WACKER

Q2

Interim Report
January – June 2016

Published on July 28, 2016

Silicone resins from WACKER enhance the properties of coatings to provide lasting protection.

Group Interim Report as of June 30, 2016

Group sales for Q2 2016 reach €1.39 billion, up 1 percent year over year and more than 5 percent quarter over quarter

Chemical-division and polysilicon sales higher thanks to volume growth

At €300 million, EBITDA declines 9 percent on a year ago amid lower non-recurring effects, but climbs 31 percent quarter over quarter

Net income for Q2 2016 amounts to €59 million

Capital expenditures decrease 59 percent year over year, while the start-up of the Charleston site progresses as planned

Forecast confirmed: EBITDA for full-year 2016 projected to grow by 5 to 10 percent when adjusted for special income, with Group sales increasing by a low single-digit percentage

WACKER at a Glance

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Results/Return/Cash Flow						
Sales	**1,386.2**	1,370.5	1.1	**2,700.5**	2,705.4	–0.2
EBITDA[1]	**300.0**	329.0	–8.8	**528.9**	596.1	–11.3
EBITDA margin[2] (%)	**21.6**	24.0	–	**19.6**	22.0	–
EBIT[3]	**110.9**	187.9	–41.0	**169.8**	314.2	–46.0
EBIT margin[2] (%)	**8.0**	13.7	–	**6.3**	11.6	–
Financial result	**–24.5**	–19.9	23.1	**–53.0**	–26.9	97.0
Income before income taxes	**86.4**	168.0	–48.6	**116.8**	287.3	–59.3
Net income for the period	**58.9**	108.2	–45.6	**75.0**	178.8	–58.1
Earnings per share (basic/diluted) (€)	**1.15**	2.21	–47.9	**1.56**	3.63	–57.0
Capital expenditures	**88.0**	214.2	–58.9	**199.2**	389.1	–48.8
Depreciation	**189.1**	141.1	34.0	**359.1**	281.9	27.4
Net cash flow[4]	**126.0**	21.0	>100	**114.0**	38.4	>100

€ million	June 30, 2016	June 30, 2015	Dec. 31, 2015
Financial Position			
Total assets	**7,497.2**	7,425.7	7,264.4
Equity	**2,138.7**	2,687.7	2,795.1
Equity ratio (%)	**28.5**	36.2	38.5
Financial liabilities	**1,668.8**	1,508.4	1,455.4
Net financial debt[5]	**1,153.9**	938.9	1,074.0
Employees (number at end of period)	**17,081**	16,928	16,972

[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.

WACKER Stock

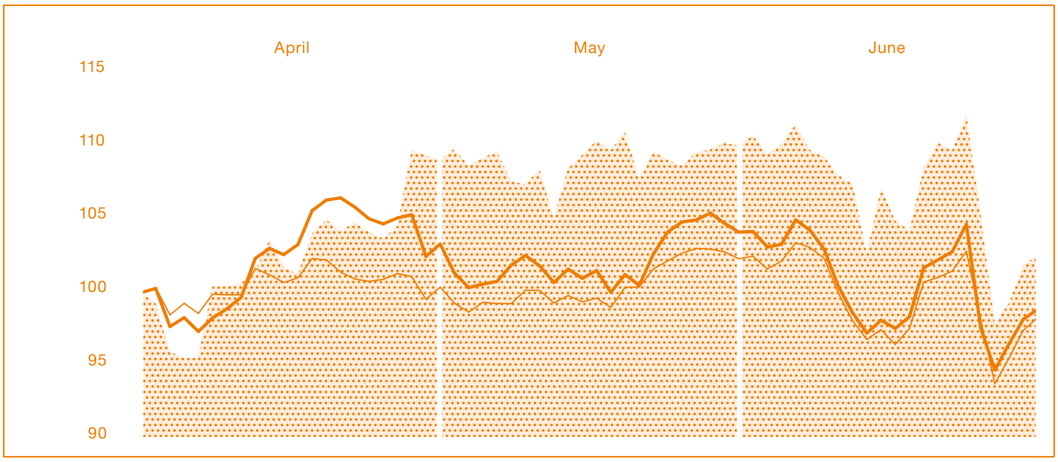
Global stock markets were uneven and volatile in Q2 2016. In April, loose monetary policy in Europe and the USA once again bolstered share prices. But as the reporting quarter progressed, markets were increasingly dominated by concerns about a possible British exit from the European Union and its impact on the world economy.

At their June meetings, the European Central Bank and Federal Reserve left their key interest rates unchanged for the time being. On the other hand, the result of the UK referendum caught many market participants by surprise, as most of them had assumed the vote would be to remain in the European Union. After the result's announcement on June 24, the British pound plunged to its lowest level against the US dollar in 31 years. The world's major stock indices fell by over 10 percent at times. It took until the end of the month for share prices to regain some ground.

After a good start to the quarter, Germany's DAX and MDAX indices trended sideways in May. The Brexit vote then caused substantial losses, which both indices had partly recouped by the end of the quarter. On balance, the DAX dropped around 1 percent in the reporting quarter, while the MDAX finished June trading down 2 percent.

Despite the difficult financial-market conditions, WACKER stock outperformed both the DAX and the MDAX. WACKER shares started Q2 2016 at €76.48. After a brief decline to its reporting-quarter low of €73.00 on April 6, the share price recovered and climbed to a high of €85.88 on June 23, before closing at €78.46 on June 30. That was nearly 3 percent higher than at the start of the quarter and corresponded to a market capitalization of around €3.9 billion.

WACKER Share Performance in Q2 2016 (indexed to 100)[1]



[1] 100 = €76.48 (closing price on April 1, 2016)

Please refer to the 2015 Annual Report (pages 42 to 48) and the internet (www.wacker.com/investor-relations) for more details about WACKER stock.

Dear Shareholders,

After the first six months of the year, the WACKER Group's operational performance is on a good trajectory.

In Q2 2016, our chemical divisions continued to benefit from strong customer demand. For silicon wafers, volumes were still subdued due to market conditions. Yet thanks to lower currency-hedging losses, Siltronic posted marked EBITDA growth compared with a year ago and quarter over quarter. Polysilicon sales in the reporting quarter were spurred not only by significant, year-over-year volume gains, but also by polysilicon prices that were noticeably higher than at the start of the year.

In mid-April, we officially opened our new production site in Charleston, Tennessee (USA), gradually ramping up further facilities there in May and June. We remain well on track with the commissioning of the site. The additional output is helping us meet the solar industry's increasing demand for very high-quality polysilicon. At the same time, we are continuing to expand our capacity for downstream chemical products – for example, at our silicone production site in Jincheon, South Korea.

The economic situation has become more difficult since the start of the year. The UK's withdrawal from the European Union at some point in the future could have a negative impact on Europe's growth in the medium-to-long term.

Although the risks for the global economy have intensified, we remain confident that we will achieve our goals for 2016. We have good reason to be optimistic. Globally, our main business divisions rank among the top-three suppliers. We have leading positions in all our key markets. The solar market continues to grow and, above all, demand for our chemical products remains robust.

We would like to thank you, our shareholders, for the trust you have placed in us. Stay with us on the path ahead.

Munich, July 28, 2016
Wacker Chemie AG's Executive Board

Interim Group Management Report

Overall Economic Situation, Economic Outlook and State of the Industry

World Economy Continues to Grow as Economic Risks Intensify

Consensus estimates by economic experts indicate that the global economy is set to continue growing moderately through the rest of 2016. But the recovery remains fragile, and risks to economic growth have increased noticeably in recent months.

In advanced economies, the reticence of companies to invest and the subdued demand trend have been weighing on economic growth. While low oil and raw-material prices are beneficial to economies with strong manufacturing and consumer bases, they are detrimental to growth in commodity-exporting countries such as Russia and Brazil. In China, the economy is currently undergoing a complex transformation process toward a stronger focus on services and domestic consumption to ensure more sustainable long-term growth. But such rebalancing can produce short-term distortions, which could potentially have a negative impact on the global economy. Political and social factors, such as the outcome of the UK referendum about exiting the European Union, the increased focus in the United States on domestic concerns and the growing global fear of terrorist attacks, have all added to the uncertainty surrounding future economic developments.

In its July 2016 forecast, the International Monetary Fund (IMF) projected that global GDP would grow by 3.1 percent this year, thus revising downward its April estimate by 0.1 percentage points. Gross domestic product in advanced economies is expected to grow by 1.8 percent in full-year 2016, down 0.1 percentage points against the previous year. In developing and emerging economies, on the other hand, the IMF sees growth picking up slightly. The fund's experts anticipate full-year growth of 4.1 percent for these countries.[1] The Organisation for Economic Co-operation and Development (OECD) is slightly more cautious than the IMF. In its most recent study of June 2016, it takes the view that world GDP will grow by 3.0 percent this year.[2]

Guided by the latest economic forecasts, WACKER expects that global economic growth in 2016 will remain roughly at last year's level. This projection assumes that the economic climate will not deteriorate further and, in particular, that the outcome of the UK referendum about leaving the European Union will not result in a serious, long-lasting decline in European economic output.

[1] International Monetary Fund, World Economic Outlook: Uncertainty in the Aftermath of the U.K. Referendum, Washington, July 19, 2016
[2] Organisation for Economic Co-operation and Development (OECD), OECD Economic Outlook, Volume 2016 Issue 1, Paris, June 1, 2016

Gross Domestic Product[1]

in %	Growth in 2015	Growth outlook for 2016
World	3.1	3.1
Advanced economies	1.9	1.8
Developing and emerging economies	4.0	4.1
Eurozone	1.7	1.6
Germany	1.5	1.6
Asia	6.6	6.4
China	6.9	6.6
India	7.6	7.4
USA	2.4	2.2

Chemical Production Grows Moderately

In Europe, the chemical sector has been growing at a subdued pace. According to the European Chemical Industry Council (Cefic), production output will increase by about 1 percent in full-year 2016, up only marginally over the prior-year figure.[2] The German Chemical Industry Association (VCI) anticipates only a very slight increase in German chemical production for the current year, with output up an estimated 0.5 percent year over year. Based on its projections that producer prices for chemical products will fall by roughly 2 percent, the VCI expects chemical-industry sales through year-end to decline by 1.5 percent to €186 billion.[3]

In the solar industry, the signs all continue to point to growth this year. Industry analysts at market-research company IHS expect newly installed photovoltaic capacity to reach almost 68 gigawatts in 2016, which would be a year-over-year increase of 18 percent. Countries with substantial capacity additions include China, the USA, Japan and India.[4] WACKER's own market surveys indicate that new photovoltaic capacity worldwide will range between 60 and 70 gigawatts this year.

In the semiconductor industry, demand for silicon wafers in 2016 is expected to be only slightly higher than in the previous year. Forecasts from market-research company IHS Markit Technology indicate that worldwide wafer volumes (by surface area sold) will increase by 1.3 percent this year.[5] Subdued demand for smartphones, tablets and PCs continues to dampen demand for wafers from semiconductor manufacturers.

Selected Key Indicators by Industry

in %	Growth in 2015	Growth outlook for 2016
Chemical industry		
Production output, Europe[2]	0.6	1.0
Production output, Germany[3]	0.8	0.5
Photovoltaic industry		
New photovoltaic capacity, worldwide[4]	32.0	18.0
Semiconductor industry		
Silicon-wafer volumes, worldwide[5]	3.3	1.3

[1] International Monetary Fund, World Economic Outlook Update: Uncertainty in the Aftermath of the U.K. Referendum, Washington, July 19, 2016
[2] European Chemical Industry Council (Cefic), Chemical Production Outlook 2016–2017, Brussels, June 29, 2016
[3] VCI (German Chemical Industry Association), Half-year press conference 2016 of the chemical-pharmaceutical industry, Frankfurt am Main, July 22, 2016
[4] IHS Technology, PV Demand Market Tracker – Q2 2016, Englewood (USA), June 10, 2016
[5] Growth in 2015: SEMI Silicon Manufacturers Group, press release “Another Record Year for Silicon Wafer Shipment Volumes in 2015,” San Jose (USA), February 9, 2016; Growth outlook for 2016: IHS Markit Technology, Semiconductor Silicon Demand Forecast Tool – Q3 2016 Update, El Segundo (USA), July 22, 2016

Group Performance and Earnings

January 1 through June 30, 2016

Sales

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
WACKER SILICONES	**514.4**	506.3	1.6	**1,005.7**	981.1	2.5
WACKER POLYMERS	**325.7**	314.6	3.5	**611.6**	599.2	2.1
WACKER BIOSOLUTIONS	**53.2**	52.7	0.9	**102.8**	102.1	0.7
WACKER POLYSILICON	**272.2**	261.3	4.2	**545.3**	550.7	–1.0
SILTRONIC	**229.8**	246.7	–6.9	**450.4**	485.4	–7.2
Corporate functions/Other	**40.3**	49.8	–19.1	**81.0**	101.6	–20.3
Consolidation	**–49.4**	–60.9	–18.9	**–96.3**	–114.7	–16.0
Group sales	1,386.2	1,370.5	1.1	2,700.5	2,705.4	–0.2

EBITDA

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
WACKER SILICONES	**93.7**	77.3	21.2	**181.6**	145.0	25.2
WACKER POLYMERS	**78.2**	56.8	37.7	**142.6**	116.7	22.2
WACKER BIOSOLUTIONS	**9.0**	9.5	–5.3	**18.6**	18.3	1.6
WACKER POLYSILICON	**77.7**	161.4	–51.9	**117.1**	240.1	–51.2
SILTRONIC	**35.0**	31.4	11.5	**58.6**	71.4	–17.9
Corporate functions/Other	**6.4**	–8.2	n.a.	**10.5**	4.5	>100
Consolidation	**–**	0.8	–100.0	**–0.1**	0.1	n.a.
Group EBITDA	300.0	329.0	–8.8	528.9	596.1	–11.3

EBIT

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
WACKER SILICONES	**74.0**	56.7	30.5	**142.0**	104.3	36.1
WACKER POLYMERS	**68.6**	47.5	44.4	**123.2**	98.9	24.6
WACKER BIOSOLUTIONS	**6.2**	6.7	–7.5	**13.0**	12.7	2.4
WACKER POLYSILICON	**–29.4**	105.0	n.a.	**–77.7**	126.7	n.a.
SILTRONIC	**6.4**	0.7	>100	**1.2**	9.4	–87.2
Corporate functions/Other	**–14.9**	–29.5	–49.5	**–31.9**	–38.0	–16.1
Consolidation	**–**	0.8	–100.0	**–**	0.2	–100.0
Group EBIT	110.9	187.9	–41.0	169.8	314.2	–46.0

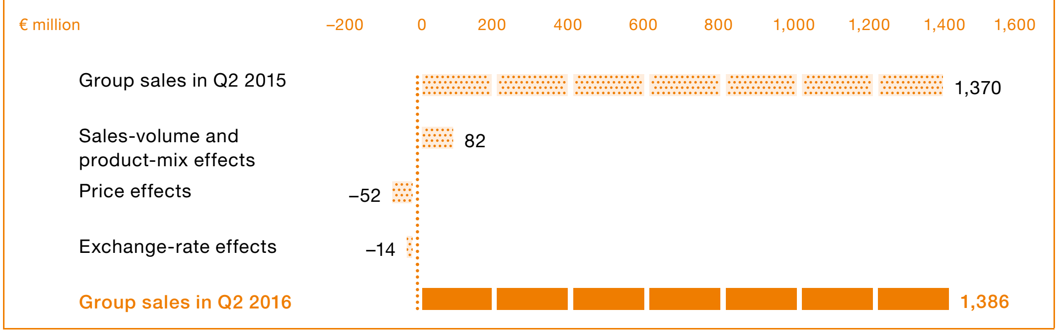
Group Sales Up by More than 5 Percent Quarter over Quarter, and 1 Percent Higher Year over Year

The WACKER Group expanded its sales in the second quarter of 2016, both year over year and quarter over quarter. Sales reached €1,386.2 million in the reporting quarter, after €1,370.5 million in the same period last year, a rise of 1 percent. This slight increase was caused primarily by a substantial rise in volumes for silicones, polymer products and polysilicon compared with a year ago. Volume gains enabled WACKER to more than compensate for year-over-year price declines that mainly affected polysilicon and semiconductor-wafer prices.

Compared with the preceding quarter (€1,314.3 million), sales grew by over 5 percent. The sales trend was supported not only by volume growth, which in chemicals partly stemmed from seasonal effects, but also by a quarter-over-quarter improvement in polysilicon prices.

At €2,700.5 million, the Group's sales for the first half of 2016 almost reached the prior-year figure of €2,705.4 million.

Year-over-Year Sales Comparison



Sales Grow in Every Region Apart from the Americas

In Q2 2016, Group sales were higher year over year in all regions apart from the Americas, where they were down about 5 percent due to price and volume effects.

Quarter over quarter, sales rose in every region except Germany, where they remained at quarter-earlier levels. Percentage growth was highest in Europe (excluding Germany).

In the first half of 2016, regional sales in Asia and Europe were roughly at year-earlier levels. In Germany, sales were higher. Half-year sales in the Americas, on the other hand, were down relative to a year ago as a consequence of lower prices and volumes.

Group Sales by Region

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %	% of Group sales
Asia	582.0	577.4	0.8	1,133.9	1,146.7	–1.1	42
Europe (excluding Germany)	325.6	314.1	3.7	617.9	611.1	1.1	24
Germany	182.8	172.1	6.2	364.9	348.1	4.8	13
The Americas	236.6	249.8	–5.3	469.6	493.6	–4.9	17
Other regions	59.2	57.1	3.7	114.2	105.9	7.8	4
Total sales	1,386.2	1,370.5	1.1	2,700.5	2,705.4	–0.2	100

EBITDA at €300 Million – EBITDA Margin at 21.6 Percent

WACKER generated EBITDA of €300.0 million in the second quarter of 2016. That was 9 percent less than a year ago (€329.0 million), but 31 percent more than a quarter earlier (€228.9 million). The Group's EBITDA margin for Q2 2016 was 21.6 percent, after 24.0 percent a year ago and 17.4 percent in the preceding quarter.

The year-over-year drop in EBITDA was due predominantly to the effect of advance payments retained and damages received a year ago. In Q2 2015, WACKER had terminated contractual and delivery relationships with customers from the solar sector, which resulted in special income of €86.7 million. For the reporting quarter, WACKER posted €7.0 million for this item. Adjusted for these non-recurring effects, EBITDA at WACKER increased considerably year over year. This growth was primarily attributable to higher sales volumes and good cost levels.

Start-up costs at the new Charleston site were the main reason that the cost-of-sales ratio rose 3 percentage points year over year, to about 81 percent in the reporting quarter. The Group posted a balanced foreign-currency result of €0.6 million in Q2 2016, after €–30.2 million a year earlier.

Group EBITDA in the first half of 2016 totaled €528.9 million, down 11 percent on last year's figure of €596.1 million. Here, too, special income posted in the previous year was the main reason for the decline. The EBITDA margin for the first half of 2016 was 19.6 percent, after 22.0 percent a year ago.

Higher Depreciation Reduces EBIT and Net Income for the Period

Reconciliation of EBITDA to EBIT

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
EBITDA	300.0	329.0	–8.8	528.9	596.1	–11.3
Depreciation/appreciation of fixed assets	–189.1	–141.1	34.0	–359.1	–281.9	27.4
EBIT	110.9	187.9	–41.0	169.8	314.2	–46.0

Group earnings before interest and taxes (EBIT) totaled €110.9 million in April through June 2016, after €187.9 million a year earlier. That was a decrease of 41 percent and yielded an EBIT margin of 8.0 percent, compared with 13.7 percent a year ago. On the other hand, EBIT almost doubled relative to Q1 2016 (€58.9 million).

In addition to the non-recurring prior-year effect already described, substantially higher depreciation also contributed to the year-over-year decrease in EBIT. The production ramp-up at the new Charleston site caused depreciation to rise from €141.1 million in Q2 2015 to €189.1 million in the reporting quarter.

In the first half of 2016, Group EBIT amounted to €169.8 million, after €314.2 million in the year-earlier period. That was 46 percent lower than last year. The decline was mainly caused by the special income of a year ago and by the substantial year-over-year increase in depreciation.

Reconciliation of EBIT to Net Income for the Period

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
EBIT	110.9	187.9	–41.0	169.8	314.2	–46.0
Financial result	–24.5	–19.9	23.1	–53.0	–26.9	97.0
Income before income taxes	86.4	168.0	–48.6	116.8	287.3	–59.3
Income taxes	–27.5	–59.8	–54.0	–41.8	–108.5	–61.5
Net income for the period	58.9	108.2	–45.6	75.0	178.8	–58.1
Of which						
Attributable to Wacker Chemie AG shareholders	57.3	110.0	–47.9	77.5	180.4	–57.0
Attributable to non-controlling interests	1.6	–1.8	n.a.	–2.5	–1.6	56.3
Earnings per share in € (basic/diluted)	1.15	2.21	–47.9	1.56	3.63	–57.0
Average number of shares outstanding (weighted)	49,677,983	49,677,983	–	49,677,983	49,677,983	–

Financial and Net Interest Result

The WACKER Group's second-quarter financial result amounted to €–24.5 million, compared with €–19.9 million last year. Due to the Charleston site's commissioning, construction-related borrowing costs are no longer capitalized as of this reporting year. This resulted in a year-over-year increase in interest expenses. Interest income in the reporting quarter amounted to €1.6 million after €2.0 million a year ago, while interest expenses reached €12.8 million versus €8.3 million in the prior-year quarter. The capitalization of €4.6 million in construction-related borrowing costs had reduced interest expenses in last year's second quarter. In the first half of this year, WACKER posted a financial result of €–53.0 million, after €–26.9 million a year ago. While interest income was €3.2 million versus €3.8 million in the same period last year, interest expenses amounted to €26.9 million after €15.2 million a year ago. Here, too, construction-related borrowing costs of €9.6 million had reduced interest expenses last year.

The other financial result amounted to €–13.3 million, compared with €–13.6 million a year ago. It primarily comprised interest-bearing components of pension and other noncurrent provisions. In addition, it contained income and expenses from the effects of exchange rate fluctuations on financial assets. In the first half of the year, WACKER posted a net other financial result of €–29.3 million, after €–15.5 million a year ago. The prior-year figure had included the positive effects on financial assets of changes in exchange rates.

Income Taxes

The effective tax rate for the first six months of the year was 35.8 percent, after 37.8 percent a year ago. The Group recognized tax expenses of €41.8 million for the first half of this year, compared with €108.5 million last year.

Net Income for the Period

Net income was substantially lower in both the second quarter and first half of 2016 due to the effects mentioned above. At €58.9 million, net income for the reporting quarter almost halved from a year ago (€108.2 million). The decline was mainly attributable to the level of special income recognized a year ago. In the first half of 2016, net income totaled €75.0 million, compared with €178.8 million in the same period last year.

Earnings per Share

Earnings per share came in at €1.15 in Q2 2016, after €2.21 last year, due to the lower result for the quarter. For the first half of 2016, earnings per share totaled €1.56, compared with €3.63 a year ago.

Division Performance

WACKER SILICONES

WACKER SILICONES

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales						
External sales	**514.2**	506.2	1.6	**1,005.4**	981.0	2.5
Internal sales	**0.2**	0.1	100.0	**0.3**	0.1	>100
Total sales	514.4	506.3	1.6	1,005.7	981.1	2.5
EBIT	74.0	56.7	30.5	142.0	104.3	36.1
EBIT margin (%)	**14.4**	11.2	–	**14.1**	10.6	–
Depreciation	**19.7**	20.6	–4.4	**39.6**	40.7	–2.7
EBITDA	93.7	77.3	21.2	181.6	145.0	25.2
EBITDA margin (%)	**18.2**	15.3	–	**18.1**	14.8	–
Capital expenditures	**16.5**	19.0	–13.2	**27.3**	32.7	–16.5
R&D expenses	**9.2**	8.6	7.0	**17.9**	17.6	1.7
As of	June 30, 2016	March 31, 2016		June 30, 2016	Dec. 31, 2015	
Number of employees	**4,438**	4,396	1.0	**4,438**	4,353	2.0

WACKER SILICONES generated total sales of €514.4 million in April through June 2016, up 2 percent over last year's figure of €506.3 million. This rise was mainly attributable to higher volumes. At the same time, sales were dampened by changes in exchange rates and somewhat lower prices for a number of product groups compared with Q2 2015. Sales were 5 percent higher than in the preceding quarter (€491.3 million). First-half sales totaled €1,005.7 million after €981.1 million a year ago, an increase of 3 percent.

The construction, energy, textile and personal-care application areas performed well in the reporting quarter. On the other hand, volumes of silicones for automotive applications and industrial coatings slowed.

WACKER SILICONES' EBITDA reached €93.7 million in the reporting quarter, 21 percent higher than a year ago (€77.3 million). Relative to the preceding quarter (€87.9 million), EBITDA grew by 7 percent. In addition to sales growth, low costs and a high plant-utilization rate averaging over 90 percent had a positive impact on earnings. The EBITDA margin improved in Q2 2016, reaching 18.2 percent, after 15.3 percent a year ago and 17.9 percent in the preceding quarter. Aggregate EBITDA from January through June 2016 totaled €181.6 million, after €145.0 million a year earlier, a rise of 25 percent. The corresponding EBITDA margin for the first half of 2016 was 18.1 percent, compared with 14.8 percent a year earlier.

WACKER SILICONES' capital expenditures amounted to €16.5 million in Q2 2016, after €19.0 million a year ago. The funds went primarily toward expanding capacities for downstream silicone products.

WACKER POLYMERS

WACKER POLYMERS

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales						
External sales	320.8	308.4	4.0	601.7	586.5	2.6
Internal sales	4.9	6.2	–21.0	9.9	12.7	–22.0
Total sales	325.7	314.6	3.5	611.6	599.2	2.1
EBIT	68.6	47.5	44.4	123.2	98.9	24.6
EBIT margin (%)	21.1	15.1	–	20.1	16.5	–
Depreciation	9.6	9.3	3.2	19.4	17.8	9.0
EBITDA	78.2	56.8	37.7	142.6	116.7	22.2
EBITDA margin (%)	24.0	18.1	–	23.3	19.5	–
Capital expenditures	6.1	12.0	–49.2	9.7	25.3	–61.7
R&D expenses	4.3	3.8	13.2	8.7	7.7	13.0
As of	June 30, 2016	March 31, 2016		June 30, 2016	Dec. 31, 2015	
Number of employees	1,476	1,476	0.0	1,476	1,461	1.0

At €325.7 million, total sales at WACKER POLYMERS were 4 percent higher than the year-earlier figure (€314.6 million) and 14 percent above the preceding quarter (€285.9 million). Volumes for dispersions and dispersible polymer powders grew substantially, both year over year and quarter over quarter. This enabled the division to more than compensate for somewhat lower prices compared with the preceding quarter and prior year, and for negative exchange-rate effects in emerging markets. First-half sales came to €611.6 million after €599.2 million a year ago, an increase of 2 percent.

Polymer products for construction chemicals and for adhesives, technical textiles and the coatings industry performed well in Q2 2016, while the solid-resins segment slowed.

The division's EBITDA grew to €78.2 million in the reporting quarter, after €56.8 million last year. That corresponded to an increase of 38 percent. In addition to volume-driven sales growth, this increase was largely attributable to the very good cost level, itself in part a result of the high plant-utilization rate of around 90 percent. Compared with a quarter earlier (€64.4 million), EBITDA grew by around 21 percent. The EBITDA margin climbed accordingly, reaching 24.0 percent, after 18.1 percent a year ago and 22.5 percent in the preceding quarter. For the first half of 2016, EBITDA at WACKER POLYMERS reached €142.6 million, compared with €116.7 million in the same period last year. That was a rise of over 22 percent and yielded an EBITDA margin of 23.3 percent, after 19.5 percent in the prior-year period.

WACKER POLYMERS invested €6.1 million in the reporting quarter compared with €12.0 million a year ago.

WACKER BIOSOLUTIONS

WACKER BIOSOLUTIONS

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales						
External sales	**53.2**	52.7	0.9	**102.8**	102.1	0.7
Internal sales	**–**	–	–	**–**	–	–
Total sales	53.2	52.7	0.9	102.8	102.1	0.7
EBIT	6.2	6.7	–7.5	13.0	12.7	2.4
EBIT margin (%)	**11.7**	12.7	–	**12.6**	12.4	–
Depreciation	**2.8**	2.8	–	**5.6**	5.6	–
EBITDA	9.0	9.5	–5.3	18.6	18.3	1.6
EBITDA margin (%)	**16.9**	18.0	–	**18.1**	17.9	–
Capital expenditures	**2.4**	0.9	>100	**4.1**	1.9	>100
R&D expenses	**1.5**	1.4	7.1	**2.9**	2.9	–
As of	June 30, 2016	March 31, 2016		June 30, 2016	Dec. 31, 2015	
Number of employees	**511**	502	1.8	**511**	491	4.1

WACKER BIOSOLUTIONS generated total sales of €53.2 million in the three months from April through June 2016, up 1 percent on the year-earlier figure of €52.7 million. This slight increase was mainly attributable to volume growth in some segments. Prices, on the other hand, were slightly lower year over year for some products and dampened sales. Relative to the preceding quarter (€49.6 million), the division's sales were up by around 7 percent. This positive quarter-over-quarter sales trend was due to volumes edging up for certain products. WACKER BIOSOLUTIONS' sales for the first six months of 2016 totaled €102.8 million, after €102.1 million in the same period last year.

Pharmaceutical proteins performed well year over year, with sales of cysteine, cyclodextrins and acetylacetone growing, too.

At €9.0 million, second-quarter EBITDA at WACKER BIOSOLUTIONS was 5 percent below the year-earlier figure (€9.5 million) and down 6 percent over the preceding quarter (€9.6 million). Earnings in the reporting quarter were dampened by maintenance work on production facilities and by expenses incurred to close down the former production plant in Wuxi, China. The EBITDA margin came in at 16.9 percent, after 18.0 percent a year ago and 19.4 percent in Q1 2016. From January through June 2016, WACKER BIOSOLUTIONS posted total EBITDA of €18.6 million, up 2 percent on the year-earlier figure of €18.3 million. The EBITDA margin for the first half of 2016 was 18.1 percent, after 17.9 percent a year earlier.

WACKER BIOSOLUTIONS invested €2.4 million in the reporting quarter, compared with €0.9 million a year ago.

WACKER POLYSILICON

WACKER POLYSILICON

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales						
External sales	**250.8**	237.9	5.4	**502.4**	505.8	–0.7
Internal sales	**21.4**	23.4	–8.5	**42.9**	44.9	–4.5
Total sales	272.2	261.3	4.2	545.3	550.7	–1.0
EBIT	–29.4	105.0	n.a.	–77.7	126.7	n.a.
EBIT margin (%)	**–10.8**	40.2	–	**–14.2**	23.0	–
Depreciation	**107.1**	56.4	89.9	**194.8**	113.4	71.8
EBITDA	77.7	161.4	–51.9	117.1	240.1	–51.2
EBITDA margin (%)	**28.5**	61.8	–	**21.5**	43.6	–
Capital expenditures	**27.2**	168.8	–83.9	**96.3**	302.4	–68.2
R&D expenses	**4.0**	3.9	2.6	**8.3**	7.9	5.1
As of	June 30, 2016	March 31, 2016		June 30, 2016	Dec. 31, 2015	
Number of employees	**2,429**	2,381	2.0	**2,429**	2,373	2.4

At €272.2 million, WACKER POLYSILICON's sales in the reporting quarter were some 4 percent higher than a year earlier (€261.3 million). Significantly higher volumes year over year more than compensated for lower polysilicon prices. The division almost matched its sales figure of the preceding quarter (€273.1 million), largely because average prices were noticeably higher quarter over quarter. On the other hand, volumes were somewhat lower than in Q1 2016 since less inventory was available for sale. The slight recovery in spot-market prices that began in mid-February continued through April and May, but stalled in the final weeks of the reporting quarter. Prices are still substantially lower than they were a year ago. From January through June 2016, the division's sales totaled €545.3 million, after €550.7 million in the comparable period last year. That was 1 percent less year over year.

WACKER POLYSILICON's reporting-quarter EBITDA amounted to €77.7 million, compared with €161.4 million a year ago. This decline of 52 percent was mainly due to a non-recurring effect included in the prior-year figure. In Q2 2015, the division had terminated contractual and delivery relationships with some solar-sector customers and, as a result, retained advance payments and received damages totaling €86.7 million. WACKER posted €7.0 million in special income of this kind in the reporting quarter. The start-up costs for the new polysilicon site in Charleston, which amounted to around €18 million in the reporting quarter, were another factor reducing the division's earnings.

Compared with the preceding quarter (€39.4 million), EBITDA almost doubled. For the three months from April through June 2016, WACKER POLYSILICON's EBITDA margin came in at 28.5 percent, after 61.8 percent in Q2 2015 and 14.4 percent in Q1 2016.

The division's EBITDA in the first half of the year was €117.1 million – down by around 51 percent over the year-earlier figure of €240.1 million – yielding an EBITDA margin of 21.5 percent, compared with 43.6 percent a year ago. The division posted negative EBIT in both the reporting quarter and the first half of 2016 due to the commencement of depreciation for the Charleston site.

At €27.2 million, the division's capital expenditures declined considerably relative to a year ago (€168.8 million) and to the preceding quarter (€69.1 million). Capital spending focused on the remaining work needed to finish the site in Charleston, Tennessee (USA).

In late April, the Chinese Ministry of Commerce announced it was launching a one-year review to determine whether to repeal the anti-dumping and anti-subsidy tariffs imposed on European polysilicon. At the same time, the minimum-price agreement concluded in 2014 was prolonged. As a result, WACKER POLYSILICON can continue to export polysilicon produced at its European sites to China at competitive prices.

SILTRONIC

SILTRONIC

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales						
External sales	228.1	245.0	–6.9	446.9	482.2	–7.3
Internal sales	1.7	1.7	–	3.5	3.2	9.4
Total sales	229.8	246.7	–6.9	450.4	485.4	–7.2
EBIT	6.4	0.7	>100	1.2	9.4	–87.2
EBIT margin (%)	2.8	0.3	–	0.3	1.9	–
Depreciation	28.6	30.7	–6.8	57.4	62.0	–7.4
EBITDA	35.0	31.4	11.5	58.6	71.4	–17.9
EBITDA margin (%)	15.2	12.7	–	13.0	14.7	–
Capital expenditures	22.6	8.9	>100	43.1	13.3	>100
R&D expenses	16.5	16.2	1.9	32.7	32.4	0.9
As of	June 30, 2016	March 31, 2016		June 30, 2016	Dec. 31, 2015	
Number of employees	3,817	3,880	–1.6	3,817	3,894	–2.0

Siltronic reported total sales of €229.8 million in the second quarter of 2016, down 7 percent from last year's figure of €246.7 million. Somewhat lower volumes – due to subdued market demand – dampened sales, as did semiconductor wafer prices that were noticeably lower year over year. Sales were up by 4 percent relative to the preceding quarter (€220.6 million). This increase was mainly due to the fact that volumes were higher than in Q1 2016, with average prices virtually unchanged. From January through June 2016, sales totaled €450.4 million, down 7 percent on last year's figure of €485.4 million. Siltronic's plant-utilization rate averaged around 90 percent worldwide in Q2 2016.

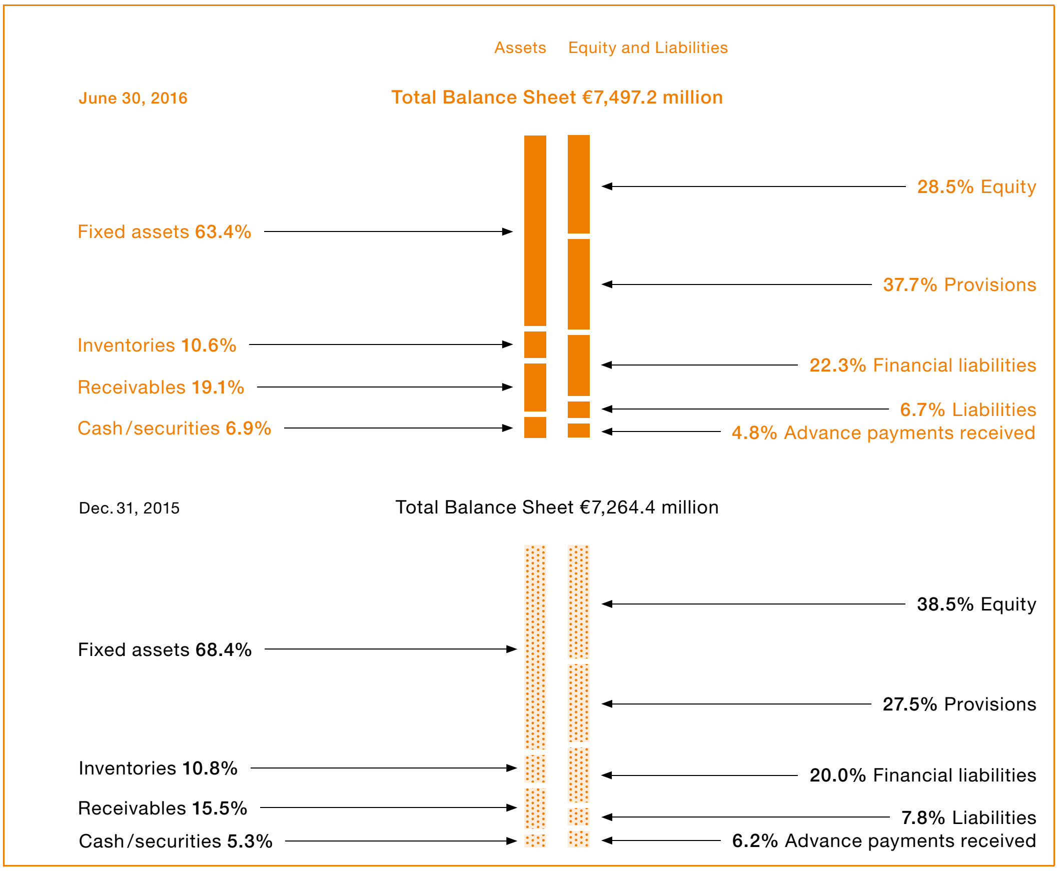
Siltronic's reporting-quarter EBITDA amounted to €35.0 million, compared with €31.4 million a year ago. That corresponded to a rise of 12 percent. In Q2 2015, EBITDA had been impacted by currency hedging losses of €17.6 million, compared with only €2.7 million in the reporting quarter. Relative to the preceding quarter (€23.6 million), EBITDA was up by around 48 percent, mainly due to sales growth and lower currency hedging losses. Siltronic's EBITDA margin climbed to 15.2 percent in the reporting quarter, after 12.7 percent in Q2 2015 and 10.7 percent in Q1 2016. The division's EBITDA in the first half of 2016 amounted to €58.6 million. That was 18 percent lower than a year ago (€71.4 million) and yielded an EBITDA margin of 13.0 percent, compared with the prior-year figure of 14.7 percent.

In the reporting quarter, Siltronic invested €22.6 million after €8.9 million a year earlier, mainly to modernize crystal-pulling facilities and further automate production.

Net Assets and Financial Position

June 30, 2016

Asset and Capital Structure



Group's Balance Sheet Total Rises by 3 Percent

The WACKER Group's balance sheet totaled €7.50 billion as of June 30, 2016, after €7.26 billion as of December 31, 2015. The main changes were increases in trade receivables, liquid funds, pension provisions and financial liabilities.

Fixed Assets Drop Due to Depreciation

Fixed assets were lower than at the end of last year due to depreciation, declining to €4.75 billion (Dec. 31, 2015: €4.97 billion). Depreciation in the amount of €359.1 million mainly reduced property, plant and equipment. After €389.1 million last year, capital expenditures reached €199.2 million due to ongoing work to complete the site in Charleston (TN), with 40 percent of total investments going toward this project. Changes in exchange rates increased fixed assets by around €42 million.

Working Capital Rises Due to Higher Receivables and Lower Liabilities

Working Capital

€ million	June 30, 2016	June 30, 2015	Change in %	Dec. 31, 2015	Change in %
Trade receivables	792.9	790.6	0.3	679.4	16.7
Inventories	792.3	782.6	1.2	785.2	0.9
Trade payables	–307.8	–432.1	–28.8	–378.3	–18.6
Working capital	1,277.4	1,141.1	11.9	1,086.3	17.6

Working capital was higher than at year-end, reflecting an operations-driven increase in trade receivables. At the same time, trade payables declined substantially following a reduction in investment-related liabilities for the Charleston site.

Advance payments received were reduced from €453.3 million as of December 31, 2015, to €360.4 million as of the reporting date, primarily due to ongoing deliveries to polysilicon customers.

Liquidity Up 35 Percent

WACKER posted liquid funds (noncurrent and current securities plus cash and cash equivalents) of €514.9 million as of June 30, 2016, after €381.4 million as of December 31, 2015. They included securities in the amount of €187.1 million (Dec. 31, 2015: €70.9 million). The increase was mainly due to the investment of liquid funds drawn under a new long-term loan.

Substantial Increase in Pension Provisions and Deferred Tax Assets

Provisions for pensions grew from €1.61 billion to €2.42 billion, a rise of 50 percent or €804.1 million. This substantial increase was attributable to the lower discount rates used for defined benefit plans. The discount rate was 1.60 percent in Germany (Dec. 31, 2015: 2.75 percent) and 3.47 percent in the USA (Dec. 31, 2015: 4.2 percent). As a result, actuarial losses rose substantially. This also led to a considerable increase in the Group's deferred tax assets, which amounted to €508.1 million (Dec. 31, 2015: €321.4 million).

Equity Ratio at 28.5 Percent

Compared with year-end 2015, Group equity decreased by 24 percent to €2.14 billion (Dec. 31, 2015: €2.79 billion). This was mainly due to the increase in pension provisions recognized in other comprehensive income. The remeasurement of defined benefit plans as of the end of the first half of 2016 resulted in higher actuarial losses, which decreased equity by €606.8 million. Exchange-rate effects – attributable to the decline in value of the euro against the US dollar and other currencies – reduced equity by around €30 million.

Net Cash Flow

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Cash flow from operating activities (gross cash flow)	**172.1**	139.5	23.4	**307.8**	302.5	1.8
Changes in advance payments received	**52.8**	80.4	–34.3	**93.7**	123.3	–24.0
Cash flow from long-term investing activities before securities	**–96.7**	–198.9	–51.4	**–285.3**	–387.4	–26.4
Additions from finance leases	**–2.2**	–	–	**–2.2**	–	–
Net cash flow	126.0	21.0	>100	114.0	38.4	>100

Gross Cash Flow

Cash flow from operations (gross cash flow) totaled €307.8 million in the first half of 2016, after €302.5 million a year ago. That represented an increase of 2 percent. Gross cash flow was negatively impacted by lower net income of €75.0 million versus €178.8 million a year ago and by higher payments from working capital of €101.1 million after €86.7 million in the first half of last year. On the other hand, gross cash flow was supported by lower tax payments of €49.5 million versus €101.9 million last year and by a lower reduction in advanced payments received, down by €93.7 million after €123.3 million last year. Depreciation of €359.1 million recognized in the net income for the period was substantially higher than a year ago (€281.9 million).

Cash Flow from Long-Term Investing Activities

As expected, cash flow from long-term investing activities fell as a consequence of substantially lower capital expenditures in the first half of 2016. It amounted to €285.3 million, after €387.4 million a year ago. This was due to the fact that investments and payments in connection with investment liabilities at the Charleston site are now coming to an end.

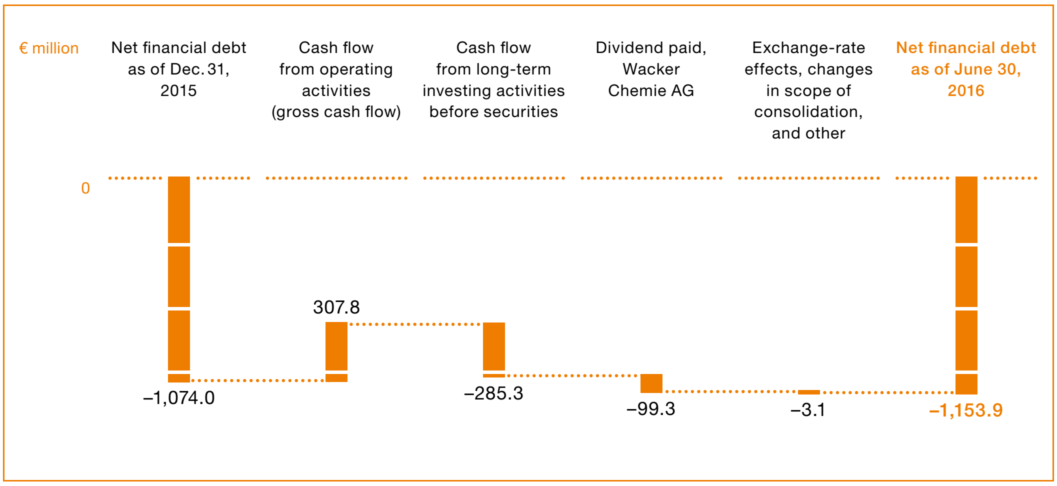
Net Cash Flow

Net cash flow in the first six months of 2016 amounted to €114.0 million, compared with €38.4 million last year.

Cash Flow from Financing Activities

Cash flow from financing activities was €109.5 million in the first half of 2016, after €131.6 million a year earlier. It reflects mainly the cash provided by new bilateral loans of US$250 million and the cash used for the Wacker Chemie AG dividend of €99.3 million in Q2 2016. A year ago, the proceeds from the IPO of Siltronic AG had added €361.9 million to cash flow from financing activities. In addition, WACKER had repaid liabilities to banks.

Net Financial Debt



Financial Liabilities Rise by 15 Percent Due to New Loans

As of the half-yearly reporting date, noncurrent and current financial liabilities rose from €1.46 billion to €1.67 billion. In March 2016, WACKER took out new bilateral loans totaling US$250 million, taking advantage of prevailing low interest rates to refinance financial liabilities still recognized as current. Exchange-rate effects likewise led to an increase in financial liabilities.

The cash inflow from the new loans led to higher liquidity of €514.9 million on the reporting date (Dec. 31, 2015: €381.4 million).

Net Financial Debt Rises by 7 Percent

Net financial debt – the balance of noncurrent and current financial liabilities and liquid assets – increased from €1,074.0 million to €1,153.9 million, mainly as a result of the dividend payment of €99.3 million in Q2 2016.

Opportunities and Risks

Assessments of Opportunities and Risks Remain Largely Unchanged

The key risks that might adversely affect our business situation, net assets, financial position and earnings in 2016 were explained in detail on pages 138 to 160 of our 2015 Annual Report, as were the main opportunities for our business and the nature of our risk management system.

Contrary to our expectations in the 2015 Annual Report, we estimate that the risk of potentially having to inject financial resources into the company pension fund (Pensionskasse) and other pension funds abroad increased in the reporting period. Given that capital-market interest rates are expected to remain very low, we now assume that we might have to make payments in the next 12 months to Pensionskasse der Wacker Chemie VVaG and other pension funds to further cover pension obligations recognized as provisions. We consider the probability of making such payments in the second half of 2016 or first half of 2017 to be high (previously: low probability). We expect a medium impact on the Group's cash flow (previously: possible impact low), which is the equivalent – based on our definition – of between €25 million and €100 million.

Beyond that, the statements and estimates we made in our 2015 Annual Report did not change during the reporting period. We did not identify any further significant risks or opportunities that go beyond what we described in our 2015 Annual Report.

We can never rule out the existence of other business-related risks and opportunities that we are currently unaware of or currently consider to be insignificant. Nonetheless, we do not expect risks to occur which, either in isolation or in combination with other risks, might endanger the continued existence of WACKER as a going concern.

Outlook Update

Adjusted EBITDA Is Expected to Grow by 5 to 10 Percent in 2016

We described in detail our projections for the Group's performance this year in the Outlook section on pages 163 to 174 of our 2015 Annual Report. The assessments we made there changed as follows on publication of the Q1 2016 interim report:

After adjustment for special income, Group EBITDA for full-year 2016 should now grow by between 5 and 10 percent year over year (2015 Annual Report: slight increase when adjusted for special income). The company raised its forecast due to the chemical divisions' strong and profitable start to the year and because of the polysilicon pricing environment, which was better than previously expected. Given WACKER's good performance in the first half of 2016, the company now assumes that adjusted EBITDA will be at the upper end of this range. Net financial debt is expected to be slightly below the prior-year level of €1,074 million at year-end 2016 (2015 Annual Report: on a par with the prior-year level).

All other forecasts for the Group's key performance indicators made in the 2015 Annual Report remained unchanged in the reporting period. Group sales are expected to rise by a low single-digit percentage. WACKER's EBITDA margin will be somewhat lower in 2016 than last year, since we do not expect any major special income from damages received or from the restructuring of contractual and delivery relationships with solar customers. Other factors dampening our EBITDA margin are costs for the production start-up at our new polysilicon site in Charleston (TN) and lower prices for certain products in some segments. We expect net cash flow in 2016 to be clearly positive amid markedly lower capital expenditures of some €425 million, after €834 million last year.

Outlook for 2016

	Reported for 2015	Outlook for 2016
Key Financial Performance Indicators		
EBITDA margin (%)	19.8	Somewhat lower
EBITDA (€ million)	1,048.8	Increase of between 5 and 10 percent when adjusted for special income[1]
ROCE (%)	8.1	Substantially lower
Net cash flow (€ million)	22.5	Markedly more positive
Supplementary Financial Performance Indicators		
Sales (€ million)	5,296.2	Slight increase
Capital expenditures (€ million)	834.0	Around €425 million
Net financial debt (€ million)	1,074.0	Slightly below the prior-year level
Depreciation (€ million)	575.7	Around €720 million

[1] EBITDA exclusive of special income amounted to €911.2 million in 2015.

Consolidated Statement of Income

January 1 through June 30, 2016

Consolidated Statement of Income

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Sales	**1,386.2**	1,370.5	1.1	**2,700.5**	2,705.4	–0.2
Cost of goods sold	**–1,125.5**	–1,073.0	4.9	**–2,220.4**	–2,116.3	4.9
Gross profit from sales	**260.7**	297.5	–12.4	**480.1**	589.1	–18.5
Selling expenses	**–80.2**	–78.9	1.6	**–157.7**	–153.9	2.5
Research and development expenses	**–45.2**	–43.1	4.9	**–90.2**	–87.8	2.7
General administrative expenses	**–31.9**	–31.4	1.6	**–69.5**	–65.6	5.9
Other operating income	**48.6**	122.4	–60.3	**95.0**	234.6	–59.5
Other operating expenses	**–42.2**	–79.2	–46.7	**–91.5**	–202.0	–54.7
Operating result	**109.8**	187.3	–41.4	**166.2**	314.4	–47.1
Result from investments in joint ventures and associates	**0.2**	0.6	–66.7	**2.7**	–0.2	n.a.
Other investment result	**0.9**	–	n.a.	**0.9**	–	n.a.
EBIT (earnings before interest and taxes)	**110.9**	187.9	–41.0	**169.8**	314.2	–46.0
Interest income	**1.6**	2.0	–20.0	**3.2**	3.8	–15.8
Interest expenses	**–12.8**	–8.3	54.2	**–26.9**	–15.2	77.0
Other financial result	**–13.3**	–13.6	–2.2	**–29.3**	–15.5	89.0
Financial result	**–24.5**	–19.9	23.1	**–53.0**	–26.9	97.0
Income before income taxes	**86.4**	168.0	–48.6	**116.8**	287.3	–59.3
Income taxes	**–27.5**	–59.8	–54.0	**–41.8**	–108.5	–61.5
Net income for the period	**58.9**	108.2	–45.6	**75.0**	178.8	–58.1
Of which						
Attributable to Wacker Chemie AG shareholders	**57.3**	110.0	–47.9	**77.5**	180.4	–57.0
Attributable to non-controlling interests	**1.6**	–1.8	n.a.	**–2.5**	–1.6	56.3
Earnings per share in € (basic/diluted)	**1.15**	2.21	–47.9	**1.56**	3.63	–57.0
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, 2016

January to June

€ million	2016 Before taxes	2016 Deferred taxes	2016	2015 Before taxes	2015 Deferred taxes	2015
Net income for the period			75.0			178.8
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	–779.2	172.4	–606.8	204.8	–45.7	159.1
Sum of items not reclassified to the statement of income	–779.2	172.4	–606.8	204.8	–45.7	159.1
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	–27.8	–	–27.8	121.9	–	121.9
Of which recognized in profit and loss	2.2	–	2.2	–	–	–
Changes in fair values of securities available for sale	0.2	–	0.2	–1.0	–	–1.0
Changes in fair values of derivative financial instruments (cash flow hedge)	–0.3	–0.1	–0.4	–2.5	–1.1	–3.6
Of which recognized in profit and loss	12.0	0.1	12.1	38.8	–4.0	34.8
Effects of net investments in foreign operations	4.0	–	4.0	–	–	–
Sum of items reclassified to the statement of income	–23.9	–0.1	–24.0	118.4	–1.1	117.3
Income and expenses recognized in equity	–803.1	172.3	–630.8	323.2	–46.8	276.4
Of which						
Attributable to Wacker Chemie AG shareholders	–733.0	172.3	–560.7	283.3	–46.8	236.5
Attributable to non-controlling interests	–70.1	–	–70.1	39.9	–	39.9
Total income and expenses reported			–555.8			455.2
Of which						
Attributable to Wacker Chemie AG shareholders			–483.2			416.9
Attributable to non-controlling interests			–72.6			38.3

Consolidated Statement of Comprehensive Income

April 1 through June 30, 2016

April to June

€ million	2016			2015		
	Before taxes	Deferred taxes		Before taxes	Deferred taxes	
Net income for the period			58.9			108.2
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	–421.0	93.4	–327.6	639.7	–140.5	499.2
Sum of items not reclassified to the statement of income	–421.0	93.4	–327.6	639.7	–140.5	499.2
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	27.8	–	27.8	–60.2	–	–60.2
Of which recognized in profit and loss	2.2	–	2.2	–	–	–
Changes in fair values of securities available for sale	–	–	–	–0.3	–	–0.3
Changes in fair values of derivative financial instruments (cash flow hedge)	–11.6	0.1	–11.5	41.3	–3.5	37.8
Of which recognized in profit and loss	18.9	0.1	19.0	20.9	–2.2	18.7
Effects of net investments in foreign operations	4.0	–	4.0	–	–	–
Sum of items reclassified to the statement of income	20.2	0.1	20.3	–19.2	–3.5	–22.7
Income and expenses recognized in equity	–400.8	93.5	–307.3	620.5	–144.0	476.5
Of which						
Attributable to Wacker Chemie AG shareholders	–360.3	93.5	–266.8	584.0	–144.0	440.0
Attributable to non-controlling interests	–40.5	–	–40.5	36.5	–	36.5
Total income and expenses reported			–248.4			584.7
Of which						
Attributable to Wacker Chemie AG shareholders			–209.5			550.0
Attributable to non-controlling interests			–38.9			34.7

Consolidated Statement of Financial Position

As of June 30, 2016

Assets

€ million	June 30, 2016	June 30, 2015	Change in %	Dec. 31, 2015	Change in %
Intangible assets	36.7	33.7	8.9	32.1	14.3
Property, plant and equipment	4,590.6	4,616.2	–0.6	4,799.1	–4.3
Investment property	1.5	1.6	–6.3	1.5	–
Investments in joint ventures and associates accounted for using the equity method	20.2	20.7	–2.4	21.2	–4.7
Securities	76.6	68.4	12.0	3.7	>100
Other financial assets	108.2	114.5	–5.5	111.4	–2.9
Other receivables and other assets	4.2	10.4	–59.6	4.3	–2.3
Income tax receivables	2.6	5.0	–48.0	0.1	>100
Deferred tax assets	508.1	306.3	65.9	321.4	58.1
Noncurrent assets	5,348.7	5,176.8	3.3	5,294.8	1.0
Inventories	792.3	782.6	1.2	785.2	0.9
Trade receivables	792.9	790.6	0.3	679.4	16.7
Other financial assets	35.9	97.5	–63.2	49.9	–28.1
Other receivables and other assets	79.1	65.9	20.0	58.4	35.4
Income tax receivables	10.0	11.2	–10.7	19.0	–47.4
Securities and fixed-term deposits held to maturity	110.5	90.0	22.8	67.2	64.4
Cash and cash equivalents	327.8	411.1	–20.3	310.5	5.6
Current assets	2,148.5	2,248.9	–4.5	1,969.6	9.1
Total assets	7,497.2	7,425.7	1.0	7,264.4	3.2

Equity and Liabilities

€ million	June 30, 2016	June 30, 2015	Change in %	Dec. 31, 2015	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	**2,387.1**	2,342.6	1.9	2,408.9	–0.9
Other equity items	**–774.5**	–253.8	>100	–213.8	>100
Equity attributable to Wacker Chemie AG shareholders	1,985.7	2,461.9	–19.3	2,568.2	–22.7
Non-controlling interests	**153.0**	225.8	–32.2	226.9	–32.6
Equity	2,138.7	2,687.7	–20.4	2,795.1	–23.5
Provisions for pensions	**2,415.8**	1,589.7	52.0	1,611.7	49.9
Other provisions	**227.2**	183.4	23.9	217.0	4.7
Income tax provisions	**57.7**	48.2	19.7	52.8	9.3
Financial liabilities	**1,121.3**	1,333.4	–15.9	1,136.7	–1.4
Other financial liabilities	**4.9**	2.4	>100	2.6	88.5
Other liabilities	**218.5**	392.3	–44.3	287.5	–24.0
Deferred tax liabilities	**3.5**	3.8	–7.9	3.4	2.9
Noncurrent liabilities	4,048.9	3,553.2	14.0	3,311.7	22.3
Other provisions	**100.8**	124.7	–19.2	88.2	14.3
Income tax provisions	**21.6**	68.6	–68.5	27.0	–20.0
Financial liabilities	**547.5**	175.0	>100	318.7	71.8
Trade payables	**307.8**	432.1	–28.8	378.3	–18.6
Other financial liabilities	**39.6**	78.7	–49.7	47.5	–16.6
Income tax liabilities	**0.2**	2.1	–90.5	0.3	–33.3
Other liabilities	**292.1**	303.6	–3.8	297.6	–1.8
Current liabilities	1,309.6	1,184.8	10.5	1,157.6	13.1
Liabilities	5,358.5	4,738.0	13.1	4,469.3	19.9
Total equity and liabilities	7,497.2	7,425.7	1.0	7,264.4	3.2

Consolidated Statement of Cash Flows

January 1 through June 30, 2016

Consolidated Statement of Cash Flows

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
Net income for the period	**58.9**	108.2	–45.6	**75.0**	178.8	–58.1
Depreciation/appreciation of fixed assets	**189.1**	141.1	34.0	**359.1**	281.9	27.4
Result from disposal of fixed assets	**0.5**	0.2	>100	**–0.5**	–	n.a.
Other non-cash expenses and income	**–16.8**	21.5	n.a.	**18.6**	–32.2	n.a.
Result from equity accounting	**–0.2**	–0.8	–75.0	**–2.7**	–	n.a.
Net interest result	**11.2**	6.3	77.8	**23.7**	11.4	>100
Interest paid	**–14.2**	–9.6	47.9	**–25.4**	–15.1	68.2
Interest received	**0.4**	3.9	–89.7	**1.0**	5.8	–82.8
Income tax expense	**27.5**	59.8	–54.0	**41.8**	108.5	–61.5
Taxes paid	**–23.8**	–72.9	–67.4	**–49.5**	–101.9	–51.4
Dividends received	**1.3**	1.5	–13.3	**4.1**	1.5	>100
Changes in inventories	**–2.4**	4.2	n.a.	**–9.1**	–31.9	–71.5
Changes in trade receivables	**–21.2**	16.6	n.a.	**–114.5**	–99.0	15.7
Changes in non-financial assets	**–0.3**	–2.4	–87.5	**–20.3**	–1.7	>100
Changes in financial assets	**12.8**	–26.0	n.a.	**17.7**	12.1	46.3
Changes in provisions	**31.5**	23.7	32.9	**51.0**	55.4	–7.9
Changes in non-financial liabilities	**–33.4**	–29.8	12.1	**18.2**	10.5	73.3
Changes in financial liabilities	**4.0**	–25.6	n.a.	**13.3**	41.7	–68.1
Changes in advance payments received	**–52.8**	–80.4	–34.3	**–93.7**	–123.3	–24.0
Cash flow from operating activities (gross cash flow)	**172.1**	139.5	23.4	**307.8**	302.5	1.8
Cash receipts and payments for investments	**–96.9**	–200.7	–51.7	**–287.3**	–390.4	–26.4
Proceeds from the disposal of fixed assets	**0.2**	1.8	–88.9	**2.0**	3.0	–33.3
Cash flow from long-term investing activities before securities	**–96.7**	–198.9	–51.4	**–285.3**	–387.4	–26.4
Cash receipts and payments for the acquisition/disposal of securities and fixed-term deposits	**–93.4**	–24.2	>100	**–117.0**	35.3	n.a.
Cash flow from investing activities	**–190.1**	–223.1	–14.8	**–402.3**	–352.1	14.3
Dividends paid	**–100.6**	–75.9	32.5	**–100.6**	–75.9	32.5
Cash receipts from the change in ownership interests in Siltronic AG	**–**	361.9	n.a.	**–**	361.9	n.a.
Changes in financial liabilities	**11.4**	–40.3	n.a.	**210.1**	–154.4	n.a.
Cash flow from financing activities	**–89.2**	245.7	n.a.	**109.5**	131.6	–16.8
Changes due to exchange-rate fluctuations	**2.5**	–2.4	n.a.	**2.3**	3.2	–28.1
Changes in cash and cash equivalents	**–104.7**	159.7	n.a.	**17.3**	85.2	–79.7
At the beginning of the period	**432.5**	251.4	72.0	**310.5**	325.9	–4.7
At the end of the period	**327.8**	411.1	–20.3	**327.8**	411.1	–20.3

Consolidated Statement of Changes in Equity

January 1 through June 30, 2016

Consolidated Statement of Changes in Equity

€ million	Sub-scribed capital	Capital reserves	Treasury shares	Retained earnings	Other equity items	Total	Non-controlling interests	Total
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
June 30, 2015	260.8	157.4	–45.1	2,342.6	–253.8	2,461.9	225.8	2,687.7
January 1, 2016	260.8	157.4	–45.1	2,408.9	–213.8	2,568.2	226.9	2,795.1
Net income for the period	–	–	–	77.5	–	77.5	–2.5	75.0
Dividends paid	–	–	–	–99.3	–	–99.3	–1.3	–100.6
Income and expenses recognized in equity	–	–	–	–	–560.7	–560.7	–70.1	–630.8
June 30, 2016	260.8	157.4	–45.1	2,387.1	–774.5	1,985.7	153.0	2,138.7

Reconciliation of Other Equity Items

January 1 through June 30, 2016

Reconciliation of Other Equity Items (Attributable to Wacker Chemie AG Shareholders)

€ million	Changes in fair values of securities available for sale	Difference from foreign currency translation adjustments	Changes in fair values of derivative financial instruments (cash flow hedge)	Remeasurements of defined benefit plans	Effects of net investments in foreign operations	Total (excluding non-controlling interests)
January 1, 2015	0.5	70.5	–28.5	–646.1	–	–603.6
Changes recognized in equity	–1.1	–	–40.7	124.4	–	82.6
Reclassification to the statement of income	–	–	33.1	–	–	33.1
Change in ownership interests in Siltronic AG	0.3	9.3	15.6	88.1	–	113.3
Changes in exchange rates	–	120.8	–	–	–	120.8
June 30, 2015	–0.3	200.6	–20.5	–433.6	–	–253.8
January 1, 2016	0.1	221.7	–9.5	–426.1	–	–213.8
Changes recognized in equity	–0.1	–	–7.1	–536.3	2.3	–541.2
Reclassification to the statement of income	–	–	7.0	–	–	7.0
Changes in exchange rates	–	–26.5	–	–	–	–26.5
June 30, 2016	–	195.2	–9.6	–962.4	2.3	–774.5

Reconciliation of Other Equity Items (Attributable to Non-Controlling Interests)

€ million	Changes in fair values of securities available for sale	Difference from foreign currency translation adjustments	Changes in fair values of derivative financial instruments (cash flow hedge)	Remeasurements of defined benefit plans	Effects of net investments in foreign operations	Total (excluding non-controlling interests)
January 1, 2015	–	–1.2	–	–	–	–1.2
Changes recognized in equity	0.1	–	2.3	34.7	–	37.1
Reclassification to the statement of income	–	–	1.7	–	–	1.7
Change in ownership interests in Siltronic AG	–0.3	–9.3	–15.6	–88.1	–	–113.3
Changes in exchange rates	–	1.1	–	–	–	1.1
June 30, 2015	–0.2	–9.4	–11.6	–53.4	–	–74.6
January 1, 2016	–0.3	–10.8	–5.5	–53.6	–	–70.2
Changes recognized in equity	0.3	–	–5.4	–70.5	1.7	–73.9
Reclassification to the statement of income	–	–	5.1	–	–	5.1
Changes in exchange rates	–	–1.3	–	–	–	–1.3
June 30, 2016	–	–12.1	–5.8	–124.1	1.7	–140.3

Notes

January 1 through June 30, 2016

Accounting and Valuation Methods

The interim financial statements of Wacker Chemie AG as of June 30, 2016 have been prepared in accordance with the provisions of Section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and with International Accounting Standard (IAS) 34, and presented in condensed form on the basis of the International Financial Reporting Standards (IFRS) – as issued by the International Accounting Standards Board, London, endorsed by the European Union and applicable on the closing date – and on the basis of the interpretations of the IFRS Interpretations Committee. The accounting and valuation methods applicable in the 2015 fiscal year have been supplemented by the new accounting standards to be applied for the first time in 2016. Since January 1, 2016, income and expenses from intra-Group currency hedging of the US dollar have been recognized as a net amount on the basis of documented hedging instruments. The accounting and valuation methods are otherwise unchanged. New accounting standards were introduced in 2016, but they had no impact on WACKER's accounting or valuation methods. The interim Group management report has been prepared in compliance with the applicable requirements of the German Securities Trading Act.

During preparation of the interim financial statements, it is necessary to make assumptions and estimates that affect the amounts of the assets, liabilities, income, expenses and contingent liabilities, and how these items are reported. 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 in the same manner as at year-end, namely by determining the tax expenses as of the interim reporting date. The option pursuant to IAS 34 of making an estimate has not been 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, 2016 was calculated using discount factors of 1.60 percent in Germany and 3.47 percent in the USA (June 30, 2015: 2.7 percent in Germany and 4.3 percent in the USA). As of December 31, 2015, the actuarial interest rate was 2.75 percent in Germany and 4.2 percent in the USA.

In Q2 2016, an intra-Group loan was recognized as a net investment in a foreign operation in accordance with IAS 21 guidelines. Corresponding translation differences are thus now recognized in equity.

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 2015 Annual Report.

There were no material changes during the reporting period to the information provided in the 2015 Annual Report.

Changes in the Scope of Consolidation

As of June 30, 2016, the scope of consolidation comprised 58 companies (including Wacker Chemie AG) and a special-purpose entity. The interim financial statements comprised 54 companies. Compared with December 31, 2015, the scope of consolidation changed as follows (with the changes having no impact on earnings, net assets or the financial position).

Changes in the Ownership Structure in the First Half of 2016

Disposals/mergers of fully consolidated subsidiaries	
Siltronic Asia Pte. Ltd., Singapore (merged into Siltronic Singapore Pte. Ltd., Singapore as of Jan. 1, 2016)	100 %
Wacker Chemicals Trading (Shanghai) Co. Ltd., Shanghai, China (liquidated as of May 31, 2016)	100 %
Establishment of fully consolidated subsidiaries (Feb. 1, 2016)	
Wacker-Chemie Zehnte Venture GmbH	100 %
Wacker-Chemie Elfte Venture GmbH	100 %
Wacker-Chemie Zwölfte Venture GmbH	100 %

Segment Reporting

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

Reconciliation with Segment Results

€ million	Q2 2016	Q2 2015	Change in %	6M 2016	6M 2015	Change in %
EBIT of reporting segments	**125.8**	216.6	–41.9	**201.7**	352.0	–42.7
Corporate functions/Other	**–14.9**	–29.5	–49.5	**–31.9**	–38.0	–16.1
Consolidation	**–**	0.8	–100.0	**–**	0.2	–100.0
Group EBIT	**110.9**	187.9	–41.0	**169.8**	314.2	–46.0
Financial result	**–24.5**	–19.9	23.1	**–53.0**	–26.9	97.0
Income before income taxes	**86.4**	168.0	–48.6	**116.8**	287.3	–59.3

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)

€ million	June 30, 2016		Dec. 31, 2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Trade receivables	792.9	792.9	679.4	679.4
Held-to-maturity securities	50.0	50.0	64.6	64.6
Available-for-sale securities	137.1	137.1	6.3	6.3
Other financial assets	133.0	144.1	150.2	161.3
Loans and receivables	115.3	115.3	137.6	137.6
Available-for-sale financial assets[1]	n.a.	11.1	n.a.	11.1
Derivative financial instruments	17.7	17.7	12.6	12.6
Cash and cash equivalents	327.8	327.8	310.5	310.5
Financial liabilities	1,649.0	1,630.8	1,421.7	1,416.3
Liabilities from finance leases	38.0	38.0	39.1	39.1
Trade payables	307.8	307.8	378.3	378.3
Other financial liabilities	44.5	44.5	50.1	50.1
Financial liabilities recognized at amortized cost	18.2	18.2	21.8	21.8
Derivative financial instruments	26.3	26.3	28.3	28.3

[1] 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.

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, 2016.

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 2015 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:

Fair Value Hierarchy

€ million	Fair value hierarchy June 30, 2016				Fair value hierarchy Dec. 31, 2015			
	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 that do not qualify for hedge accounting (assets held for trading)	–	4.2	–	4.2	–	11.2	–	11.2
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	–	13.5	–	13.5	–	1.4	–	1.4
Available-for-sale financial assets	137.1	–	–	137.1	6.3	–	–	6.3
Total	137.1	17.7	–	154.8	6.3	12.6	–	18.9
Financial assets measured at amortized cost								
Loans and receivables								
Loans	–	95.4	–	95.4	–	99.9	–	99.9
Total	–	95.4	–	95.4	–	99.9	–	99.9
Financial liabilities measured at fair value								
Fair value through profit or loss								
Derivatives that do not qualify for hedge accounting (liabilities held for trading)	–	10.0	–	10.0	–	15.9	–	15.9
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	–	16.3	–	16.3	–	12.4	–	12.4
Total	–	26.3	–	26.3	–	28.3	–	28.3
Financial liabilities measured at amortized cost								
Financial liabilities								
Measured at amortized cost	–	1,649.0	–	1,649.0	–	1,421.7	–	1,421.7
Total	–	1,649.0	–	1,649.0	–	1,421.7	–	1,421.7

The market value determined in Level 1 is based on quoted, unadjusted prices in active markets for the assets and liabilities in question or for 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 2015, no reclassifications were carried out between the levels of the fair value hierarchy in the first six months of 2016.

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 quarter under review amounted to €21.4 million (prior year: €21.5 million). As of June 30, 2016, WACKER had outstanding liabilities of €0.7 million toward the pension fund (Dec. 31, 2015: receivables of €0.5 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 associates 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

€ million	6M 2016		2016 June 30, 2016		6M 2015		2015 Dec. 31, 2015	
	Income	Expenses	Receiv-ables	Liabilities	Income	Expenses	Receiv-ables	Liabilities
Associated companies	3.4	65.2	0.2	13.1	3.4	72.1	3.2	8.7
Joint ventures	15.5	0.7	5.5	0.2	15.4	0.7	5.4	0.5

In addition, there is a loan to an associated company totaling €95.4 million (Dec. 31, 2015: €99.9 million).

For further information, please refer to the consolidated financial statements of Wacker Chemie AG as of December 31, 2015.

Exchange Rates

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

Exchange Rates

€ million	Exchange rate as of			Average exchange rate	
	June 30, 2016	June 30, 2015	Dec. 31, 2015	June 30, 2016	June 30, 2015
USD	1.11	1.12	1.09	1.13	1.11
JPY	114.16	136.43	131.41	121.80	134.05
SGD	1.50	1.50	1.54	1.53	1.48
CNY	7.39	6.93	7.09	7.38	6.86

Major Events during the Reporting Period

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

Events after the Balance Sheet Date

No major events subject to reporting requirements occurred between the closing date (June 30, 2016) and the publication date of the interim consolidated financial statements (July 28, 2016). There were no material or fundamental changes in the WACKER Group's overall economic and business environment.

The Group's legal and organizational structure remained unchanged.

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, July 28, 2016
Wacker Chemie AG's Executive Board

Rudolf Staudigl **Christian Hartel**

Tobias Ohler **Auguste Willems**

Review Report

To Wacker Chemie AG, Munich

We have reviewed, for the period from January 1 through June 30, 2016, 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 consolidated statement of 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 half-year 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 determined 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, July 28, 2016
KPMG AG Wirtschaftsprüfungsgesellschaft

Andrejewski	**Maurer**
Auditor	**Auditor**

Financial Calendar 2016

October
11

Capital Market Day
2016

October
27

Interim Report
on the
3rd Quarter

Contacts

Investor Relations
Joerg Hoffmann, CFA
Head of Investor Relations
Tel. +49 89 6279-1633
Fax +49 89 6279-2933
joerg.hoffmann@wacker.com

Monika Stadler
Tel. +49 89 6279-2769
Fax +49 89 6279-62769
monika.stadler.IR@wacker.com

Media Relations
Christof Bachmair
Head of Media Relations & Information
Tel. +49 89 6279-1830
Fax +49 89 6279-1239
christof.bachmair@wacker.com

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