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News Release

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Merck KGaA, Darmstadt, Germany, Strengthens Commitment to Chinese Growth Market

- **Commitment to future investments reiterated**
- **New Liquid Crystals Center China delivers first LCs to customers**
- **Groundbreaking for pharmaceutical plant in Nantong to be held in August**
- **Acquisition of AZ Electronic Materials increases Chinese workforce**

Darmstadt, Germany / Shanghai, China, July 23, 2014 – Merck KGaA, Darmstadt, Germany, a leading company for high-tech products in the pharmaceutical and chemical sectors, today reiterated its commitment to investments in the Chinese market, strengthening a major pillar of its emerging markets growth strategy.

The Executive Board of Merck KGaA, Darmstadt, Germany, this week met in Shanghai, a month before the groundbreaking of its new pharmaceutical plant in Nantong, which from 2017 will be the Group's second-largest pharmaceutical manufacturing facility globally. Merck KGaA, Darmstadt, Germany, currently employs more than 2,000 people at over 40 sites in China, with the most important products including Erbitux to treat cancer, Gonal-f to treat infertility as well as life science tools and liquid crystals (LC) for flat panel displays. In total, Merck KGaA, Darmstadt, Germany, has committed more than € 100 million to investments in China over that past three years.

“China is of strategic importance to us,” said Karl-Ludwig Kley, Chairman of the Executive Board of Merck KGaA, Darmstadt, Germany. “Together with government officials, customers, partners and our highly motivated local colleagues, we will explore ways to

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further address critical health care needs of the Chinese population – both with our high-quality drugs and our life science tools for biopharmaceutical R&D. We're also meeting with customers in the display industry to continue our constant dialogue about innovative solutions to meet the needs of the ever-changing high-tech market.”

Merck KGaA, Darmstadt, Germany, has a strong presence in the fast-growing emerging markets: Sales in the region, which includes China, grew by 9% to around € 3.8 billion last year, contributing 36% to Group total sales of € 10.7 billion in 2013.

At a press conference in Shanghai today, Kley said the Group's newly built Liquid Crystals Center China, based in the Jinqiao Industrial Park in Shanghai, started delivering its first products to Chinese customers in the second quarter. Trial production at the center, which integrates a liquid crystal mixing plant, an LC lab and the China LC business hub, started in December 2013.

Adding another premium specialty chemicals business to the company's existing LC business and further expanding its presence in the Asian market, Merck KGaA, Darmstadt, Germany, earlier this year bought AZ Electronic Materials (AZ), a leading solutions provider of high-tech materials and functional specialty chemicals. AZ has a site in the Greater Shanghai region in Suzhou and employs nearly 100 people in China.

Next month, groundbreaking is planned for the company's new € 80 million (650 million Yuan) pharmaceutical manufacturing plant in the Nantong Economical Technological Development Area (NETDA), in the Greater Shanghai region (Yangtze River Delta area). Completion of the facility, which will focus on bulk production and packaging of Glucophage, Concor and Euthyrox, is scheduled for 2016, with commercial production starting in 2017. The brands of Merck KGaA, Darmstadt, Germany, for the treatment of diabetes, cardiovascular diseases and thyroid disorders are referenced in China's Essential Drug List (EDL), making Merck KGaA, Darmstadt, Germany, the first and only multinational company in China to dedicate a large scale green-field investment towards the production of drugs on the list comprising medicines that satisfy public healthcare needs and must be made available at all times.



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In addition to investments in drug production, Merck KGaA, Darmstadt, Germany, has also expanded its services for biopharmaceutical research and development customers. Recent investments by the the company's life science tools business include the Biopharmaceutical Technical and Training Centre in Zhangjiang Hi-Tech Park, Shanghai. This center provides support, training and validation services to biopharmaceuticals customers with operations in China. The facility enables customers to investigate, explore and optimize their upstream and downstream processes as well as environmental monitoring processes. In Beijing, where the company's biopharmaceutical divisions' Chinese headquarters are located, Merck KGaA, Darmstadt, Germany, also runs a research center focused on biomarker research, including pharmacogenomics and bioanalytics, which is part of the biopharmaceuticals division's stratified medicine approach.

In addition to these investments, Merck KGaA, Darmstadt, Germany, counts on an extensive network of collaborations with leading academic and medical institutions in China, as well as local companies. The latest collaboration agreement with a Chinese company, announced in November 2013, is a second co-development and commercialization agreement with BeiGene, which will further strengthen the companies' collaboration in oncology.

Note to editors

More information about "Merck KGaA, Darmstadt, Germany, and China" is available [here](#) including a booklet and pictures.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA of Darmstadt, Germany, is a leading company for innovative and top-quality high-tech products in the pharmaceutical and chemical sectors. Its subsidiaries in Canada and the United States operate under the umbrella brand EMD. Around 38,000 employees work in 66 countries to improve the quality of life for patients,



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to further the success of customers and to help meet global challenges. The company generated total revenues of € 11.1 billion in 2013 with its four divisions: Biopharmaceuticals, Consumer Health, Performance Materials and Life Science Tools. Merck KGaA of Darmstadt, Germany is the world's oldest pharmaceutical and chemical company – since 1668, the name has stood for innovation, business success and responsible entrepreneurship. Holding an approximately 70 percent interest, the founding family remains the majority owner of the company to this day.