



Your Contact

Gerhard Lerch Phone +49 6151 72-6328 Nicole Mommsen

Phone: +49 6151 72 62445

News Release

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Merck KGaA, Darmstadt, Germany, CEO Karl-Ludwig Kley and German Federal Economics Minister Sigmar Gabriel Commission Co-Generation Plant at the Darmstadt Site

- New energy station supports energy revolution in Germany
- Merck KGaA, Darmstadt, Germany, calls on politicians to provide planning certainty and good investment conditions

Darmstadt, Germany, July 28, 2014 – The Chairman of the Executive Board of Merck KGaA, Darmstadt, Germany, Karl-Ludwig Kley, and the German Federal Minister for Economic Affairs and Energy, Sigmar Gabriel, today commissioned a new co-generation plant at the company headquarters in Darmstadt. With its own energy stations, the company is securing the long-term generation of power, heating and cooling needed to manufacture its pharmaceutical and chemical high-tech products.

Merck KGaA, Darmstadt, Germany, is currently investing around € 27 million in the construction of two energy stations. Apart from the first station that was commissioned today and will supply energy to pharmaceutical production and research operations at the site, a further station is under construction that among others will meet the cooling requirements of the chemical plants and laboratories. Altogether, Merck KGaA, Darmstadt, Germany, is investing € 250 million in 2013 and 2014 in order to secure the future viability of the Darmstadt site within the scope of the "Fit for 2018" transformation and growth program.



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"With the construction of our energy stations, we are not only investing in the Darmstadt location, we are also supporting the energy revolution in Germany," said Kley at the commissioning of the new co-generation plant. At the same time, the Merck KGaA, Darmstadt, Germany, CEO called upon the government to ensure planning certainty and good conditions for future investments and asked to take into account the competitiveness of German companies when tackling reform projects. Here, the Federal Economics Ministry plays an important role since it has the cross-functional competencies needed to promote Germany's international competitiveness, Kley said.

The decentralized supply of energy at Merck KGaA, Darmstadt, Germany, is not only efficient and saves resources, it also helps reduce the burden on the German electricity grid. In this way the company is supporting the objectives of the German federal government with respect to combined heat and power generation and climate protection. The new energy stations will generate cooling, power, compressed air, and heat very efficiently and allow for a reduction in carbon dioxide emissions by around 2,500 metric tons per year at the site – corresponding to the annual CO₂ emissions of around 440 average four-person households. While the company's existing natural gas power plant already generates roughly 60 percent of the required electrical power itself, this proportion will increase to around 70 percent as of 2015. This example shows the importance of this month's clearance of the new German renewable energy act by the European Commission, according to which existing power plants that generate their own energy will continue to be exempt from certain levies until the end of 2016, Kley said.

With around 9,000 employees, Darmstadt is not only Group headquarters, but also serves as the headquarters for three of Merck KGaA, Darmstadt, Germany, four divisions and is the largest production and research site. Among others, medicines such as the beta-blocker Concor, the thyroid drug Euthyrox, and the antidiabetic agent Glucophage are manufactured in Darmstadt. In addition, Merck KGaA, Darmstadt, Germany, produces liquid crystal mixtures for products such as flat-screen televisions and mobile phone displays at the site and conducts research into new, innovative high-tech performance material solutions in order to meet continuously changing customer needs.

For more information on the energy station, please click <u>here</u>.





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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, 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.