

WACKER

Q3

Interim Report
January – September 2015

Published October 29, 2015



Interim Report January – September 2015

Group sales for Q3 2015 reach €1.36 billion, up 10 percent year over year and 1 percent below Q2 2015

Favorable exchange rates and higher volumes lift sales trend

Third-quarter EBITDA of €264 million declines 24 percent on a year ago and 20 percent against Q2 2015, primarily due to lower special income

Adjusted for special income from advance payments retained and damages received, Group EBITDA is almost 2 percent higher than in the preceding quarter

Net income for Q3 2015 amounts to €58 million

At €221 million, capital expenditures rise 44 percent year over year 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

Smart fabrics: sensors based on ultrathin silicone films and conductive silicone elastomers from WACKER turn articles of clothing into truly high-tech garments.

WACKER at a Glance

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales	1,357.9	1,232.2	10.2	4,063.3	3,631.9	11.9
EBITDA ¹	264.3	347.5	-23.9	860.4	862.2	-0.2
EBITDA margin ² (%)	19.5	28.2	-	21.2	23.7	-
EBIT ³	125.5	196.3	-36.1	439.7	412.2	6.7
EBIT margin ² (%)	9.2	15.9	-	10.8	11.3	-
Financial result	-23.5	-15.7	49.7	-50.4	-62.4	-19.2
Income before taxes	102.0	180.6	-43.5	389.3	349.8	11.3
Net income for the period	58.2	119.0	-51.1	237.0	212.6	11.5
Earnings per share (basic/diluted) (€)	1.21	2.43	-50.2	4.84	4.42	9.5
Capital expenditures (including financial assets)	220.5	152.9	44.2	609.6	343.2	77.6
Net cash flow ⁴	36.2	178.4	-79.7	74.6	332.5	-77.6

€ million	Sept. 30, 2015	Sept. 30, 2014	Dec. 31, 2014
Equity	2,752.7	2,113.5	1,946.5
Financial liabilities	1,446.9	1,592.8	1,601.5
Net financial debt ⁵	970.2	905.9	1,080.6
Total assets	7,322.0	7,045.6	6,947.2
Employees (number at end of period)	17,021	16,724	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.

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Smart Fabrics

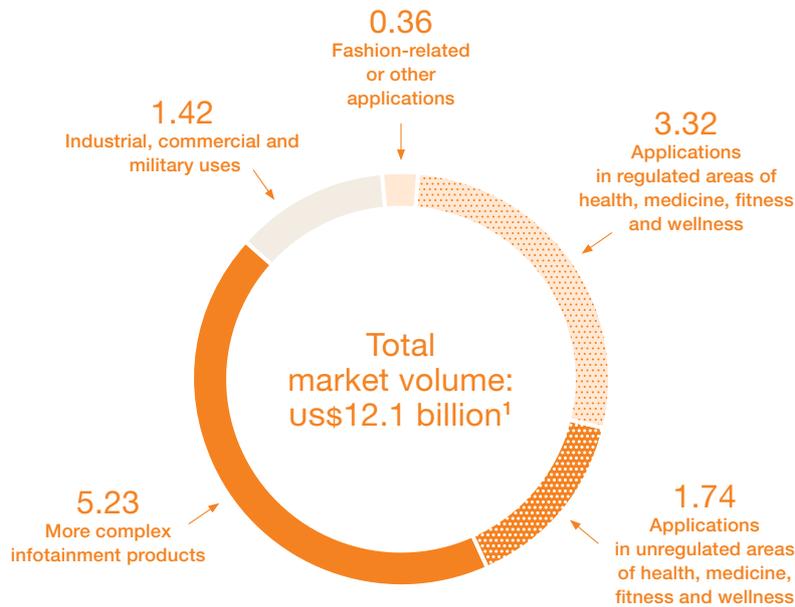
Integrated sensors turn articles of clothing into truly high-tech textiles.

They monitor your breathing or map your movements on a computer screen.

With support from WACKER, Danish start-up LEAP Technology has developed just these kinds of sensors – based on ultrathin silicone films and conductive silicone elastomers.

Market for Wearable Technology

in us\$ billion, 2015



¹ Does not include markets for simple infotainment products such as basic headphones and electronic watches

Source: IDTechEx Research

The sport shirt hugs her torso like a second skin, registering the yoga student's every movement without her noticing a thing. The highly accurate sensors constantly transmit data over a bluetooth connection to a smartphone, which detects incorrect movements, protecting the athlete from pulled muscles or inflammation of the joints – even when she is working out in her own living room, where there is no yoga instructor to monitor whether she is doing the exercises correctly.

Smart Clothing – a Billion-Dollar Business

Sensors integrated within textiles will make our clothing more intelligent in the future and create new growth opportunities in the sportswear, consumer electronics and medical technology industries. Market researchers at IDTechEx estimate that total global sales of wearable technologies – of which smart textiles account for an ever-increasing percentage – will reach approximately €12 billion this year and roughly €70 billion by 2025.

There is virtually no limit to the potential applications of this technology. Sensors worn by gamers can transmit movements onto a screen, allowing them to compete against a virtual opponent. Physical therapists use integrated sensors to determine whether patients are performing their therapy exercises exactly as prescribed.

“This kind of wearable technology offers a number of advantages, especially in rehabilitation or for long-term patients,” says Renate Glowacki, a technical service engineer for silicone films at WACKER. “Body movements are measured imperceptibly around the clock and can warn the patient or doctor if there is cause for concern with the patient's breathing or if a leg starts to swell, for example due to cardiac problems.”

Flexible Sensors as Thin as a Human Hair

Highly accurate minisensors are at the heart of smart clothing. “Textiles are the interface between people and their environment,” explains Dr. Rahimullah Sarban. “That makes integrating sensor elements into clothing pretty much the perfect way of detecting the wearer’s movements and bodily functions.” Dr. Sarban is the founder of LEAP Technology, a Danish company that produces sensor components – also for manufacturers of intelligent textiles.

It would not be possible to make these kinds of elastic sensors without innovative materials such as electroactive polymers (EAPs) – based, for example, on the films made of silicone rubber which WACKER supplies under the ELASTOSIL® Film brand name. These ultrathin films are only 20 to 200 microns thick (the diameter of a human hair, by comparison, is roughly 70 microns). The film is sandwiched between two electrodes – for instance WACKER silicone elastomers designed to conduct electrical current. In other words, all three layers are made of elastic materials. “Pressing these elements together like a sandwich or stretching the material lengthwise produces a measurable change in capacitance. The basic sensor unit here is nothing more than a flexible capacitor,” explains Glowacki.

The actual technology has been around since the 1990s, and WACKER is among those companies that have been working with EAPs for some time. “But now the leap to industrial production could become a reality,” emphasizes Susanne Neueder, marketing manager for silicone films. That leap requires a market – and innovative start-ups like LEAP Technology.

Customized Material Properties

WACKER staff met the LEAP Technology team at the 2014 EuroEAP Conference in Linköping, Sweden. Renate Glowacki was impressed by the Danish start-up’s determination to forge ahead with manufacturing the necessary components and then moving on to industrial-scale production. “And thanks to WACKER, we now have a valuable partner on board – our areas of expertise complement each other perfectly,” says LEAP Technology founder Dr. Rahimullah Sarban. “ELASTOSIL® Film is an outstanding material for manufacturing highly accurate sensors, making it perfectly suited to our needs. At the same time, silicone elastomers are not vulnerable to power surges or to electrical

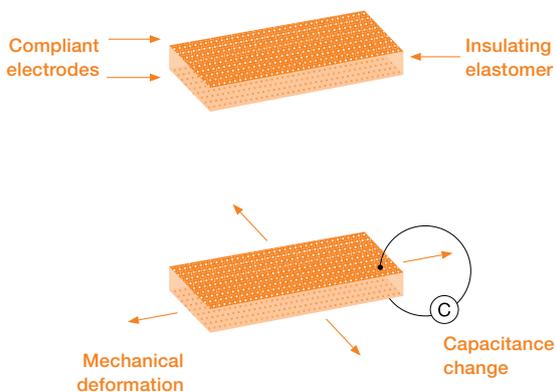
or physical shocks,” Sarban observes, explaining the advantages of the WACKER material.

In addition to using silicone films to build their components, experts at LEAP Technology laboratories use another WACKER silicone rubber that has been modified for conductivity. LEAP team members then hook up the unit to electrical wiring and mechanical mounts. The last step is to embed this entire unit within another WACKER silicone to act as an external insulator and obtain the desired surface. Before the components are sent on to customers, they are tested and calibrated in the LEAP Technology laboratories.

Elastic and Maintenance-Free

It is the chemical properties of silicones that make ELASTOSIL® Film so special. “Proper cross-linking plays a key role,” Renate Glowacki notes. This is because the molecular structure is what allows individual polymer chains to move freely.

Sensor Design and Measurement Principle



Source: LEAP Technology



1 Testing an elastic sensor: when the coated silicone film is stretched, a capacitance change is measured.

2 Elastic sensors convert mechanical energy into electricity, enabling them to capture movements of the body, for example.

3 The silicone film is coated with a layer containing a silicone filled with carbon black so that it is conductive and functions as an electrode.

4 Silicone rubbers from WACKER are the basis for electroactive polymers – in other words, they change shape when a voltage is applied.



As a result, the films are extremely extensible, yet able to resume their original shape – without wearing out. “Their exceptionally high elasticity is part of the reason why silicone films don’t wear out – even after years of mechanical stress,” adds Glowacki. “And that makes EAP components maintenance-free.” ELASTOSIL® Film products have all of the essential properties that characterize silicones: heat resistance, low-temperature flexibility and outstanding resistance to a large number of physical and chemical influences.

Cleanroom Production

In order to produce silicone films of the required quality, WACKER has developed a complex process and filed to have it patented. The first step involves applying the addition-curing silicone rubber compounds in a way that yields the desired ultrathin films. A major advantage here is that no solvents are required. The next step is to apply heat, which crosslinks the polymer chains and fixes the shape of the film. The precision silicone rubber films are produced under cleanroom conditions, thus ensuring that they comply with purity requirements and are free of particle contamination.

WACKER experts have also integrated a quality-control stage into the manufacturing process: “We take optical and ultrasound measurements to make sure that the layer thickness doesn’t vary by more than 5 percent across the entire surface,” Glowacki explains. ELASTOSIL® Film is also available as a continuous roll, a format that rival production processes are unable to achieve. The process is already up and running in a small-scale plant, with full-scale production planned for the medium term. Dr. Andreas Köllnberger received the Alexander Wacker Innovation Award for developing the production process.

At the beginning of last year, electroactive polymers were added to WACKER’s New Solutions projects – a cross-divisional, interdisciplinary unit created by the Group for promising products and technologies. The team has grown steadily. “Smart textiles aren’t the only interesting application for EAPs,” emphasizes developer Andreas Köllnberger: “Intelligent sensors enable production employees to reliably operate industrial manufacturing processes based on human-machine communication. Electroactive polymers are also suitable for use as actuators in electronic, automotive and automation technologies, or as

electricity generators – in other words, anything relating to energy harvesting.”

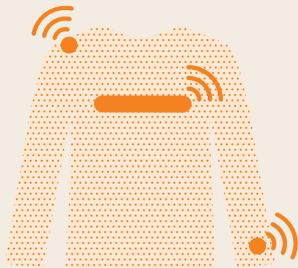
Integrated Supply Chain

LEAP Technology is still producing EAP components either by hand or using only partially automated processes. “Processing these ultrathin, soft, highly flexible silicone films is a challenge for our machines,” Sarban explains. “But we are well on track to create a fully automated production system – that’s the only way we can meet our goal of reliably producing thousands of units per month in the future.” LEAP Technology neatly fills the gap that currently exists between the manufacturers of smart textiles and companies like WACKER, who make the materials. “This is precisely where we need companies that offer finished EAP components,” says Susanne Neueder.

LEAP Technology has already received some 120 inquiries from small start-ups, universities and multinational corporations alike. Sarban explains that the ever-recurring topic in customer meetings is a reliable supply chain for the materials and individual components. Sarban is full of praise for this partnership: “WACKER is an important partner – capable of producing precision silicone films, even in large quantities,” adding that this makes for trust and reliability along the entire supply chain.

The partnership between LEAP and WACKER has set the stage for the success of wearable technology – body-hugging high-tech fabrics that closely monitor our health.

Applications for Intelligent EAP Sensors



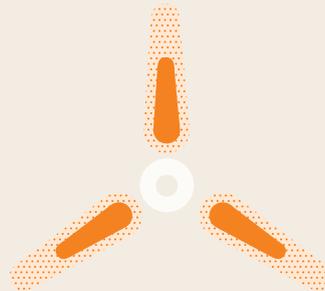
Movement Detection
Healthcare,
athletics and military uses



Automation
Industrial machinery,
robotic systems,
automotive sector



Consumer Goods
Domestic appliances, safety,
entertainment



Structural Monitoring
Energy, aviation,
civil engineering

Source: LEAP Technology

WACKER Stock

Stock Markets Under Pressure Worldwide in Q3 2015

Equity markets came under pressure worldwide in Q3 2015. Concerns about the financial situation in Greece and the country's possible exit from the eurozone did, however, recede in the reporting quarter. Following elections in September, Prime Minister Alexis Tsipras can now rely on a solid majority in the Greek parliament, increasing the likelihood that Greece will implement the reforms it agreed with its creditors in mid-July. At the same time, global stock markets were increasingly impacted by financial-market turbulence in China. The share-price declines there and the Chinese economy's notable slowdown stoked investor fears of a global economic slump. The massive losses on Asian stock markets put particular pressure on the stocks of major exporting companies and dragged down key indices worldwide.

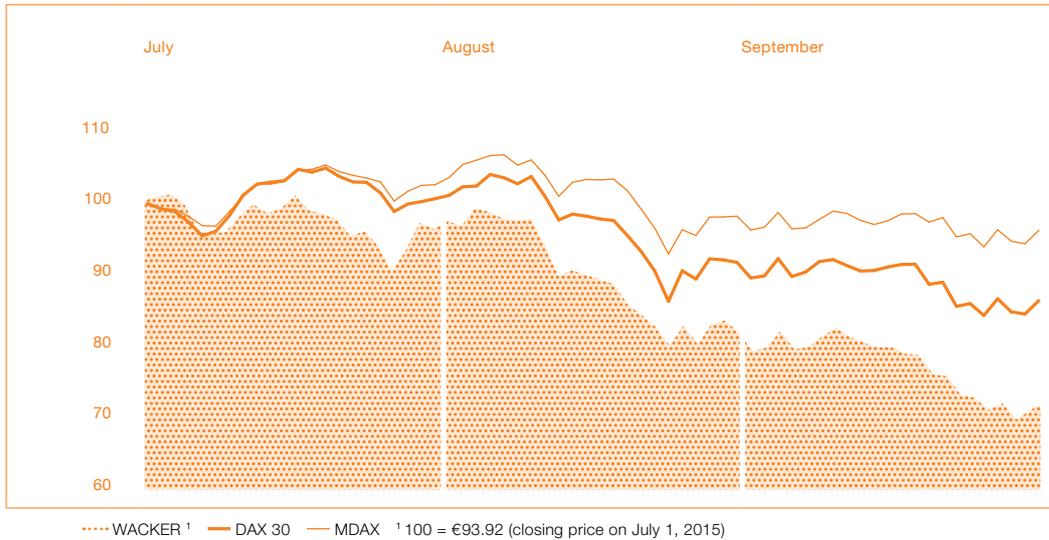
As of mid-September, reports that the vw Group had tampered with diesel-engine emissions put further strain on the stocks of auto manufacturers and suppliers in Germany. As a result, Germany's main equity benchmark, the DAX, fell below the psychologically important mark of 10,000 points for the second time within a very short period.

The generally unfavorable financial-market conditions in the reporting quarter also impacted WACKER stock. Additionally, the fact that several competitors in the polysilicon segment were facing difficulties further dampened market expectations for WACKER and its share price. The DAX and MDAX moved sideways in the first six weeks of Q3 2015. As the slowdown in China's economic output became more and more apparent toward the middle of the quarter, indices declined significantly. Overall, WACKER stock dropped nearly 28 percent from the beginning of July to the end of September. In the same period, Germany's DAX lost close to 14 percent and the MDAX almost 4 percent.

WACKER stock started Q3 2015 at €93.92, reaching its reporting-quarter peak of €94.76 on July 3. In the weeks that followed, the stock for the most part moved sideways. As of mid-August, the share price came under significant pressure in line with the general stock market trend. It then dropped gradually, reaching its reporting-quarter low of €65.79 on September 28. WACKER stock recovered only marginally, closing the quarter at €67.91. This corresponds to a market capitalization of €3.37 billion.

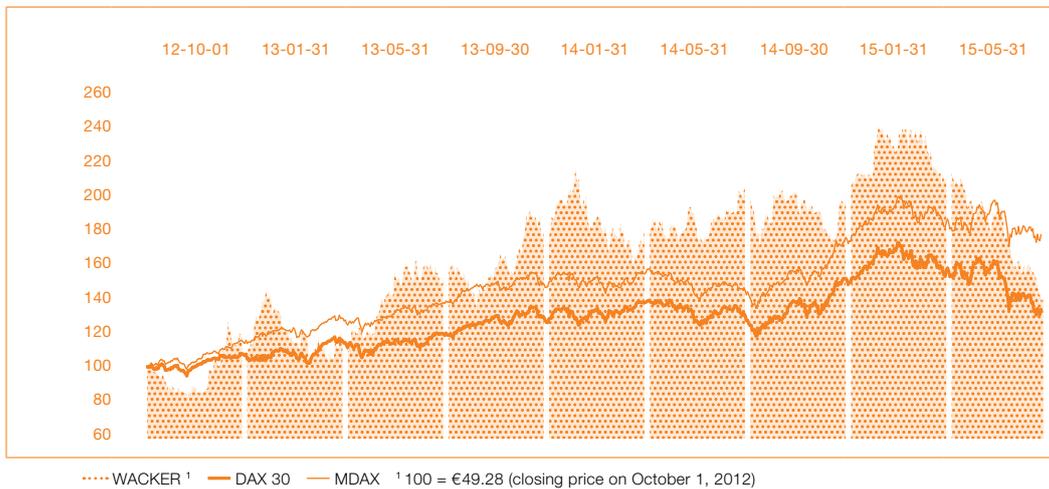
A long-term analysis shows that WACKER's share price performed well over the past 18 months, peaking at around €115 in spring 2015. However, the stock could not maintain this trend in the last few weeks of the reporting period. It closed the reporting quarter at roughly the level of November 2013. On the other hand, the stock price saw a significant gain of nearly 38 percent over the entire three-year period starting October 2012. The DAX rose in the same period by almost 32 percent and the MDAX by a good 73 percent. The positive overall trend of WACKER's stock price during the past three years also reflects improvements in Group operations.

WACKER Share Performance in Q3 2015 (Indexed to 100)¹



G 1.1

WACKER Share Performance from October 1, 2012 to September 30, 2015 (Indexed to 100)¹



G 1.2

Facts & Figures on WACKER Stock

€	Q3 2015	9M 2015
Closing price at the start of the reporting period	93.92	90.85
High in the reporting period	94.76	115.10
Low in the reporting period	65.79	65.79
Closing price at the end of the reporting period	67.91	67.91
Change during the reporting period (%)	-27.7	-25.3
Average daily trading volume in shares/day (Xetra, Chi-X and Turquoise)	197,466	197,144
Market capitalization at the start of the reporting period (billion) (based on shares outstanding)	4.67	4.51
Market capitalization at the end of the reporting period (billion) (based on shares outstanding)	3.37	3.37
Earnings per share (€)	1.21	4.84

T 1.3

At the end of the reporting period, short sales of Wacker Chemie AG's stock amounting to 8.59 percent of the shares outstanding were reported as per Section 30h of Germany's Securities Trading Act. The largest position amounted to 2.86 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 3rd Quarter of 2015

January – September 2015

Dear Shareholders,

After the first nine months of the year, we are well on track to achieve our targets for 2015. In the quarter just passed, we again succeeded in increasing our sales year over year. Adjusted for non-recurring effects, EBITDA for the first nine months was almost 15 percent higher than in the year-earlier period.

Without doubt, the economic environment has become considerably more challenging in recent months for us as well. The latest data from China raises questions as to how robust the country's economic growth is. The geopolitical conflicts in Eastern Europe and the Middle East continue to harbor risks for the global economy, as does the Greek debt crisis.

The uncertainty produced by these and other issues has been particularly noticeable in the way stock prices have performed in recent months. As a company, we have no control over the parameters influencing the mood in capital markets, which is why we must concentrate even harder on the factors that we *can* influence.

WACKER's strategy in response to the challenges posed by the markets is clear: we must ensure the highest product quality, focus closely on our customers and constantly strive to enhance the efficiency of our processes. These ongoing tasks were at the center of our activities in the reporting quarter.

However, we do not consider business success to be an end in itself. For us, entrepreneurship means a strong commitment to our customers, employees and shareholders, as well as to the environment and society in which we live. Over the last two years, we have made further progress in all these areas, and many examples can be found in our new Sustainability Report, published in early August.

Recent weeks have once again shown that one of WACKER's greatest strengths lies in its broad portfolio of products and solutions for a large number of key industries. The good performance of our chemical business has been instrumental in compensating for – and cushioning – the impact of the challenges we face in the solar and semiconductor industries.

We thank you for continuing to support us as we go forward.

Munich, October 29, 2015
Wacker Chemie AG's Executive Board

Interim Group Management Report

Overall Economic Situation and State of the Industry

Global Economic Growth Slows – Economic Risks and Regional Differences on the Increase

The world economy has continued to lose momentum in the second half of 2015, according to current economic forecasts. Growth is slower than previously expected and, for full-year 2015, will probably not reach the level of 2014. Whereas the upturn in industrialized countries has stabilized, growth in the emerging-market and developing economies has slowed for the fifth year in a row. Recent turbulence in Asian financial markets, concern about the state of the Chinese economy, and the trade restrictions imposed on Russia are all dampening global economic output. While low oil and commodity 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. Low inflation rates in many countries and the continuing expansionary monetary policy of leading central banks are having only a minor effect on growth.

The International Monetary Fund (IMF) again adjusted its forecast for the global economy slightly downward in its current study published in early October. For full-year 2015, the IMF now expects an increase of 3.1 percent (2014: 3.4 percent). In industrialized countries, GDP is expected to grow by 2.0 percent this year (2014: 1.8 percent), thereby gaining some momentum compared with the previous year. In the developing and emerging markets, however, growth will slow to 4.0 percent (2014: 4.6 percent).¹

The economies of Asia continue to report the highest growth rates, with a projected increase in GDP of 6.5 percent this year (2014: 6.8 percent). However, in recent months the Chinese government was forced to intervene in capital markets on a broad scale and support economic and export activity. The IMF expects markedly lower growth in China, at 6.8 percent (2014: 7.3 percent). Growth in India will remain steady year over year at an expected 7.3 percent (2014: 7.3 percent).¹

Prospects for the Japanese economy are uneven. After a positive trend in the first half of 2015, economic output there has begun to be affected by the weakening Chinese economy. For this reason, both the IMF and the Organisation for Economic Co-operation and Development (OECD) have lowered their expectations for the full year somewhat. Experts now agree on a forecast of 0.6 percent for Japanese GDP (2014: -0.1 percent).^{1, 2}

With its continually expanding economy, the USA is gradually assuming the role of global growth driver. Supported by a strong labor market, rising household consumption and cheap crude oil, US GDP is expected to grow by 2.6 percent (2014: 2.4 percent). However, the strong dollar is still dampening exports.¹

¹ International Monetary Fund, World Economic Outlook October 2015: Adjusting to Lower Commodity Prices, Washington, October 6, 2015

² Organisation for Economic Co-operation and Development (OECD), Interim Economic Outlook: Puzzles and uncertainties, Paris, September 16, 2015

Continued Moderate Growth in Europe

There are growing indications of economic recovery in Europe, especially in countries such as Italy, Spain, Portugal and Greece. The political situation was substantially improved by the agreement between Athens and the European Union regarding the debt crisis and by support from the Greek population for reforms. The IMF expects eurozone growth of 1.5 percent this year (2014: 0.9 percent).¹

The German economy will also remain on track. According to the IMF, German GDP will grow by 1.5 percent (2014: 1.6 percent).¹ Leading German economic institutes are somewhat more optimistic, forecasting GDP growth of 1.8 percent this year in their autumn report. A continuously positive labor market, ongoing low inflation, rising real wages and relatively low prices for raw materials and crude oil are buoying household consumption.²

Chemical Industry Profits from Low Oil Prices and Favorable Exchange-Rate Effects

The European chemical industry has been experiencing subdued growth. According to its trade association Cefic, production growth in the first half of 2015 edged up by 0.2 percent on a year ago, with producer prices declining by 4.8 percent in the same period.³ The difficult international market environment is also affecting German chemical companies. According to the German Chemical Industry Association (VCI), low oil prices are bolstering the competitiveness of German manufacturers and the weak euro is sustaining exports. At the same time, however, the economic momentum of the world's largest chemicals market, China, has been slackening. The VCI expects full-year chemical production to increase by 1.5 percent. However, as chemicals prices will drop by about 2.5 percent, annual industry sales are projected to rise by only 1.0 percent to €192.7 billion.⁴ WACKER's three chemical divisions grew their total sales in the third quarter by almost 11 percent year over year. The rise was primarily attributable to favorable exchange-rate effects, overall higher sales volumes and somewhat better prices in individual product segments.

In the semiconductor industry, demand for silicon wafers in 2015 is expected to be only slightly ahead of the previous year. The most recent forecasts from market-research company IHS Technology indicate that worldwide wafer volumes (by surface area sold) will increase by 0.4 percent this year (2014: 6.3 percent). Consequently, growth will be significantly lower than anticipated a few months ago. The main reason for this is that volumes in smartphones, tablets and PCs have been noticeably lower than expected, a trend also affecting sales. According to IHS Technology, global sales of semiconductor wafers for 2015 will reach almost US\$332 billion (2014: US\$335.5 billion), down by 1.1 percent.⁵ Siltronic AG increased its Q3 sales year over year. Somewhat higher volumes over the previous year and favorable exchange-rate effects were the reasons for this rise.

¹ International Monetary Fund, World Economic Outlook October 2015: Adjusting to Lower Commodity Prices, Washington, October 6, 2015

² Joint Economic Forecast Project Group, Autumn 2015 Joint Economic Forecast, German Economy Stable but Needs Effective Policies to Nurture Growth, Essen/Berlin, October 6/8, 2015

³ European Chemical Industry Council (Cefic), Chemicals Trends Report, Monthly Summary, August 2015: Sluggish growth for EU chemicals sector, Brussels, August 26, 2015

⁴ VCI (German Chemical Industry Association), VCI report on the business situation of the German chemical industry in the 2nd quarter 2015: German chemical business is growing in small steps, Frankfurt, September 9, 2015

⁵ IHS Technology, Semiconductor Silicon Demand Forecast Tool – Q4 2015, El Segundo (USA), October 8, 2015

For the solar industry, the analysts at IHS Technology have forecast a rise of 33 percent in newly installed photovoltaic capacity to 59 gigawatts worldwide (2014: 44 gigawatts). This projection is in line with WACKER's own market surveys, which indicate between 50 and 60 gigawatts of new photovoltaic capacity for 2015. Growth will come mainly from demand in markets such as China, Japan, the USA, the UK and India.¹ In the third quarter of 2015, WACKER POLYSILICON compensated for lower polysilicon prices year over year with markedly higher volumes, and increased its sales compared with the year-earlier period.

Sales and Earnings for the WACKER Group

Third-Quarter Sales at WACKER Up by Over 10 Percent Thanks to Higher Volumes and Favorable Exchange-Rate Effects

In the third quarter of 2015, WACKER expanded its business compared with the same period last year. The Group posted sales of €1,357.9 million between July and September (Q3 2014: €1,232.2 million), up a good ten percent. The rise was mainly fueled by higher volumes in every business division and by favorable exchange-rate effects. Compared with the previous year, prices for WACKER products in Q3 2015 were somewhat lower overall, which dampened sales. Relative to Q2 2015 (€1,370.5 million), sales were down by almost 1 percent. For the nine months to September 2015, the WACKER Group posted aggregate sales of €4,063.3 million (9M 2014: €3,631.9 million), up almost 12 percent.

All WACKER business divisions generated year-over-year increases in sales in the reporting quarter. The three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – expanded their total sales year over year by nearly 11 percent to €865.3 million (Q3 2014: €780.7 million). This increase was mainly the result of favorable exchange-rate effects and higher sales volumes. Relative to Q2 2015 (€873.6 million), sales in the three divisions were down by 1 percent. In the first nine months of the year, the chemical divisions at WACKER generated total sales of €2,547.7 million (9M 2014: €2,258.7 million), almost 13 percent more than a year ago.

Benefiting from favorable exchange-rate effects and higher sales volumes, WACKER SILICONES increased its total third-quarter sales by about 12 percent year over year. Prices for silicone products, on the whole, remained largely unchanged against the prior year. The personal care, paper coating, electronics and construction business segments performed well in the reporting quarter. Pyrogenic-silica volumes also rose significantly year over year. Volume growth in silicone rubber and silicones for industrial and textile applications was slower. Sales at WACKER SILICONES were just under 1 percent below the preceding quarter.

In the reporting quarter, WACKER POLYMERS increased its sales by close to 9 percent year over year and almost reached the level of the previous quarter. The division sold considerably more dispersible polymer powder between July and September 2015 than in Q3 2014. Dispersion volumes were nearly unchanged from the prior-year period. Favorable exchange rates also had a positive impact on the sales trend. Demand was strong, in particular, for polymer products for paints and coatings, the carpet industry and waterproofing. Sales volumes of dispersions for technical textiles and adhesive applications were more subdued.

¹ IHS Technology, With Asian and U.S. Deployments Rising, IHS Raises Global 2015 Solar PV Forecast to 59 GW, Englewood (USA), October 13, 2015

In Q3 2015, WACKER BIOSOLUTIONS generated close to 12-percent sales growth compared with the same period last year. Higher sales volumes in some product segments and favorable exchange-rate effects were important factors in this rise. In particular, sales of biologically produced pharmaceutical proteins and cysteine improved year over year. Sales of cyclodextrins were also up over a year ago. WACKER BIOSOLUTIONS' third-quarter sales were about 4 percent below Q2 2015, mainly dampened by lower volumes in some product segments.

Due to significantly higher sales volumes in the reporting quarter, WACKER POLYSILICON more than compensated for lower prices for polysilicon. Sales at the division grew by close to 8 percent year over year and by 4 percent quarter over quarter. In the first nine months of 2015, sales grew by a good 4 percent year over year.

In Q3 2015, Siltronic generated sales growth of around 7 percent compared with a year ago. Positive exchange-rate effects more than compensated for lower wafer prices. Compared with the previous quarter, sales decreased by just under 7 percent. One major reason for this was weaker sales volumes, since global demand for smartphones, tablets and PCs was substantially below expectations. In the first nine months, sales grew by just under 14 percent year over year.

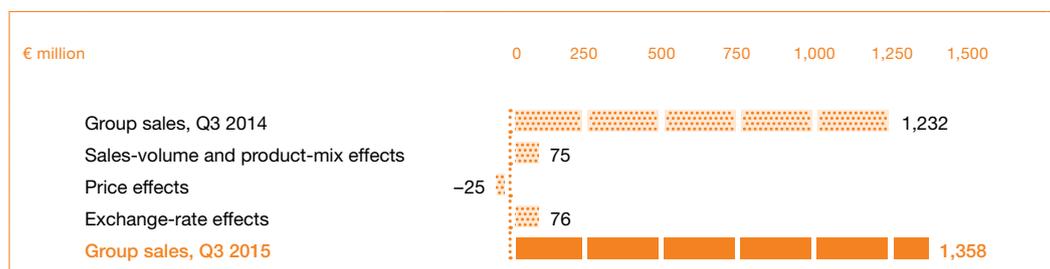
Favorable Exchange Rates Have Positive Impact on Sales

The euro-dollar exchange rate, which was considerably lower than in the previous year, again had a positive impact on WACKER sales in the reporting quarter, increasing Group sales by a good 6 percent. Higher volumes and positive product-mix effects pushed up sales by a further 6 percent. On the other hand, somewhat lower prices year over year reduced Group sales by around 2 percent.

The average euro to us\$ exchange rate in the reporting quarter was us\$1.11. The euro was markedly weaker than a year ago (us\$1.33). The exchange rate did not change relative to the preceding quarter (us\$1.11). The Japanese yen traded at an average exchange rate of ¥136 to the euro between July and September 2015. The Japanese currency was therefore somewhat stronger than in the third quarter of 2014 (¥138), but marginally weaker than in the previous quarter (¥134).

The WACKER Group invoiced roughly 30 percent of its sales in us dollars in Q3 2015, the same figure as a year ago. The us dollar remains the foreign currency with the biggest influence on the Group's business.

Year-over-Year Sales Comparison



G 2.1

Capacity Utilization of Production Plants Remains High

Due to overall robust customer demand and higher sales volumes for polysilicon and in many chemical-product segments, plant utilization at WACKER remained good to very good between July and September 2015. On average, WACKER SILICONES' siloxane plants ran at full capacity during the quarter, as did polysilicon production at WACKER POLYSILICON. During the reporting quarter, polysilicon and pyrogenic silicas at times reached new output records. Similarly, plants for downstream silicone products were very well utilized, too. WACKER POLYMERS posted average capacity utilization for dispersion and powder production of more than 80 percent in Q3 2015. At Siltronic, overall plant utilization averaged around 85 percent during the reporting quarter.

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

Significant Sales Gains in Asia and the Americas

From a regional point of view, Group sales for July through September 2015 were higher than in Q3 2014 in all regions, with the exception of Germany. Growth was strongest in Asia. Sales in the Americas also showed double-digit growth year over year. Exchange-rate effects contributed to sales increases in both regions. Compared with Q2 2015, sales in Asia, Europe and Germany remained nearly unchanged. In the Americas and the "Other Regions," Group sales were somewhat lower than in the previous quarter.

Asia remained the strongest market by far for WACKER in the reporting quarter, with the Group generating a good 42 percent of sales (Q3 2014: 41 percent) there in the three months to September 2015. At €575.8 million (Q3 2014: €501.1 million), sales were up 15 percent year over year. All of the Group's business divisions exceeded their respective prior-year figures for sales in Asia, with growth being strongest for polymer products and silicones. The Group as a whole almost matched its sales figure for the preceding quarter (€577.4 million). WACKER's sales in Asia in the first nine months of 2015 totaled €1,722.5 million (9M 2014: €1,516.5 million).

In Europe, WACKER achieved third-quarter sales of €316.5 million (Q3 2014: €293.4 million), up just under 8 percent year over year and almost 1 percent quarter over quarter (Q2 2015: €314.1 million). All of the business divisions exceeded their respective prior-year figures, except for WACKER POLYSILICON, where sales in Europe declined. In the first nine months of 2015, sales for this region totaled €927.6 million (9M 2014: €868.3 million).

WACKER's sales in Germany came in at €173.6 million in the reporting quarter (Q3 2014: €174.8 million), nearly 1 percent lower than a year earlier, but almost 1 percent higher than in the preceding quarter (€172.1 million). Whereas business in semiconductor wafers and chemical products in Germany grew slightly overall, sales of polysilicon declined in this region. WACKER's sales in Germany for the first nine months of 2015 totaled €521.7 million (9M 2014: €503.7 million).

Favorable exchange-rate effects continued to have a positive impact on sales in the Americas in Q3 2015. WACKER's sales in the Americas totaled €238.9 million for July through September 2015 (Q3 2014: €215.9 million), almost 11 percent more than a year ago. Compared with the previous quarter (€249.8 million), WACKER Group sales in the Americas declined by just over 4 percent. Somewhat lower volumes in individual product groups were one reason for this. For the nine months to September 2015, WACKER's sales in the region totaled €732.5 million after €606.2 million in the year-earlier period.

In total, WACKER generated over 87 percent of its third-quarter sales with customers outside Germany (Q3 2014: 86 percent).

Group Sales by Region

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %	% of Group sales
Asia	575.8	501.1	15	1,722.5	1,516.5	14	42
Europe (excluding Germany)	316.5	293.4	8	927.6	868.3	7	23
Germany	173.6	174.8	-1	521.7	503.7	4	13
The Americas	238.9	215.9	11	732.5	606.2	21	18
Other Regions	53.1	47.0	13	159.0	137.2	16	4
Total sales	1,357.9	1,232.2	10	4,063.3	3,631.9	12	100

T 2.2

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 Q3 2015.

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

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

Ethylene and vinyl acetate monomer (VAM), two starting materials, were considerably cheaper year over year: ethylene was almost 14 percent less expensive in the reporting quarter, while the price for VAM was down by about 9 percent. Methanol and silicon metal, on the other hand, were noticeably more expensive. The price of methanol rose by around 8 percent year over year, and silicon metal was almost 7 percent more expensive than a year ago. Compared with the previous quarter, the prices of these raw materials hardly changed.

In Q3 2015, the procurement price of natural gas in Germany was marginally lower than a year earlier. Compared with Q2 2015, however, it was about 9 percent higher. The procurement price of electricity in Germany rose noticeably, and was 14 percent higher year over year and some 16 percent higher quarter over quarter.

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

Change in Amount of Special Income Impacts Earnings – EBITDA Margin at Nearly 20 Percent in Reporting Quarter

In Q3 2015, the WACKER Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of €264.3 million (Q3 2014: €347.5 million), while the EBITDA margin amounted to 19.5 percent (Q3 2014: 28.2 percent).

The main reason for this strong, almost 24-percent decline in EBITDA was lower special income from advance payments retained and damages received from solar-sector customers. Whereas special income came in at €92.3 million in Q3 2014, WACKER posted only €17.8 million for this item in the reporting quarter. Adjusted for these non-recurring items, EBITDA in Q3 2015 was 3 percent lower than a year ago, above all due to the year-over-year decline in polysilicon prices and higher start-up costs for the new plant in Charleston, Tennessee (USA). In addition, Siltronic incurred currency-hedging losses, which also reduced Group EBITDA.

Compared with the second quarter (€329.0 million), Group EBITDA fell by just under 20 percent, with lower special income again being a key factor in this trend. In Q2 2015, WACKER had recognized €86.7 million for advance payments retained and damages received. Adjusted for this item, Group EBITDA was almost 2 percent higher than in the previous quarter.

In the first nine months of 2015, WACKER posted total EBITDA of €860.4 million (9M 2014: €862.2 million). The corresponding EBITDA margin was 21.2 percent (9M 2014: 23.7 percent).

In Q3 2015, the three chemical divisions – WACKER SILICONES, WACKER POLYMERS and WACKER BIOSOLUTIONS – posted higher EBITDA both year over year and quarter over quarter. Their total third-quarter EBITDA amounted to €153.5 million (Q3 2014: €123.1 million), almost 25 percent more than a year ago. Higher volumes overall and favorable exchange-rate effects were contributing factors in this growth. Good coverage of fixed costs due to high plant utilization was another positive factor in the earnings trend. Compared with the preceding quarter (€143.6 million), the increase in EBITDA amounted to just under 7 percent. In first nine months of 2015, WACKER's chemical divisions achieved EBITDA of €433.5 million (9M 2014: €320.9 million).

At €91.8 million, WACKER POLYSILICON's EBITDA in Q3 2015 was roughly 49 percent lower than last year (€180.3 million). The main reason for this decrease was the previously mentioned special income of €92.3 million posted in Q3 2014 for advance payments retained and damages received from solar-sector customers. In the reporting quarter, special income of this kind amounted to €17.8 million. Adjusted for this income, WACKER POLYSILICON's EBITDA decreased by 16 percent year over year. In addition to reduced special income, the division's EBITDA was diminished by a year-over-year increase in start-up costs for the new polysilicon plant in Charleston as well as by lower polysilicon prices. Ongoing measures to lower costs and enhance productivity had a positive impact on EBITDA in the reporting quarter. Compared with the preceding quarter (€161.4 million), where special income of €86.7 million was posted, EBITDA was more than 43 percent lower. Here, again, the change in special income was the main reason for this decrease. In the first nine months of 2015, WACKER POLYSILICON posted total EBITDA of €331.9 million (9M 2014: €448.2 million).

Siltronic's third-quarter EBITDA amounted to €29.4 million (Q3 2014: €33.2 million), a decrease of just over 11 percent. The main reason for this was currency-hedging losses, which reduced the division's third-quarter EBITDA by €15.5 million. On the other hand, higher sales – partly attributable to more favorable exchange rates – and the satisfactory coverage of fixed costs due to high plant-utilization rates, had a positive impact on earnings. In addition, Siltronic's efforts to cut costs and enhance productivity have been having a positive long-term effect on earnings. Compared with the preceding quarter (€31.4 million), Siltronic's EBITDA declined by just over 6 percent, with lower sales – as a result of weaker volumes – being a factor. In the first nine months of 2015, Siltronic posted total EBITDA of €100.8 million (9M 2014: €76.3 million).

The profitability trend of each of WACKER's five divisions in Q3 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 €125.5 million in Q3 2015 (Q3 2014: €196.3 million). That was a decrease of 36 percent and yielded an EBIT margin of 9.2 percent (Q3 2014: 15.9 percent). Here, again, the decrease was due to the above-mentioned lower amount of special income recognized at WACKER POLYSILICON. Adjusted for non-recurring effects, EBIT increased by almost 4 percent year over year. In Q2 2015, WACKER had posted EBIT of €187.9 million and an EBIT margin of 13.7 percent. Group EBIT in the first nine months of the year amounted to €439.7 million (9M 2014: €412.2 million), while the corresponding EBIT margin came to 10.8 percent (9M 2014: 11.3 percent).

Third-Quarter Earnings per Share of €1.21

In the three-month period through September 2015, the WACKER Group generated net income of €58.2 million (Q3 2014: €119.0 million), resulting in earnings per share of €1.21 in the same period (Q3 2014: €2.43). In the first nine months of the current fiscal year, net income amounted to €237.0 million (9M 2014: €212.6 million) and earnings per share came in at €4.84 (9M 2014: €4.42).

Additional details regarding the development of WACKER's earnings in Q3 2015 are discussed in the "Condensed Statement of Income – Earnings" section of this Interim Report, starting on page 26.

Third-Quarter Business Performance Largely in Line with Expectations

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.

In Q3 2015, the WACKER Group's business performance was largely in line with the expectations expressed in its Q2 2015 report. WACKER had forecast sales growth of around 10 percent for full-year 2015, partly due to more favorable exchange-rate effects. Sales in the first nine months of 2015 were almost 12 percent higher than a year ago. Consequently, at the start of the final quarter of 2015, WACKER remains well on track to reach its sales target, provided economic conditions do not weaken further.

Adjusted for non-recurring effects in this and last year's figures, EBITDA in the first nine months of 2015 was nearly 15 percent higher year over year. That puts WACKER in a good position to achieve its target for full-year 2015, namely to surpass last year's adjusted EBITDA. Despite the special income recognized in the first nine months of 2015 from advance payments retained and damages received, we still expect that – on a full-year basis – special income will be lower than it was in 2014. Accordingly, as already announced, the WACKER Group's EBITDA margin is also likely to be lower in 2015 than it was last year.

As expected, net financial debt rose compared with the end of the second quarter, amounting to €970.2 million as of September 30, 2015. Depreciation totaled €138.8 million in the period July through September 2015. At €36.2 million, net cash flow was positive, while investment spending for the reporting quarter was generally in line with expectations.

New Site in Charleston, Tennessee (USA) Remains Focus of Investing Activities

The WACKER Group invested €220.5 million in the third quarter of 2015 (Q3 2014: €152.9 million). That was 44 percent more than a year ago, and was the result of project-related factors and exchange-rate effects. In Q2 2015, capital expenditures had totaled €214.2 million. In the first nine months of 2015, the WACKER Group's investment spending totaled €609.6 million (9M 2014: €343.2 million).

The scheduled expansion of polysilicon production capacities remained the focus of investment activities at the WACKER Group in the third quarter, with projects of this kind accounting for around 70 percent of the Group's total investment spending during the quarter.

Construction of the new polysilicon site in Charleston, Tennessee (USA) continued throughout the reporting period. WACKER expects the facilities at this site – the biggest single investment project in the company's history – to start ramping up before the end of this year.

The company has expanded its production facilities for vinyl acetate-ethylene copolymer dispersions at Calvert City, Kentucky (USA), building a new reactor there with an annual capacity of 85,000 metric tons. Commissioning of the reactor began as planned in the reporting quarter. Capital expenditures for the new facilities and for infrastructure expansion amount to some €50 million.

Third-Quarter Net Cash Flow Positive at €36 Million

From July through September 2015, WACKER generated positive net cash flow of €36.2 million (Q3 2014: €178.4 million). This decrease of about €142 million was essentially due to the higher capital expenditure for completion of the new Charleston site. In addition to the Group's good operating performance, damages received at WACKER POLYSILICON had a positive influence on cash flow. In the first nine months of 2015, net cash flow totaled €74.6 million (9M 2014: €332.5 million).

Net financial debt decreased in the reporting quarter compared with year-end 2014, amounting to €970.2 million as of September 30, 2015. As of December 31, 2014, WACKER had posted net financial debt of €1,080.6 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.

Intensive R&D Enables WACKER to Offer Its Customers Solutions with Superior User Benefits

The WACKER Group spent €42.5 million on R&D activities in the reporting quarter (Q3 2014: €43.4 million), and €130.3 million in the first nine months of the year (9M 2014: €134.5 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 three recent examples:

- ▶ At the Labelexpo Europe 2015 tradeshow, held in Brussels in late September, WACKER presented highly efficient release agents for the paper and film coating industry to a wide specialist audience for the first time. The focus was on four new silicone polymers for industrial labels and stickers from the new DEHESIVE® SFX product family. Due to their high reactivity, they require very little platinum as a catalyst in the curing process. Compared with conventional coating systems, platinum savings of up to 60 percent are possible with the DEHESIVE® SFX system, enabling makers of release paper and labels to manufacture their products much faster and more cheaply.
- ▶ In South America, particularly in Brazil, WACKER is launching its nature-identical hydroxytyrosol for cosmetics and personal-care applications. A highly efficient antioxidant and free-radical scavenger, hydroxytyrosol can protect the skin and hair against UV radiation. With the aid of a patented synthesis method, WACKER can now manufacture a nature-identical form of hydroxytyrosol in much higher purity, both without undesired byproducts and with a specific active content. The new product was launched in South America under the brand name HTEssence® at the InCosmetics Brazil tradeshow in São Paulo in early October.
- ▶ In early November, WACKER Biotech will present its new refolding technology FOLDTEC® at the BIO-Europe tradeshow in Munich. WACKER can now cost-efficiently and reliably produce pharmaceutical proteins – which are difficult to manufacture due to their aggregation propensity – in high yields and utmost purity. The proprietary process utilizes specifically developed and optimized bacterial strains and a patented, antibiotic-free expression system.

Alexander Wacker Innovation Award 2015

This year's Alexander Wacker Innovation Award was presented in early July to Dr. Andreas Köllnberger, a chemist at WACKER, for developing a process for manufacturing ultrathin silicone films. Due to their dielectric properties, the films are ideal for use in electronics, robotics, sensor systems and medical technology, and enable the development of innovative products. This is the fourth year that this €10,000 award has been presented in the product innovation category.

Commitment to Sustainability and Environmental Protection

In August 2015, the WACKER Group published its Sustainability Report for 2013/2014. The report fully complies with the G3 guidelines of the Global Reporting Initiative (GRI) and was therefore accorded an A, the GRI's highest application level. The facts and figures in the publication illustrate that WACKER has made further progress in many areas that are of importance to sustainable business management.

For example, the company has reduced specific energy consumption in polysilicon production by 29 percent within eight years, an achievement that earned it the Bavarian government's Energy Award. WACKER's largest site in Burghausen, Germany, has cut back its emissions to water substantially, while the Group's silicon-metal production plant in Norway cut its dust emissions by more than 30 percent.

WACKER has also made considerable progress with industrial safety, cutting the number of occupational accidents per million hours worked by more than 40 percent across the Group within two years – from 4.7 in 2012 to 2.8 in 2014. The WACKER Safety Plus program is one of the main reasons for this success.

In July 2015, the Bavarian branch of the German Chemical Industry Association (vci) presented its Responsible Care® Award to WACKER for its strategy of avoiding the transport of empty containers. Key factors behind the jury's decision were that WACKER's strategy is of great economic significance and helps minimize CO₂ emissions. WACKER came third at the federal level of the vci's Responsible Care® Competition.

At this year's International Motor Show (IAA) in Germany, WACKER received the GreenFleet® Award 2015 in recognition of its integrated fleet and passenger transport strategy. The jury was impressed by WACKER's practical approach of minimizing passenger transportation and business trips, and its use of environmentally friendly vehicles to sustainably reduce harmful CO₂ emissions. The German TÜV SÜD technical inspection authority bestows the GreenFleet® Award annually on companies with innovative mobility strategies and sustainable fleet management systems.

Number of Employees Remains Largely Unchanged

Relative to Q2 2015, the number of WACKER employees worldwide changed only marginally during the third quarter of 2015. The Group had 17,021 employees as of September 30, 2015 (June 30, 2015: 16,928). Employee numbers were also only slightly higher year over year (September 30, 2014: 16,724).

As of June 30, 2015, WACKER had 12,321 employees in Germany (June 30, 2015: 12,378) and 4,700 at its international sites (June 30, 2015: 4,550).

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 September 30, 2015

Condensed Statement of Income

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales	1,357.9	1,232.2	10.2	4,063.3	3,631.9	11.9
Gross profit from sales	298.6	236.6	26.2	887.7	635.4	39.7
Selling, R&D and general administrative expenses	-148.9	-140.4	6.1	-456.2	-430.8	5.9
Other operating income and expenses	-27.3	97.6	n.a.	5.3	204.6	-97.4
Operating result	122.4	193.8	-36.8	436.8	409.2	6.7
Result from investments in joint ventures and associates	3.1	2.5	24.0	2.9	3.0	-3.3
EBIT	125.5	196.3	-36.1	439.7	412.2	6.7
Financial result	-23.5	-15.7	49.7	-50.4	-62.4	-19.2
Income before taxes	102.0	180.6	-43.5	389.3	349.8	11.3
Income taxes	-43.8	-61.6	-28.9	-152.3	-137.2	11.0
Net income for the period	58.2	119.0	-51.1	237.0	212.6	11.5
Of which						
Attributable to Wacker Chemie AG shareholders	60.0	120.5	-50.2	240.4	219.5	9.5
Attributable to non-controlling interests	-1.8	-1.5	20.0	-3.4	-6.9	-50.7
Earnings per share in € (basic/diluted)	1.21	2.43	-50.2	4.84	4.42	9.5
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-	49,677,983	49,677,983	-
Reconciliation to EBITDA						
EBIT	125.5	196.3	-36.1	439.7	412.2	6.7
Depreciation/appreciation of noncurrent assets	138.8	151.2	-8.2	420.7	450.0	-6.5
EBITDA	264.3	347.5	-23.9	860.4	862.2	-0.2

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Customer demand remained robust and exchange rates were favorable in the third quarter of 2015, thus helping the WACKER Group exceed its sales figure of a year earlier. The sales trend for silicon wafers and in the chemical divisions was good, lifting Group sales by 10 percent compared with Q3 2014. WACKER POLYSILICON sold more polysilicon than in the same period last year. Overall, Group sales rose by almost 12 percent in the first nine months of 2015. At €264.3 million, Group Q3 EBITDA was down on the figure of €347.5 million for the comparable period last year. While non-recurring effects had increased EBITDA by €92.3 million in Q3 2014, such effects amounted to €17.8 million in the reporting quarter.

Group Sales of €1.36 Billion 10 Percent Higher Than a Year Earlier

In Q3 2015, WACKER generated sales of €1,357.9 million compared with €1,232.2 million a year ago, equivalent to an increase of 10 percent. Sales declined slightly compared with Q2 2015 (€1,370.5 million). As in the preceding quarter, high volumes and favorable exchange rates had a positive impact on sales in Q3 2015. Group sales in the nine months through September 30, 2015 totaled €4,063.3 million, exceeding the comparable figure for 2014 (€3,631.9 million) by 12 percent.

The Group's chemical divisions grew their sales by just under 11 percent in the reporting quarter, to €865.3 million (Q3 2014: €780.7 million). As in the preceding quarter, the increase in sales was due especially to higher volumes, and was bolstered by favorable euro exchange rates relative to the us dollar and other currencies. Viewed on a nine-month basis, sales at the chemical divisions were higher as well, rising from €2,258.7 million in the first nine months of 2014 to €2,547.7 million in the period under review. Siltronic profited during the reporting quarter from slightly higher sales volumes for semiconductor wafers and from favorable exchange-rate effects. Even though silicon-wafer prices fell in us-dollar terms, Siltronic's sales still climbed by nearly 7 percent to €230.6 million (Q3 2014: €216.0 million). Sales in the first nine months amounted to €716.0 million (9M 2014: €630.2 million). WACKER POLYSILICON generated total sales of €271.4 million in the third quarter of 2015 (Q3 2014: €252.4 million), up almost 8 percent compared with a year earlier, due to higher volumes. In the first nine months of 2015, WACKER POLYSILICON generated total sales of €822.1 million (9M 2014: €787.6 million), up 4 percent.

Group Q3 EBITDA of €264 Million

Q3 EBITDA amounted to €264.3 million (Q3 2014: €347.5 million), down 24 percent. The main reason for this decline was a non-recurring effect. In Q3 2014, WACKER retained advance payments and received damages, resulting in special income of €92.3 million. Special income in the reporting quarter amounted to €17.8 million. Adjusted for this non-recurring effect, EBITDA decreased by 3 percent.

Higher sales across all divisions enhanced earnings. The chemical divisions in particular saw their EBITDA rise by almost 25 percent year over year to €153.5 million (Q3 2014: €123.1 million). Siltronic's EBITDA from July through September amounted to €29.4 million, after €33.2 million a year earlier. Whereas increased volumes and favorable exchange-rate effects increased sales, currency-hedging losses diminished earnings. WACKER POLYSILICON generated EBITDA of €91.8 million in the reporting quarter (Q3 2014: €180.3 million). Whereas the Q3 2014 figure had included special income of €92.3 million, the corresponding amount in the reporting quarter was €17.8 million. Higher 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 decreased year over year, amounting to 19.5 percent in Q3 2015 (Q3 2014: 28.2 percent).

Group EBITDA for the first nine months of 2015 totaled €860.4 million (9M 2014: €862.2 million). This figure reflects both the positive impact of the strong us dollar, which benefited the Group's operating activities by increasing sales, and special income from advance payments retained and damages received. To date, the Group has recognized special income of €109.2 million in the current fiscal year, compared with €206.3 million in the same period last year. The chemical divisions improved their 9M EBITDA by 35 percent year over year to €433.5 million (9M 2014: €320.9 million). Siltronic achieved EBITDA of €100.8 million in the first nine months of 2015 (9M 2014: €76.3 million), a 32-percent increase. At €331.9 million, WACKER POLYSILICON's EBITDA for the first nine months of 2015 was down 26 percent on a year ago (€448.2 million) because of lower special income. The 9M EBITDA margin for the Group was 21.2 percent (9M 2014: 23.7 percent).

In Q3 2015, WACKER's EBIT totaled €125.5 million (Q3 2014: €196.3 million), down 36 percent on a year earlier. The non-recurring effect already described was likewise reflected in this figure. Adjusted EBIT rose by almost 4 percent. Depreciation totaled €138.8 million (Q3 2014: €151.2 million), down 8 percent after the expiry of depreciation. In the first nine months of 2015, EBIT amounted to €439.7 million (9M 2014: €412.2 million), up almost 7 percent. Lower depreciation in the amount of €420.7 million (9M 2014: €450.0 million) was a factor here.

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 third quarter, gross profit from sales grew by 26 percent to €298.6 million (Q3 2014: €236.6 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 6 percent in the reporting quarter, amounting to €1,059.3 million (Q3 2014: €995.6 million). The Q3 cost-of-sales ratio was 78 percent, 2 percentage points better than a year ago. Gross profit for the first nine months of 2015 totaled €887.7 million (9M 2014: €635.4 million), an increase of 40 percent. The nine-month gross margin was 22 percent (9M 2014: 17 percent) and the cost-of-sales ratio 78 percent (9M 2014: 83 percent). In addition to sales growth, the main reasons for the quarterly and nine-month improvements were high plant-utilization rates and reduced costs.

Functional Costs Higher

In Q3 2015, other functional costs (selling, R&D and general administrative expenses) were about 6 percent higher year over year, having risen from €140.4 million to €148.9 million. The year-over-year increase was also 6 percent when comparing nine-month periods. Selling expenses in particular were substantially higher as a result of higher sales.

Other Operating Income and Expenses

The third-quarter balance of other operating income and expenses was €-27.3 million (Q3 2014: €97.6 million). This change was mainly attributable to the above-mentioned special income from advance payments retained and damages received in connection with terminated contracts with polysilicon customers. The Group posted a foreign currency loss of €-24.3 million in the reporting quarter (Q3 2014: €6.9 million). Of that amount, €-15.5 million (Q3 2014: €5.3 million) was recognized for Siltronic, while €-8.8 million (Q3 2014: €1.6 million) was recognized under Other. This primarily reflects the expiration of forward-exchange contracts used for currency hedging. In the first nine months of 2015, the balance of other operating income and expenses totaled €5.3 million (9M 2014: €204.6 million). The Group recognized a foreign currency loss of €-58.7 million in the first nine months of 2015 (9M 2014: €16.3 million). Of that amount, €-35.2 million (9M 2014: €11.4 million) was recognized for Siltronic, while €-23.5 million (9M 2014: €4.9 million) was recognized under Other.

Operating Result

Due to the effects described above, the operating result decreased by €71.4 million in the third quarter of 2015 and amounted to €122.4 million (Q3 2014: €193.8 million). In the first nine months of the year, the operating result climbed to €436.8 million (9M 2014: €409.2 million).

Financial and Net Interest Result

In Q3 2015, the financial result declined year over year to €-23.5 million (Q3 2014: €-15.7 million). While interest income was €1.6 million (Q3 2014: €2.0 million), interest expenses amounted to €7.5 million (Q3 2014: €12.8 million). In the third quarter, the capitalization of construction-related borrowing costs in the amount of €4.5 million reduced interest expenses. In the first nine months of the year, WACKER posted a financial result of €-50.4 million (9M 2014: €-62.4 million). Interest income came in at €5.4 million (9M 2014: €5.5 million) and interest expenses were lower, at €22.7 million (9M 2014: €35.2 million). The capitalization of construction-related borrowing costs totaling €14.1 million reduced interest expenses, which in turn led to the year-over-year improvement.

The other financial result amounted to €-17.6 million in the reporting quarter (Q3 2014: €-4.9 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. In the first nine months of the year, WACKER posted a balance of €-33.1 million (9M 2014: €-32.7 million).

Income Taxes

The Group recognized tax expenses of €152.3 million in the first nine months of 2015, after €137.2 million a year ago. The effective tax rate for the first nine months of 2015 was 39.1 percent (9M 2014: 39.2 percent). This rate is affected by start-up costs for the Tennessee production site and by losses incurred at some subsidiaries, none of which are deductible for tax purposes.

Net Income for the Period

At €58.2 million, net income for the reporting quarter was lower than a year earlier (€119.0 million), with the above-mentioned special income recognized last year being the reason for this decline. However, net income for the first nine months of 2015 was higher than a year ago, amounting to €237.0 million (9M 2014: €212.6 million).

Condensed Statement of Financial Position – Net Assets

September 30, 2015

Assets

€ million	Sept. 30, 2015	Sept. 30, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets, property, plant and equipment and investment property	4,683.9	4,197.8	11.6	4,345.7	7.8
Investments in joint ventures and associates accounted for using the equity method	20.5	20.3	1.0	20.5	–
Other noncurrent assets	489.8	524.1	–6.5	487.9	0.4
Noncurrent assets	5,194.2	4,742.2	9.5	4,854.1	7.0
Inventories	782.9	743.9	5.2	734.3	6.6
Trade receivables	786.7	749.6	4.9	684.0	15.0
Other current assets	558.2	809.9	–31.1	674.8	–17.3
Current assets	2,127.8	2,303.4	–7.6	2,093.1	1.7
Total assets	7,322.0	7,045.6	3.9	6,947.2	5.4

T 2.4

Equity and Liabilities

€ million	Sept. 30, 2015	Sept. 30, 2014	Change in %	Dec. 31, 2014	Change in %
Equity	2,752.7	2,113.5	30.2	1,946.5	41.4
Noncurrent provisions	1,833.7	1,792.0	2.3	1,983.7	–7.6
Financial liabilities	1,305.8	1,300.2	0.4	1,318.2	–0.9
Other noncurrent liabilities	339.6	544.5	–37.6	533.9	–36.4
Of which advance payments received	334.8	533.1	–37.2	523.0	–36.0
Noncurrent liabilities	3,479.1	3,636.7	–4.3	3,835.8	–9.3
Financial liabilities	141.1	292.6	–51.8	283.3	–50.2
Trade payables	390.3	365.2	6.9	374.5	4.2
Other current provisions and liabilities	558.8	637.6	–12.4	507.1	10.2
Current liabilities	1,090.2	1,295.4	–15.8	1,164.9	–6.4
Liabilities	4,569.3	4,932.1	–7.4	5,000.7	–8.6
Total equity and liabilities	7,322.0	7,045.6	3.9	6,947.2	5.4

T 2.5

WACKER's total assets were 5 percent higher compared with December 31, 2014, rising by €374.8 million to €7.32 billion as of September 30, 2015 (Dec. 31, 2014: €6.95 billion). Compared with September 30, 2014, total assets rose by €276.4 million, for several reasons. 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. Currency translation effects increased the balance sheet total by €166.2 million, especially in the categories of 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. Group equity rose by €520.2 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. On the other hand, equity was reduced by the dividend of €74.5 million paid out by Wacker Chemie AG.

Noncurrent Assets

Compared with the end of last year, noncurrent assets climbed by €340.1 million to €5.20 billion (Dec. 31, 2014: €4.85 billion), accounting for 71 percent of total assets (Dec. 31, 2014: 70 percent). Intangible assets, property, plant and equipment, and investment property grew by €338.2 million, amounting to €4.68 billion as of September 30, 2015 (Dec. 31, 2014: €4.35 billion). The rise was attributable to currency translation effects, but current investment spending also increased property, plant and equipment, which grew by €337.7 million as of September 30, 2015. Current investment spending on property, plant and equipment and intangible assets amounted to €609.6 million, with almost 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 €420.7 million in the first nine months of 2015 (9M 2014: €450.0 million). Changes in exchange rates increased the value of noncurrent assets by €153.1 million.

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

Other noncurrent assets totaled €489.8 million as of September 30, 2015 (Dec. 31, 2014: €487.9 million), virtually unchanged over year-end 2014. Investments in noncurrent securities rose by €21.5 million to €59.1 million. On the other hand, deferred tax assets decreased. This was mainly because actuarial losses on pension provisions were lower than at year-end 2014, declining to €304.9 million (Dec. 31, 2014: €334.3 million) due to the higher underlying discount rates. Other noncurrent assets also included €98.8 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 €34.7 million to €2.13 billion, up almost 2 percent, and accounted for 29 percent of total assets (Dec. 31, 2014: 30 percent). Inventory levels grew from €734.3 million to €782.9 million, also due to currency translation effects. That represented an increase of close to 7 percent compared with year-end 2014. Trade receivables amounted to €786.7 million at the end of the nine-month period (Dec. 31, 2014: €684.0 million). This increase of 15 percent was due in part to the higher volume of business and to exchange-rate effects. Inventories and trade receivables together accounted for 21 percent of total assets, increasing due to exchange-rate effects.

Other current assets mainly comprise securities, and cash and cash equivalents. Current securities totaled €159.1 million at the end of the reporting period (Dec. 31, 2014: €157.4 million), representing WACKER's investment of liquid funds in securities and fixed-term deposits. Liquid funds decreased from €325.9 million at year-end 2014 to €258.5 million as of September 30, 2015. After deduction of transaction costs, the Group booked cash inflows totaling €361.9 million from the IPO of Siltronic AG in Q2 2015. WACKER invested part of this amount in securities, using the rest to finance capital expenditure. Other current assets include income tax receivables of €9.2 million (Dec. 31, 2014: €15.2 million), positive fair values of derivative financial instruments amounting to €11.6 million (Dec. 31, 2014: €3.9 million) and other tax assets of €31.5 million (Dec. 31, 2014: €49.6 million). Other current assets accounted for nearly 8 percent of total assets (Dec. 31, 2014: 10 percent).

Equity Up by 41 Percent

Group equity increased by €806.2 million compared with year-end 2014, amounting to €2.75 billion as of September 30, 2015 (Dec. 31, 2014: €1.95 billion). The resulting equity ratio was 37.6 percent (Dec. 31, 2014: 28.0 percent). Retained earnings increased by €240.4 million as a result of net income for the first nine 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 Q3 2015 resulted in lower actuarial losses, which increased equity by €139.5 million. Foreign currency translation effects increased equity by €99.1 million. The dividend paid by Wacker Chemie AG in the second quarter reduced equity by €74.5 million.

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 free float for Siltronic AG now stands at 42.2 percent. Since the Group still retains the majority of shares in the company, 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. At the end of the reporting quarter, the share of non-controlling interests in the Siltronic Group amounted to €199.1 million.

Noncurrent Liabilities

As of September 30, 2015, noncurrent liabilities amounted to €3.48 billion (Dec. 31, 2014: €3.84 billion). Down 9 percent on the end of the previous year, they accounted for almost 48 percent of total equity and liabilities (Dec. 31, 2014: 55 percent). Provisions for pensions fell by €173.4 million to €1.58 billion, a decline of 10 percent. This was due to the discount rate used to remeasure defined benefit plans, which was higher than at year-end 2014. Provisions for pensions accounted for 22 percent of total equity and liabilities (Dec. 31, 2014: 25 percent). Other noncurrent provisions increased by 9 percent.

Noncurrent financial liabilities declined by €12.4 million to €1.31 billion (Dec. 31, 2014: €1.32 billion), mainly because noncurrent liabilities were reclassified as current. Exchange-rate effects ran counter to this as WACKER recognizes bank loans and promissory notes in us dollars and other currencies. Overall, other noncurrent liabilities were substantially lower at €339.6 million (Dec. 31, 2014: €533.9 million). This was due to the change in noncurrent advance payments received, which amounted to €334.8 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 through profit and loss.

Current Liabilities

Current liabilities decreased from €1.16 billion at year-end 2014 to €1.09 billion. Their share in total equity and liabilities was 15 percent (Dec. 31, 2014: 17 percent). Trade payables climbed by 4 percent compared with year-end 2014 and amounted to €390.3 million as of the balance sheet date (Dec. 31, 2014: €374.5 million). At €558.8 million, other current provisions and liabilities were 10 percent higher than at year-end 2014 (€507.1 million) due to the establishment of current income tax provisions and provisions for sales bonuses and phased early retirement, as well as to the accrual of personnel liabilities during the year, including those related to vacation, flextime credits and variable compensation. Liabilities from currency-hedging derivatives fell slightly, amounting to €34.9 million (Dec 31, 2014: €44.9 million). The expiry of derivatives with negative market values was the reason for this decline. Current advance payments received amounted to €161.4 million as of the reporting date (Dec. 31, 2014: €166.1 million).

WACKER Posts Net Financial Debt of Around €970 Million

Current financial liabilities decreased by 50 percent, amounting to €141.1 million as of September 30, 2015 (Dec. 31, 2014: €283.3 million). The main reason for this reduction was the repayment 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 €1,446.9 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 nine months of 2015 caused financial liabilities to rise by €55 million. Current liquidity (current securities, cash and cash equivalents) declined compared with December 31, 2014, amounting to €417.6 million (Dec. 31, 2014: €483.3 million). This decrease of 14 percent includes not only repayment of the promissory note (German *Schuldschein*) and other forms of financing, but also cash outflows for the company's high capital expenditures. The proceeds of the IPO of Siltronic AG in the amount of €361.9 million had a positive effect. Noncurrent securities rose from €37.6 million to €59.1 million because WACKER invested part of the proceeds from the IPO in medium-term securities. As of the balance sheet date of September 30, 2015, WACKER had net financial debt (the balance of gross financial debt and noncurrent and current liquidity) totaling €970.2 million (Dec. 31, 2014: €1,080.6 million), down 10 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 September 30, 2015

Condensed Statement of Cash Flows

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Net income for the period	58.2	119.0	-51.1	237.0	212.6	11.5
Depreciation/appreciation of noncurrent assets	138.8	151.2	-8.2	420.7	450.0	-6.5
Changes in inventories	-6.4	-44.9	-85.7	-38.3	-81.9	-53.2
Changes in trade receivables	-2.6	10.0	n.a.	-101.6	-112.6	-9.8
Changes in other assets	33.0	20.6	60.2	47.8	36.3	31.7
Changes in advance payments received	-69.5	-111.9	-37.9	-192.8	-185.5	3.9
Changes from equity accounting	-0.2	-0.1	100.0	1.3	1.1	18.2
Other non-cash expenses, income and other items	37.7	49.8	-24.3	117.4	132.2	-11.2
Cash flow from operating activities (gross cash flow)	189.0	193.7	-2.4	491.5	452.2	8.7
Cash receipts and payments for acquisitions	-	-	n.a.	-	25.8	n.a.
Cash receipts and payments for investments	-222.3	-127.2	74.8	-609.7	-331.0	84.2
Cash flow from long-term investing activities before securities	-222.3	-127.2	74.8	-609.7	-305.2	99.8
Acquisition/disposal of securities and fixed deposits	-60.9	-50.8	19.9	-25.6	-50.0	-48.8
Cash flow from investing activities	-283.2	-178.0	59.1	-635.3	-355.2	78.9
Distribution of profit from prior-year net income	-	-	n.a.	-75.9	-25.7	> 100
Cash receipts from the change in ownership interests in Siltronic AG	-	-	n.a.	361.9	-	n.a.
Changes in financial liabilities	-54.3	82.3	n.a.	-208.7	-58.2	>100
Cash flow from financing activities	-54.3	82.3	n.a.	77.3	-83.9	n.a.
Changes due to exchange-rate fluctuations	-4.1	2.5	n.a.	-0.9	3.5	n.a.
Changes in cash and cash equivalents	-152.6	100.5	n.a.	-67.4	16.6	n.a.
At the beginning of the period	411.1	347.9	18.2	325.9	431.8	-24.5
At the end of the period	258.5	448.4	-42.4	258.5	448.4	-42.4

T 2.6

Net Cash Flow

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Cash flow from operating activities (gross cash flow)	189.0	193.7	-2.4	491.5	452.2	8.7
Changes in advance payments received	69.5	111.9	-37.9	192.8	185.5	3.9
Cash flow from long-term investing activities before securities	-222.3	-127.2	74.8	-609.7	-305.2	99.8
Additions from finance leases	-	-	n.a.	-	-	n.a.
Net cash flow	36.2	178.4	-79.7	74.6	332.5	-77.6

T 2.7

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 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 €491.5 million in the first nine months of 2015 (9M 2014: €452.2 million), up 9 percent. The higher net income for the period of €237.0 million had a positive impact. This figure takes into account depreciation of €420.7 million (9M 2014: €450.0 million). The increase in working capital (trade receivables less trade payables, plus inventories) reduced gross cash flow by €130.2 million. In particular, trade receivables and inventories were substantially higher because business volumes increased. Advance payments received for polysilicon deliveries changed by €-192.8 million in the first nine months of 2015 (9M 2014: €-185.5 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 €142.6 million (9M 2014: €132.2 million). It included higher amounts for personnel liabilities, for liabilities relating to vacation and flextime credits, and for provisions for phased early retirement. Higher provisions for taxes 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 €-609.7 million and essentially comprised the cash outflow for investing activities. Relative to the prior-year period (€-305.2 million), cash payments for investments were substantially higher. Around 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, resulting in substantially higher payments on WACKER's part. 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 €-635.3 million in the first nine months of 2015 (9M 2014: €-355.2 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), and factors in additions from finance leases. It amounted to €74.6 million in the first nine months of 2015 compared with €332.5 million a year ago.

Cash Flow from Financing Activities

The cash flow from financing activities came to €77.3 million in the first nine months of 2015 (9M 2014: €-83.9 million). Cash receipts from the IPO of Siltronic AG and the associated change in the ownership interests 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 €208.7 million reduced cash flow from financing activities.

Compared with December 31, 2014, cash and cash equivalents were down by €67.4 million (9M 2014: increase of €16.6 million) and amounted to €258.5 million as of September 30, 2015 (Dec. 31, 2014: €325.9 million).

Division Results

January 1 through September 30, 2015

Sales

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
WACKER SILICONES	501.9	447.5	12.2	1,483.0	1,314.0	12.9
WACKER POLYMERS	313.0	288.0	8.7	912.2	812.2	12.3
WACKER BIOSOLUTIONS	50.4	45.2	11.5	152.5	132.5	15.1
WACKER POLYSILICON	271.4	252.4	7.5	822.1	787.6	4.4
SILTRONIC	230.6	216.0	6.8	716.0	630.2	13.6
Corporate functions/Other	46.7	39.8	17.3	148.3	119.7	23.9
Consolidation	-56.1	-56.7	-1.1	-170.8	-164.3	4.0
Group sales	1,357.9	1,232.2	10.2	4,063.3	3,631.9	11.9

T 2.8

EBIT

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
WACKER SILICONES	61.5	48.9	25.8	165.8	115.9	43.1
WACKER POLYMERS	55.0	40.7	35.1	153.9	103.1	49.3
WACKER BIOSOLUTIONS	4.4	2.7	63.0	17.1	11.6	47.4
WACKER POLYSILICON	35.5	122.6	-71.0	162.2	273.9	-40.8
SILTRONIC	0.7	-7.3	n.a.	10.1	-43.5	n.a.
Corporate functions/Other	-30.6	-13.1	>100	-68.6	-48.2	42.3
Consolidation	-1.0	1.8	n.a.	-0.8	-0.6	33.3
Group EBIT	125.5	196.3	-36.1	439.7	412.2	6.7

T 2.9

EBITDA

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
WACKER SILICONES	81.6	69.5	17.4	226.6	176.0	28.8
WACKER POLYMERS	64.7	48.2	34.2	181.4	125.9	44.1
WACKER BIOSOLUTIONS	7.2	5.4	33.3	25.5	19.0	34.2
WACKER POLYSILICON	91.8	180.3	-49.1	331.9	448.2	-25.9
SILTRONIC	29.4	33.2	-11.4	100.8	76.3	32.1
Corporate functions/Other	-9.4	9.1	n.a.	-4.9	17.4	n.a.
Consolidation	-1.0	1.8	n.a.	-0.9	-0.6	50.0
Group EBITDA	264.3	347.5	-23.9	860.4	862.2	-0.2

T 2.10

Reconciliation with Segment Results

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
EBIT of reporting segments	157.1	207.6	-24.3	509.1	461.0	10.4
Corporate functions/Other	-30.6	-13.1	>100	-68.6	-48.2	42.3
Consolidation	-1.0	1.8	n.a.	-0.8	-0.6	33.3
Group EBIT	125.5	196.3	-36.1	439.7	412.2	6.7
Financial result	-23.5	-15.7	49.7	-50.4	-62.4	-19.2
Income before taxes	102.0	180.6	-43.5	389.3	349.8	11.3

T 2.11

WACKER SILICONES

WACKER SILICONES

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales						
External sales	501.8	447.4	12.2	1,482.8	1,313.8	12.9
Internal sales	0.1	0.1	–	0.2	0.2	–
Total sales	501.9	447.5	12.2	1,483.0	1,314.0	12.9
EBIT	61.5	48.9	25.8	165.8	115.9	43.1
EBIT margin (%)	12.3	10.9	–	11.2	8.8	–
Depreciation	20.1	20.6	–2.4	60.8	60.1	1.2
EBITDA	81.6	69.5	17.4	226.6	176.0	28.8
EBITDA margin (%)	16.3	15.5	–	15.3	13.4	–
Investments	23.5	21.3	10.3	56.2	54.5	3.1
As of	Sept. 30, 2015	June 30, 2015		Sept. 30, 2015	Dec. 31, 2014	
Number of employees	4,388	4,347	0.9	4,388	4,240	3.5

T 2.12

WACKER SILICONES significantly increased its year-over-year sales and earnings in Q3 2015. Between July and September 2015, the division generated total sales of €501.9 million (Q3 2014: €447.5 million), up a good 12 percent. Favorable exchange-rate effects and higher volumes were key reasons behind this sales gain. The division achieved better prices than a year ago in several product groups. Although customer demand was somewhat subdued at times, WACKER SILICONES' third-quarter sales decreased by barely 1 percent against the second quarter (€506.3 million). In the nine months to September 2015, WACKER SILICONES' sales totaled €1,483.0 million (9M 2014: €1,314.0 million), up almost 13 percent compared with a year earlier.

The personal care, paper coating, electronics and construction business segments performed well in the reporting quarter. Pyrogenic-silica volumes also rose significantly year over year. Volume growth in silicone rubber and silicones for industrial and textile applications was weaker. The division's production capacities were very well utilized between July and September 2015, in some cases, running at full capacity.

Compared with a year ago, WACKER SILICONES increased its sales in every region. Growth was especially robust in Asia and the Americas, with favorable exchange rates also playing a role. Quarter over quarter, business continued to increase in Germany and the rest of Europe. On the other hand, sales were somewhat lower in the Americas, Asia and "Other Regions" relative to Q2 2015.

EBITDA Climbs a Good 17 Percent Year over Year

In Q3 2015, EBITDA at WACKER SILICONES rose a good 17 percent to €81.6 million (Q3 2014: €69.5 million), mainly due to sales growth fueled by favorable exchange-rate effects and increased volumes. Higher raw-material prices somewhat dampened earnings. The division beat its prior-quarter EBITDA (Q2 2015: €77.3 million) by almost 6 percent. The EBITDA margin

climbed to 16.3 percent, after 15.5 percent in Q3 2014 and 15.3 percent in Q2 2015. In the nine months to September 2015, WACKER SILICONES posted total EBITDA of €226.6 million (9M 2014: €176.0 million). This year-over-year increase of around 29 percent yielded an EBITDA margin of 15.3 percent (9M 2014: 13.4 percent).

WACKER SILICONES' third-quarter investments amounted to €23.5 million (Q3 2014: €21.3 million). Capital expenditures primarily went toward expanding capacities for downstream silicone products. From January through September 2015, the division's investments totaled €56.2 million (9M 2014: €54.5 million).

In mid-September, WACKER SILICONES opened a new logistics center for silicones manufactured at its plant in Zhangjiagang, China. The heart of the logistics center is a 4,000-square-meter high-bay warehouse, in which all incoming and outgoing goods are recorded fully electronically and distributed across 9,000 pallet bays by a computer-aided warehouse management system. As a result, the division can supply its customers in the region even faster and with greater flexibility.

The number of employees at WACKER SILICONES was 4,388 as of September 30, 2015 (June 30, 2015: 4,347).

WACKER POLYMERS

WACKER POLYMERS

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales						
External sales	307.6	280.0	9.9	894.1	792.8	12.8
Internal sales	5.4	8.0	-32.5	18.1	19.4	-6.7
Total sales	313.0	288.0	8.7	912.2	812.2	12.3
EBIT	55.0	40.7	35.1	153.9	103.1	49.3
EBIT margin (%)	17.6	14.1	-	16.9	12.7	-
Depreciation	9.7	7.5	29.3	27.5	22.8	20.6
EBITDA	64.7	48.2	34.2	181.4	125.9	44.1
EBITDA margin (%)	20.7	16.7	-	19.9	15.5	-
Investments	10.4	19.1	-45.5	35.7	36.2	-1.4
As of	Sept. 30, 2015	June 30, 2015		Sept. 30, 2015	Dec. 31, 2014	
Number of employees	1,452	1,441	0.8	1,452	1,408	3.1

T 2.13

In Q3 2015, WACKER POLYMERS posted total sales of €313.0 million (Q3 2014: €288.0 million), up almost 9 percent. Significantly higher volumes overall and positive exchange-rate effects prompted this rise. The division's sales were almost 1 percent below Q2 2015 (€314.6 million). Marginally lower average prices relative to the second quarter played a role here. From January through September 2015, WACKER POLYMERS posted total sales of €912.2 million (9M 2014: €812.2 million), up a good 12 percent.

In Q3 2015, WACKER POLYMERS sold considerably more dispersible polymer powder than a year ago. Dispersion volumes were nearly unchanged from the prior-year period. Compared with the preceding quarter, volumes for both dispersions and dispersible polymer powders were slightly higher. Polymer products for paints and coatings, the carpet industry and waterproofing performed well in the reporting quarter, while demand for dispersions used in industrial textiles and adhesives was more subdued. Capacity utilization at the division's facilities averaged over 80 percent in the third quarter of 2015.

WACKER POLYMERS continued to grow its sales year over year in all regions with the exception of Germany. The increase was particularly large in Asia and the Americas, in part due to currency translation effects. Quarter on quarter, sales in Asia, the Americas and Germany continued to rise. On the other hand, sales in Europe and "Other Regions" were below the levels reached in Q2 2015.

WACKER POLYMERS' earnings before interest, taxes, depreciation and amortization (EBITDA) increased markedly between July and September 2015 both year over year and compared with Q2 2015. Year over year, EBITDA climbed some 34 percent to €64.7 million (Q3 2014: €48.2 million). Sales growth fueled by favorable exchange rates and higher volumes was a key factor in this earnings gain. Higher capacity utilization and lower raw-material costs also played a role. WACKER POLYMERS beat its prior-quarter EBITDA figure of €56.8 million by around 14 percent due to higher volumes and capacity utilization. The EBITDA margin for the third quarter of 2015 was 20.7 percent, after 16.7 percent a year ago and 18.1 percent in Q2 2015. In the nine months to September 2015, WACKER POLYMERS' EBITDA totaled €181.4 million (9M 2014: €125.9 million). This year-over-year increase of 44 percent yielded an EBITDA margin of 19.9 percent (9M 2014: 15.5 percent).

Demand-Oriented Expansion of Production Capacity

WACKER POLYMERS invested €10.4 million during the reporting quarter (Q3 2014: €19.1 million), primarily to fund demand-driven expansion of production capacity for dispersions. From January through September 2015, the division's capital expenditures totaled €35.7 million (9M 2014: €36.2 million).

WACKER POLYMERS has expanded its existing production facilities for vinyl acetate-ethylene copolymer dispersions at Calvert City, Kentucky (USA), building a new reactor there with an annual capacity of 85,000 metric tons. Commissioning of the reactor began as planned in the reporting quarter. Capital expenditures for the new facilities and for infrastructure expansion amounted to some €50 million.

As of September 30, 2015, WACKER POLYMERS had 1,452 employees (June 30, 2015: 1,441).

WACKER BIOSOLUTIONS

WACKER BIOSOLUTIONS

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales						
External sales	50.4	45.2	11.5	152.5	132.5	15.1
Internal sales	-	-	-	-	-	-
Total sales	50.4	45.2	11.5	152.5	132.5	15.1
EBIT	4.4	2.7	63.0	17.1	11.6	47.4
EBIT margin (%)	8.7	6.0	-	11.2	8.8	-
Depreciation	2.8	2.7	3.7	8.4	7.4	13.5
EBITDA	7.2	5.4	33.3	25.5	19.0	34.2
EBITDA margin (%)	14.3	11.9	-	16.7	14.3	-
Investments	1.0	2.0	-50.0	2.9	4.3	-32.6
As of	Sept. 30, 2015	June 30, 2015		Sept. 30, 2015	Dec. 31, 2014	
Number of employees	494	481	2.7	494	484	2.0

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WACKER BIOSOLUTIONS generated total sales of €50.4 million between July and September 2015 (Q3 2014: €45.2 million), thereby exceeding the prior-year figure by almost 12 percent. Higher sales volumes in some product segments and favorable exchange-rate effects were important factors in this rise. In particular, sales of biologically-produced pharmaceutical proteins and cysteine climbed year over year. Sales of cyclodextrins were also stronger than a year ago. WACKER BIOSOLUTIONS third-quarter sales were around 4 percent below the preceding quarter's figure (€52.7 million). Lower volumes in some product segments were the main reason for this. In the nine months to September 2015, WACKER BIOSOLUTIONS posted total sales of €152.5 million (9M 2014: €132.5 million), an increase of a good 15 percent.

WACKER BIOSOLUTIONS also lifted its EBITDA (earnings before interest, taxes, depreciation and amortization). At €7.2 million (Q3 2014: €5.4 million), EBITDA was up by about €1.8 million on a year earlier. This increase chiefly stemmed from sales growth fueled by favorable exchange rates and, in some cases, by stronger volumes year over year. Compared with the preceding quarter (€9.5 million), EBITDA decreased by €2.3 million due to sales-related effects. The EBITDA margin for the third quarter of 2015 was 14.3 percent, after 11.9 percent a year ago and 18.0 percent in the preceding quarter. In the first nine months of 2015, the division posted total EBITDA of €25.5 million (9M 2014: €19.0 million), with the EBITDA margin climbing accordingly to 16.7 percent (9M 2014: 14.3 percent).

From July through September 2015, WACKER BIOSOLUTIONS' investments amounted to €1.0 million (Q3 2014: €2.0 million). In the first nine months of 2015, investments totaled €2.9 million (9M 2014: €4.3 million).

In early November, the division will present its new refolding technology FOLDTEC® at the BIO-Europe tradeshow in Munich. WACKER BIOSOLUTIONS can now cost-efficiently and reliably produce pharmaceutical proteins – which are difficult to manufacture due to their aggregation propensity – in high yields and utmost purity. The proprietary process utilizes specifically developed and optimized bacterial strains and a patented, antibiotic-free expression system.

WACKER BIOSOLUTIONS had a total of 494 employees as of September 30, 2015 (June 30, 2015: 481).

WACKER POLYSILICON

WACKER POLYSILICON

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales						
External sales	250.2	226.0	10.7	756.0	709.1	6.6
Internal sales	21.2	26.4	-19.7	66.1	78.5	-15.8
Total sales	271.4	252.4	7.5	822.1	787.6	4.4
EBIT	35.5	122.6	-71.0	162.2	273.9	-40.8
EBIT margin (%)	13.1	48.6	-	19.7	34.8	-
Depreciation	56.3	57.7	-2.4	169.7	174.3	-2.6
EBITDA	91.8	180.3	-49.1	331.9	448.2	-25.9
EBITDA margin (%)	33.8	71.4	-	40.4	56.9	-
Investments	148.2	92.0	61.1	450.6	202.2	>100
As of	Sept. 30, 2015	June 30, 2015		Sept. 30, 2015	Dec. 31, 2014	
Number of employees	2,321	2,249	3.2	2,321	2,093	10.9

T 2.15

In Q3 2015, WACKER POLYSILICON posted total sales of €271.4 million (Q3 2014: €252.4 million), up almost 8 percent relative to a year ago. Compared with the preceding quarter (€261.3 million), the increase amounted to nearly 4 percent. Thanks to markedly higher volumes than the prior-year quarter and Q2 2015, the division more than compensated for the declining market prices of polysilicon. From January through September 2015, WACKER POLYSILICON's sales reached €822.1 million (9M 2014: €787.6 million), up a good 4 percent. The division's production plants continued to run at full capacity during the third quarter of 2015.

EBITDA Declines 49 Percent Due to Lower Special Income

WACKER POLYSILICON's third-quarter EBITDA totaled €91.8 million after €180.3 million in the same period last year. That was a decrease of 49 percent and yielded an EBITDA margin of 33.8 percent, after 71.4 percent a year ago.

The decline was mainly the result of lower special income from advance payments retained and damages received from solar-sector customers. While special income came in at €92.3 million in Q3 2014, WACKER POLYSILICON posted only €17.8 million for such income in the reporting quarter. Adjusted for this amount, the division's EBITDA decreased by almost 16 percent. In addition to lower special income, the division's EBITDA was diminished by a year-over-year increase in start-up costs for the new polysilicon plant in Charleston and by lower polysilicon prices. On the other hand, ongoing measures to reduce costs and enhance productivity have had a positive impact on EBITDA in the reporting quarter. The adjusted third-quarter EBITDA margin was 27.3 percent (Q3 2014: 34.9 percent).

Relative to Q2 (€161.4 million), EBITDA was down by more than 43 percent. Again, a key factor here was the change in special income. In Q2 2015, WACKER POLYSILICON had recognized €86.7 million in advance payments retained and damages received. The adjusted EBITDA margin for Q2 was 28.6 percent.

In the first nine months of 2015, WACKER POLYSILICON posted total EBITDA of €331.9 million (9M 2014: €448.2 million). That was a decrease of 26 percent and yielded an EBITDA margin of 40.4 percent, after 56.9 percent a year ago. In addition to softer prices for solar silicon year over year, a key reason for this decline was lower special income. In the first nine months of 2014, a total of €206.3 million had been posted for advance payments retained and damages received. The corresponding amount for January through September 2015 was €109.2 million. The adjusted EBITDA margin for the nine months to September 2015 was 27.1 percent (9M 2014: 30.7 percent).

New Plant in Charleston, Tennessee (USA) Remains Focus of Investing Activities

WACKER POLYSILICON invested €148.2 million in the third quarter of 2015 after €92.0 million in Q3 2014. From January through September 2015, the division's capital expenditures totaled €450.6 million (9M 2014: €202.2 million).

In the reporting quarter, investing activities remained focused on constructing the new polysilicon site in Charleston, Tennessee (USA). Construction work progressed on schedule from July through September, with the ramp-up of the Charleston facilities expected to begin before year-end.

WACKER POLYSILICON had 2,321 employees as of September 30, 2015 (June 30, 2015: 2,249).

SILTRONIC

SILTRONIC

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales						
External sales	228.7	214.8	6.5	710.9	626.8	13.4
Internal sales	1.9	1.2	58.3	5.1	3.4	50.0
Total sales	230.6	216.0	6.8	716.0	630.2	13.6
EBIT	0.7	-7.3	n.a.	10.1	-43.5	n.a.
EBIT margin (%)	0.3	-3.4	-	1.4	-6.9	-
Depreciation	28.7	40.5	-29.1	90.7	119.8	-24.3
EBITDA	29.4	33.2	-11.4	100.8	76.3	32.1
EBITDA margin (%)	12.7	15.4	-	14.1	12.1	-
Investments	27.3	8.5	>100	40.6	21.5	88.8
As of	Sept. 30, 2015	June 30, 2015		Sept. 30, 2015	Dec. 31, 2014	
Number of employees	3,980	4,045	-1.6	3,980	4,165	-4.4

T 2.16

In Q3 2015, Siltronic more than compensated for softer semiconductor-wafer prices thanks to favorable exchange-rate effects. As a result, it increased its total sales on a year ago. Siltronic's July-through-September sales amounted to €230.6 million (Q3 2014: €216.0 million), almost 7 percent more than a year earlier.

Compared with the second quarter (€246.7 million), sales declined by just under 7 percent. This drop is mainly attributable to lower volumes, because, as expected, Siltronic customers reduced inventory. The main reason for the reduction in inventory was that sales volumes in smartphones, tablets and PCs were noticeably lower than expected. On the whole, average prices for silicon wafers were nearly the same as in the previous quarter.

From January through September 2015, Siltronic's aggregate sales came in at €716.0 million (9M 2014: €630.2 million), up almost 14 percent.

In the reporting quarter, total capacity utilization at Siltronic's plants remained high, averaging about 85 percent.

Exchange-Rate Effects Slow Earnings Trend, with Third-Quarter EBITDA Margin Close to 13 Percent

Siltronic's third-quarter EBITDA totaled €29.4 million after €33.2 million in Q3 2014, a decrease of just over 11 percent. The main reasons for this decline were lower wafer prices in US dollars and yen, as well as currency-hedging losses, which lowered Siltronic's third-quarter EBITDA by €15.5 million. On the other hand, sales growth – partly attributable to exchange-rate effects – and the good coverage of fixed costs due to high plant utilization, had a positive impact on earnings. In addition, Siltronic's efforts to cut costs and enhance productivity have been having a lasting positive effect on earnings.

Compared with the preceding quarter (€31.4 million), Siltronic's EBITDA decreased by more than 6 percent, with lower sales – as a result of weaker volumes – being a factor. Siltronic's EBITDA margin for July through September 2015 was 12.7 percent, after 15.4 percent in Q3 2014. In Q2 2015, Siltronic's EBITDA margin had been 12.7 percent.

From January through September 2015, Siltronic posted EBITDA of €100.8 million (9M 2014: €76.3 million), a 32-percent increase. The corresponding EBITDA margin for the nine-month period climbed to 14.1 percent (9M 2014: 12.1 percent). In the nine months to September 2015, EBITDA included currency translation losses of €35.2 million.

Siltronic invested €27.3 million during the reporting quarter (Q3 2014: €8.5 million), for example in product enhancements and production-process improvements. In addition, Siltronic invested in measures to further automate its processes and in modernizing some of its crystal-pulling facilities. In the first nine months of 2015, investments totaled €40.6 million (9M 2014: €21.5 million).

Siltronic had 3,980 employees as of September 30, 2015 (June 30, 2015: 4,045).

Other

The WACKER Group's sales posted under "Other" totaled €46.7 million in Q3 2015, after €39.8 million a year ago. "Other" EBITDA for the reporting quarter was €-9.4 million (Q3 2014: €9.1 million). Currency translation losses diminished Q3 EBITDA by €8.8 million.

In January through September 2015, "Other" sales reached €148.3 million (9M 2014: €119.7 million). EBITDA amounted to €-4.9 million in the first nine months of the year (9M 2014: €17.4 million) and included currency translation losses of €23.5 million.

As of September 30, 2015, the "Other" segment had 4,386 employees (June 30, 2015: 4,365). 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

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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	High	▲
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 higher than was forecast in the 2014 Annual Report and will amount to approximately us\$2.5 billion.

China currently imposes punitive tariffs on imported polysilicon produced in the USA. Government representatives from both countries are discussing possible ways to settle this trade dispute. The European Commission, for its part, has been presented with a request to review trade barriers imposed on solar cells and modules made in China. If the Commission decides to leave the existing barriers in place, WACKER's polysilicon business, too, may be affected by this trade dispute.

After the first nine months of 2015, we see every chance that – despite all political and economic uncertainties – operating activities at the Group's five business divisions will continue to develop favorably during the remainder 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 their 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.

In China, though, financial-market turbulence and the economic slowdown entail risks to the global economy that should not be underestimated. In Greece, the as-yet unresolved debt crisis could still endanger eurozone stability. 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.

Overall, however, 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, October 29, 2015
Wacker Chemie AG's Executive Board

Events after the Balance Sheet Date

September 30, 2015

No material events occurred between the balance sheet date of September 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

World Economy Continues on Growth Trajectory, Upswing Gathers Pace

All recent economic forecasts indicate that the global economy will continue growing this year. The upswing is likely to gain some momentum next year, although not quite to the same extent as previously forecast. Much will depend on whether the equity-market situation, especially in Asia, regains long-term stability, and on how the geopolitical crises in Eastern Europe and the Middle East continue to unfold. According to the most recent analyses, it is likely that prices for energy, crude oil and raw materials will remain at relatively low levels and thus continue to bolster economic growth.

In its current World Economic Outlook, the International Monetary Fund (IMF) has stated that the global economy will expand by 3.1 percent this year and by 3.6 percent next year. In the major industrialized countries, the pace is expected to quicken somewhat, with growth rates of 2.0 percent in 2015 and 2.2 percent in 2016. Growth is also accelerating in the developing and emerging-market economies, which are expected to expand by 4.0 percent overall this year, and by 4.5 percent next year. But growth rates will continue to vary greatly in the individual countries.¹

Growth in Asia is projected to slow down somewhat next year – the IMF anticipates that GDP in this region will rise by 6.5 percent in 2015 and by 6.4 percent in 2016. This slight drop is primarily attributable to developments in China, where the economy is expected to expand by only 6.3 percent in 2016 – a noticeable pullback from this year's growth rate (+6.8 percent). The forecast for India, on the other hand, is that economic output will continue to grow. The IMF anticipates that India's gross domestic product will rise by 7.3 percent this year and by 7.5 percent next year.¹

In Japan, the moderate economic recovery is projected to continue. The IMF expects a GDP increase of 0.6 percent this year and 1.0 percent in 2016.¹

In the United States, the forecast is still for solid economic growth, with the IMF predicting an increase in economic output of 2.6 percent for this year and 2.8 percent next year.¹

Economic Growth in Eurozone Stabilizing

The economic recovery will continue in Europe as well. The IMF expects an increase in gross domestic product of 1.5 percent for the eurozone countries this year and 1.6 percent next year. The Organisation for Economic Co-operation and Development (OECD) is a little more optimistic, forecasting that the eurozone will grow at rates of 1.6 percent in 2015 and 1.9 percent in 2016. All the major European economies are expected to contribute to this growth.²

¹ International Monetary Fund, World Economic Outlook October 2015: Adjusting to Lower Commodity Prices, Washington, October 6, 2015

² Organisation for Economic Co-operation and Development (OECD), Interim Economic Outlook: Puzzles and uncertainties, Paris, September 16, 2015

The German economy is projected to continue growing. The IMF estimates that gross domestic product in Germany will rise by 1.5 percent this year and by 1.6 percent next year.¹ The leading German economic institutes are somewhat more optimistic. According to their recent autumn forecast, domestic economic output will expand by 1.8 percent both this year and next.²

Opportunities and Challenges in Markets and Industries Relevant to WACKER

Although the German Chemical Industry Association (VCI) estimates that the chemical industry in Germany will continue to benefit from favorable exchange rates, its member companies expect only a modest upward trend for the remainder of the year. The main reason cited by the VCI for this forecast is the difficult economic environment – and especially the situation in China. For full-year 2015, the association has forecast a moderate 1.5-percent increase in German chemical production. As chemical-product prices are set to decline by some 2.5 percent on average for the year, German chemical industry sales will increase by only a slight 1.0 percent to €192.7 billion.³

In the semiconductor industry, demand for silicon wafers in 2015 is expected to be only slightly ahead of the previous year. The most recent forecasts from market-research company IHS Technology indicate that worldwide wafer volumes (by surface area sold) will increase by 0.4 percent this year and by 4.4 percent in 2016. According to IHS Technology, worldwide sales of silicon wafers will decline this year by around 1.1 percent to about US\$332 billion, but grow again in 2016 by 1.4 percent to just under US\$337 billion.⁴

For the solar industry this year, the analysts at IHS Technology have forecast a rise in newly installed photovoltaic capacity of 33 percent to 59 gigawatts worldwide. This projection is in line with WACKER's own market surveys, which indicate between 50 and 60 gigawatts of new photovoltaic capacity for 2015. For 2016, the experts at IHS Technology expect a further increase in new photovoltaic capacity to about 65 gigawatts.⁵

WACKER's Growth Supported by Demand-Driven Investments in Emerging Markets

Three levers will continue to determine WACKER's business strategy both this year and next: expansion into emerging markets and regions, innovation, 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. Despite weaker economic growth, we continue to see the greatest potential in China. We also have good opportunities for continued growth in India, and there is 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 facilities for upstream products. Production ramp-up is expected 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 chemical production capacity in each of the three major markets – Europe, Asia and North America. This will enable us to participate in growth there and to provide our customers with a secure, long-term supply of high-quality products.

¹ International Monetary Fund, World Economic Outlook October 2015: Adjusting to Lower Commodity Prices, Washington, October 6, 2015

² Joint Economic Forecast Project Group, Autumn 2015 Joint Economic Forecast, German Economy Stable but Needs Effective Policies to Nurture Growth, Essen/Berlin, October 6/8, 2015

³ VCI (German Chemical Industry Association), VCI report on the business situation of the German chemical industry in the 2nd quarter 2015: German chemical business is growing in small steps, Frankfurt, September 9, 2015

⁴ IHS Technology, Semiconductor Silicon Demand Forecast Tool – Q4 2015, El Segundo (USA), October 8, 2015

⁵ IHS Technology, With Asian and U.S. Deployments Rising, IHS Raises Global 2015 Solar PV Forecast to 59 GW, Englewood (USA), October 13, 2015

WACKER will continue to pursue its policy of internationalization this year and next. We will be transferring additional 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. Starting this year, silicone rubber grades and ready-to-use silicone compounds for the energy, electrical and automotive industries are being tested in our Moscow technical center. Going forward, the technical center in Mexico City will also provide application technology for polymer dispersions used as binders for paints, coatings and adhesives.

We will continue implementing profitability-enhancing measures, particularly the following:

- ▶ Productivity measures relating to the Wacker Operating System (wos) program
- ▶ Cost roadmaps 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 sections titled "Group Business Fundamentals" (pages 55 to 63), "Goals and Strategies" (pages 64 to 65) and "Management Processes" (pages 66 to 71) provide detailed explanations on the Group's structure and activities, management-process organization, corporate goals and strategies, financing, operational-control instruments and the strategies of the five individual WACKER divisions.

The targets, strategies and processes presented in this report did not change substantially in Q3 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 euro exchange rates of \$1.10 and ¥135.

WACKER still projects that sales volumes will rise at every division in 2015. Group sales are expected to increase by some 10 percent, partly due to positive exchange-rate effects, 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. However, economic uncertainties could cause the actual performance of the WACKER Group and its divisions to diverge from our assumptions, either positively or negatively.

The WACKER Group's EBITDA margin will be somewhat lower this year than it was in 2014, since special income – from advance payments retained and damages received – is not expected to be as high. Other factors weighing on our EBITDA margin are the start-up costs for our new polysilicon site at Charleston, Tennessee (USA) and slightly lower prices overall.

The main change in exchange rates concerns the appreciation 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 for special income from advance payments retained and damages received. The non-adjusted EBITDA figure will be lower than the previous year.

With depreciation more or less unchanged year over year (previously: depreciation slightly up), Group net income will come in somewhat below the 2014 figure due to lower special income and a reported tax rate of about 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 higher, we expect net cash flow in 2015 to be slightly 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.

Due to the Tennessee project and changes in exchange rates, investments will be higher in 2015, at about €800 million (previously: about €775 million), and will exceed depreciation. Depreciation in 2015 will amount to around €600 million (previously: around €625 million) and thus remain roughly at the prior-year level. Most of the investments will go toward constructing the new production site in Charleston, Tennessee (USA).

As things currently stand, net financial debt at year-end will remain roughly at the prior-year level.

From today's perspective, the key performance indicators at the Group level will develop in 2015 as follows:

Outlook for 2015

	Reported for 2014	Outlook for 2015
Key Financial Performance Indicators		
EBITDA margin (%)	21.6	Somewhat lower
ROCE (%)	8.4	Somewhat lower
EBITDA (€ million)	1,042.3	Slight rise (after adjustment for special income)
Net cash flow (€ million)	215.7	Slightly positive
Supplementary Financial Performance Indicators		
Sales (€ million)	4,826.4	Increase of about 10 percent
Investments (€ million)	572.2	Approx. 800
Net financial debt (€ million)	1,080.6	At prior-year level
Depreciation (€ million)	599.0	Approx. 600

T 2.18

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 further increase the share of specialty products in overall sales. EBITDA is expected to 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 be driving factors. In dispersions, we anticipate that momentum will come primarily from construction and packaging applications. As for dispersible polymer powders, the main impetus will be increasing polymer modification. We project that the division's EBITDA will be markedly higher than last year.

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. The division's EBITDA is also projected to show a clear year-over-year increase.

We estimate that WACKER's polysilicon business will generate moderate 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, which makes it currently rather unlikely that polysilicon prices will go up. That being the case, our unchanged key objective is to continue to reduce polysilicon production costs. We project that EBITDA will decline significantly year over year, 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).

At Siltronic, we also forecast sales growth for the current year, fueled mainly by somewhat higher volumes and more favorable exchange rates than a year ago. We now expect full-year EBITDA to remain at about the same level as the past year, due to the weaker market trend projected for the fourth quarter (previously: significant growth year over year).

Executive Board Statement on Overall Business Expectations

We continue to assume that the world economy will grow both this year and next, despite the many crises and uncertainties. Our projections for full-year 2015 are for Group sales to rise by some 10 percent over last year, provided economic conditions do not weaken further. We expect all five business divisions to increase their sales. Relative to 2014, we anticipate a moderate rise in EBITDA on a comparable basis, i.e. adjusted for 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 be slightly higher than last year. Overall, we estimate that certain sectors of our business will see lower prices.

Capital expenditures will be substantially higher than last year, climbing to about €800 million. Depreciation will amount to around €600 million and thus remain roughly at 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 somewhat lower than last year.

WACKER's four largest divisions hold a No. 3 position or better in their markets – an indication of the company's outstanding products. Our technological and innovative strength and strong presence in key markets form the foundation that enables us to reinforce and even expand our market positions. We see good prospects in 2015 for further sales gains and for moderate growth in EBITDA, adjusted for special income. In the long term, we continue to perceive opportunities for profitable growth, based on our current strategy.

Munich, October 29, 2015
Wacker Chemie AG's Executive Board

Consolidated Statement of Income

January 1 through September 30, 2015

Consolidated Statement of Income

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Sales	1,357.9	1,232.2	10.2	4,063.3	3,631.9	11.9
Cost of goods sold	-1,059.3	-995.6	6.4	-3,175.6	-2,996.5	6.0
Gross profit from sales	298.6	236.6	26.2	887.7	635.4	39.7
Selling expenses	-77.1	-69.6	10.8	-231.0	-206.8	11.7
Research and development expenses	-42.5	-43.4	-2.1	-130.3	-134.5	-3.1
General administrative expenses	-29.3	-27.4	6.9	-94.9	-89.5	6.0
Other operating income	46.9	159.7	-70.6	281.5	327.5	-14.0
Other operating expenses	-74.2	-62.1	19.5	-276.2	-122.9	>100
Operating result	122.4	193.8	-36.8	436.8	409.2	6.7
Result from investments in joint ventures and associates	3.1	2.4	29.2	2.9	2.9	-
Other investment result	-	0.1	-100.0	-	0.1	-100.0
EBIT (earnings before interest and taxes)	125.5	196.3	-36.1	439.7	412.2	6.7
Interest income	1.6	2.0	-20.0	5.4	5.5	-1.8
Interest expenses	-7.5	-12.8	-41.4	-22.7	-35.2	-35.5
Other financial result	-17.6	-4.9	>100	-33.1	-32.7	1.2
Financial result	-23.5	-15.7	49.7	-50.4	-62.4	-19.2
Income before taxes	102.0	180.6	-43.5	389.3	349.8	11.3
Income taxes	-43.8	-61.6	-28.9	-152.3	-137.2	11.0
Net income for the period	58.2	119.0	-51.1	237.0	212.6	11.5
Of which						
Attributable to Wacker Chemie AG shareholders	60.0	120.5	-50.2	240.4	219.5	9.5
Attributable to non-controlling interests	-1.8	-1.5	20.0	-3.4	-6.9	-50.7
Earnings per share in € (basic/diluted)	1.21	2.43	-50.2	4.84	4.42	9.5
Average number of shares outstanding (weighted)	49,677,983	49,677,983	-	49,677,983	49,677,983	-

T 3.1

Consolidated Statement of Comprehensive Income

January 1 through September 30, 2015

January to September

€ million			2015		2014	
	Before taxes	Deferred taxes		Before taxes	Deferred taxes	
Net income for the period			237.0			212.6
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	225.5	-50.4	175.1	-469.8	130.3	-339.5
Sum of items not reclassified to the statement of income	225.5	-50.4	175.1	-469.8	130.3	-339.5
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	96.3	-	96.3	79.9	-	79.9
Of which recognized in profit and loss	-	-	-	-17.5	-	-17.5
Changes in market values of available-for-sale securities	-0.6	-	-0.6	0.4	-	0.4
Changes in market values of derivative financial instruments (cash flow hedge)	15.0	-2.6	12.4	-36.9	10.4	-26.5
Of which recognized in profit and loss	55.3	-5.3	50.0	-10.3	2.9	-7.4
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
Sum of items reclassified to the statement of income	110.7	-2.6	108.1	46.1	10.4	56.5
Income and expenses recognized in equity	336.2	-53.0	283.2	-423.7	140.7	-283.0
Of which						
Attributable to Wacker Chemie AG shareholders	294.0	-53.0	241.0	-425.9	140.7	-285.2
Attributable to non-controlling interests	42.2	-	42.2	2.2	-	2.2
Total income and expenses reported			520.2			-70.4
Of which						
Attributable to Wacker Chemie AG shareholders			481.4			-65.7
Attributable to non-controlling interests			38.8			-4.7

T 3.2

Consolidated Statement of Comprehensive Income

July 1 through September 30, 2015

July to September

€ million			2015		2014	
	Before taxes	Deferred taxes		Before taxes	Deferred taxes	
Net income for the period			58.2			119.0
Items not subsequently reclassified to the statement of income						
Remeasurement of defined benefit plans	20.7	-4.7	16.0	-189.6	53.5	-136.1
Sum of items not reclassified to the statement of income	20.7	-4.7	16.0	-189.6	53.5	-136.1
Items subsequently reclassified to the statement of income						
Difference from foreign currency translation adjustments	-25.6	-	-25.6	84.2	-	84.2
Of which recognized in profit and loss	-	-	-	-	-	-
Changes in market values of available-for-sale securities	0.5	-	0.5	0.1	-	0.1
Changes in market values of derivative financial instruments (cash flow hedge)	17.4	-1.5	15.9	-27.6	7.8	-19.8
Of which recognized in profit and loss	16.5	-1.3	15.2	-2.3	0.7	-1.6
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	-	-	-	-	-	-
Sum of items reclassified to the statement of income	-7.7	-1.5	-9.2	56.7	7.8	64.5
Income and expenses recognized in equity	13.0	-6.2	6.8	-132.9	61.3	-71.6
Of which						
Attributable to Wacker Chemie AG shareholders	10.7	-6.2	4.5	-134.4	61.3	-73.1
Attributable to non-controlling interests	2.3	-	2.3	1.5	-	1.5
Total income and expenses reported			65.0			47.4
Of which						
Attributable to Wacker Chemie AG shareholders			64.5			47.4
Attributable to non-controlling interests			0.5			-

T 3.3

Consolidated Statement of Financial Position

As of September 30, 2015

Assets

€ million	Sept. 30, 2015	Sept. 30, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets	33.4	31.4	6.4	32.9	1.5
Property, plant and equipment	4,649.0	4,164.9	11.6	4,311.3	7.8
Investment property	1.5	1.5	–	1.5	–
Investments in joint ventures and associates accounted for using the equity method	20.5	20.3	1.0	20.5	–
Financial assets	110.1	101.8	8.2	104.8	5.1
Noncurrent securities	59.1	66.8	–11.5	37.6	57.2
Other assets	13.1	2.1	>100	6.1	>100
Income tax receivables	2.6	5.0	–48.0	5.1	–49.0
Deferred tax assets	304.9	348.4	–12.5	334.3	–8.8
Noncurrent assets	5,194.2	4,742.2	9.5	4,854.1	7.0
Inventories	782.9	743.9	5.2	734.3	6.6
Trade receivables	786.7	749.6	4.9	684.0	15.0
Other assets	131.4	175.1	–25.0	176.3	–25.5
Income tax receivables	9.2	14.7	–37.4	15.2	–39.5
Current securities and fixed-term deposits held to maturity	159.1	171.7	–7.3	157.4	1.1
Cash and cash equivalents	258.5	448.4	–42.4	325.9	–20.7
Current assets	2,127.8	2,303.4	–7.6	2,093.1	1.7
Total assets	7,322.0	7,045.6	3.9	6,947.2	5.4

T 3.4

Equity and Liabilities

€ million	Sept. 30, 2015	Sept. 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	2,402.6	2,168.6	10.8	2,152.9	11.6
Other equity items	–249.3	–453.4	–45.0	–603.6	–58.7
Equity attributable to Wacker Chemie AG shareholders	2,526.4	2,088.3	21.0	1,922.4	31.4
Non-controlling interests	226.3	25.2	>100	24.1	>100
Equity	2,752.7	2,113.5	30.2	1,946.5	41.4
Provisions for pensions	1,584.8	1,581.5	0.2	1,758.2	–9.9
Other provisions	198.6	168.1	18.1	181.8	9.2
Income tax provisions	50.3	42.4	18.6	43.7	15.1
Deferred tax liabilities	4.0	3.8	5.3	3.6	11.1
Financial liabilities	1,305.8	1,300.2	0.4	1,318.2	–0.9
Other liabilities	335.6	540.7	–37.9	530.3	–36.7
Noncurrent liabilities	3,479.1	3,636.7	–4.3	3,835.8	–9.3
Other provisions	124.7	103.3	20.7	99.8	24.9
Income tax provisions	66.2	104.4	–36.6	54.2	22.1
Income tax liabilities	0.5	0.2	>100	0.1	>100
Financial liabilities	141.1	292.6	–51.8	283.3	–50.2
Trade payables	390.3	365.2	6.9	374.5	4.2
Other liabilities	367.4	429.7	–14.5	353.0	4.1
Current liabilities	1,090.2	1,295.4	–15.8	1,164.9	–6.4
Liabilities	4,569.3	4,932.1	–7.4	5,000.7	–8.6
Total equity and liabilities	7,322.0	7,045.6	3.9	6,947.2	5.4

T 3.5

Consolidated Statement of Cash Flows

January 1 through September 30, 2015

Consolidated Statement of Cash Flows (Condensed)

€ million	Q3 2015	Q3 2014	Change in %	9M 2015	9M 2014	Change in %
Net income for the period	58.2	119.0	-51.1	237.0	212.6	11.5
Depreciation/appreciation of noncurrent assets	138.8	151.2	-8.2	420.7	450.0	-6.5
Changes in provisions	37.0	71.7	-48.4	111.3	122.2	-8.9
Changes in deferred taxes	-4.9	-21.2	-76.9	-23.3	-40.8	-42.9
Changes in inventories	-6.4	-44.9	-85.7	-38.3	-81.9	-53.2
Changes in trade receivables	-2.6	10.0	n.a.	-101.6	-112.6	-9.8
Changes in other assets	33.0	20.6	60.2	47.8	36.3	31.7
Changes in advance payments received	-69.5	-111.9	-37.9	-192.8	-185.5	3.9
Changes in other liabilities	-20.8	29.1	n.a.	33.4	78.0	-57.2
Changes from equity accounting	-0.2	-0.1	100.0	1.3	1.1	18.2
Other non-cash expenses, income and other items	26.4	-29.8	n.a.	-4.0	-27.2	-85.3
Cash flow from operating activities (gross cash flow)	189.0	193.7	-2.4	491.5	452.2	8.7
Cash receipts and payments for investments	-223.0	-127.3	75.2	-613.4	-332.5	84.5
Proceeds from the disposal of noncurrent assets	0.7	0.1	> 100.0	3.7	1.5	>100.0
Cash receipts and payments for acquisitions	-	-	-	-	25.8	n.a.
Cash flow from long-term investing activities before securities	-222.3	-127.2	74.8	-609.7	-305.2	99.8
Cash receipts and payments for the acquisition/ disposal of securities and fixed-term deposits	-60.9	-50.8	19.9	-25.6	-50.0	-48.8
Cash flow from investing activities	-283.2	-178.0	59.1	-635.3	-355.2	78.9
Distribution of profit from prior-year net income	-	-	n.a.	-75.9	-25.7	>100
Cash receipts from the change in ownership interests in Siltronic AG	-	-	n.a.	361.9	-	n.a.
Changes in financial liabilities	-54.3	82.3	n.a.	-208.7	-58.2	>100
Cash flow from financing activities	-54.3	82.3	n.a.	77.3	-83.9	n.a.
Changes due to exchange-rate fluctuations	-4.1	2.5	n.a.	-0.9	3.5	n.a.
Changes in cash and cash equivalents	-152.6	100.5	n.a.	-67.4	16.6	n.a.
At the beginning of the period	411.1	347.9	18.2	325.9	431.8	-24.5
At the end of the period	258.5	448.4	-42.4	258.5	448.4	-42.4

T 3.6

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

January 1 through September 30, 2015

Consolidated Statement of Changes in Equity

€ 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	-	-	-	219.5	-	219.5	-6.9	212.6
Dividends paid	-	-	-	-24.8	-	-24.8	-0.9	-25.7
Income and expenses recognized in equity	-	-	-	-	-285.2	-285.2	2.2	-283.0
Change in scope of consolidation	-	-	-	-	-	-	12.5	12.5
September 30, 2014	260.8	157.4	-45.1	2,168.6	-453.4	2,088.3	25.2	2,113.5
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	-	-	-	240.4	-	240.4	-3.4	237.0
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	-	-	-	-	241.0	241.0	42.2	283.2
Change in scope of consolidation	-	-	-	-	-	-	-	-
September 30, 2015	260.8	157.4	-45.1	2,402.6	-249.3	2,526.4	226.3	2,752.7

T 3.7

Reconciliation of Other Equity Items

€ million	Changes in market values of available-for-sale securities	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)
January 1, 2014	0.8	-50.9	10.4	-125.9	-2.6	-168.2
Changes recognized in other comprehensive income	0.4	-	-19.0	-339.5	-	-358.1
Reclassification to the statement of income	-	-17.5	-7.4	-	2.6	-22.3
Changes in exchange rates	-	95.2	-	-	-	95.2
September 30, 2014	1.2	26.8	-16.0	-465.4	-	-453.4
January 1, 2015	0.5	70.5	-28.5	-646.1	-	-603.6
Changes recognized in other comprehensive income	-0.7	-	-40.0	139.5	-	98.8
Reclassification to the statement of income	-0.3	-	43.4	-	-	43.1
Change in ownership interests in Siltronic AG	0.3	9.3	15.6	88.1	-	113.3
Changes in exchange rates	-	99.1	-	-	-	99.1
September 30, 2015	-0.2	178.9	-9.5	-418.5	-	-249.3

T 3.8

Notes

January 1 through September 30, 2015

Accounting and Valuation Methods

The interim consolidated financial statements of Wacker Chemie AG as of September 30, 2015 have been prepared in accordance with Section 37x 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 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 September 30, 2015 was calculated using discount factors of 2.8 percent in Germany and 4.18 percent in the USA (September 30, 2014: 2.8 percent in Germany and 4.12 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 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 during the reporting period to the information provided in the 2014 Annual Report.

New Accounting Standards

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

Standard/ Interpretation		Mandatory 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	Mandatory 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		Publica- tion by IASB	Mandatory from	Endorsed by EU	Anticipated Impact on WACKER
IFRS 9	Financial Instruments	July 24, 2014	Jan. 1, 2018	Expect- ed 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 deter- mined	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, 2018	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 that an entity expects to receive. 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		Publica- tion 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	Expect- ed 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	Expect- ed 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	Expect- ed 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	Expect- ed 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 the company 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	Post- poned	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	Expect- ed 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		Publica- tion 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	Expect- ed 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	Expect- ed 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 September 30, 2015, the scope of consolidation comprised 57 companies, including Wacker Chemie AG, and a special-purpose entity. The interim financial statements comprised 53 companies. Compared with December 31, 2014, the scope of consolidation changed as follows.

Changes in Ownership Structure in the First Nine Months 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%
Wacker Colombia S.A.S., Bogotá, Colombia (established on September 11, 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 Wacker Chemie 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)

€ million	Sept. 30, 2015		Dec. 31, 2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Trade receivables	786.7	786.7	684.0	684.0
Other financial assets ¹		406.9		416.2
Held-to-maturity securities	114.5	114.5	10.0	10.0
Available-for-sale securities	104.1	104.1	188.7	188.7
Loans and receivables	164.7	164.7	202.1	202.1
Available-for-sale financial assets ²	n.a.	11.2	n.a.	11.2
Derivative financial instruments	12.4	12.4	4.2	4.2
Cash and cash equivalents	258.5	258.5	325.9	325.9
Financial liabilities	1,434.4	1,423.5	1,590.0	1,572.7
Liabilities from finance leases	23.4	23.4	28.8	28.8
Trade payables	390.3	390.3	374.5	374.5
Other financial liabilities ³	185.3	185.3	177.4	177.4
Financial liabilities recognized at amortized cost	150.3	150.3	127.7	127.7
Derivative financial instruments	35.0	35.0	49.7	49.7

T 3.9

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 September 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

€ million	Fair value hierarchy September 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)	-	7.0	-	7.0	-	1.4	-	1.4
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	-	5.4	-	5.4	-	2.8	-	2.8
Available-for-sale financial assets	104.1	-	-	104.1	188.7	-	-	188.7
Total	104.1	12.4	-	116.5	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)	1.2	14.6	-	15.8	-	13.7	-	13.7
Fair value through other comprehensive income/through profit or loss								
Derivatives that qualify for hedge accounting	0.2	19.0	-	19.2	-	36.0	-	36.0
Total	1.4	33.6	-	35.0	-	49.7	-	49.7

T 3.10

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 nine 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 9M 2015 amounted to €32.4 million (9M 2014: €32.6 million). As of September 30, 2015, WACKER had outstanding receivables from the pension fund of €11.0 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 management personnel or with companies of whose executive or supervisory bodies these persons are members. 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

€ million	2015				2014			
	9M 2015		Sept. 30, 2015		9M 2014		Dec. 31, 2014	
	Income	Expenses	Receiv-ables	Liabilities	Income	Expenses	Receiv-ables	Liabilities
Associated companies	5.9	112.3	2.9	17.6	3.8	89.3	3.5	15.9
Joint ventures	24.0	1.0	6.5	0.3	21.8	1.2	4.3	0.2
Other	-	-	-	0.3	-	-	-	-

T 3.11

In addition, there is a loan to an associated company totaling €98.8 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

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	
	Sept. 30, 2015	Sept. 30, 2014	Dec. 31, 2014	Sept. 30, 2015	Sept. 30, 2014
	USD	1.12	1.27	1.22	1.11
JPY	134.77	138.89	145.35	135.87	137.74
SGD	1.60	1.61	1.61	1.55	1.66
CNY	7.14	7.79	7.54	7.01	8.17

T 3.12

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, October 29, 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, October 29, 2015
Wacker Chemie AG's Executive Board

Rudolf Staudigl

Tobias Ohler

Joachim Rauhut

Auguste Willems

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March 16
Annual Report on
fiscal 2015

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April 28
Interim Report on the
1st Quarter of 2016

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.

May 20
Annual Shareholders'
Meeting

July 28
Interim Report on the
2nd Quarter of 2016

October 27
Interim Report on the
3rd Quarter of 2016

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