

**Address by Matthias Claussen
on the 200th anniversary of C. Melchers & Co.**

Ladies and gentlemen,

My partners and I welcome you. We wish to thank you for accepting our invitation to join us at today's celebration of our Company's anniversary. I must admit that the date of today's celebration has been selected rather arbitrarily as our archives indicate that the Company was actually established on January 1, 1806. Although we have our doubts as to just how precise this date is, we feel that it can be assumed that the exact date of establishment was in the first quarter of that year, possibly even on March 17, the date we have chosen to celebrate the anniversary in the hope of not colliding with any of the other celebrations which normally take place in the first few months of the year in the Free Hanseatic City of Bremen.

What is certain, however, is that the Company has completed its 200th year and I think that it is fair to say with cautious optimism that it was perhaps not the worst in the Company's recent history. This strengthened us in our resolve to celebrate this occasion in spite of the fact that we like to keep a tight grip on costs and prefer to operate quietly and discretely. Yet, be that as it may, a 200th anniversary is something worth celebrating especially as the birthday child is enjoying such good health. After all, as the Greek philosopher Demokrit said 2,400 years ago: "A life without celebrations is like a long journey without resting".

It thus gives us great pleasure to be able to celebrate this occasion with you today. Needless to say, we are also pleased and grateful

that it is possible to hold this celebration in the venerable Upper Hall of the Town Hall. The fact that we are not celebrating in the rooms of the Schütting, as appropriate as this may have been, should not be misconstrued as a slight on the venerable Bremen merchants, but is due solely to the fact that we had the honor of being able to invite so many of the Company's friends and that even more accepted our invitation. Notwithstanding this, the fact that we are paying the Senate of the Free Hanseatic City not inconsiderable rental for the use of the hall can be taken as proof of our unerring commitment to the principle of the separation of the public and the private sector.

“The Future Needs a Past” is the motto which we have chosen for our anniversary. If you don't know where you come from, you are hardly able to know where you are headed. If you take people's history from them, you also rob them of their self-confidence. Yet, this is precisely what we need in order to continue asserting ourselves successfully in the global markets in the future.

But you need not be concerned, ladies and gentlemen, that I am now going to embark on a review of the Company's 200-year history. That is the purpose of the book, which our senior partner Henning Melchers has written and which each of you may take home with you as an expression of our gratitude for your acceptance of our invitation and perhaps also as a visible sign of your interest in one chapter of the history of the Bremen economy.

I'm sure that in the course of the day we will hear some answers to the question as to where a company such as ours derives its justification for existence today and why it has been possible for it to survive for such a long time. I would like to mention one rather important aspect now as I fear that it may be glossed over out of sheer politeness: We have quite simply been lucky! I don't mean to say that the history of C. Melchers & Co.'s success is due solely to

pot luck. Nothing could be further from the truth! Yet, the fact that we have survived total collapses after two world wars, the complete loss of all Asian possessions not to mention the usual variety of personal and business mistakes and dubious decisions in the course of two centuries does have something to do with the fortune that God frequently sends to those who try to help themselves. Although it is not normal practice in the business world to acknowledge this in grateful humility, I am convinced that it is appropriate for us to do so here and now.

On the other hand, this is obviously not a viable model for the next 200 years in the history of C. Melchers & Co. What then is the source of the confidence that we have of remaining successful in the coming decades and centuries?

While the structures of a medium-sized company characterized by matching ownership and management, to which we are committed, have repeatedly relieved us of the difficulties which listed companies have to face when it comes to ensuring "good corporate governance", they also have the immeasurable advantage that we do not have any youngsters who profess to be financial analysts and commentators appearing on breakfast TV and telling us how we ought to be running our Company. Still, this is only one structure and far less a model.

It would of course be in keeping with the times to have visionary ideas. Yet, unfortunately – or depending on how you look at it, thank heavens - we don't have any visions - or at least not normally. We are happy enough to keep a clear head. Occasionally, an overriding idea may emerge. But these thoughts are always the product of careful consideration of what is feasible in the light of profitability. At the same time, we always implement our ideas cautiously to avert any risk of failure culminating in catastrophe. Nor was the Company's establishment in 1806 or the

focus which it has maintained to this very day on the Far East particularly original, let alone visionary. Rather, these were carefully considered business decisions reflecting the trends of the times and offering the prospect of profitable activity with a reasonable degree of certainty. Similarly, the rather fateful decisions made by the owners in 1918 and 1945 to continue soldiering on despite the total collapse of the Company and the country were clearly guided less by the vision of swift reconstruction than the absence of any better idea.

However, we are now approaching the hint of a principle - the principle of making use of opportunities or, in other words, the ability to adapt. Our fate is not tied to a certain product and nor do we confine ourselves to a specific service. "C. Melchers & Co operates wherever this pays off" – I recently read something along these lines in a press report about us. That's all very well. Yet, even this necessitates certain skills if disaster is to be avoided from the outset.

Many years ago, ladies and gentlemen, my father had a verse hanging on the wall of his office. I don't know its origin and as a young man I didn't really understand it. Yet, it left a strong impression on me. Here's a slightly updated version of it:

"We have been established for two centuries.

We have been pleasing and displeasing people ever since.

We have made money and lost money.

We have been cussed and discussed,

knocked about and talked about,

lied to, held up, robbed etc.

to the end of the chapter.

The only reason we are staying in business

is to see what the hell happens next."

That of course was meant as a joke. And it is indeed funny. However, today I know that this verse can also contain the quintessence of a company's long history. It expresses the feeling of someone who feels that he is part of a whole, has experienced all the vagaries of fortune in business, has overcome these and is now passing on the experience which he has gained to the present generation. Rather than shying away from competition, he sees this as being one of the challenges of "staying in business".

What this means for us is that we must be able to transform this experience into capabilities and flexibility at all times in order to offer something to the global markets in which we are engaged. Just what that "something" is depends on the prevailing circumstances and is of subordinate importance. Just as evolution theory says that fish adapt to water and birds to the air, C. Melchers & Co. must adapt to the market. We don't make markets. Rather, we respond to them and make ourselves useful as a result.

I admit that this doesn't sound particularly spectacular. And indeed it isn't. Yet, it has served us well. And my partners and I are certain that it will continue to do so in the future. Accordingly, ladies and gentlemen, you can rightfully expect C. Melchers & Co. to continue carving a niche for itself in the future.