 3.3 percent in 2015 and 3.8 percent next year. Gross domestic product in advanced economies is expected to increase by 2.1 percent this year and by 2.4 percent next year. Economic growth in developing and emerging economies is projected to slowly gather pace, with the IMF predicting that GDP in this group of countries will rise by 4.2 percent in 2015 and by 4.7 percent in 2016.[1]

According to IMF estimates, the economies of emerging and developing Asia will grow by 6.6 percent this year and by 6.4 percent in 2016. In China, the economy is expected to continue losing momentum, with growth rates of 6.8 percent in 2015 and 6.3 percent a year later. In India, on the other hand, GDP is likely to expand by 7.5 percent both this year and the next.[1]

In Japan, the slight economic recovery is projected to stabilize at a low level, with GDP growth of 0.8 percent in the current year and 1.2 percent next year.[1]

The US economy remains on a growth trajectory, with the IMF forecasting solid growth of 2.5 percent in 2015 and 3.0 percent in 2016.[1]

Economic Recovery in Europe Slowly Gaining Momentum

The eurozone's economic recovery is slowly gaining momentum. The IMF anticipates an increase in economic output of 1.5 percent this year and 1.7 percent next year.[1] The Organisation for Economic Co-operation and Development (OECD) is slightly more optimistic for 2016, with its analysts predicting economic growth of 1.4 percent this year and 2.1 percent next year.[2]

The German economy is projected to continue growing. After an increase of 1.6 percent this year, the IMF is expecting a rise of 1.7 percent for 2016.[1] This forecast is more cautious than that of leading German economic institutes, whose spring report predicts that Germany's gross domestic product will grow by 2.1 percent in the current year and by 1.8 percent in 2016.[3]

[1] International Monetary Fund, World Economic Outlook Update: Slower Growth in Emerging Markets, a Gradual Pickup in Advanced Economies, Washington, July 9, 2015

[2] Organisation for Economic Co-operation and Development (OECD), OECD Economic Outlook No. 97, Volume 2015 Issue 1, Paris, June 3, 2015

[3] Joint Economic Forecast Project Group, A Strong Upswing Thanks to Cheap Oil and Weak Euro, Munich, April 14, 2015

Growth Potential in Markets and Industries Relevant to WACKER

The German Chemical Industry Association (VCI) is expecting a moderate increase in chemical production for the current year, with output up an estimated 1.5 percent year over year. As prices for chemical products are expected to fall by roughly 2 percent, the VCI estimates that chemical-industry sales through year-end will rise only marginally by 0.5 percent to €191.8 billion.[1]

In the semiconductor industry, demand for silicon wafers is expected to be higher in 2015 than in the previous year. Market research company IHS Technology forecasts that global volumes by surface area sold will rise by 4.0 percent this year. Stronger demand for silicon is being driven by the rising number of smartphones and solid state drives sold, as well as by the industrial sector. Sales of silicon wafers, too, are expected to continue growing in 2015. According to IHS Technology, sales this year will grow by 3.1 percent to around US$346 billion.[2]

Forecasts for the solar industry are optimistic. The substantial fall in prices over recent years has made photovoltaics even more competitive compared with other energy sources, helping to create new markets and promote growth in the global photovoltaic-application market. Industry analysts at market research company IHS expect newly installed photovoltaic capacity to reach approximately 57 gigawatts in 2015, which would be a year-over-year increase of 30 percent.[3] WACKER's own market surveys indicate that new photovoltaic capacity will range between 50 and 60 gigawatts this year.

[1] VCI (German Chemical Industry Association), Economic situation of the German chemical industry in the 1st half 2015 – Mixed developments in the German chemical industry, Frankfurt, July 22, 2015

[2] IHS Technology, Application Market Forecast Tool AMFT – Silicon, Q3 2015, El Segundo (USA), July 13, 2015

[3] IHS, Chinese Suppliers Continued to Lead the Solar PV Module Market in 2014, IHS Says, Shanghai, April 23, 2015

WACKER Investing in Product Segments and Growth Markets with Potential

Three levers will continue to determine WACKER's business strategy both this year and next: expansion into emerging markets and regions, innovations, and the substitution of competitor products with WACKER products.

The focal regions for further growth remain unchanged: Brazil, China, India, Southeast Asia and the Middle East. Of these, China offers the greatest potential. We continue to see good opportunities for growth in India. There is also potential for expanding our sales in the USA, an established market.

The completion of the new polysilicon-production site in Tennessee will conclude our investments in large-scale plants for upstream products. The plant's start-up phase is scheduled to begin before year-end. In the future, our strategy will focus more closely on less capital-intensive investments in plants for downstream chemical products. Our goal is to have sufficient local production capacity in each of the three major markets – namely Europe, Asia and North America – enabling us to participate in market growth and provide our customers with a secure, long-term supply of high-quality products.

WACKER will continue to drive forward its international expansion over the next two years. We will be transferring even more operational responsibility to the regions in the future so that our products can be tailored even more closely to local requirements. We are systematically expanding our network of technical competence centers and WACKER ACADEMY sites. For our silicone customers, the two technical centers in Moscow and Dubai will be enlarged in order to develop new applications for silicone rubber and silicone elastomers locally.

We will continue implementing measures aimed at improving profitability, mainly the following:

- Productivity measures relating to the Wacker Operating System (WOS) program
- Productivity and cost-cutting measures at WACKER POLYSILICON and Siltronic
- Prudent HR planning

Please refer to the "Outlook" section on pages 172 to 176 of WACKER's 2014 Annual Report for detailed comments on future products and services, R&D, production, procurement and logistics, sales and marketing, employees and sustainability. The "Group Business Fundamentals" (pages 55 to 63), "Goals and Strategies" (pages 64 to 65) and "Management Processes" (pages 66 to 71) sections of WACKER's 2014 Annual Report provide detailed explanatory notes on the individual aspects of the Group's structure and activities, management-process organization, corporate goals, strategies, financing and operational-control instruments, and the strategies of the five individual WACKER divisions.

The targets, strategies and processes presented there did not change substantially in Q2 2015.

We do not currently envisage any major changes in the business policies, corporate goals or organizational orientation of the WACKER Group during the forecast period.

Sales to Grow by Around 10 Percent in the Current Year

WACKER's main planning assumptions relate to raw-material and energy costs, personnel expenses and exchange rates. For the remainder of 2015, we are planning on an exchange rate of $1.10 and ¥135 (previously: 130) to €1.

WACKER estimates that volumes will rise at every division in 2015. Group sales are expected to increase by some 10 percent, partly due to more favorable exchange rates, and surpass €5 billion for the first time ever.

From today's perspective, sales will climb at our chemical divisions and at WACKER POLYSILICON and Siltronic. We expect Asia to deliver the biggest sales gains for our products. In our planning, we are assuming that prices of silicon wafers and polysilicon will remain roughly at current levels. Economic uncertainties could cause the actual performance of the WACKER Group and its divisions to depart from our assumptions, either positively or negatively.

The WACKER Group's EBITDA margin will be somewhat lower (previously: substantially lower) in the current fiscal year than it was in 2014. That is because special income from advance payments retained and damages received due to the restructuring of contractual and delivery relationships with solar-sector customers is not expected to recur at such a high level. Other factors weighing on our EBITDA margin are the start-up costs for our new polysilicon site at Charleston, Tennessee (USA) and the slightly lower overall price level in our businesses.

Changes in exchange rates stem mainly from the rise in value of the US dollar against the euro, which will have a positive impact of some €125 million on EBITDA in 2015. However, since additional effects from the currency translation of receivables and the hedging result will come into play, only about €70 million of this amount will actually be reflected in EBITDA. Relative to last year, EBITDA should rise modestly, adjusted on a comparable basis to exclude special solar-sector income from advance payments retained and damages received due to restructured contractual and delivery relationships with customers.

With depreciation slightly up year on year, Group net income will come in below the 2014 figure due to lower special income and a reported tax rate of slightly more than 50 percent.

ROCE will be somewhat lower compared with the 2014 figure of 8.4 percent. Here, US dollar/euro exchange-rate effects will also influence noncurrent assets.

With capital expenditures up, we expect net cash flow in 2015 to be slightly positive (previously: markedly positive), but substantially below the prior-year level. The main reasons for this are the higher level of investments and lower level of damages received year over year.

At about €775 million (previously: about €725 million), investments will be higher in 2015 due to the progress made with the Tennessee project and to altered exchange rates. Investments will exceed depreciation. In 2015, depreciation will amount to around €625 million, slightly higher than in 2014. Most of the investments will go toward constructing the new production site in Charleston, Tennessee (USA).

As things currently stand, net financial debt will remain roughly at the prior-year level (previously: increase by €200–300 million year on year).

From our present standpoint, the key performance indicators at the Group level will develop in 2015 as follows:

Outlook for 2015

T 2.18

	Reported for 2014	Outlook for 2015
Key Financial Performance Indicators		
EBITDA margin (%)	21.6	Somewhat lower
ROCE (%)	8.4	Somewhat lower
EBITDA (€ million)	1,042.30	Slight rise (after adjustment for special income)
Net cash flow (€ million)	215.7	Slightly positive
Supplementary Financial Performance Indicators		
Sales (€ million)	4,826.40	Increase of about 10 percent
Investments (€ million)	572.2	Approx. 775
Net financial debt (€ million)	1,080.60	At prior-year level
Depreciation (€ million)	599	Approx. 625

Divisional Sales and EBITDA Trends

At WACKER SILICONES, we expect substantial sales growth in 2015 relative to the previous year. Particular areas of growth are products and applications for personal care and medical technology, as well as for the electrical and electronics sectors. Given the high capacity utilization of our plants, we want to substantially increase the share of specialty products in overall sales. EBITDA should be markedly above the prior-year figure. However, higher silicon-metal prices in particular will dampen that increase somewhat.

We are also forecasting substantial sales growth for 2015 at WACKER POLYMERS, with both dispersions and dispersible polymer powders expected to help drive this growth. In dispersions, we predict that momentum will come primarily from construction and packaging applications. In the area of dispersible polymer powders, increasing polymer modification will be the main growth driver. For EBITDA, we anticipate a marked year-over-year increase.

At WACKER BIOSOLUTIONS, we expect sales to climb significantly in 2015. Now that Scil Proteins Production GmbH in Halle (Germany) has been integrated, we see further growth potential for our biologics business. Thanks to new product developments, we also expect substantial growth in the nutrition segment. EBITDA at WACKER BIOSOLUTIONS should also show a clear year-over-year increase.

We estimate that WACKER's polysilicon business will generate marginal volume and sales growth in 2015. Our assumption is that the photovoltaic market will continue on its growth trajectory. Nevertheless, overcapacity persists along the entire supply chain. That being the case, our unchanged key objective is to continue to reduce polysilicon production costs. Our EBITDA forecast is for a significant year-over-year decline, since we expect less special income in 2015 in the form of advance payments retained and damages received than was posted in 2014. EBITDA will also be reduced by start-up costs at our new polysilicon production site in Charleston, Tennessee (USA).

We also expect sales growth for Siltronic in the current year. Somewhat higher volumes and more favorable exchange rates than last year will be the main contributors to higher sales. We expect the market for 300 mm silicon wafers to continue growing. In the 200 mm segment, our projection is for stable demand, while demand will be slightly lower for smaller wafer diameters. Our EBITDA expectations are for a marked increase on last year.

Executive Board Statement on Overall Business Expectations

We remain of the opinion that the world economy will grow in 2015, despite the many crises and uncertainties. Our expectations for the remainder of 2015 are for Group sales to rise by some 10 percent over last year, with all five business divisions increasing their sales. Compared with 2014, we anticipate a moderate rise in EBITDA on a comparable basis, i.e. adjusted to exclude special income. The EBITDA margin, on the other hand, will be somewhat lower. The main reasons for this are lower special income, and start-up costs for our new production site in Charleston, Tennessee (USA). In total, energy and raw-material costs will climb slightly compared with last year. Overall, we expect certain sectors of our business to see slightly lower prices.

Capital expenditures will be substantially higher than last year, climbing to about €775 million. Depreciation will amount to around €625 million, slightly higher than the prior-year level. Net cash flow will be slightly positive. From today's perspective, net financial debt at year-end will remain roughly at the prior-year level. Group net income is projected to be lower than last year.

WACKER supplies outstanding products and holds at least a No. 3 position in the markets of its four biggest divisions. Our technological and innovative strength and strong presence in key markets provide the foundation for reinforcing and even expanding our market positions. We see good opportunities in 2015 for further sales gains and for moderate growth in EBITDA on a comparable basis, i.e. adjusted to exclude special income. Based on our current strategy, we consider the Group well-equipped to continue growing profitably in 2015 and beyond.

Munich, August 3, 2015
Wacker Chemie AG's Executive Board

Consolidated Statement of Income

January 1 through June 30, 2015

Consolidated Statement of Income

T 3.1

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Sales	1,370.5	1,242.3	10.3	2,705.4	2,399.7	12.7
Cost of goods sold	–1,073.0	–1,007.9	6.5	–2,116.3	–2,000.9	5.8
Gross profit from sales	297.5	234.4	26.9	589.1	398.8	47.7
Selling expenses	–78.9	–69.4	13.7	–153.9	–137.2	12.2
Research and development expenses	–43.1	–43.2	–0.2	–87.8	–91.1	–3.6
General administrative expenses	–31.4	–32.0	–1.9	–65.6	–62.1	5.6
Other operating income	122.4	24.8	>100	234.6	167.8	39.8
Other operating expenses	–79.2	–33.1	>100	–202.0	–60.8	>100
Operating result	187.3	81.5	>100	314.4	215.4	46.0
Result from investments in joint ventures and associates	0.6	0.6	–	–0.2	0.5	n.a.
EBIT (earnings before interest and taxes)	187.9	82.1	>100	314.2	215.9	45.5
Interest income	2.0	1.7	17.6	3.8	3.5	8.6
Interest expenses	–8.3	–10.7	–22.4	–15.2	–22.4	–32.1
Other financial result	–13.6	–14.0	–2.9	–15.5	–27.8	–44.2
Financial result	–19.9	–23.0	–13.5	–26.9	–46.7	–42.4
Income before taxes	168.0	59.1	>100	287.3	169.2	69.8
Income taxes	–59.8	–29.7	>100	–108.5	–75.6	43.5
Net income for the period	108.2	29.4	>100	178.8	93.6	91.0
Of which						
Attributable to Wacker Chemie AG shareholders	110.0	32.0	>100	180.4	99.0	82.2
Attributable to non-controlling interests	–1.8	–2.6	–30.8	–1.6	–5.4	–70.4
Earnings per share in € (basic/diluted)	2.21	0.64	>100	3.63	1.99	82.2
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–	49,677,983	49,677,983	–

Consolidated Statement of Comprehensive Income

January 1 through June 30, 2015

January to June

T 3.2

€ million	2015 Before taxes	2015 Deferred taxes	2015	2014 Before taxes	2014 Deferred taxes	2014
Net income for the period			178.8			93.6
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	170.1	–45.7	124.4	–280.2	76.8	–203.4
Non-controlling interests	34.7	–	34.7	–	–	–
Sum of items not reclassified to the statement of income	204.8	–45.7	159.1	–280.2	76.8	–203.4
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	120.8	–	120.8	–5.0	–	–5.0
Of which recognized in profit and loss	–	–	–	–17.5	–	–17.5
Changes in market values of the securities available for sale	–1.1	–	–1.1	0.3	–	0.3
Changes in market values of derivative financial instruments (cash flow hedge)	–6.5	–1.1	–7.6	–9.3	2.6	–6.7
Of which recognized in profit and loss	37.1	–4.0	33.1	–8.0	2.2	–5.8
Effects of net investments in foreign operations	–	–	–	2.6	–	2.6
Of which recognized in profit and loss	–	–	–	2.6	–	2.6
Share of cash flow hedge in associates accounted for using the equity method	–	–	–	0.1	–	0.1
Non-controlling interests	5.2	–	5.2	0.7	–	0.7
Sum of items reclassified to the statement of income	118.4	–1.1	117.3	–10.6	2.6	–8.0
Income and expenses recognized in equity	323.2	–46.8	276.4	–290.8	79.4	–211.4
Total income and expenses reported			455.2			–117.8
Of which						
Attributable to Wacker Chemie AG shareholders			416.9			–113.1
Attributable to non-controlling interests			38.3			–4.7

Consolidated Statement of Comprehensive Income

April 1 through June 30, 2015

April to June

T 3.3

€ million	2015 Before taxes	2015 Deferred taxes	2015	2014 Before taxes	2014 Deferred taxes	2014
Net income for the period			108.2			29.4
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	605.0	–140.5	464.5	–142.5	39.5	–103.0
Non-controlling interests	34.7	–	34.7	–	–	–
Sum of items not reclassified to the statement of income	639.7	–140.5	499.2	–142.5	39.5	–103.0
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	–57.9	–	–57.9	13.8	–	13.8
Of which recognized in profit and loss	–	–	–	–	–	–
Changes in market values of the securities available for sale	–0.3	–	–0.3	0.3	–	0.3
Changes in market values of derivative financial instruments (cash flow hedge)	37.2	–3.5	33.7	–5.8	1.6	–4.2
Of which recognized in profit and loss	19.2	–2.2	17.0	–4.8	1.2	–3.6
Effects of net investments in foreign operations	–	–	–	–	–	–
Of which recognized in profit and loss	–	–	–	–	–	–
Share of cash flow hedge in associates accounted for using the equity method	–	–	–	–	–	–
Non-controlling interests	1.8	–	1.8	0.3	–	0.3
Sum of items reclassified to the statement of income	–19.2	–3.5	–22.7	8.6	1.6	10.2
Income and expenses recognized in equity	620.5	–144.0	476.5	–133.9	41.1	–92.8
Total income and expenses reported			584.7			–63.4
Of which						
Attributable to Wacker Chemie AG shareholders			550.0			–61.1
Attributable to non-controlling interests			34.7			–2.3

Consolidated Statement of Financial Position

As of June 30, 2015

Assets

T 3.4

€ million	June 30, 2015	June 30, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets	**33.7**	32.5	3.7	32.9	2.4
Property, plant and equipment	**4,616.2**	4,016.2	14.9	4,311.3	7.1
Investment property	**1.6**	1.5	6.7	1.5	6.7
Investments in joint ventures and associates accounted for using the equity method	**20.7**	19.1	8.4	20.5	1.0
Financial assets	**113.0**	100.7	12.2	104.8	7.8
Noncurrent securities	**68.4**	94.1	–27.3	37.6	81.9
Other assets	**11.9**	3.3	>100	6.1	95.1
Income tax receivables	**5.0**	7.5	–33.3	5.1	–2.0
Deferred tax assets	**306.3**	265.7	15.3	334.3	–8.4
Noncurrent assets	5,176.8	4,540.6	14.0	4,854.1	6.6
Inventories	**782.6**	689.9	13.4	734.3	6.6
Trade receivables	**790.6**	741.6	6.6	684.0	15.6
Other assets	**163.4**	163.1	0.2	176.3	–7.3
Income tax receivables	**11.2**	37.9	–70.4	15.2	–26.3
Current securities and fixed-term deposits held to maturity	**90.0**	95.1	–5.4	157.4	–42.8
Cash and cash equivalents	**411.1**	347.9	18.2	325.9	26.1
Current assets	2,248.9	2,075.5	8.4	2,093.1	7.4
Total assets	7,425.7	6,616.1	12.2	6,947.2	6.9

Equity and Liabilities

T 3.5

€ million	June 30, 2015	June 30, 2014	Change in %	Dec. 31, 2014	Change in %
Subscribed capital of Wacker Chemie AG	**260.8**	260.8	–	260.8	–
Capital reserves of Wacker Chemie AG	**157.4**	157.4	–	157.4	–
Treasury shares	**–45.1**	–45.1	–	–45.1	–
Retained earnings	**2,342.6**	2,048.1	14.4	2,152.9	8.8
Other equity items	**–253.8**	–380.3	–33.3	–603.6	–58.0
Equity attributable to Wacker Chemie AG shareholders	2,461.9	2,040.9	20.6	1,922.4	28.1
Non-controlling interests	**225.8**	25.2	>100	24.1	>100
Equity	2,687.7	2,066.1	30.1	1,946.5	38.1
Provisions for pensions	**1,589.7**	1,378.2	15.3	1,758.2	–9.6
Other provisions	**183.4**	156.0	17.6	181.8	0.9
Income tax provisions	**48.2**	39.8	21.1	43.7	10.3
Deferred tax liabilities	**3.8**	3.7	2.7	3.6	5.6
Financial liabilities	**1,333.4**	1,140.3	16.9	1,318.2	1.2
Other liabilities	**394.7**	605.4	–34.8	530.3	–25.6
Noncurrent liabilities	3,553.2	3,323.4	6.9	3,835.8	–7.4
Other provisions	**124.7**	93.3	33.7	99.8	24.9
Income tax provisions	**68.6**	64.4	6.5	54.2	26.6
Income tax liabilities	**2.1**	0.2	>100	0.1	>100
Financial liabilities	**175.0**	317.7	–44.9	283.3	–38.2
Trade payables	**432.1**	317.7	36.0	374.5	15.4
Other liabilities	**382.3**	433.3	–11.8	353.0	8.3
Current liabilities	1,184.8	1,226.6	–3.4	1,164.9	1.7
Liabilities	4,738.0	4,550.0	4.1	5,000.7	–5.3
Total equity and liabilities	7,425.7	6,616.1	12.2	6,947.2	6.9

Consolidated Statement of Cash Flows

January 1 through June 30, 2015

Consolidated Statement of Cash Flows (condensed)

T 3.6

€ million	Q2 2015	Q2 2014	Change in %	6M 2015	6M 2014	Change in %
Net income for the period	**108.2**	29.4	>100	**178.8**	93.6	91.0
Depreciation/appreciation of noncurrent assets	**141.1**	147.4	–4.3	**281.9**	298.8	–5.7
Changes in provisions	**18.1**	22.1	–18.1	**74.3**	50.5	47.1
Changes in deferred taxes	**–11.9**	–7.1	67.6	**–18.4**	–19.6	–6.1
Changes in inventories	**4.2**	–19.6	n.a.	**–31.9**	–37.0	–13.8
Changes in trade receivables	**16.6**	–38.8	n.a.	**–99.0**	–122.6	–19.2
Changes in other assets	**–24.3**	40.6	n.a.	**14.8**	15.7	–5.7
Changes in advance payments received	**–80.4**	–38.2	>100	**–123.3**	–73.6	67.5
Changes in other liabilities	**–53.6**	–26.3	>100	**54.2**	48.9	10.8
Changes from equity accounting	**0.7**	1.1	–36.4	**1.5**	1.2	25.0
Other non-cash expenses, income and other items	**20.8**	–0.9	n.a.	**–30.4**	2.6	n.a.
Cash flow from operating activities (gross cash flow)	139.5	109.7	27.2	302.5	258.5	17.0
Cash receipts and payments for investments	**–200.7**	–98.6	>100	**–390.4**	–205.2	90.3
Proceeds from the disposal of noncurrent assets	**1.8**	0.3	>100	**3.0**	1.4	>100
Cash receipts and payments for acquisitions	**–**	–	–	**–**	25.8	n.a.
Cash flow from long-term investing activities before securities	–198.9	–98.3	>100	–387.4	–178.0	>100
Cash receipts and payments for the acquisition/disposal of securities and fixed-term deposits	**–24.2**	–0.8	>100	**35.3**	0.8	>100
Cash flow from investing activities	–223.1	–99.1	>100	–352.1	–177.2	98.7
Distribution of profit from prior-year net income	**–75.9**	–25.7	>100	**–75.9**	–25.7	>100
Cash receipts from the change in ownership interests in Siltronic AG	**361.9**	–	n.a.	**361.9**	–	n.a.
Changes in financial liabilities	**–40.3**	3.6	n.a.	**–154.4**	–140.5	9.9
Cash flow from financing activities	245.7	–22.1	n.a.	131.6	–166.2	n.a.
Changes due to exchange-rate fluctuations	**–2.4**	0.9	n.a.	**3.2**	1.0	>100
Changes in cash and cash equivalents	159.7	–10.6	n.a.	85.2	–83.9	n.a.
At the beginning of the period	**251.4**	358.5	–29.9	**325.9**	431.8	–24.5
At the end of the period	**411.1**	347.9	18.2	**411.1**	347.9	18.2

Consolidated Statement of Changes in Equity & Reconciliation of Other Equity Items

January 1 through June 30, 2015

Consolidated Statement of Changes in Equity

T 3.7

€ million	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other equity items	Total	Non-controlling interests	Total
January 1, 2014	260.8	157.4	–45.1	1,973.9	–168.2	2,178.8	18.3	2,197.1
Net income for the period	–	–	–	99.0	–	99.0	–5.4	93.6
Dividends paid	–	–	–	–24.8	–	–24.8	–0.9	–25.7
Income and expenses recognized in equity	–	–	–	–	–212.1	–212.1	0.7	–211.4
Change in scope of consolidation	–	–	–	–	–	–	12.5	12.5
June 30, 2014	260.8	157.4	–45.1	2,048.1	–380.3	2,040.9	25.2	2,066.1
January 1, 2015	260.8	157.4	–45.1	2,152.9	–603.6	1,922.4	24.1	1,946.5
Net income for the period	–	–	–	180.4	–	180.4	–1.6	178.8
Dividends paid	–	–	–	–74.5	–	–74.5	–1.4	–75.9
Change in ownership interests in Siltronic AG	–	–	–	83.8	113.3	197.1	164.8	361.9
Income and expenses recognized in equity	–	–	–	–	236.5	236.5	39.9	276.4
Scope of consolidation/other	–	–	–	–	–	–	–	–
June 30, 2015	260.8	157.4	–45.1	2,342.6	–253.8	2,461.9	225.8	2,687.7

Reconciliation of Other Equity Items

T 3.8

€ million	Changes in market values of securities available for sale	Difference from foreign currency translation adjustments	Changes in market values of derivative financial instruments (cash flow hedge)	Remeasurement of defined benefit plans	Effects of net investments in foreign operations	Total (excluding non-controlling interests)	Non-controlling interests	Total
January 1, 2014	0.8	–50.9	10.4	–125.9	–2.6	–168.2	–4.8	–173.0
Changes recognized in other comprehensive income	0.3	–	–0.8	–203.4	–	–203.9	–	–203.9
Reclassification in the statement of income	–	–17.5	–5.8	–	2.6	–20.7	–	–20.7
Changes in exchange rates	–	12.5	–	–	–	12.5	0.7	13.2
June 30, 2014	1.1	–55.9	3.8	–329.3	–	–380.3	–4.1	–384.4
January 1, 2015	0.5	70.5	–28.5	–646.1	–	–603.6	–2.1	–605.7
Changes recognized in other comprehensive income	–1.1	–	–40.7	124.4	–	82.6	38.8	121.4
Reclassification in the statement of income	–	–	33.1	–	–	33.1	–	33.1
Change in ownership interests in Siltronic AG	0.3	9.3	15.6	88.1	–	113.3	–113.3	–
Changes in exchange rates	–	120.8	–	–	–	120.8	1.1	121.9
June 30, 2015	–0.3	200.6	–20.5	–433.6	–	–253.8	–75.5	–329.3

Notes

January 1 through June 30, 2015

Accounting and Valuation Methods

The interim consolidated financial statements of Wacker Chemie AG as of June 30, 2015 have been prepared in accordance with Section 37w of the German Securities Trading Act (WpHG: Wertpapierhandelsgesetz) and with the rules of International Accounting Standard (IAS) 34 as applicable in the European Union, and are presented in condensed form. The accounting and valuation methods applicable in the 2014 fiscal year remain unchanged, but have been supplemented by the new accounting standards to be applied for the first time in 2015. The interim Group management report has been prepared in compliance with the applicable requirements of the German Securities Trading Act. New accounting standards were introduced in 2015, but they had no substantial impact on WACKER's accounting and valuation methods.

When the interim financial statements are being prepared, it is necessary to make assumptions and estimates affecting the amounts and the reporting of the recognized assets and debts, income and expenses, and contingent liabilities. All assumptions and estimates are based on projections that were valid on the reporting date. The actual values may differ from assumptions and estimates if the economic conditions referred to do not develop in line with the expectations as of the reporting date. Taxes are calculated using the same methods as at year-end, by determining the tax expenses as of the interim reporting date. The option pursuant to IAS 34 of making an estimate is not exercised.

As of each reporting date, the net defined benefit liability must be reassessed and the discount factor newly determined. The net defined benefit liability as of June 30, 2015 was calculated using discount factors of 2.7 percent in Germany and 4.3 percent in the USA (June 30, 2014: 3.15 percent in Germany and 4.13 percent in the USA). As of December 31, 2014, the actuarial interest rate was 2.3 percent in Germany and 3.8 percent in the USA. As of March 31, 2015, the actuarial interest rate was 1.65 percent in Germany and 3.6 percent in the USA.

As an information tool, interim financial reporting builds on the consolidated financial statements as of the end of the fiscal year. The accounting, valuation and consolidation methods used and the exercising of options envisaged in IFRS are explained in detail in the Notes.

The Group's parent company, Wacker Chemie AG, is a listed company headquartered in Munich, Germany. Its address is: Wacker Chemie AG, Hanns-Seidel-Platz 4, 81737 München, Germany. It is registered at the Munich District Court (Amtsgericht) under HRB 159705.

Seasonal Influences

Sales of polymer and silicone products to the construction industry are subject to seasonal fluctuations over the year. Volumes are higher in the summer months than in the winter, when the construction industry slows down. This effect can be cushioned by overseas business. Sales, particularly for the WACKER POLYMERS segment, are usually lower in Q1 and Q4 than in Q2 and Q3.

Other Financial Obligations

For information on disclosures of other financial obligations, please refer to the Notes to the consolidated financial statements in the 2014 Annual Report.

There were no material changes to the information provided in the Annual Report for 2014 during the reporting period.

New Accounting Standards

The following standards and interpretations of the IASB were applied for the first time in the first six months of 2015:

Standard / Interpretation		Manda-tory from	Endorsed by EU	Anticipated Impact on WACKER
IFRIC 21	Levies	Jan. 1, 2015	June 13, 2014	IFRIC 21 "Levies" contains rules for the recognition of obligations to pay public levies that are not defined as taxes within the meaning of IAS 12 "Income Taxes." Application of this interpretation may have the effect that an obligation to pay a levy is recognized in the accounts at a different point in time than previously, especially if the obligation to pay arises only if certain circumstances occur at a certain time. The amendments in connection with IFRIC 21 have no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Improvements to IFRS (2011 – 2013)		July 1, 2014	Dec. 18, 2014	The amendments affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. Their application has no substantial impact on WACKER's earnings, net assets or financial position.

The following standards were approved by the IASB between 2009 and 2015, but either their application is not yet mandatory for the period under review or they have not yet been adopted by the EU.

Standard / Interpretation		Publica-tion by IASB	Manda-tory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Nov. 21, 2013	Feb. 1, 2015	Dec. 17, 2014	The amendments clarify those regulations that concern the allocation of contributions by employees or third parties to service periods in cases where the contributions are linked to the same period of service. In addition, relief is granted in cases where the contributions are independent of the number of years of service. The amendments have no impact on WACKER's earnings, net assets or financial position, or on the presentation of its financial statements.
Improvements to IFRS (2010 – 2012)		Dec. 12, 2013	Feb. 1, 2015	Dec. 17, 2014	The amendments affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. Their application has no substantial impact on WACKER's earnings, net assets or financial position.

Standard / Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
IFRS 9	Financial Instruments	July 24, 2014	Jan. 1, 2018	Expected in second half of 2015	In addition to the recognition and measurement of financial assets, the updated version of IFRS 9 contains new accounting provisions for impairments of financial assets and revised requirements for the classification and measurement of financial instruments as part of hedge accounting. In the future, financial assets will be measured either at amortized cost or at fair value, depending on the business model of the company in question. The classification model for financial liabilities will be retained. The recognition of impairments will change fundamentally; not only will it be necessary to recognize credit losses actually incurred, but also those expected to be incurred. The goal of the new hedge accounting model under IFRS 9 is to better reflect risk management activities in the financial statements. Cash flow hedge accounting, fair value hedge accounting and hedging of a net investment in a foreign operation remain admissible hedging relationships. In each case, the number of qualifying underlying and hedging transactions was extended. At the moment, WACKER cannot conclusively assess what impacts the first-time application of this standard will have on its earnings, net assets or financial position, or on the presentation of its financial statements.
IFRS 14	Regulatory Deferral Accounts	Jan. 30, 2014	Jan. 1, 2016	To be determined	This standard allows entities preparing IFRS statements for the first time in accordance with IFRS 1 “First-Time Adoption of the International Financial Reporting Standards” to include in these statements so-called regulatory deferral accounts set up under national accounting standards previously applied by such entities in connection with rate-regulated activities, and to allow the entities to continue to prepare their financial statements according to previously applicable accounting methods. The amendments have no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements since WACKER is not a first-time adopter in accordance with IFRS 1.
IFRS 15	Revenue from Contracts with Customers	May 28, 2014	Jan. 1, 2017	Q1 2016	IFRS 15 sets out that an entity shall recognize revenue whenever the customer obtains control of, and can draw an economic benefit from, the promised goods and services. The transfer of significant risks and rewards of ownership is no longer of primary importance, as was still the case under the old IAS 18 “Revenue” rules. Revenue must be recognized in an amount that reflects the consideration to which an entity expects to be entitled. The new model provides a five-step framework for recognizing revenue, which first identifies the contract with a customer and the performance obligations it entails, and then determines and allocates the transaction price. The revenue must be recognized for each individual performance obligation when the customer obtains control of the good or service. WACKER is currently evaluating the new standard to determine its impact on the recognition of revenue. The effects cannot be conclusively assessed at present. The new standard will result in broader disclosure details in WACKER’s financial statements.

Standard / Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	May 6, 2014	Jan. 1, 2016	Expected in Q4 2015	This amendment clarifies that the acquisition and accumulation of interests in joint operations that represent a business (as defined by IFRS 3 “Business Combinations”) should be recognized by applying the accounting principles for business combinations in IFRS 3 and other applicable IFRSs, unless these conflict with IFRS 11. This clarification currently has no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements.
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	May 12, 2014	Jan. 1, 2016	Expected in Q4 2015	The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate since depreciation does not reflect consumption of the expected future economic benefits embodied in the asset. This also applies to intangible assets with a limited useful life. The presumption here, however, can be rebutted. The amendment also clarifies that a decline in sales prices of the goods produced can serve as an indicator of the commercial obsolescence of property, plant and equipment. Since WACKER uses only straight-line depreciation over the expected useful life of such assets, the clarification has no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements.
Amendments to IAS 16 and IAS 41	Financial Reporting for Bearer Plants	June 30, 2014	Jan. 1, 2016	Expected in Q4 2015	IAS 41 currently requires all biological assets related to agricultural activity to be measured at fair value less estimated costs to sell. According to the amendments, bearer plants are henceforth to be accounted for in the same way as property, plant and equipment in IAS 16 because they are utilized in a similar way. However, the produce growing on bearer plants will remain within the scope of IAS 41. In the absence of relevant circumstances, the amendment has no impact on WACKER’s earnings, net assets or financial position, or on the presentation of its financial statements.
Amendments to IAS 27	Separate Financial Statements (Equity Method)	Aug. 12, 2014	Jan. 1, 2016	Expected in Q4 2015	In the future, this revision of IAS 27 will allow an entity to apply the equity method to account for investments in subsidiaries, joint ventures and associates in its separate IFRS financial statements. Application of the revised standard has no impact on WACKER since it does not compile separate financial statements in accordance with IFRS.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sept. 11, 2014	Jan. 1, 2016 – under revision	Postponed	In accordance with these two revised standards, the investor’s gain or loss must always be recognized in full if a transaction constitutes a business as defined in IFRS 3. If this is not the case and the transaction concerns assets that do not constitute a business, the gain or loss is recognized only to the extent of unrelated investors’ interests in the associate or joint venture. The application of these two revised standards currently has no impact on WACKER’s earnings, net assets or financial position.
Improvements to IFRS (2012 – 2014)		Sept. 25, 2014	Jan. 1, 2016	Expected in Q4 2015	The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34. Their application has no substantial impact on WACKER’s earnings, net assets or financial position.

Standard / Interpretation		Publication by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities – Applying the Consolidation Exception	Dec. 18, 2014	Jan. 1, 2016	Expected in Q1 2016	The amendments serve to clarify various questions relating to application of the consolidation exception as per IFRS 10 should the parent company meet the definition of an "investment entity." In the absence of relevant circumstances, these amendments have no impact on WACKER's earnings, net assets or financial position.
Amendments to IAS 1	Disclosure Initiative	Dec. 18, 2014	Jan. 1, 2016	Expected in Q4 2015	The amendments concern various reporting issues and clarify that information which is not material need not be disclosed in the notes. This explicitly also applies if an IFRS requires a list of minimum information. Additionally included are explanations of aggregation and disaggregation of items in the balance sheet and statement of comprehensive income. The amendments also clarify how shares in other comprehensive income arising from equity-accounted investments are presented in the statement of comprehensive income. Furthermore, they propose changing the standard structure of the notes in order to enhance their understandability and comparability. The clarification has no impact on WACKER's earnings, net assets or financial position, nor any substantial impact on the presentation of its financial statements.

Changes in the Scope of Consolidation

As of June 30, 2015, the scope of consolidation comprised 56 companies, including Wacker Chemie AG, and a special-purpose entity. The interim financial statements comprised 52 companies. Compared with December 31, 2014, the scope of consolidation changed as follows.

Changes in the Ownership Structure in the First Half of 2015

Disposals/mergers of fully consolidated subsidiaries	
Scil Proteins Production GmbH, Halle (merged with Jena-based Wacker Biotech GmbH as of January 1, 2015)	100%
Establishment of fully consolidated subsidiaries	
Wacker Kimya Ticaret Limited Sirketi, Istanbul, Turkey (established on May 28, 2015)	100%
Partial disposal of fully consolidated subsidiaries through IPO of Siltronic AG	
Siltronic AG, Munich	42.2%
Siltronic Holding International B.V., Krommenie, Amsterdam, Netherlands	42.2%
Siltronic Corp., Portland, Oregon, USA	42.2%
Siltronic Singapore Pte. Ltd., Singapore	42.2%
Siltronic Asia Pte. Ltd., Singapore	42.2%
Siltronic Japan Corp., Hikari, Japan	42.2%
Siltronic Silicon Wafer Pte. Ltd., Singapore	42.2%

(IPO of wholly-owned subsidiary Siltronic AG on June 11, 2015, placement of 42.2% through the issue of new shares and the sale of shares held by Dritte Venture GmbH)

On January 2, 2014, Wacker Biotech GmbH acquired Scil Proteins Production GmbH, based in Halle, Germany. The merger of these two companies took place on January 1, 2015.

WACKER placed 25.5 percent of its shares in its previously wholly-owned subsidiary Siltronic AG on the Frankfurt Stock Exchange in an IPO on June 11, 2015. At the same time, new shares were issued as part of a Siltronic AG capital increase that reduced WACKER's stake by 16.7 percent. Following the IPO, the non-controlling interest in Siltronic AG was 42.2 percent. WACKER remains the majority shareholder with its 57.8 percent stake and fully consolidates the company in its financial statements. The total proceeds from the transaction amounted to €379.5 million. Transaction costs of €17.4 million were directly recognized in equity. Because WACKER is still the majority shareholder, this transaction is accounted for as a transaction with owners that has no impact on the statement of income. Please refer to the statement of changes in equity for equity-related changes. The changes are posted in a separate line there.

Segment Reporting

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

Information on Fair Value

The fair value of a financial instrument is the price that would be achieved in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table shows the carrying amounts and fair values of the Group's financial assets and liabilities.

Carrying Amounts and Fair Values of Financial Instruments (IFRS 7)

T 3.9

€ million	June 30, 2015		December 31, 2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Trade receivables	790.6	790.6	684.0	684.0
Other financial assets[1]	–	376.4	–	416.2
Held-to-maturity securities	53.8	53.8	10.0	10.0
Available-for-sale securities	105.0	105.0	188.7	188.7
Loans and receivables	195.8	195.8	202.1	202.1
Available-for-sale financial assets[2]	n.a.	11.2	n.a.	11.2
Derivative financial instruments	10.6	10.6	4.2	4.2
Cash and cash equivalents	411.1	411.1	325.9	325.9
Financial liabilities	1,501.1	1,483.2	1,590.0	1,572.7
Liabilities from finance leases	25.2	25.2	28.8	28.8
Trade payables	432.1	432.1	374.5	374.5
Other financial liabilities[3]	193.3	193.3	177.4	177.4
Financial liabilities recognized at amortized cost	138.0	138.0	127.7	127.7
Derivative financial instruments	55.3	55.3	49.7	49.7

[1] Does not include tax receivables, advance payments made, or accruals and deferrals.
[2] This item contains available-for-sale financial assets the market values of which cannot be calculated reliably and which have been recognized at cost. This item, along with noncurrent loans, is shown in the statement of financial position under noncurrent financial assets.
[3] Includes other liabilities shown in the statement of financial position, with the exception of advance payments received, accruals and deferrals, and tax liabilities.

It was not possible to calculate the fair value of the equity instruments that WACKER measures at amortized cost as no stock market prices or market values are available. The instruments in question are shares in unlisted companies for which there was no indication of a lasting impairment on the reporting date and the fair value of which cannot reliably be determined. WACKER had no intention of selling any of the shares reported as of June 30, 2015.

The financial assets and liabilities measured at fair value in the balance sheet were allocated to one of three categories in accordance with the fair value hierarchy described in IFRS 13. Allocation to these categories reveals which of the fair values reported were settled through market transactions and the extent to which the measurement was based on models in the absence of observable market transactions. Please refer to the Financial Instruments chapter in the Notes to the consolidated financial statements in the 2014 Annual Report for a definition of the fair value hierarchy and the allocation of financial assets and liabilities to the categories in this hierarchy.

The following table shows the fair-value-hierarchy classification of financial assets and liabilities measured at fair value:

Fair Value Hierarchy

T 3.10

€ million	Fair value hierarchy June 30, 2015				Fair value hierarchy December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value through profit or loss								
Derivatives not qualifying for hedge accounting (assets held for trading)	–	5.7	–	5.7	–	1.4	–	1.4
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	–	4.9	–	4.9	–	2.8	–	2.8
Available-for-sale financial assets	105.0	–	–	105.0	188.7	–	–	188.7
Total	105.0	10.6	–	115.6	188.7	4.2	–	192.9
Financial liabilities measured at fair value								
Fair value through profit or loss								
Derivatives not qualifying for hedge accounting (liabilities held for trading)	–	19.4	–	19.4	–	13.7	–	13.7
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	–	35.9	–	35.9	–	36.0	–	36.0
Total	–	55.3	–	55.3	–	49.7	–	49.7

The market value determined in Level 1 is based on quoted, unadjusted prices in active markets for the assets and liabilities in question or identical ones. The financial instruments allocated to Level 2 are measured using valuation methods based on parameters that are either directly or indirectly derived from observable market data. These include hedging and non-hedging derivative financial instruments, loans and financial debt. In Level 3, the market value is determined on the basis of parameters for which no observable prices are available. At the respective reporting date of each quarter, WACKER reviews whether its financial instruments are still appropriately allocated to the fair-value-hierarchy levels. As was the case in the consolidated financial statements for 2014, no reclassifications were carried out between the levels of the fair value hierarchy in the first six months of 2015.

In the period under review, no non-recurring fair value measurements were carried out.

Related Party Disclosures

IAS 24 stipulates that a person or company which controls, or is controlled by, Wacker Chemie AG must be disclosed unless the person or company is already included in Wacker Chemie AG's consolidated financial statements as a consolidated company. A shareholder is deemed to have control if it has more than half of the voting rights in Wacker Chemie AG or, by virtue of provisions in the Articles of Association or contractual arrangements, has the possibility of controlling the financial and business policy of the WACKER Group's Executive Board.

The WACKER Group is affected by the IAS 24 rules mainly with respect to the business relations with Wacker Chemie AG's joint ventures, major shareholders, and Executive and Supervisory Board members. The principles of IAS 24 also apply to all transactions with non-consolidated subsidiaries, associated companies and joint ventures, since Wacker Chemie AG exercises significant influence over them.

The WACKER Group is controlled by its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, which holds over 50 percent of the voting shares in Wacker Chemie AG.

Provision of services between Wacker Chemie AG and its majority shareholder, Dr. Alexander Wacker Familiengesellschaft mbH, as well as with the shareholders of Dr. Alexander Wacker Familiengesellschaft mbH and their close family members, is of subordinate importance, and concerns the renting of office space and exchange of services. None of these services is of significant business scope. These transactions are conducted at arm's length terms.

Wacker Chemie AG's pension fund is also considered a related party pursuant to IAS 24. Provision of services takes place between the two entities in the area of company pension plan benefits. WACKER makes payments to plan assets to cover pension obligations. Wacker Chemie AG also rents the headquarters building and the land on which it stands from a subsidiary of Pensionskasse der Wacker Chemie VVaG. Overall, expenditures in the reporting period amounted to €21.5 million (6M 2014: €21.7 million). As of June 30, 2015, WACKER had outstanding receivables from the pension fund of €20.6 million (Dec. 31, 2014: €40.4 million).

Apart from that, WACKER Group companies have not conducted any material transactions with members of Wacker Chemie AG's Executive or Supervisory Boards or with any other key management personnel or with companies of which these persons are members of executive or supervisory bodies. The same applies to close relatives of the aforementioned persons.

Business with non-consolidated subsidiaries, the pension fund, and joint ventures and associated companies is carried out under conditions that are customary between unrelated third parties (at arm's length). Contractually agreed transfer-price formulas have been defined for joint-venture and associated-company product shipments.

The following table shows the volume of trade receivables with the above-mentioned related parties:

Related Party Disclosures

T 3.11

€ million	6M 2015		2015 June 30, 2015		6M 2014		2014 Dec. 31, 2014	
	Income	Expenses	Receiv-ables	Liabilities	Income	Expenses	Receiv-ables	Liabilities
Associated companies	3.4	72.1	6.6	17.9	2.1	55.1	3.5	15.9
Joint ventures	15.4	0.7	6.2	0.2	15.1	1.0	4.3	0.2
Other	–	–	–	0.2	–	–	–	–

In addition, there is a loan to an associated company totaling €101.8 million (Dec. 31, 2014: €93.5 million).

For further information, please refer to the consolidated financial statements of Wacker Chemie AG as of December 31, 2014.

Exchange Rates

During the reporting period and/or the previous year, the following euro/US dollar, euro/Japanese yen, euro/Singapore dollar and euro/Chinese renminbi exchange rates were used for translating foreign currency items and for the financial statements of companies that have the above currencies as their functional currency:

Exchange Rates

T 3.12

€ million	Exchange rate as of			Average exchange rate	
	June 30, 2015	June 30, 2014	Dec. 31, 2014	June 30, 2015	June 30, 2014
USD	1.12	1.37	1.22	1.11	1.37
JPY	136.43	138.50	145.35	134.05	140.06
SGD	1.50	1.70	1.61	1.48	1.72
CNY	6.93	8.47	7.54	6.86	8.55

Major Events during the Reporting Period

Events during the reporting period that are considered significant in terms of impact, nature and frequency are described in the interim management report.

Events after the Balance Sheet Date

No material events occurred between the balance sheet date and the publication of this Interim Report.

Munich, August 3, 2015
Wacker Chemie AG's Executive Board

Rudolf Staudigl **Tobias Ohler**

Joachim Rauhut **Auguste Willems**

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the Group's earnings, net assets and financial position, and the Group's interim management report provides both a fair review of the development and performance of the Group's business and of its situation as well as a description of the principal opportunities and risks associated with the Group's expected development for the remaining months of the fiscal year.

Munich, August 3, 2015
Wacker Chemie AG's Executive Board

Rudolf Staudigl	Tobias Ohler
Joachim Rauhut	Auguste Willems

Review Report

To Wacker Chemie AG, Munich

We have reviewed, for the period from January 1 through June 30, 2015, the condensed interim consolidated financial statements of Wacker Chemie AG – comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the condensed statement of consolidated cash flows, the statement of changes in equity and selected explanatory notes – together with the interim group management report of Wacker Chemie AG, both of which form part of the semi-annual financial report pursuant to Section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). It is the responsibility of the Company's management to prepare the condensed interim consolidated financial statements in accordance with those IFRSs applicable to interim financial reporting and adopted by the EU, and to prepare the interim group management report in accordance with those requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the review such that, after a critical evaluation, we can ensure with reasonable certainty that the condensed interim consolidated financial statements have been prepared, in material respects, in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, and that the interim group management report has been prepared, in material respects, in accordance with those requirements of the WpHG applicable to interim group management reports. As the review is limited primarily to inquiries directed toward company employees and to analytical assessments, it does not provide the degree of certainty attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRSs applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with those requirements of the WpHG applicable to interim group management reports.

Munich, August 3, 2015
KPMG AG Wirtschaftsprüfungsgesellschaft

Pastor	Maurer
Auditor	Auditor

List of Tables and Figures

2015 Financial Calendar

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

Due to rounding, numbers presented throughout this and other reports may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

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