

PRESS RELEASE

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WACKER Further Expands its Production and R&D Capacities in China

Munich / Shanghai, November 9, 2017 – Wacker Chemie AG will expand its production capacities for silicone and polymer products in China and continue to reinforce its research and development capability in order to further strengthen its market position in the region, the Munich-based chemical company announced today. Specifically, the company is expanding its solid silicone rubber manufacturing facility in Zhangjiagang as well as its production capacity for vinyl acetate-ethylene (VAE) copolymer dispersions at its plant in Nanjing. WACKER's technical center in Shanghai will also be expanded. This includes new R&D labs for silicone fluids and resins, pyrogenic silica and room-temperature-curing silicone elastomers. A food application lab for products from the WACKER BIOSOLUTIONS division is also scheduled. A total investment of €20 million has been earmarked for these expansion projects.

Most of the funds will be used for technical measures to eliminate production bottlenecks and to expand capacity. One investment focus is on the Zhangjiagang site, where WACKER manufactures pyrogenic silica and several silicone products, including solid silicone rubber. By building a new production line, the company will be able to add several thousand metric tons of solid silicone rubber capacity in the future. At the Nanjing polymer site, process-engineering improvements for the manufacture of VAE dispersions will boost the annual

production capacity by up to 30,000 metric tons. The announced expansion and debottlenecking measures are expected to be completed in the second half of 2018.

“Greater China is one of our most important business regions. With annual sales of well over one billion Euro, it is WACKER’s largest single market and stands for one fourth of Group sales”, said CEO Rudolf Staudigl, speaking to customers in Shanghai. The demand for silicones and polymer products in China has been growing steadily for years. However, due to high plant capacity utilization, additional volumes are almost impossible. “That is why we are now expanding capacities at our Chinese sites in Zhangjiagang and Nanjing. This will help us support our customers’ growth and strengthen our market position in the region long term”, said Staudigl.

Paul Lindblad, President of WACKER Greater China, also announced an expansion of the company’s R&D facilities in Shanghai. WACKER already operates a technical center there. By year-end 2018, Shanghai will have additional silicone labs for the development of new products and applications in areas such as coatings, construction, and consumer care. The expansion project also includes the R&D lab for room-temperature-curing silicone elastomers which develops adhesives and sealants for construction and industrial applications. A new application lab catering to the growing needs of the local food industry will also be built.

“In recent years, WACKER has further strengthened its R&D cooperation with Chinese customers to develop sustainable products and solutions suitable for the Chinese market,” said Lindblad. Earlier this year, WACKER had already doubled its local synthesis capacity

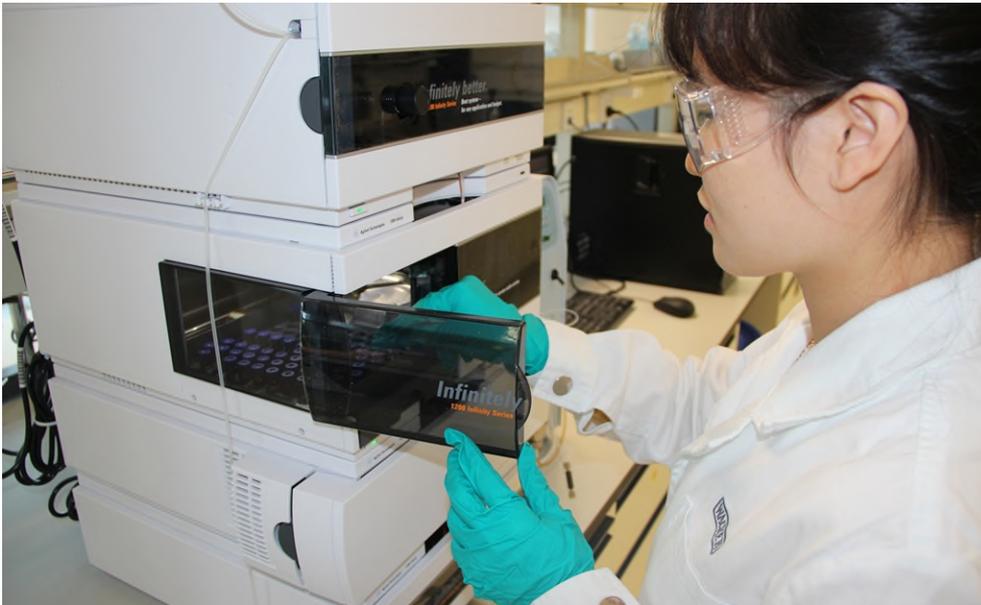
for polymer dispersions needed for research and development. “The expansion of our R&D facilities will boost our innovation capability in the region”, Lindblad emphasized. “Accordingly, our R&D staff will continue to grow by a double-digit percentage in the next few years.”

WACKER in China

WACKER has been operating its own subsidiary in Greater China for over two decades and has greatly expanded its regional activities in recent years. The company not only maintains seven sales offices in all the country’s key economic regions, but also two technical centers and three production sites. The Group produces silicones and polymers in Zhangjiagang and Nanjing (both located in Jiangsu province). The plants are the largest of their kind in China. In 2016, WACKER generated sales of over €1.1 billion in the Greater China region (including Taiwan).



WACKER's plant for vinyl acetate-ethylene (VAE) copolymer dispersions in Nanjing, China. Capacity expansion measures are planned there, as well as at the Group's silicone site in Zhangjiagang. (Photo: WACKER)



WACKER's analytical lab at its Shanghai Technical Center in China. New R&D labs for silicone products as well as an application lab catering to the local food industry will be completed next year. (Photo: WACKER)

Note:

These photos are available for download at:

<http://www.wacker.com/pressreleases>

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The company in brief:

WACKER is a globally-active chemical company with some 13,450 employees and annual sales of around €4.6 billion (2016, without Siltronic). WACKER has a global network of 23 production sites, 19 technical competence centers and 49 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries