



PRESS KIT

IMD – Lombard Odier Global Family Business Award

Excellence in Family Business

PRESS RELEASE

IMD and Lombard Odier Distinguish Family Business Merck for Pioneering Spirit

AMSTERDAM – October 3, 2009 – The German pharmaceutical and chemical company Merck Group received today the 14th annual IMD - Lombard Odier Global Family Business Award on the occasion of the 20th Summit of the Family Business Network International (FBN-I) in Amsterdam.

Created in 1996, this Award is seen by many as the leading worldwide distinction that recognizes top performing family businesses that successfully blend family and business interests and make a contribution to the community. The experts attributing the Award examine the financial, strategic and ethical aspects of the company with a careful consideration of the people and the values behind the business.

Thierry Lombard, Managing Partner of Lombard Odier Darier Hentsch & Cie, a seventh generation family firm of private bankers, comments: *“With this Award, we wish to highlight the important economic contribution of family businesses to the global economy, recognize outstanding companies which will provide best practices and inspiration to their peers, and promote family business by turning the spotlight on the exceptional high standards they are capable of.”*

The Merck Group impressed the Jury of the IMD - Lombard Odier Global Family Business Award with four main factors:

- the duration of its family’s ownership – 341 years and 12 generations – and the ability to successfully overcome virtually all potential threats by using the opportunities of change;
- its courage and pioneering spirit translated into successful innovation management;
- its strong family values and focus on the younger generation with bonding activities to establish an owner identity as well as education processes to become responsible shareholders;
- and the separation of the spheres of influence and governance between operating responsibility outside the family and supervisory bodies which are family-controlled.

About the winner, IMD President John Wells stated: *“Merck, the world’s oldest pharmaceutical and chemical enterprise, is an extraordinary example of long-term leadership which has adapted to geopolitical changes and a competitive global environment over 341 years and 12 generations. Their harmonious balance of family values, exemplary governance and business performance drives their long-term success.”*

“Business comes first – the Merck family members, totalling today 217 members representing the 10th, 11th and 12th generations, see their role as that of trustee with a clear objective to pass the Group to the next generation enriched and enlarged,” said Chairman of the Family Board Jon Baumhauer, part of the 11th generation himself.

The Award Trophy is crafted in crystal in the form of a tree – the family business symbol. It is generously donated by the Scheufele family from Chopard, another globally successful family enterprise, and was manufactured in the Chopard workshops.

Contacts

If you would like more information, please visit:

www.merck.de, www.lombardodier.com,
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ABOUT THE WINNER

The Merck Group

Merck is a global pharmaceutical and chemical company with approximately 33,000 employees in 60 countries and total revenues of € 7.6 billion (2008). The Pharmaceuticals business sector comprises innovative prescription drugs as well as over-the-counter products. The Chemicals business sector offers specialty products for the electronics, printing, coatings, cosmetics, pharmaceutical and biotech industries.

The operational business is managed under the umbrella of Merck KGaA headquartered in Darmstadt (Germany). Around 30% of the company's total capital is publicly traded, while the Merck family owns an interest of about 70% via the general partner E. Merck KG.

Merck is the world's oldest pharmaceutical and chemical company; its roots date back to 1668. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

ABOUT THE AWARD

The 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 turning the spotlight on the exceptionally high standards they are capable of and the many forms they may take.

Former winners

1996	The Lego Group, Denmark	2003	The Bonnier Group, Sweden
1997	Hermès SA, France	2004	The Barilla Group, Italy
1998	Corporación Puig, Spain	2005	The Votorantim Group, Brazil
1999	The Henkel Group, Germany	2006	The Fundacio Lluís Carulla, Spain
2000	The Zegna Group, Italy		The Ivey Foundation, Canada
2001	The Murugappa Group, India		The Lopez Group Foundation, the Philippine Islands
2002	The Samuel C. Johnson Family Enterprises, USA	2007	Yazaki Corporation, Japan
		2008	Roca Corporación Empresarial, Spain



ABOUT THE AWARD JURY

Voting members:

Thomas G. Bata, Bata Brands, Luxembourg
Hans-Jacob Bonnier, Bonnier Group, Sweden
Andrew D. Keyt, Loyola University Family Business Center, USA
Subbiah Murugappa, Murugappa Group, India
Mariano Puig, Corporación Puig, Spain
Alexander Scott, Sand Aire Ltd, United Kingdom

Non-voting members:

Prof. John Wells, IMD President
Prof. Benoît Leleux, IMD
Thierry Lombard, Managing Partner, Lombard Odier Darier Hentsch & Cie
Sylvain Massot, Head of Equity Research, Lombard Odier Darier Hentsch & Cie

AWARD CRITERIA OF EXCELLENCE

1. Family values

Adherence to mission across generations

Active collaboration across generations

True to background/values/heritage

Faithful/reinforcing of core family values/business values strengthening the soul of the company

Loyalty to employees, to shareholders, to clients, suppliers and the community

Must have reached at least third generation of family ownership and management

2. Business values

Excellence in performance standards

Family values driven

Growing and profitable company

Global in business scope

Clarity of the communication strategy => corporate sponsorship (marketing), corporate reputation (identity/branding)

Personal, hands-on, engagement of much of the family

Minimum annual revenues of 500 billion dollars.

3. Transmission

Excellence in governance – selection, development, independence, unifying the family

Sharing learning within the family

Strategically adaptive over time and generations

Preparation, engagement, education of next generation => succession



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. With CHF 134 billion of assets under management and around 2,000 employees, the Group is active in the world's principal financial centers and has a network of 23 offices in 17 countries.

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 eight Managing Partners, who now represent up to the seventh generation of bankers running the Firm. As they are both owners and managers, they are equally involved in the Group's strategic management and its client services. The Firm's identity is determined by values stemming from the concept of the family, and as a key ally of family businesses worldwide, it has long supported research in the field of family enterprise.

IMD

For over 60 years IMD has worked with leading global companies to develop and retain management talent. IMD is the "global meeting place", the most international of business schools worldwide. IMD offers learning based on innovative and highly relevant research. Learning that can be applied to business challenges – immediately. This is IMD's "Real World. Real Learning" approach.

IMD Rankings: IMD is ranked first in executive education outside the United States and second worldwide (*Financial Times*, 2009). IMD's MBA is ranked number one worldwide (*The Economist*, 2008).

IMD has exceptional international experience in the field of management education for family businesses. The IMD 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 750 family businesses throughout the world have taken part in LFB. Lausanne is considered the world capital of management education for family businesses and is also home to the head office of the Family Business Network (FBN).

Chopard

Known 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. Mr. Karl Scheufele is the Chairman of the group while his children Karl-Friedrich Scheufele and Caroline Gruosi-Scheufele serve as CEO's and Co-Presidents.

One of the only family companies operating in its industry, Chopard currently employs a total of 1,750 people worldwide spread across five production sites, along with 12 distribution subsidiaries and 120 boutiques worldwide, from New York

to Hong Kong. In Chopard's vertically integrated manufacture, all production phases take place in-house, in order to maintain total quality control over the entire process and to ensure independence, in the true respect of its values of tradition, innovation and creativity. As a result, its workforce includes 45 professions, all playing their important role at a specific stage of production. Given the wealth of know-how within Chopard, the company is naturally concerned with and involved in the 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 common type of business worldwide. Creating a major share of turnover, employment and tax payments 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 determination for economic success. Particularly in hard times they play off 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.