

LOMBARD ODIER
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Press Kit

**IMD-LOMBARD ODIER
GLOBAL FAMILY BUSINESS AWARD**

Excellence in Family Business

Press Release

IMD and Lombard Odier recognize family business Firmenich for its creativity and entrepreneurial spirit

Geneva, October 31, 2011 – Firmenich, the Swiss creator of fragrances and flavors, was awarded the 16th annual IMD-Lombard Odier Global Family Business Award at the 22nd Summit of the Family Business Network International (FBN-I) in Singapore.

Awarded by IMD, one of the world's leading international business schools, and by Lombard Odier Darier Hentsch & Cie, one of the main firms of private bankers in Europe, this prize is regarded by many as the most prestigious distinction for successful family companies. It recognizes the way in which such companies unite family interests with those of the business and combine tradition and innovation while demonstrating a clear commitment to their local community. The award also serves as a platform for family businesses to exchange best practices and analyze the economic backdrop. For 16 years this award has distinguished prestigious family businesses from the most varied sectors, including LEGO, S.C. Johnson, Hermès, Barilla, Yazaki Corporation, the Merck Group and Odebrecht.

The sweet smell of success surrounds this year's award-winning family business, Firmenich, the largest privately-owned company in the fragrance and flavor industry, in acknowledgement of their impressive track record of growth and leadership over 115 years. The essence of its success is founded upon strong values and has been achieved through four generations of exceptional family leadership and the visionary determination to implement business strategies that embrace client-focused innovation and sustainability. The family's unwavering focus for superior governance structures and processes has allowed it to adapt in times of rapid global change.

The Firmenich Group particularly impressed the Jury of the IMD-Lombard Odier Global Family Business Award with the following characteristics:

- continuous family ownership and leadership over 115 years and four generations – with an exceptional ability to turn challenges into entrepreneurial opportunities through their undisputed scientific and creative expertise in taste and smell;
- a capacity to successfully adapt during times of great global and economic change and to transmit their deeply rooted family values, the “Firmenich Fundamentals”, to assure long-term growth and leadership internationally;
- a belief in a sustainable business model integrated throughout their operations, ensuring a sense of individual and collective responsibility that drives long-term success; and

- an ongoing governance dialogue within the family, constantly challenging their assumptions to adapt to changing environments in pursuit of the most efficient balance between family and business forces.

Mr. Thierry Lombard, Managing Partner of Lombard Odier Darier Hentsch & Cie, a seventh generation family firm of private bankers, comments: “Firmenich is an extraordinary example of a family business committed to long-term leadership. Built upon a strong foundation of industry-leading investments in R&D and fundamentals, they continuously embrace the future by anticipating the needs of their clients and capturing breakthrough ideas from around the world. They are unique among their competitors in their vision and values, a passionate formula which combines humility, creativity and an unyielding commitment to financial independence.”

IMD President Dominique Turpin stated: “As a world pioneer in management education for family businesses, IMD founded this award back in 1996 and warmly congratulates Firmenich on its well-deserved success this year. I am particularly impressed with Firmenich’s unyielding passion for innovation and its willingness to invest in the best talent. Both are crucial differentiators in today’s increasingly competitive global marketplace. The Firmenich story is an inspiring example of how a relentless focus on quality can deliver a sustained competitive advantage for a family business.”

Family businesses are the oldest and most widespread business model throughout the world. A major source of revenue, jobs, and tax contributions, they are key players in the economic system and often serve as models for long-term growth, profitability, stability, and survival through periods of crisis.

The award trophy, which is fashioned out of crystal, bears the shape of a tree – a symbol of family businesses. It was generously donated by the Scheufele family from Chopard and was crafted in that firm’s workshops in Geneva – a further example of a successful family business in the global arena.

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About the winner

The Firmenich Group

Firmenich is the world's largest privately-owned company in the fragrance and flavor industry and in its 4th generation of family-owned leadership. Founded in Geneva, Switzerland, in 1895, Firmenich creates unique sensorial experiences in fragrances and flavors for the world's most desirable brands, inspiring emotions and fulfilling desires through the products people enjoy around the world, everyday.

Its passion for smell and taste is at the heart of its success. It is renowned for its creativity and innovation, as well as its exceptional understanding of consumer trends. Each year, it invests around 10% of its turnover in R&D, reflecting its continuous desire to understand, share and sublimate the best that nature has to offer. Firmenich had an annual turnover of 2.78 billion Swiss francs at end June 2011. More information about Firmenich is available at www.firmenich.com.

115 years of family business history

At the end of the 19th century, young chemist Philippe Chuit set up a small laboratory in Geneva in order to explore his passion and develop and synthesize chemicals for the growing perfume industry. His partner in business was Martin Naef, who provided the seed capital for launching the business in 1895. Chuit and Naef rented a small garage from Charles Firmenich and began producing their first product, vanillin, using a new synthesis technique developed by Chuit. In 1898, the company, which had already grown to 20 employees, reincorporated as a limited partnership, Chuit, Naef & Cie. During that time, the daughter of Charles Firmenich, Thérèse, met and later married Philippe Chuit and her older brother, Frédéric Firmenich, joined the company as a salesman in 1900. Fred Firmenich (first generation, 1874–1953) soon took over the group's sales and distribution operations, while Chuit remained the guiding force behind the company's growing list of products. In order to concentrate on his passion for research, Chuit sold his shares in the company to Fred Firmenich in 1910, and as the majority new partner in the business, Fred took over as the group's leader. Chuit continued to remain active in the company's research and development (R&D) for another two decades. In 1917 Fred's brother Hugo (first generation, 1880–1975) joined the company and later became his partner. In 1933, the company came under the complete control of the Firmenich family, taking on the name Firmenich & Cie, which was later changed to Firmenich SA. Today, thanks to their long-term vision, an excellent business performance has earned them global market leadership and a global presence in 64 countries. Everyday about 2 billion people worldwide use a product fragranced or flavored by Firmenich, enjoying the unique sensorial experience it offers them. An ice cream in the United States, a perfume in France, a soap in China, a beverage in Mexico, a shampoo in India and a medicine in Nigeria are just a few examples of the life enriching moments that the Group's expertise in smell and taste provide.

About the Award

IMD-Lombard Odier Global Family Business Award

The IMD-Lombard Odier Global Family Business Award was created in 1996. The aim of the award, which provides a unique platform for sharing best practices and analyzing the economic backdrop, is to promote family businesses by highlighting the exceptionally high standards they are capable of and the many forms they may take.

Former winners

1996	LEGO Group, Denmark	2004	Barilla Group, Italy
1997	Hermès S.A., France	2005	Votorantim Group, Brazil
1998	Corporación Puig, Spain	2006	Lluís Carulla Foundation, Spain
1999	Henkel Group, Germany		Ivey Foundation, Canada
2000	Zegna Group, Italy		Lopez Foundation, Philippines
2001	Murugappa Group, India	2007	Yazaki Corporation, Japan
2002	Samuel C. Johnson Family Enterprises, United States	2008	Roca Corporación Empresarial, Spain
2003	Bonnier Group, Sweden	2009	Merck Group, Germany
		2010	Odebrecht Organization, Brazil

About the Award Jury

Voting members

Mr. Thomas G. Bata, Bata Brands, Luxembourg

Mr. Hans-Jacob Bonnier, Bonnier Group, Sweden

Mr. Andrew D. Keyt, Loyola University Family Business Center, United States

Mr. Subbiah Murugappa, Murugappa Group, India

Mr. Mariano Puig, Corporación Puig, Spain

Mr. Alexander Scott, Sand Aire Ltd., United Kingdom

Non-voting members

Prof. Dominique Turpin, IMD President

Prof. Benoît Leleux, IMD

Mr. Thierry Lombard, Managing Partner, Lombard Odier Darier Hentsch & Cie

Criteria of excellence

In selecting the award winner, a panel of independent jury experts examines different aspects of the family business. Careful consideration is given to the personalities and values of the people who run the business, the way in which they unite their family and business interests and combine tradition and innovation while demonstrating a clear commitment to their local communities. The award is based on excellence in the following areas:

Family values

- Adherence to shared vision across generations.
- Active collaboration across generations.
- Faithfulness to values and the transfer of heritage.
- Reinforcement of core family and business values.
- Loyalty to employees, shareholders, clients, suppliers, and the community.
- Company owned and managed by the family for at least three generations.

Business values

- Excellence in performance standards.
- Dominance of family values.
- Growing and profitable company.
- International presence.
- Clarity of the communication strategy.
- Personal, hands-on involvement of the family.
- Minimum annual revenues of USD 500 million.

Succession

- Excellence in governance – selection, development, independence, consolidation of family relations.
- Expertise passed on within the family.
- Ability to adapt over time and through the generations.
- Preparation, engagement, education of the next generation.

About the Award partners

Lombard Odier

Lombard Odier Darier Hentsch & Cie has been a family business of private bankers since 1796. As such, its values of responsibility, continuity, loyalty, and independence underpin the quality of the services it provides to its private and institutional clients. The Firm has over 1,900 employees and is active in the world's leading financial centers, with a network of more than 20 offices all over the globe.

The Group is reputed for its vast experience in international asset management and has become a major player in the alternative investment field. It offers its private and institutional clients a wide range of advisory services in the areas of wealth management, financial products, and specialized services.

Lombard Odier Darier Hentsch & Cie is headed by seven Managing Partners, who represent up to the seventh generation of bankers running the Firm. Given their dual function as both owners and managers, they are equally involved in the Group's strategic management and in serving its clients. As a key ally of family businesses worldwide the Firm has long supported research in the field of family enterprises. Mr. Thierry Lombard is also the Chairman of the Family Business Network International, which counts more than 4,000 family business leaders in over 50 countries.

IMD

IMD is a world pioneer in executive education. More than a business school, we collaborate with individuals, teams and organizations to resolve real business issues, build capabilities and prepare for the future. We do so through a unique Real World, Real Learning approach, which stems from our ongoing partnerships with leading international companies. Delivered from our campus on the shores of Lake Geneva in Switzerland and key locations worldwide, our top-ranking programs and services combine practical experience, thought leadership and a global mindset. Come join our open and inspiring learning environment to challenge your perspectives, expand your horizons – and unlock your full potential. (www.imd.org).

The IMD Global Family Business Center's flagship program Leading the Family Business (LFB) has featured on the list of open programs since 1988. LFB is the longest-running family business program in the world. Members of business-owning families, their spouses, and the next generation from more than 800 family businesses throughout the world have taken part in LFB in Lausanne, a city that is considered the world capital of management education for family businesses.

Chopard

Renowned in the luxury goods industry for its watch and jewelry collections as well as its Haute Joaillerie and Haute Horlogerie creations, Chopard & Cie is a family business in the true sense of the term. Founded in 1860, the company celebrated its 150th anniversary last year. Mr. Karl Scheufele is the Chairman of the group, while his children, Mr. Karl-Friedrich Scheufele and Mrs. Caroline Scheufele, serve as CEO's and Co-Presidents.

One of the rare family-run businesses operating in this sector, Chopard currently employs a total of 1,900 people worldwide spread across three production sites, along with 13 distribution subsidiaries and 130 boutiques around the globe,

from New York to Hong Kong. In Chopard's vertically integrated manufacturing structure, all production phases take place in-house in order to maintain quality control over the entire process and to ensure independence, in the true respect of its values of tradition, innovation, and creativity. Each of the 45 professions at the group plays a critical role at a specific stage of production. Given the wealth of know-how within the company, Chopard is naturally concerned with the lasting survival of these artistic professions. Chopard therefore runs its own training center to ensure that today's apprentices will become the artisans who will perpetuate the traditions of tomorrow.

About Family Businesses

Family businesses are the oldest and most widespread business model throughout the world. A major source of revenue, employment and tax contributions, they form the backbone of our economic system.

With their long-term perspective and stakeholder orientation, family-owned businesses represent capitalism with a human face – combining social responsibility with a commitment to economic success. Particularly in hard times they benefit from their competitive advantages. Recent studies show that excellent family-owned companies around the globe outperform public companies in terms of long-term growth, profitability, and stability.