

News Release

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September 13, 2016

Merck KGaA, Darmstadt, Germany, Strengthens Display Materials R&D in China

- **Inauguration of Display Materials R&D Laboratory in Shanghai**
- **Investment of about € 5 million to expand and upgrade local R&D capacity**
- **Key milestone to achieve the localization of the Display Materials business in China**

Shanghai, China, September 13, 2016 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today inaugurated its Display Materials Research and Development (R&D) Lab in Shanghai, China. Merck KGaA, Darmstadt, Germany, invested about € 5 million to expand and upgrade its local R&D capacity in display materials and strengthen its commitment to the display industry in China. The investment is in line with the company's strategy to provide local support to its customers in the display industry in China.

"We have now realized the plans we announced when we opened our Liquid Crystal Center China in 2013," says Walter Galinat, Member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Performance Materials. "We are glad to be part of Shanghai's technological initiative, dedicated to collaborating with local industry players to boosting strong demand in China for the years to come."

The Shanghai R&D Lab will focus its research on developing new and improved mixtures for LC displays manufactured in China, one of the most important markets in the display industry. Formerly the liquid crystal application laboratory which opened in 2011, it has now been upgraded and expanded. The new lab will

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enable the company's experienced R&D team in China to provide local customers with high-quality materials and better responsiveness so as to jointly address the dynamic growth of China's display industry. The lab also enables the state-of-the-art Liquid Crystal Center China to complete its full value chain from R&D to manufacturing, application support, and sales and marketing.

"A well-developed capacity for research and development is the key to the success of our localization," says Alasdair Jelfs, Managing Director of the Group's legal entities within the Life Science and Performance Materials businesses in China. "We are continuing our investment in upgrading and expanding our application lab to an R&D lab. This is enabling us to fully utilize our talented China R&D team, which we have been building for more than five years, in line with our strategy to position ourselves in China as a service-oriented and innovative player in the market."

As the long-standing market and technology and leader in liquid crystals, enabling the latest generation of smartphones and tablets with their brilliant touchscreens, Merck KGaA, Darmstadt, Germany, has declared it a part of its strategy to deploy its liquid crystals expertise in applications beyond displays. Recently, Merck KGaA, Darmstadt, Germany, announced plans to invest € 15 million in the construction of a production unit for liquid crystal window modules.

About Merck KGaA, Darmstadt, Germany, in China

Merck KGaA, Darmstadt, Germany, has been in China for over 80 years. In 1933, the company founded E. Merck Chemical Co., Ltd., its first subsidiary in Shanghai, China. China is a key growth engine for Merck KGaA, Darmstadt, Germany, and one of the most strategically important markets for the company worldwide. The country is fast becoming a global center of technological innovation, and is a key hub in the Group's global R&D network.

Merck KGaA, Darmstadt, Germany, is active in the market with over 3,000 committed employees offering high-tech, innovative products of Healthcare, Life Science and Performance Materials.

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Merck KGaA, Darmstadt, Germany, is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2015, Merck KGaA, Darmstadt, Germany, generated sales of € 12.85 billion in 66 countries.

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Founded in 1668, Merck KGaA, Darmstadt, Germany, is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck KGaA, Darmstadt, Germany, holds the global rights to the Merck KGaA, Darmstadt, Germany, name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.