



WACKER

IT in the Chemical Industry

- Lecture for TUM -

June 26th, 2007

Joachim J. Reichel - Senior Vice President IT

CREATING TOMORROW'S SOLUTIONS

AGENDA

Wacker Group

IT @ Wacker

Future Trends in IT for chemical companies

Change

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PRODUCTS AND SOLUTIONS FOR KEY GLOBAL SECTORS



- WACKER is a technology leader in the chemical and semiconductor industries.
- We push ahead with technical innovations and the development of new products for the world's key industries.
- We offer solutions and innovations for a broad range of sectors.

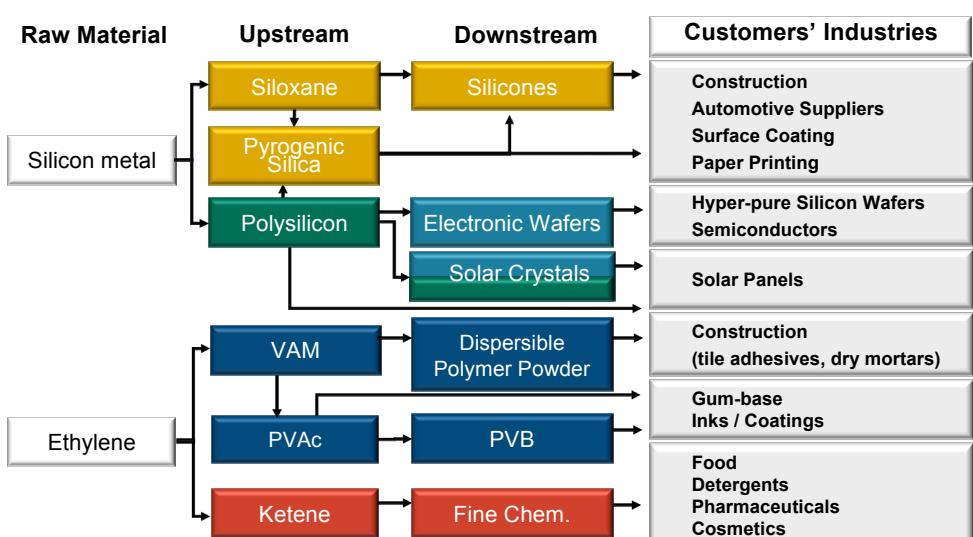
- | | |
|---|---|
| <ul style="list-style-type: none"> • Automotive and transport • Construction • Electronics, semiconductors • Adhesives and insulation • Plastics • Life science | <ul style="list-style-type: none"> • Paper • Photovoltaic • Textile, No woven • Leather etc. |
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FOCUS ON SELECTED PRODUCT FAMILIES



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OVER 90 YEARS OF SUCCESS



Wacker Chemie AG

- Founded in 1914 by Dr. Alexander Wacker
- Headquartered in Munich

WACKER Group (2006)

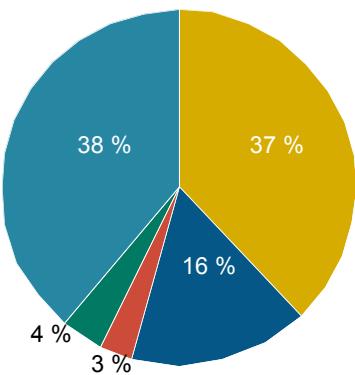
- Sales: €3.34 billion
- EBITDA: €786 million
- Net income: €311 million
- Net cash flow: €185 million
- R&D: €152 million
- Capital expenditures: €525 million
- Employees: 14,668



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A BALANCED HIGH-GROWTH PORTFOLIO

Group sales in 2006: €3.34bn*



Sales growth (2005 – 2006)

WACKER	Total: 21%
WACKER SILICONES	15 %
WACKER POLYMERS	18 %
WACKER FINE CHEMICALS	2 %
WACKER POLYSILICON	13 %
Siltronic	37 %

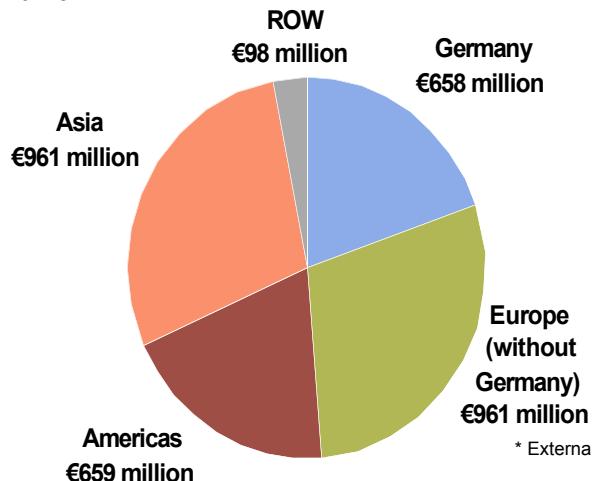
* Percentage adjusted for internal sales corporate functions/other and consolidation



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GLOBAL PRESENCE IN ALL KEY MARKETS

Sales performance by region in 2006*
billion



Group sales in 2006: €3.337

* External sales by customer location, figures rounded



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GLOBALLY PRESENT AND CLOSE TO CUSTOMERS: THE WORLD OF WACKER

Our entrepreneurial activities are customer-centered to help meet customer goals and needs.

With 22 production sites and some 100 subsidiaries and sales offices worldwide, we are close to our customers no matter where they are.



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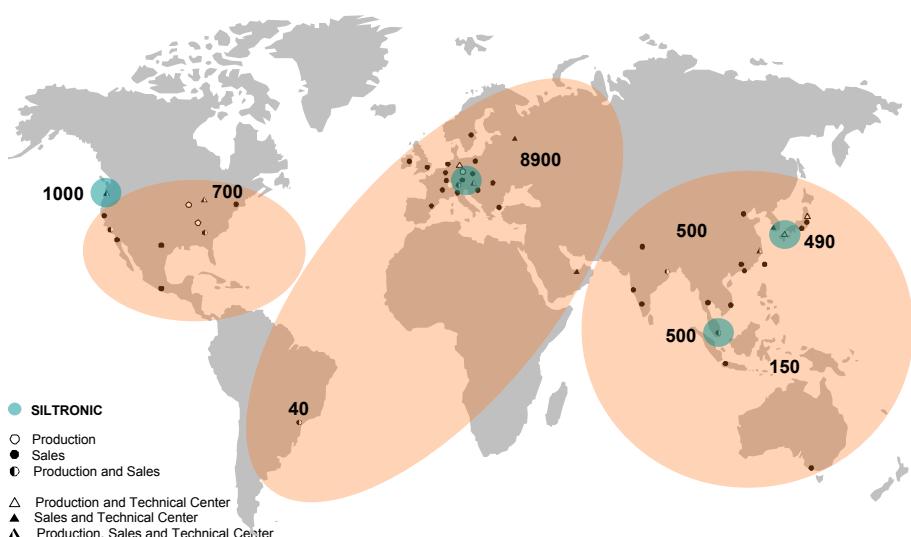
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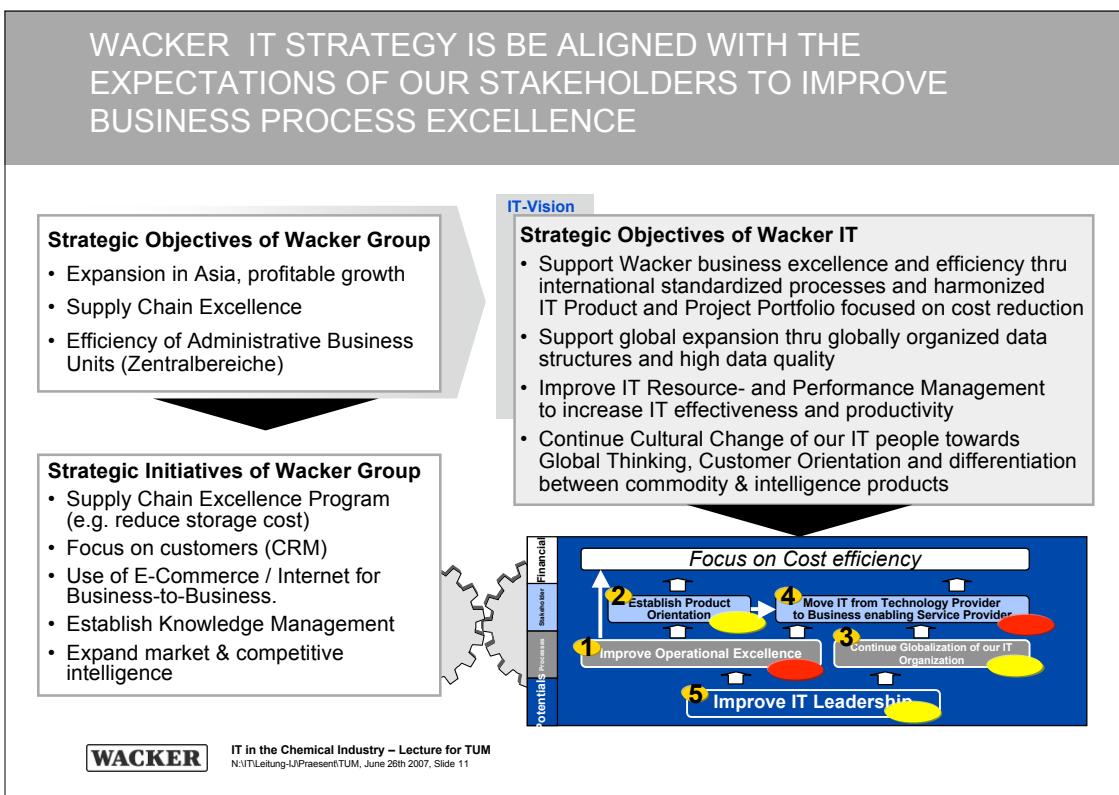
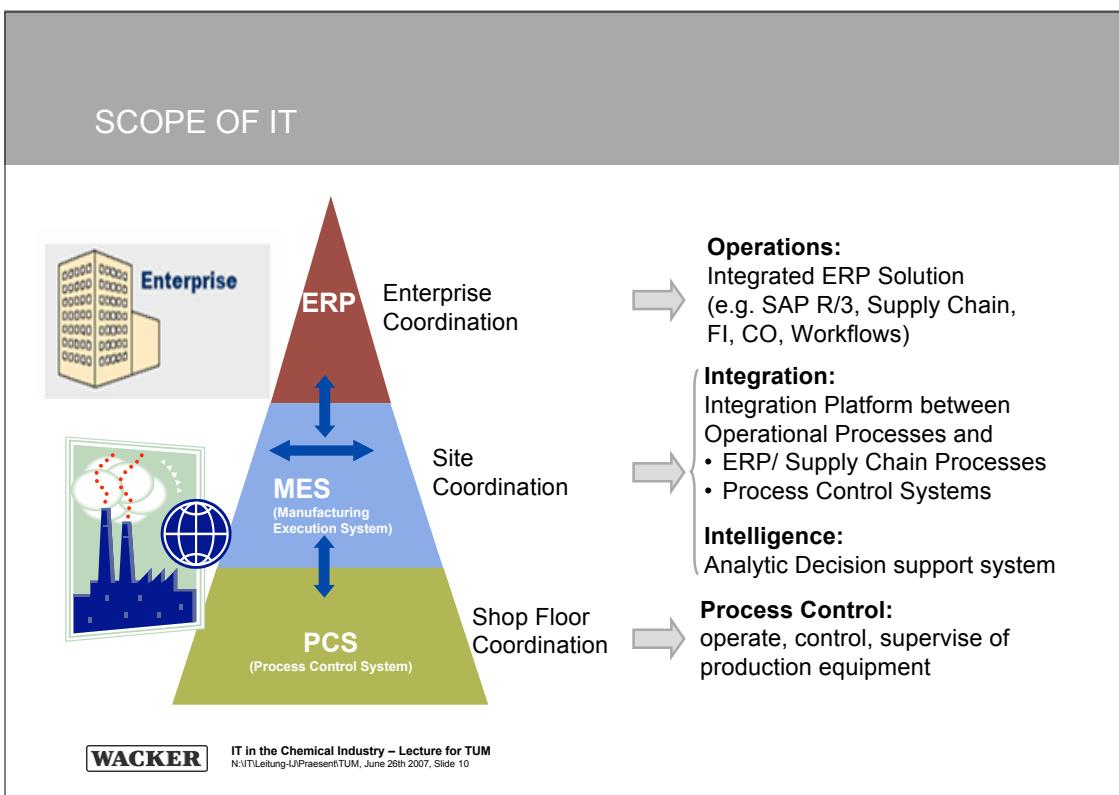


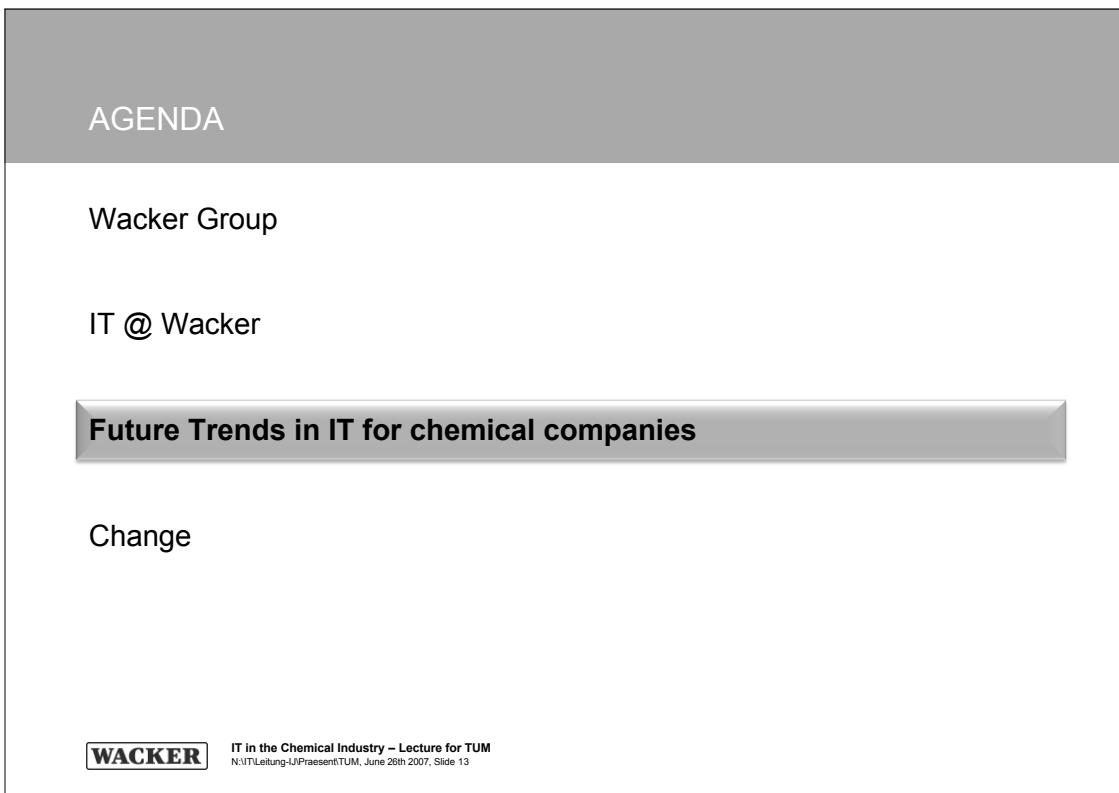
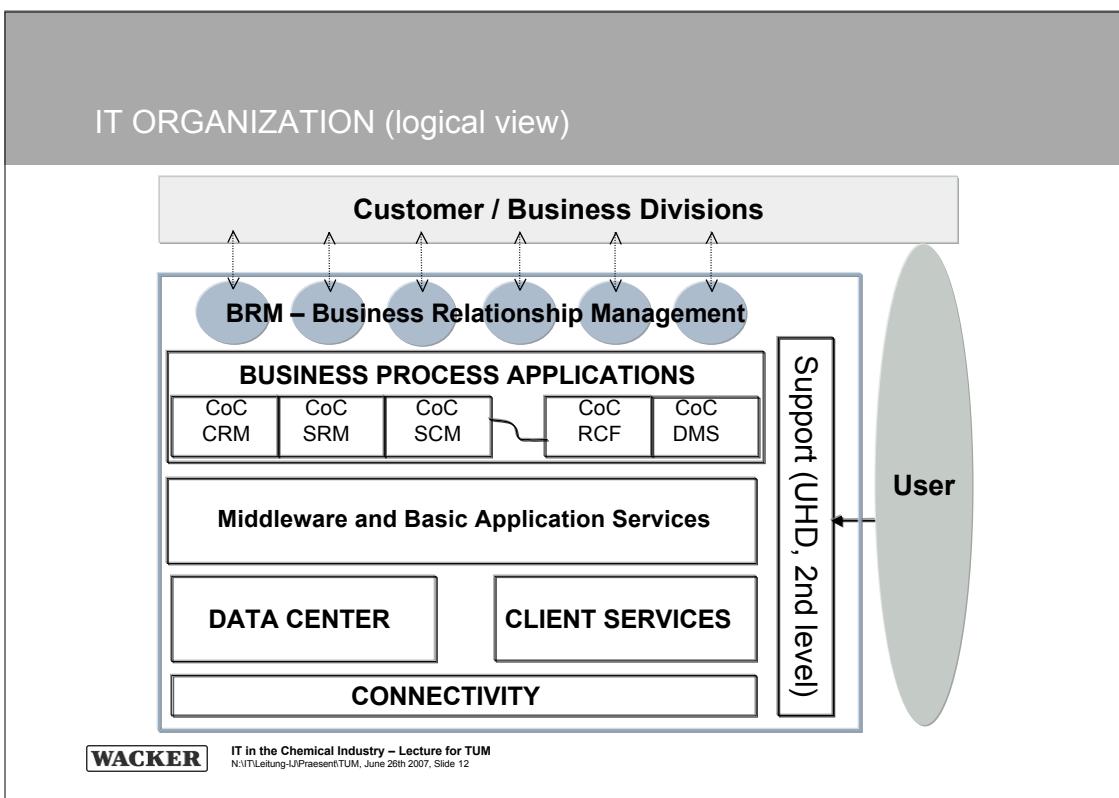
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THE WORLD OF WACKER NUMBER OF COMPUTERS / USERS

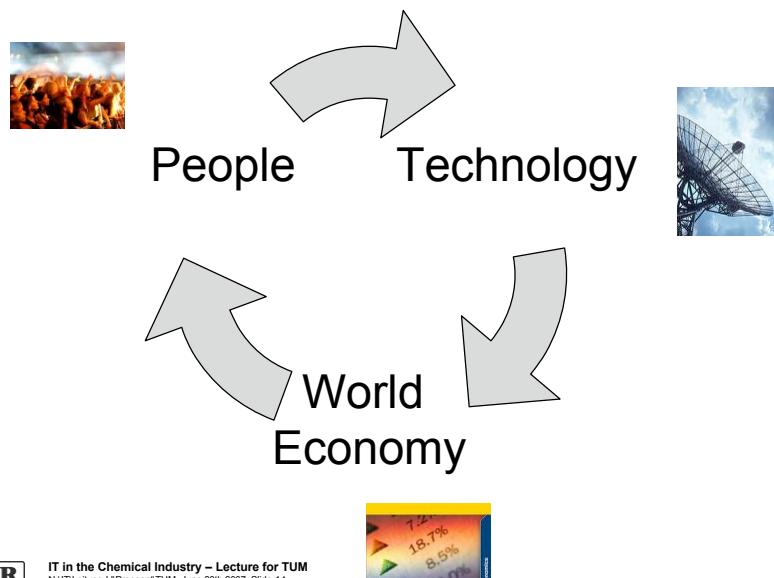


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FUTURE TRENDS WILL BE DETERMINED BY

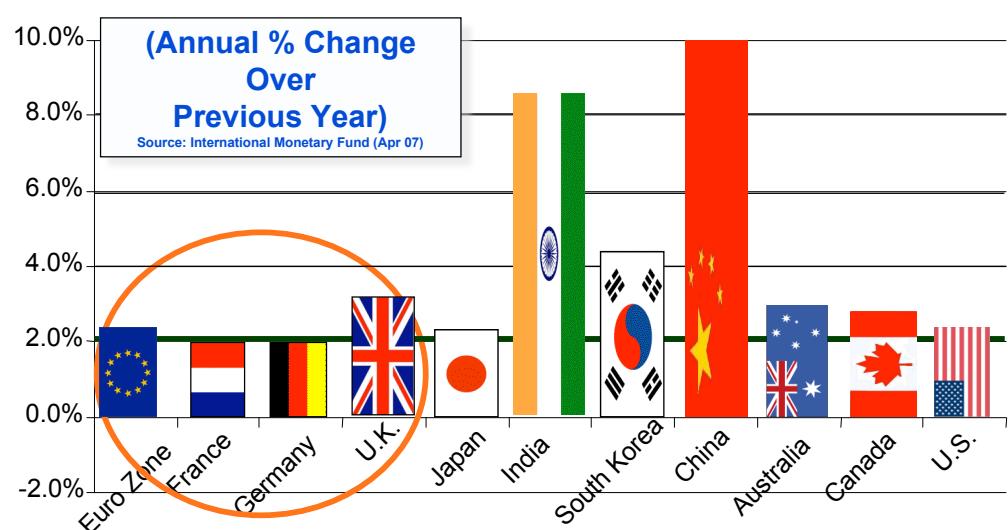


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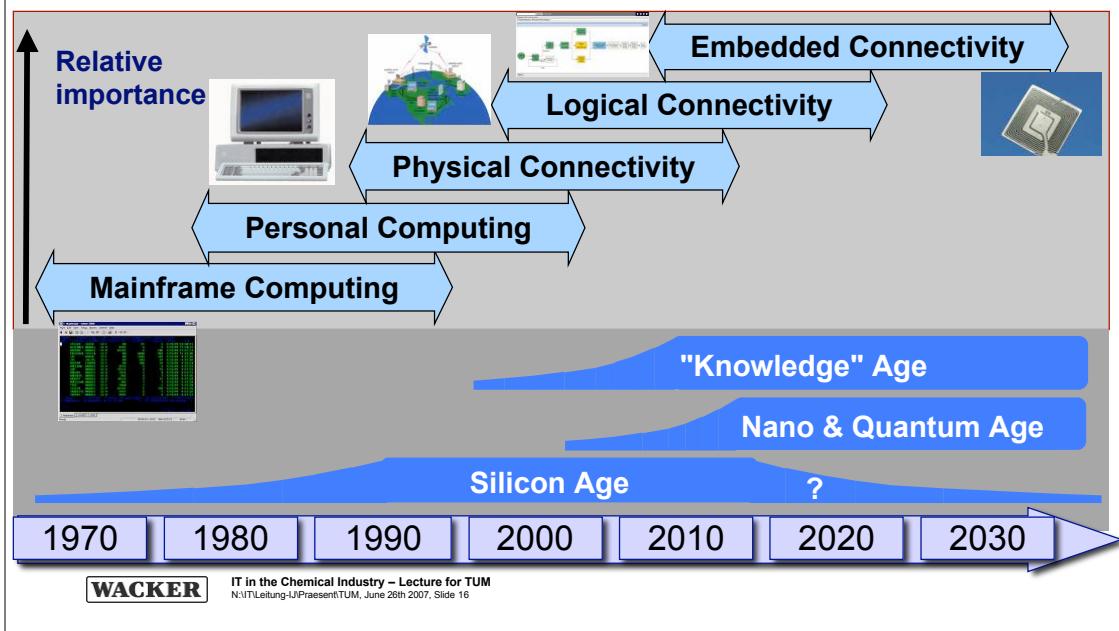
SELECTED NATIONAL GDP FORECASTS 2007



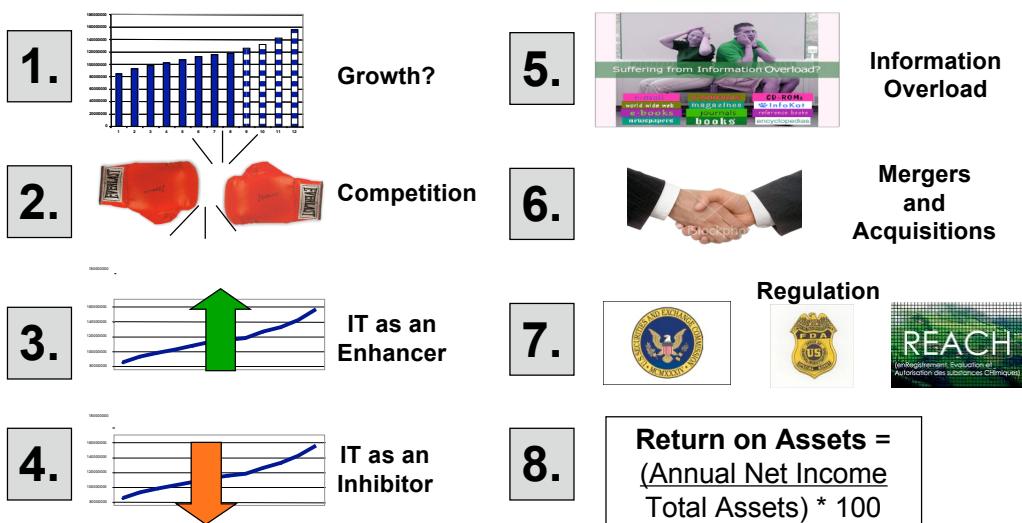
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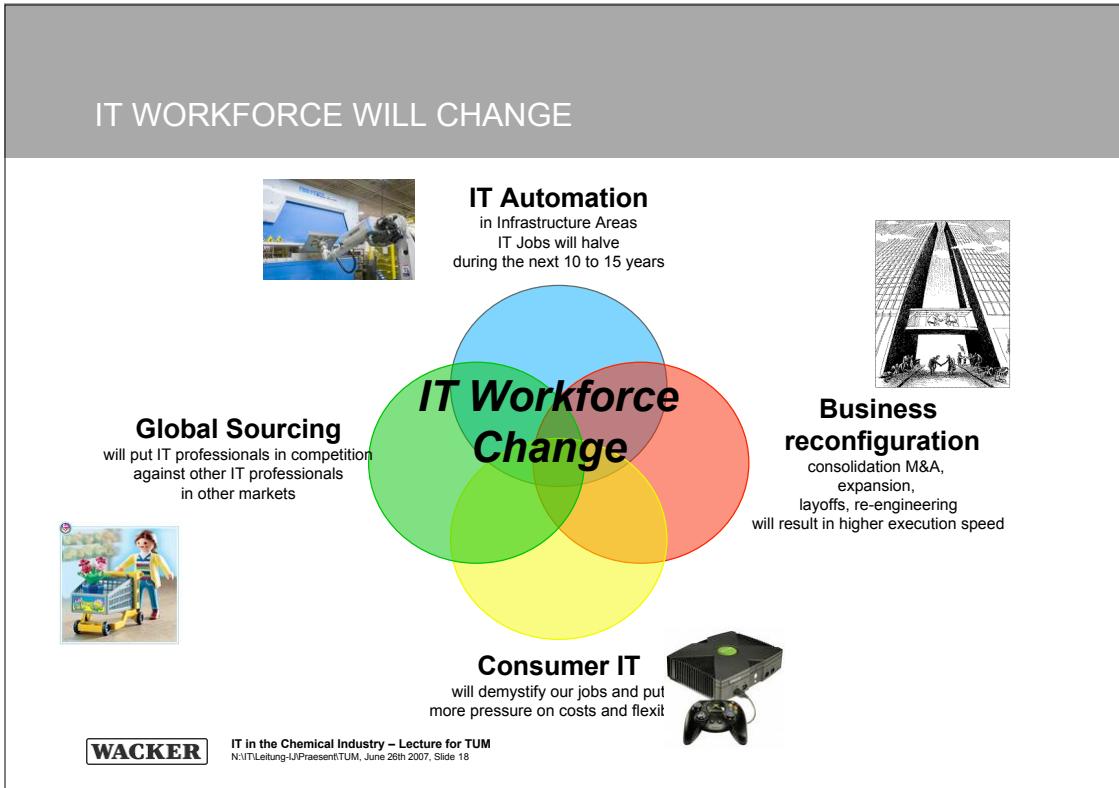
IT-BASED TRANSFORMATION OF BUSINESS



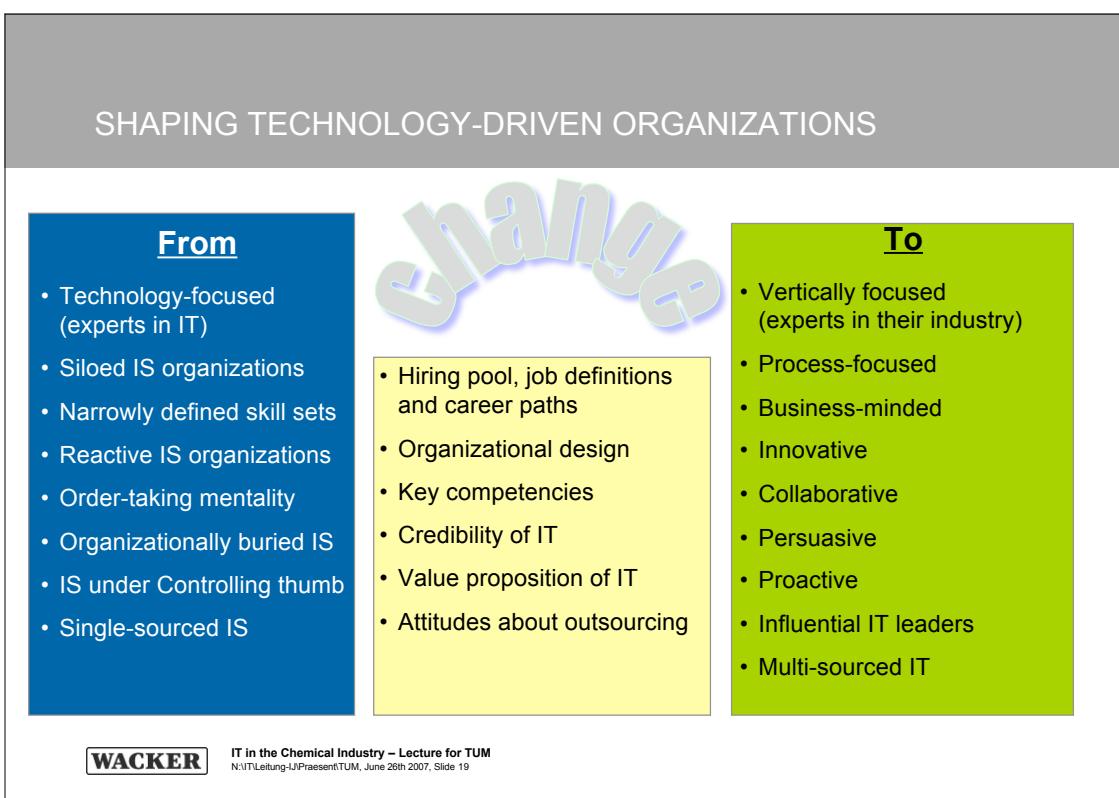
CxO CONCERNES



IT WORKFORCE WILL CHANGE



SHAPING TECHNOLOGY-DRIVEN ORGANIZATIONS



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IT CHANGES ARE COMPARABLE WITH THE CHANGES IN FLIGHT NAVIGATION



1920

It was only flown by sight,
instruments hardly existed and the
risks were high!



2007

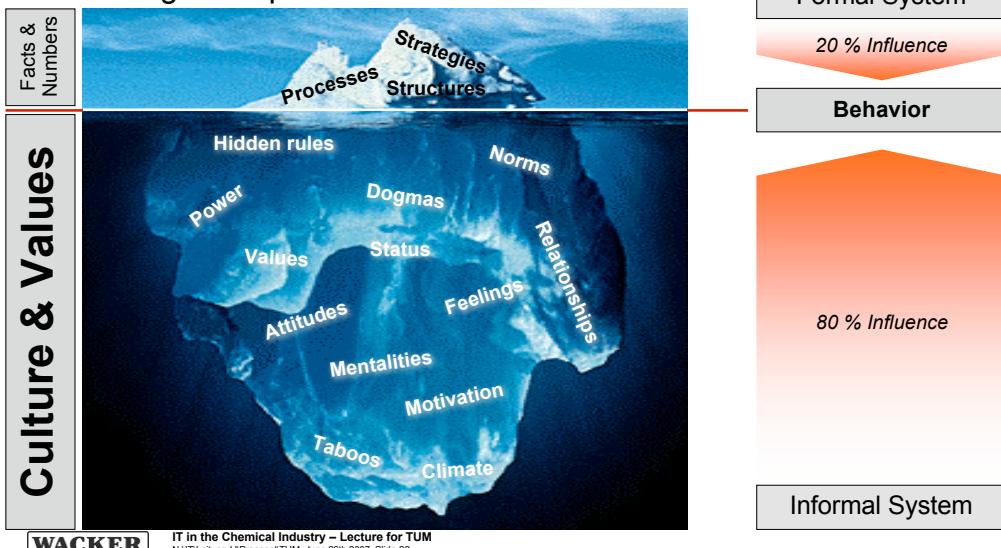
To control an airplane the pilots of
today combine a multitude of
information about the own machine,
the surroundings and other airplanes.



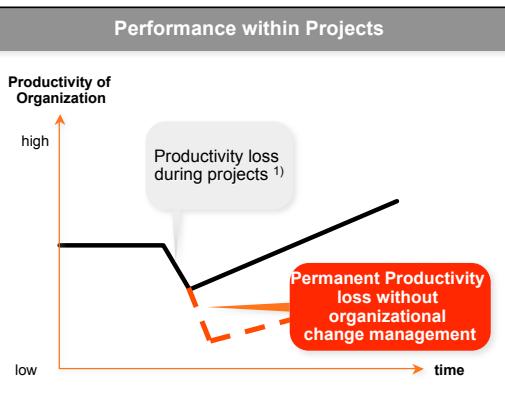
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THE BEHAVIOR OF EMPLOYEES IS ONLY INFLUENCED BY THE FORMAL SYSTEM BY APPROX. 20%.

The Iceberg-Principle



THE SUCCESS IS DEPENDEND ON THE BUY-IN OF EMPLOYEES



Organizational Change Management

- fast tracking and reduction the impact of productivity losses
- long-term productivity increase via successful implementation
- „invented here“

Bolster long term success

¹⁾ Experience shows that temporary degrading of performance is unavoidable

... in other words

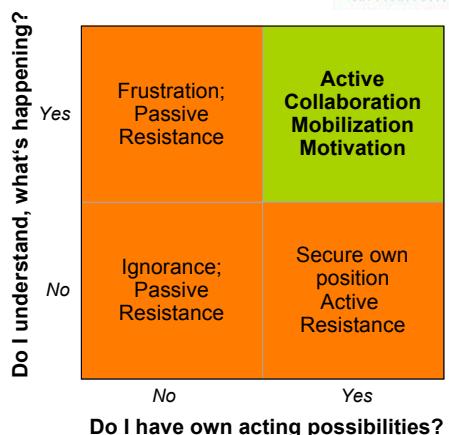
Goal of Organizational Change management is to implement changes within an organization efficient and effective producing mobilization of the employees

PRODUCE MOBILIZATION!



Changing processes always take effect on the employees concerned!

- **Orientation** is the base:
“*I know the way*”
Vision & leadership!
- **Involvement** mobilizes
“*I’m involved!*”
The own contribution and the identification with the success
Ideas & activity
- **Motivation** additionally needs the compelling reason
“*Something must happen and something will happen!*” Motives for the change
- **Communication**
Must mediate credibility and liability and show both orientation and action possibilities!



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WHAT DOES IT MEAN FOR AN INDIVIDUAL



- Education as the base
- Challenge your comfort zone daily
- Language skills
- Communication skills
- Geoflexibility
- Prepare yourself for constant change

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DON'T BECOME A NERD



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THANK YOU FOR YOUR ATTENTION.

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