



Westlake Chemical Corporation

Morgan Stanley Basic Materials Conference

February 20, 2008





This presentation may include forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, reflecting management's current analysis and expectations, based on reasonable assumptions. Results could differ materially depending on such factors as business climate, business performance, economic and competitive uncertainties, ability to execute work process redesign and reduce costs, failure to complete transactions or to achieve benefit from transactions, higher manufacturing costs, change in strategies, reduced level of customer orders, risks in developing new products and technologies, adverse legal and regulatory developments including increases in the number or financial exposures of claims, lawsuits, settlements or judgments, or the inability to eliminate or reduce such financial exposures by collecting indemnity payments from insurers, environmental and safety regulations and clean-up costs, foreign exchange rates, and adverse changes in economic and political climates around the world. Accordingly, there can be no assurance that the Company will meet future results, performance or achievements expressed or implied by such forward-looking statements. As appropriate, additional factors are contained in reports filed with the Securities and Exchange Commission. This paragraph is included to provide safe harbor for forward-looking statements, which are generally not required to be publicly revised as circumstances change.

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Westlake Chemical Corporation

(2007)



Sales	\$ 3,192 million
EBITDA ⁽¹⁾	\$ 281 million
Net Income	\$ 115 million



Olefins

\$2,175 million

68%

Sales
% of Total

Vinyls

\$1,017 million

32%

MISSION

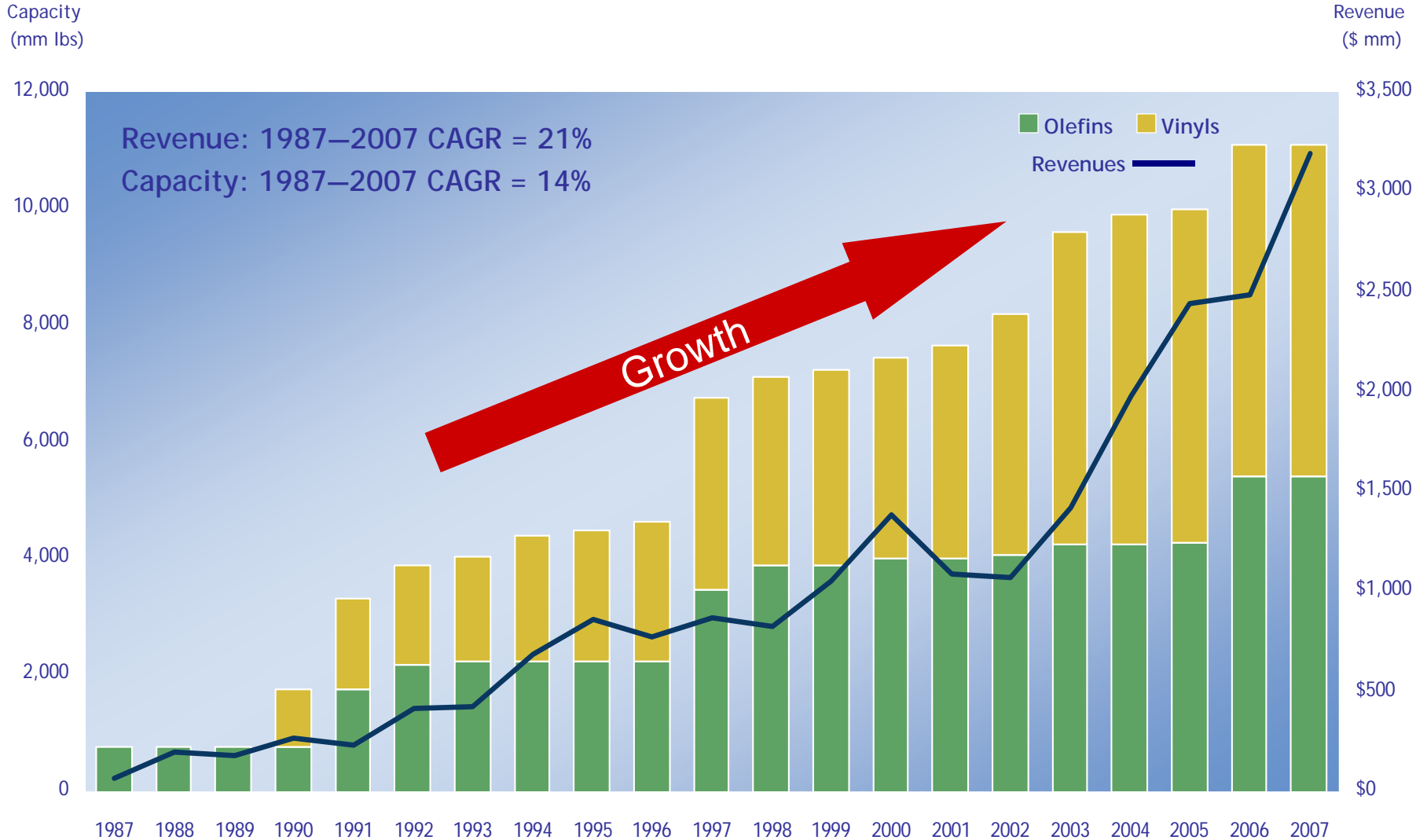
- profitable growth
- in businesses we understand
- globally in areas we can gain an edge
- in a disciplined and opportunistic manner

(1) Non-GAAP financial measure



20 Years of Focused Organic and Acquisition-Led Growth

20
YEARS
1986 - 2006

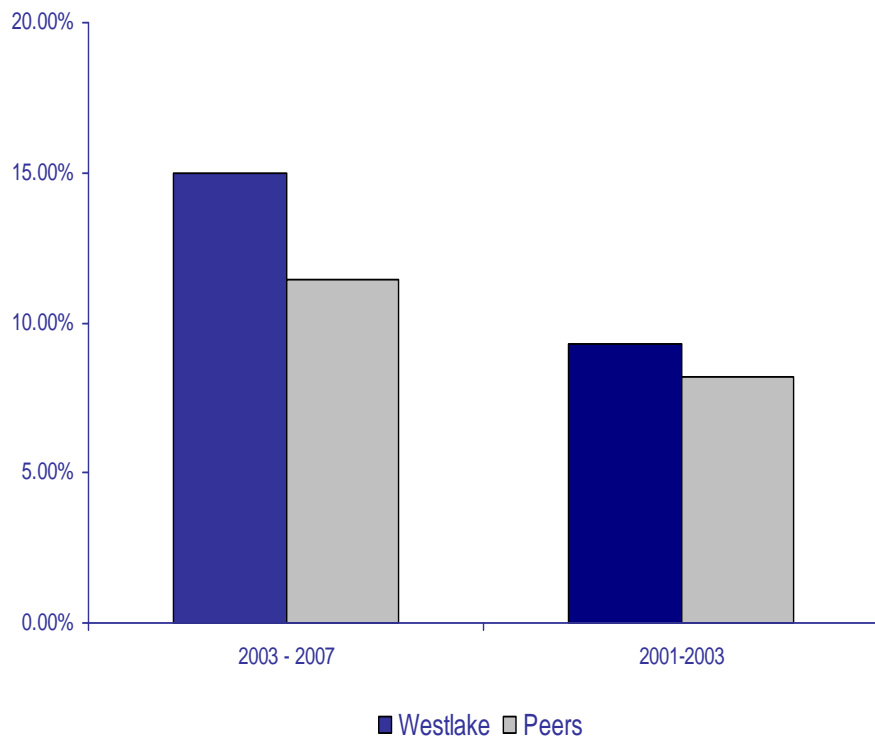




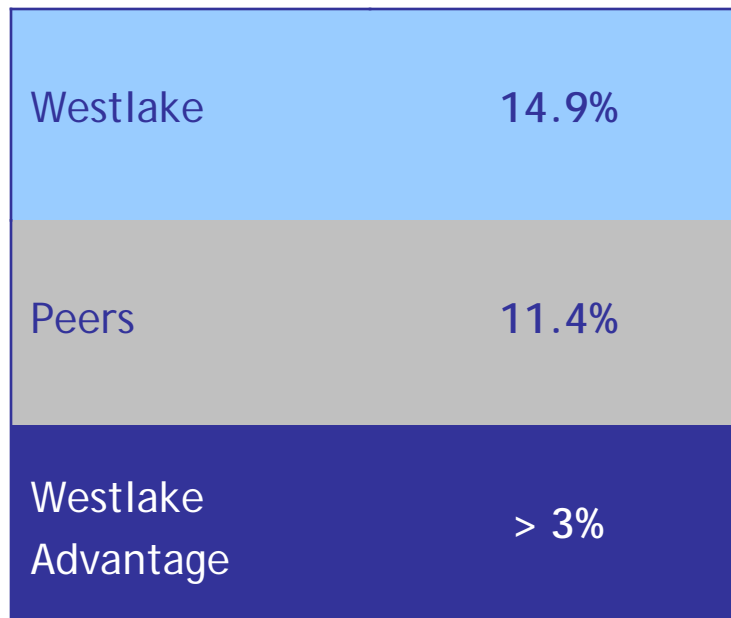
Competitive Advantage Translates into Superior Margin

20
YEARS
1986 - 2006

Adjusted EBITDA Margin ⁽¹⁾



'03 - '07 Average EBITDA Margin

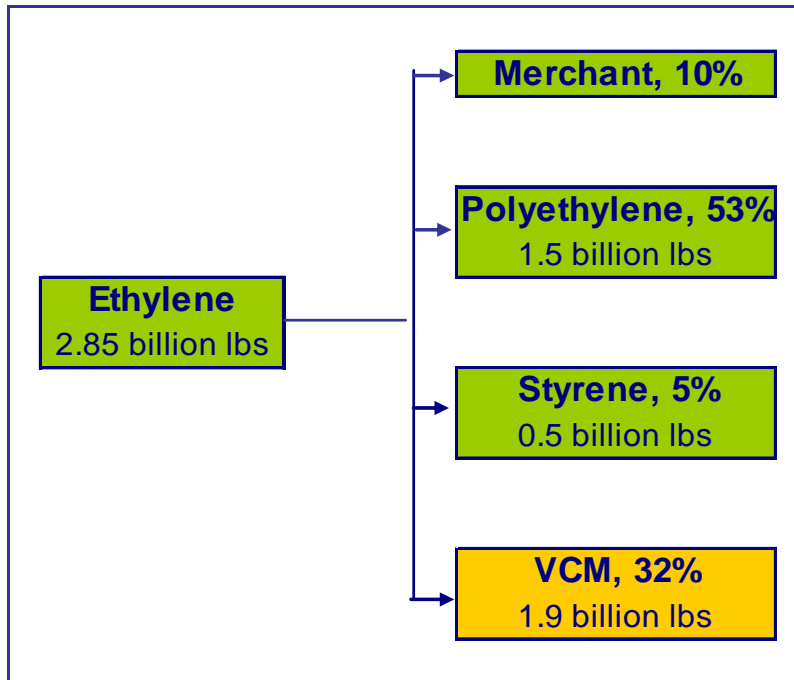


⁽¹⁾ Adjusted EBITDA is EBITDA adjusted for restructuring charges and outages (WLK)
Peers include: DOW, GGC, NCX

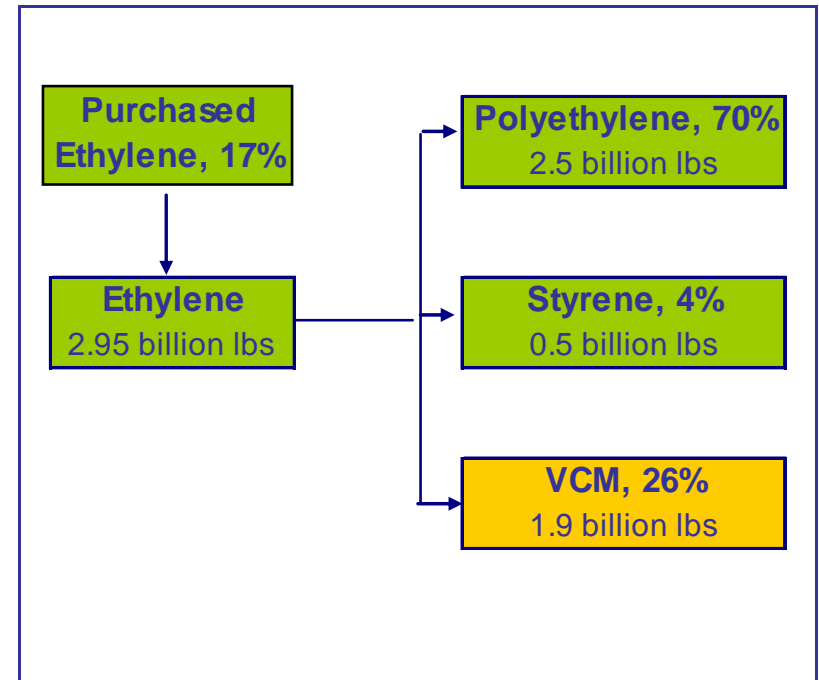


Competitive Advantage: Olefins Integration

Before Longview Acquisition: Long Ethylene



Current: Full Utilization of Ethylene



- Opportunity to run ethylene at even higher operating rates
- Opportunity to debottleneck and curtail ethylene purchase
- Enhanced margin stability; higher profits

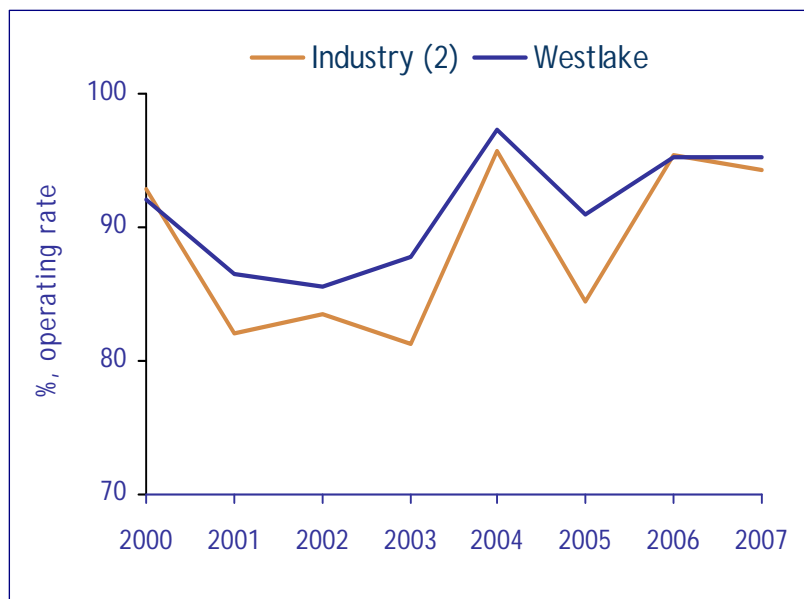


Competitive Advantage: Olefins

Higher Operating Rates

20
YEARS
1986 - 2006

Ethylene Operating Rates⁽¹⁾



Westlake Advantage over Industry

Operating Rate Advantage vs. Peers

8-year, avg.
(2000 - 2007)

3.2%

Trough Years, avg.
(2001 - 2003)

4.3%

- Higher operating rates, particularly in trough years
- Operating culture; execution; integration; asset age

Source: CMAI and Westlake

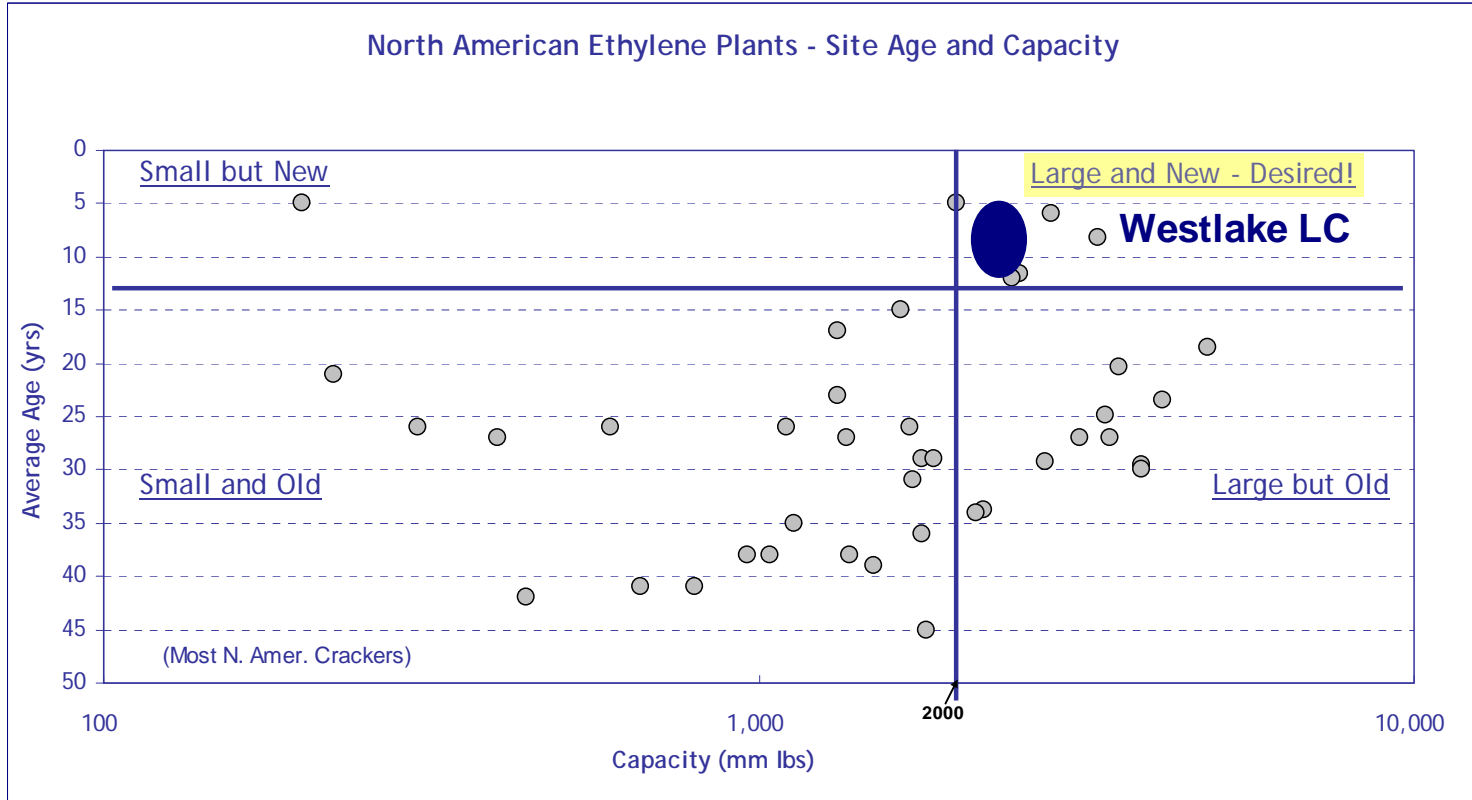
(1) Includes the impact of Hurricane Katrina and Rita in 2005

(2) Industry Ethylene Operating Rates estimated for 2007



Competitive Advantage: Olefins

Favorable Scale, Age vs. Peers



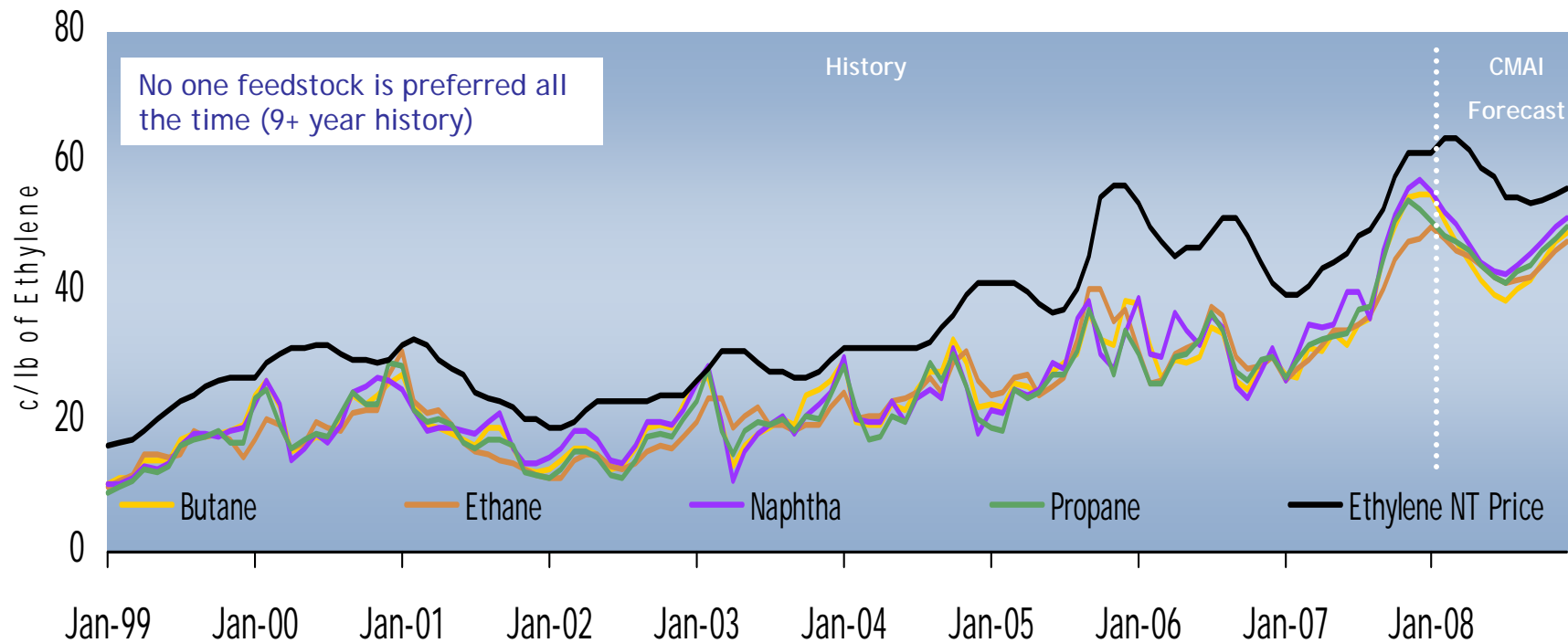
Source: CMAI



Competitive Advantage: Olefins

Lake Charles Feedstock Flexibility

20
YEARS
1986 - 2006

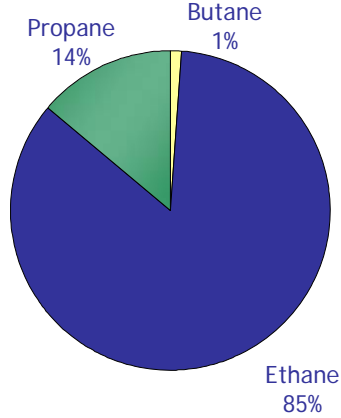




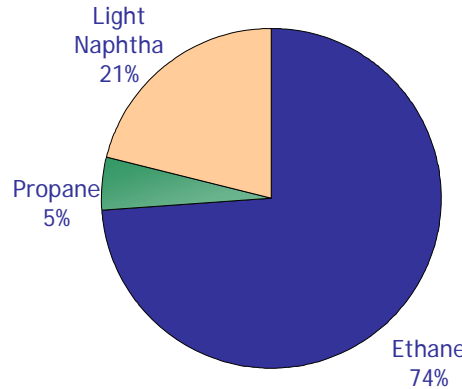
Competitive Advantage: Olefins

Lake Charles Feedstock Flexibility (cont.)

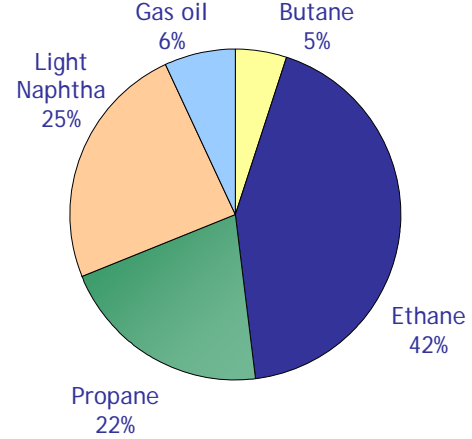
Gas-Flexible Lake Charles
Feedstock Capability (% volume)



Liquid-Flexible Lake Charles
Feedstock Capability (% volume)



2007 U.S. Feedstock
(% volume)



- Project completed in May 2007
- Feed-Flex improves cycle average margins and reduces earnings volatility
- Benefits include
 - Energy cost reduction
 - 100 MM lbs capacity increase
 - Reduced earnings volatility

Source: Jacobs Consultancy

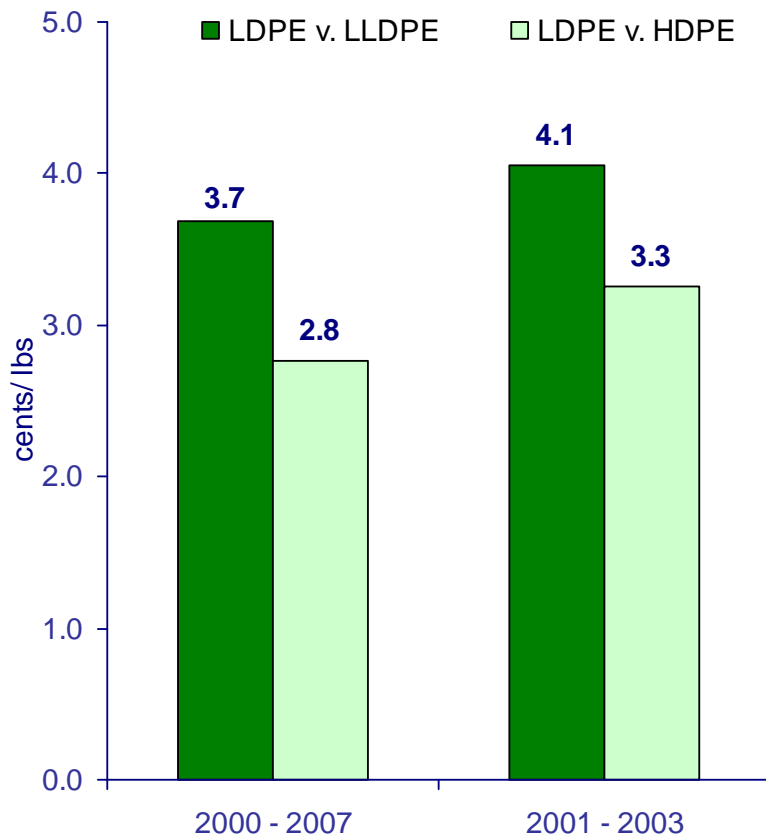


Competitive Advantage: Olefins

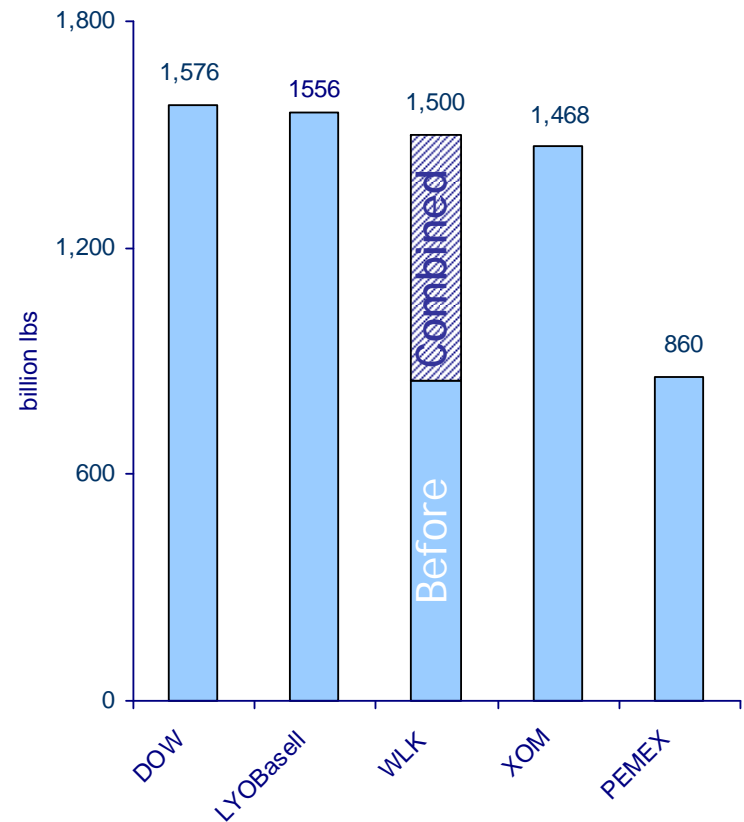
Favorable PE Product Mix

20
YEARS
1986 - 2006

LDPE Has Been More Profitable On Average Than Other PE Grades



LDPE Capacity Post-Eastman



Dow Chemical (DOW), LyondellBasell (LYO), Westlake Chemical (WLK), Exxon/Mobil (XOM), PEMEX
Source: CMAI

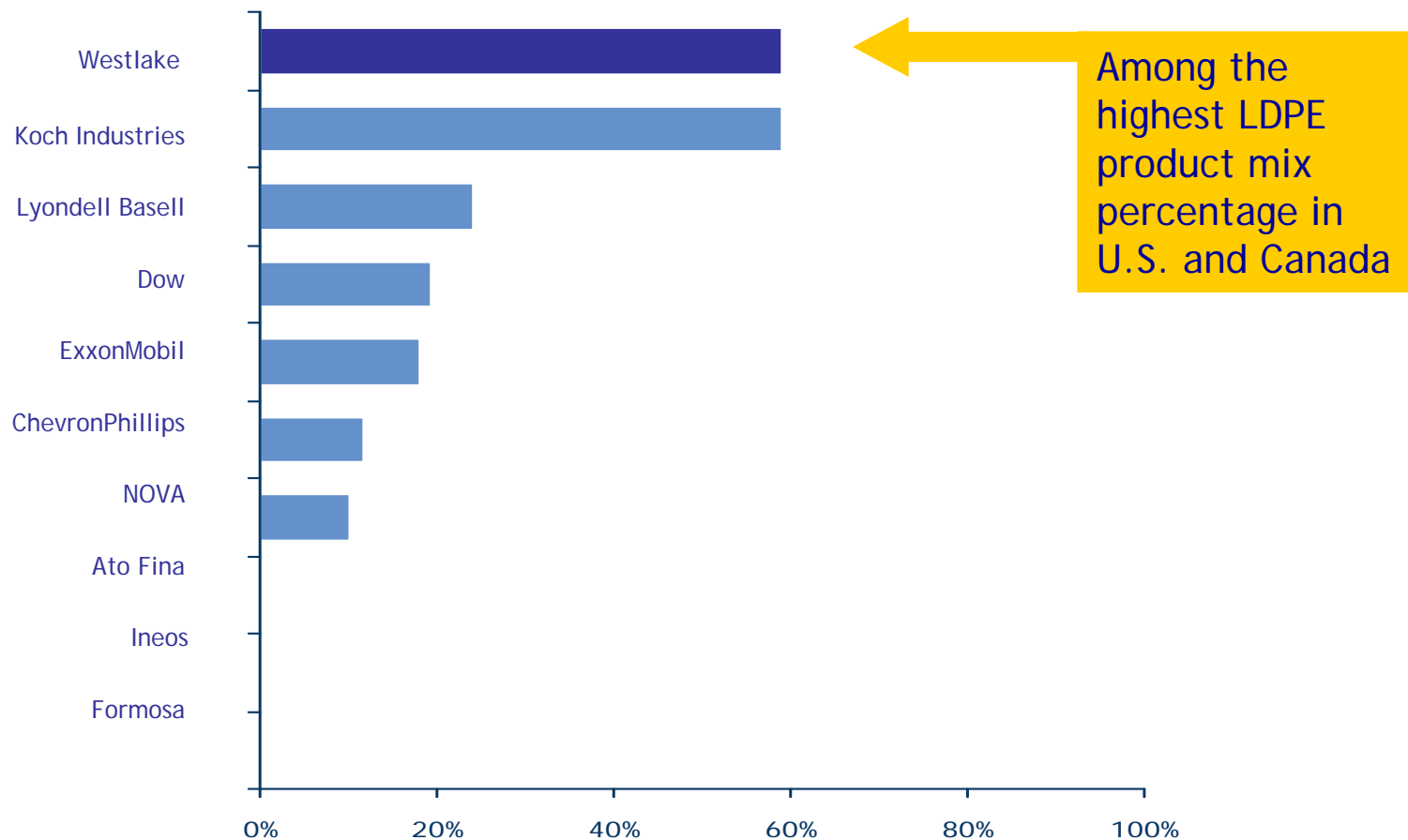


Competitive Advantage: Olefins

Favorable PE Product Mix (cont.)

20
YEARS
1986 - 2006

Westlake's PE Business Is Favorably Weighted to LDPE



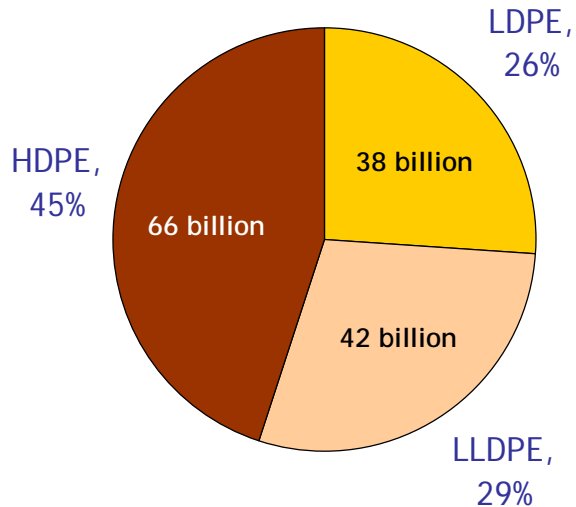
Source: Chemical Data, Inc.



Competitive Advantage: Olefins

Increased PE Capacity Through the Eastman Acquisition

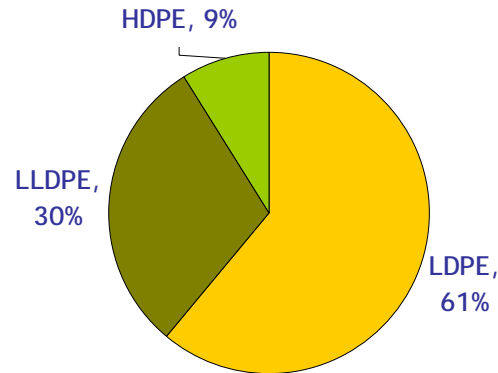
Global End Use Demand
(% share)



Total Capacity: 146 billion pounds
Source: CMAI

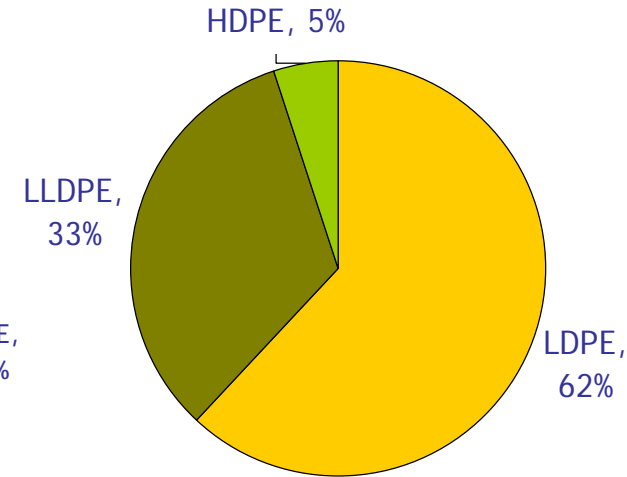
Westlake Capacity
(% share)

Pre-Eastman Acquisition



Total Capacity: 1.4 billion pounds

Post-Eastman Acquisition

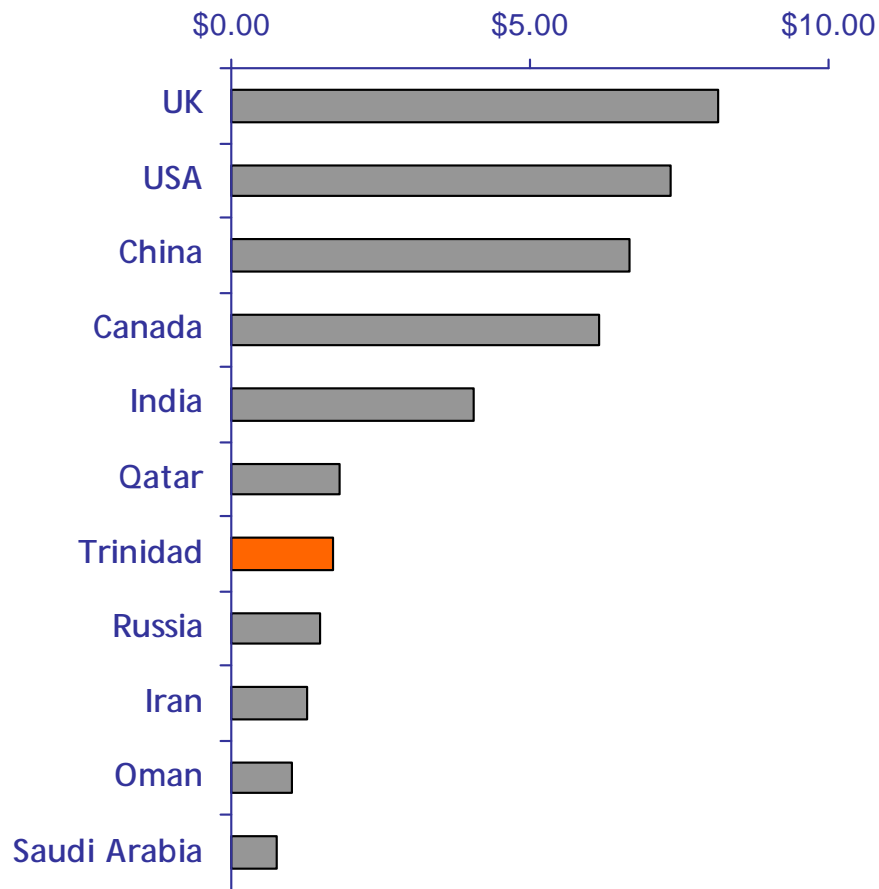


Total Capacity: 2.5 billion pounds

- Eastman acquisition expands into the most profitable PE product category
- Upgrades and broadens our PE mix
- Westlake is benefiting from the full accretive effects of the Longview PE assets after a smooth transition



Natural Gas around the World, 2007 (US\$ per million BTUs)



Scope/Status

- Globally competitive ethane-based ethylene, polyethylene facility
- Ethylene and polyethylene capacities should approximate 1.25 billion lb/yr
- Bolsters profitable growth and lowers earnings volatility
- Markets: The Americas
- Ownership: Westlake (majority shareholder); Trinidad & Tobago

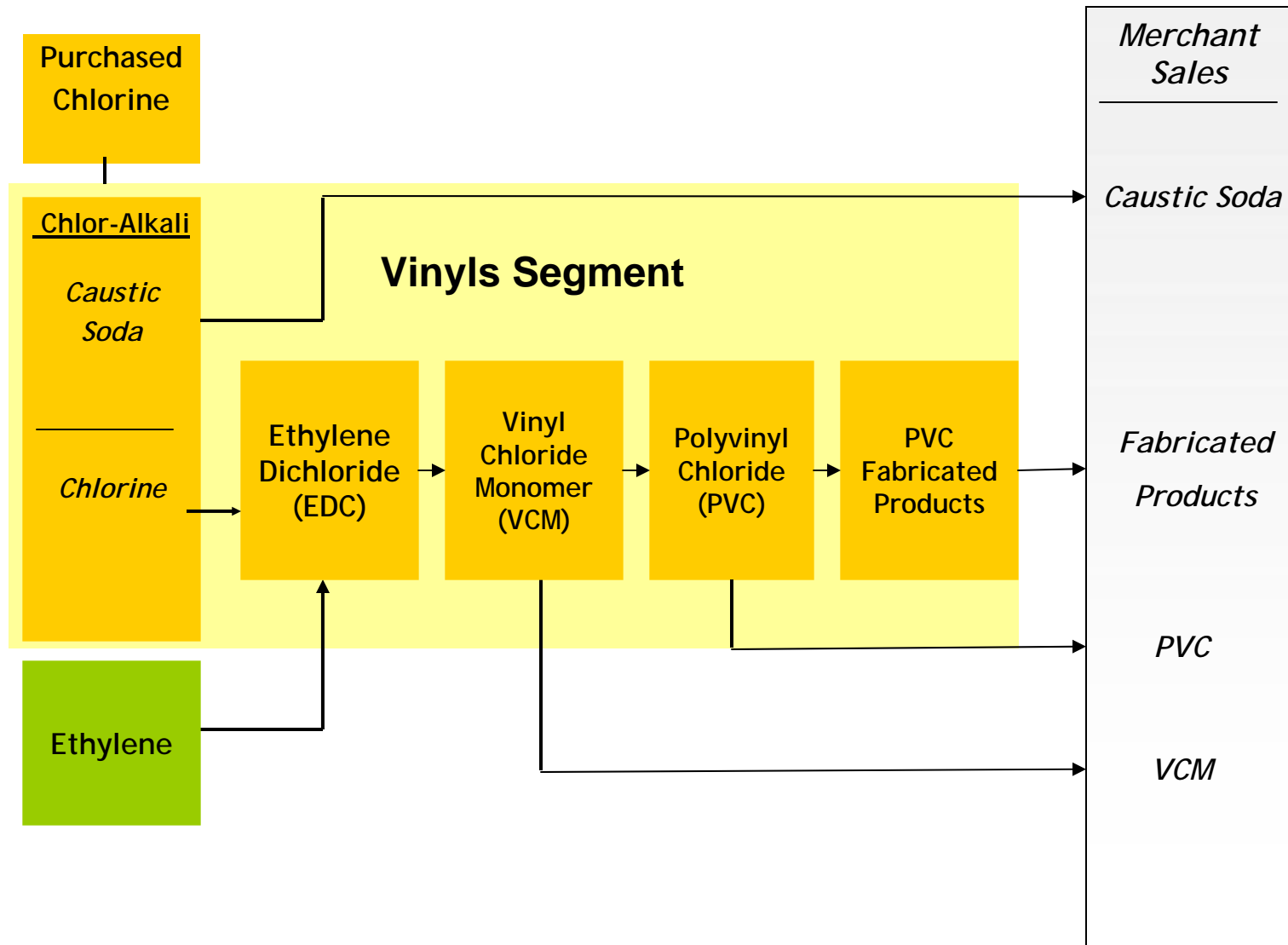


- **Raw material diversification and energy conservation**
 - ◆ Feed-Flex improves cycle average margins and reduces earnings volatility
 - ◆ Capital investments in multiple energy saving projects and ethylene capacity debottlenecks
- **Product mix, ethylene integration**
 - ◆ Greater mix of LDPE which exhibits higher margins versus other grades of PE
 - ◆ Longview acquisition is accretive, adds PE capacity, brings specialty acrylate copolymers and Epolene[®] polymers, and improves ethylene integration
- **Improved ethylene balance**
 - ◆ Maintain high operating rates during trough periods



Competitive Advantage: Vinyls

Further Improving Our Integration

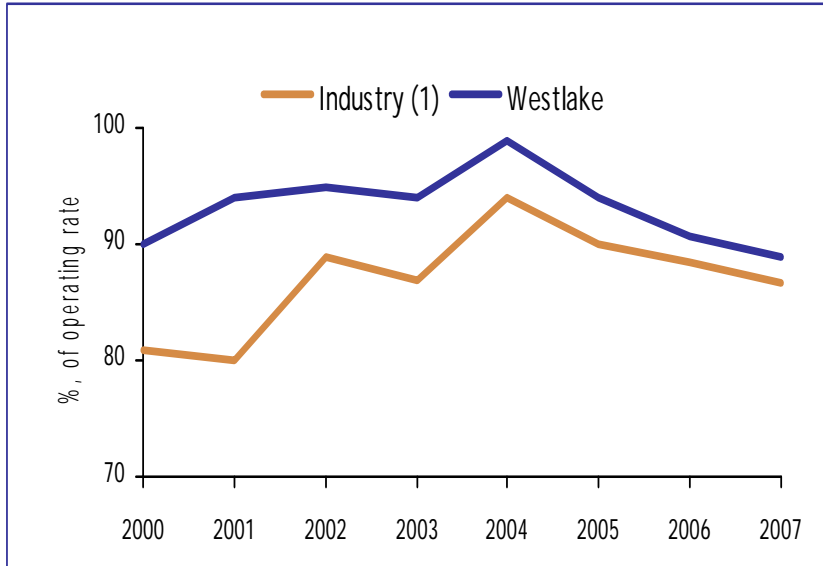




Competitive Advantage: Vinyls Higher Operating Rates

20
YEARS
1986 - 2006

Vinyls Operating Rates



Westlake Advantage over Peers

Operating Rate Advantage vs. Peers

8-year, avg.
(2000 - 2007)

4.9%

Trough Years, avg.
(2001- 2003)

9.0%

Source: CMAI and Westlake

- Higher WLK operating rates, particularly in trough years
- Operating culture, execution, integration

⁽¹⁾ Industry Vinyls operating rates estimated for 2007



Competitive Advantage: Vinyls

Strong Down-Stream PVC Integration

20
YEARS
1986 - 2006

■ PVC Pipe

- ◆ #1 or #2 in areas served
- ◆ 800 mm lbs of annual capacity
- ◆ Westlake focuses on large diameter pipe which has strong growth rates
- ◆ Westlake capacity is 20% residential
- ◆ PVC pipe is protected from imports due to transportation barriers

PVC Pipe



■ Fence, Deck and Railing

- ◆ # 2 producer in North America
- ◆ 75mm lbs. of annual capacity
- ◆ Projected industry growth of 10.3% through 2010⁽¹⁾

Residential and Ranch Fence



■ Doors and Window Profiles

- ◆ 30mm lbs. of annual capacity
- ◆ Projected industry growth of 6.5% through 2010⁽²⁾

Windows



Source: The Freedonia Group, Inc.

⁽¹⁾ US Plastic & Composite Fence Demand, Industry Study - Fence, November, 2006

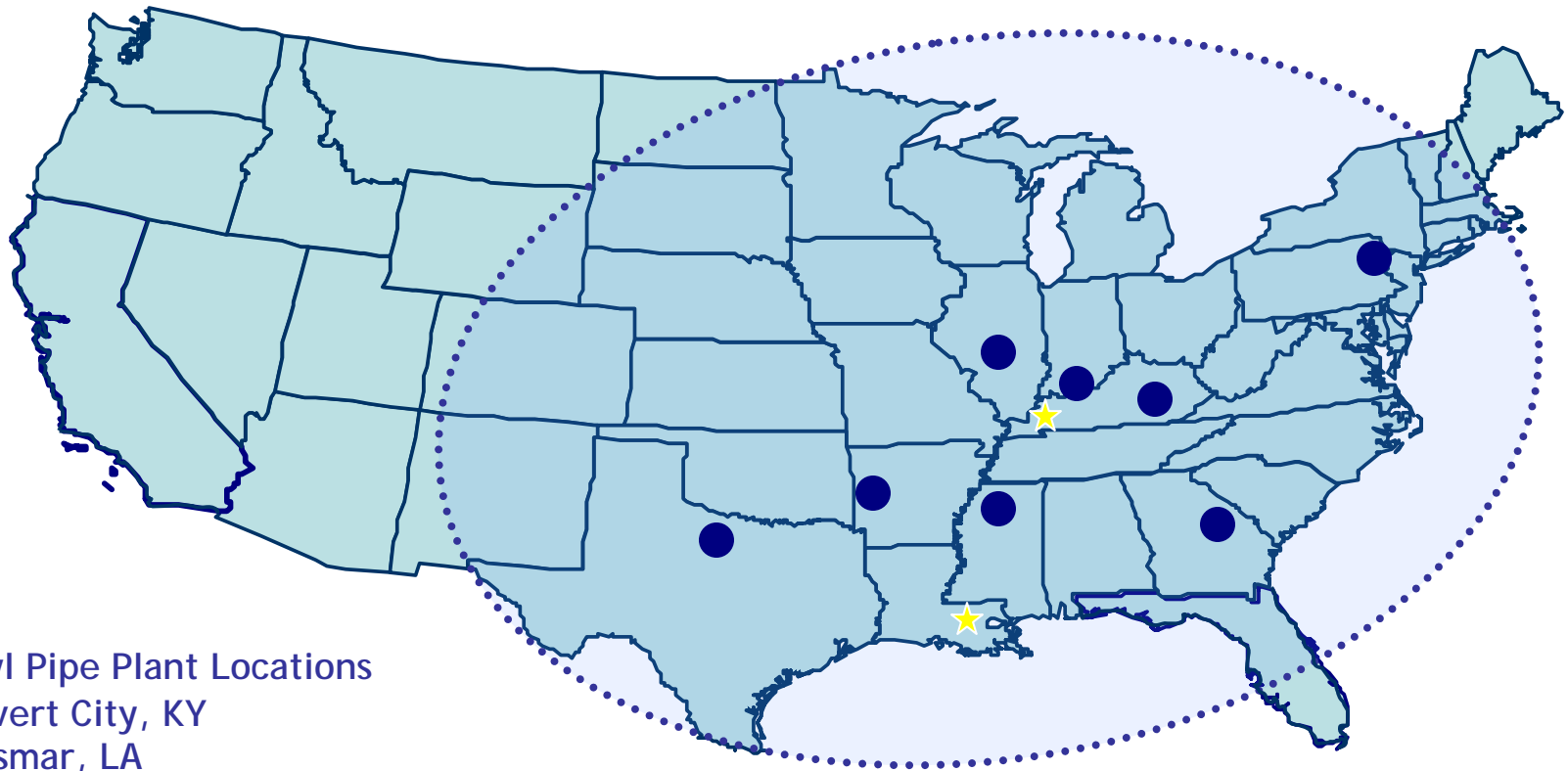
⁽²⁾ US Plastic Window & Door Demand, Industry Study - Windows & Doors, January, 2007



North American Pipe Corporation

Locations

(> 80% of PVC fabricated products volume)



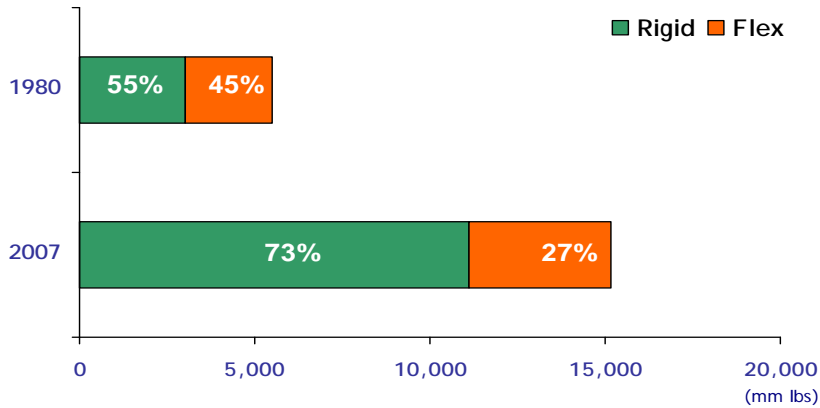


Competitive Advantage: Vinyls

Favorable Demand Drivers

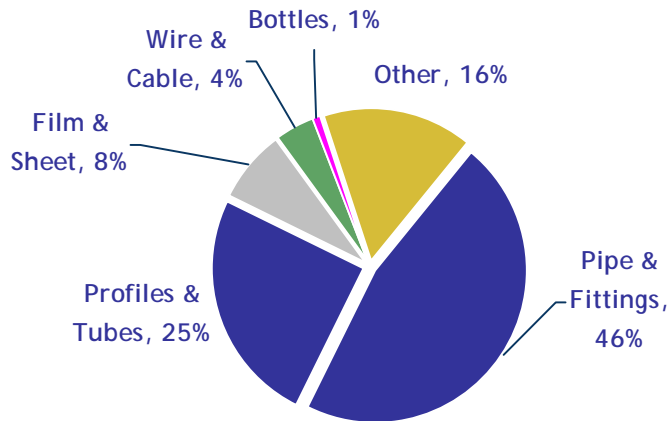
20 YEARS
1986 - 2006

North American PVC Demand (mm lbs)



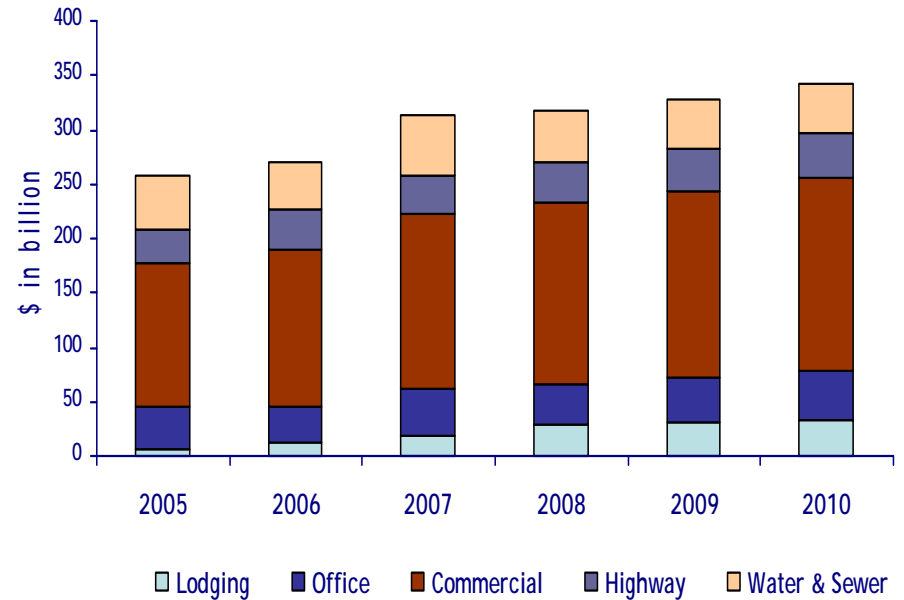
Source: CMAI 2007 World Vinyls Analysis

2007 PVC Demand by End Consumption⁽¹⁾



⁽¹⁾ Excludes consumption related to exports

Non-residential construction spending



Source: Reed Construction Data



Competitive Advantage: Vinyls

China Footprint

20
YEARS

1986 - 2006



- Established 1992, J.V. with Westlake and Norsk Hydro. Westlake has approximately a 60% share in the Joint Venture
- Located in Suzhou, Jiangsu Province, China - Operations include:
 - ◆ 140 KTA PVC resin plant
 - ◆ 60 KTA Calendering facility
- Suzhou Huasu Plastics Company markets PVC resin and film products to both domestic and export markets



- **High degree of vertical integration**
 - ◆ Chlor-Alkali options (under evaluation) will provide integration and earnings power to the Vinyls segment
 - ◆ Integration across the chain translates into higher operating rates
 - ◆ Forward integration into fabricated products

- **Focus on large diameter PVC pipe: higher growth rate, less exposure to housing**

- **Opportunities for debottlenecks**



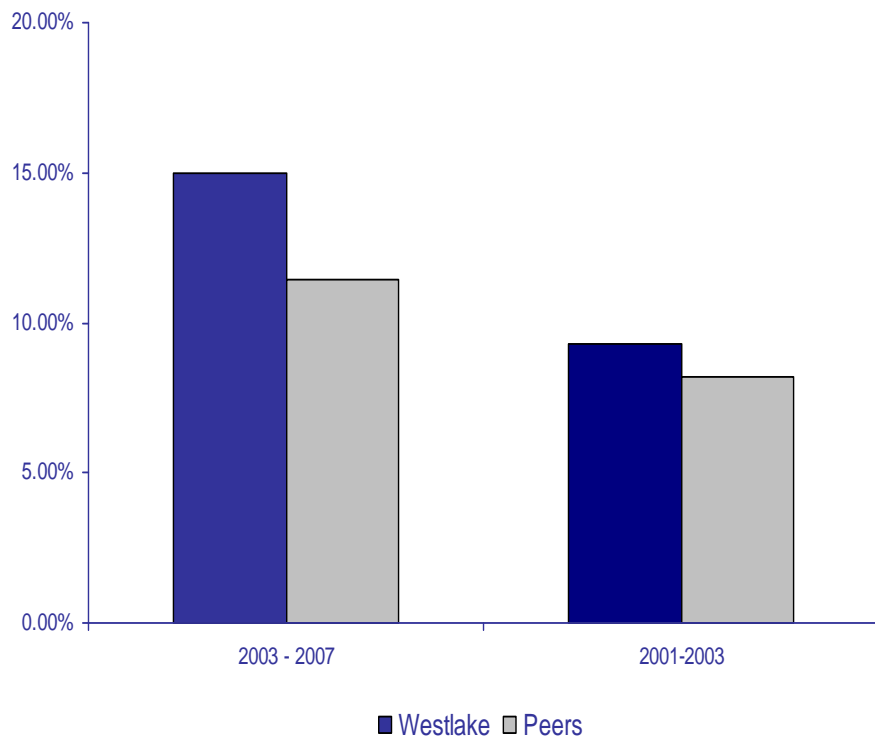
Financial Overview



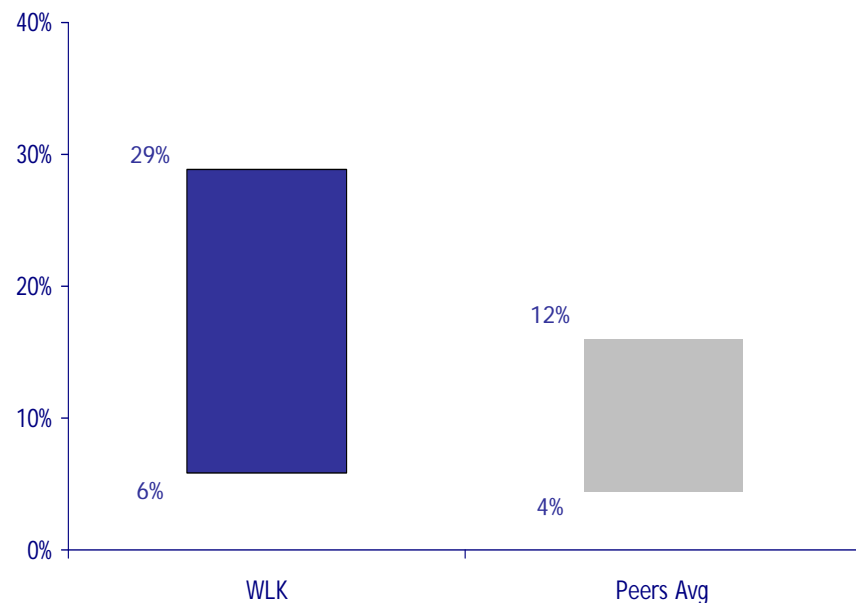
Superior Performance versus Peers

20
YEARS
1986 - 2006 006

Adjusted EBITDA Margin ⁽¹⁾



Return on Capital Employed (ROCE) ⁽²⁾ Range from FY 2003 to FY 2007



(1) Adjusted EBITDA is EBITDA adjusted for restructuring charges and outages (WLK)

(2) Return on capital employed (ROCE) is defined as operating income (adjusted for restructuring charges) divided by average capital employed.

Peers include: DOW, GGC, NCX



Superior Balance Sheet

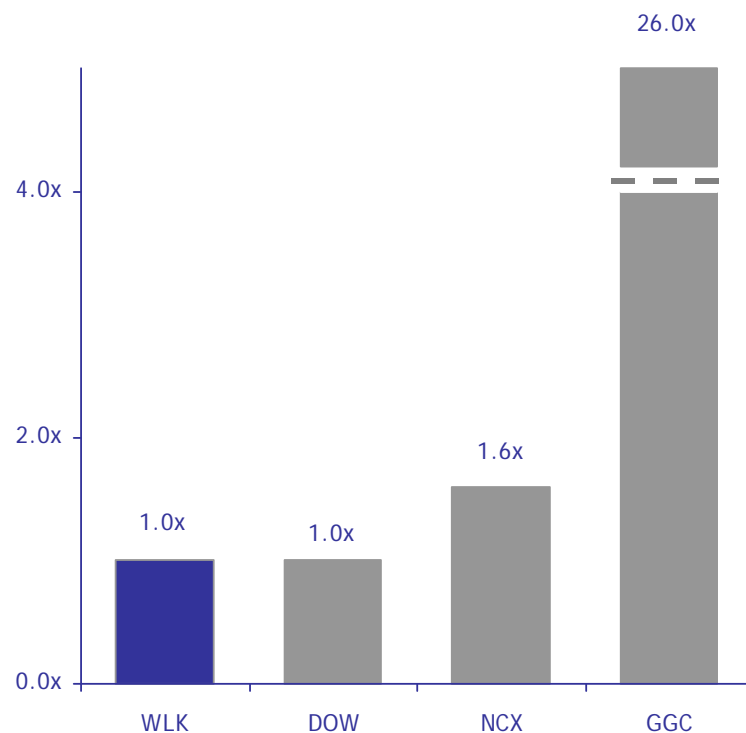


Actual Capitalization (\$ millions)

December 31, 2007

Long-term debt, incl. current portion	
6.625% senior notes due 2016	249.3
6.75% senior notes due 2032	250.0
Other debt	12.1
Total Debt	<u>511.4</u>
Less: Cash and restricted cash	224.4
Total Net Debt	287.0
Stockholders' equity	<u>1,286.7</u>
Total capitalization	<u>1,798.1</u>

Net Debt / EBITDA - FY 2007



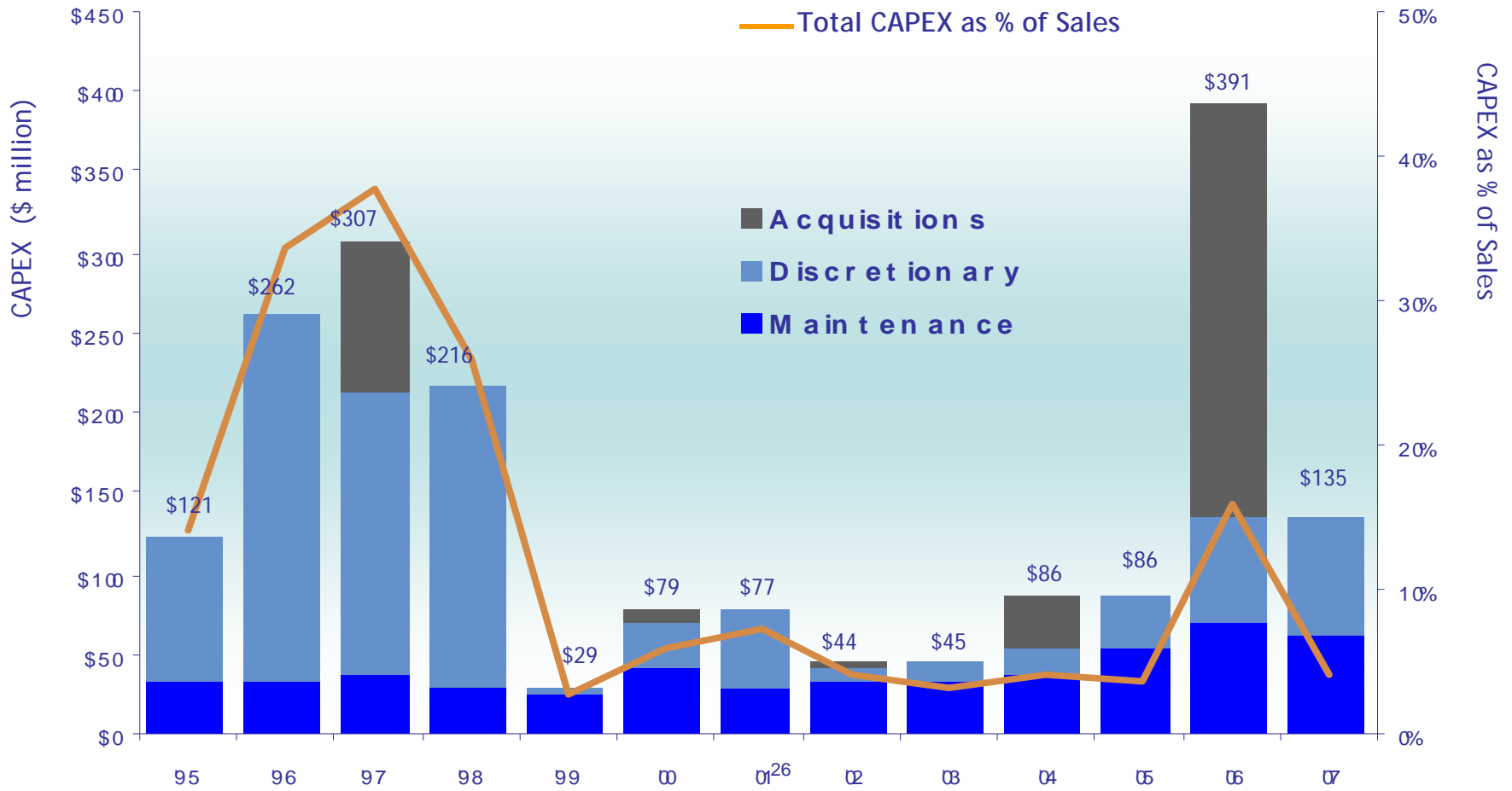
Debt to Capitalization	28%
Net Debt To Capitalization	16%



Disciplined Investment History

20
YEARS
1986 - 2006

<u>'98~'07 Average</u>	<u>% of Sales</u>	<u>% of Depreciation</u>
Maintenance	2.7%	50.8%
Discretionary	<u>5.6%</u>	<u>103.0%</u>
Subtotal	8.3%	153.8%



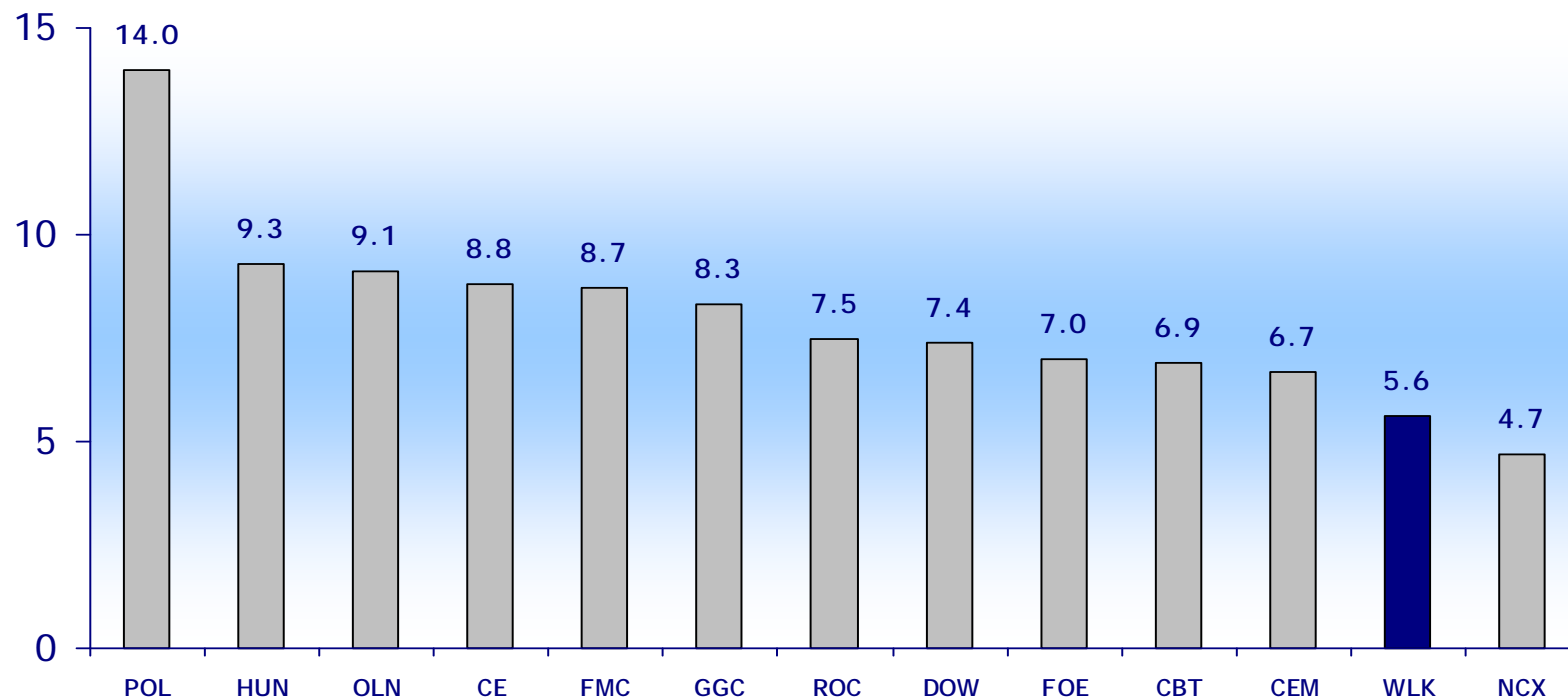


- **Volume growth and improved integration**
 - ◆ Chlor-Alkali: Expansion (80,000 tons) in 2002
 - ◆ Acquired Geismar facility (600 mm lbs, PVC and 600 mm lbs VCM) in 2002
 - ◆ Acquired Bristolpipe (300 mm lbs, PVC) in 2004
 - ◆ Acquired Eastman PE business (1.1 billion lbs, PE) in 2006
 - ◆ Petro 2 feedstock flexibility project (100 mm lbs, ethylene)
 - ◆ Chlor-Alkali, PVC resin and large diameter PVC pipe expansion - 2008/2009

- **Energy reduction, asset enhancement**
 - ◆ Petro 1 energy cost reduction and yield improvement
 - ◆ Petro 2 feedstock flexibility project
 - ◆ Chlor-Alkali conversion from mercury to membrane technology



Westlake is trading among the lowest enterprise multiples compared to peers





- **Focused best-in-class plastics producer**
 - ◆ Out-performing peers
 - ◆ Strengthen operating base

- **Multiple sources of competitive advantages**
 - ◆ Integration and location of assets
 - ◆ Operating philosophy with matching track record

- **Westlake specific initiatives: an ongoing feature**
 - ◆ Acquisitions, debottlenecks, advantaged “greenfield” plants
 - ◆ Track record of investing prudently
 - ◆ Strong financial discipline

- **Management team committed to creating value and financial flexibility to fund our growth strategy**



Appendix



Reconciliation of EBITDA to Net Income (Loss) and to Cash Flow from Operating Activities - (in \$ Thousands)

	2003	2004	2005	2006	2007
Adjusted EBITDA	160,728	326,878	450,932	411,183	280,893
Debt Retirement Cost	(11,343)	(15,791)	(646)	(25,853)	-
EBITDA	149,385	311,087	450,286	385,330	280,893
Less:					
Income Tax (provision) benefit	(8,747)	(69,940)	(118,511)	(87,990)	(44,228)
Interest expense	(38,589)	(39,350)	(23,717)	(16,519)	(18,422)
Depreciation & Amortization	(87,293)	(81,075)	(81,241)	(86,262)	(103,514)
Net Income	14,756	120,722	226,817	194,559	114,729
Changes in operating assets and liabilities	56,219	(35,129)	45,885	28,773	(57,849)
Deferred income taxes	7,112	65,188	45,745	13,852	5,286
Cash flow from operating activities	78,087	150,781	318,447	237,184	62,166