

PRESS RELEASE

Gaïa Prize 2008

The Jury for the Gaïa Prize 2008 has nominated

Mr. Nicolas G. Hayek,
Chairman and managing director of the Board of
the Swatch Group,

as winner of the *Entrepreneurship category*

The proposal of Mr. Nicolas G. Hayek's candidacy won the support of the Gaïa Prize Jury, thereby rewarding his immense contribution to the Swiss watchmaking industry.

The Prize will be awarded on 18 September at 18.00 at
the International Watchmaking Museum.

The Gaïa Prize enjoys the support of the Bank Julius Baer & Cie SA

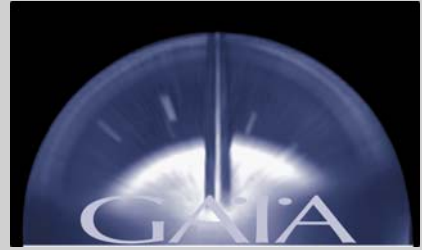
Appendices: Jury Members 2008
Prize Regulations
The Gaïa Prize
Mr. Nicolas G. Hayek

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JURY GAÏA 2008

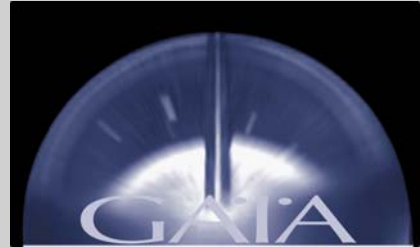
- Mmes et MM. Ludwig Oechslin, président du jury, conservateur du MIH
- Jean-René Bannwart, président de la commission du MIH
- Nicole Bosshart, directrice adjointe du MIH
- M. Denis Pury, Executive Director, Head of Entrepreneurs & Executives Suisse Romande, Banque Julius Baer & Cie SA, Genève
- M. Alain Zimmermann, Head Marketing et Communications, Bank Julius Baer & Co. Ltd., Zurich
- Timm Delfs, journaliste, Bâle
- Jean-Pierre Brügger, directeur général du CIFOM
- Marc Pfister, directeur Ecole d'art-Cifom, La Chaux-de-Fonds
- Kurt König, directeur de la bijouterie Embassy, Lucerne-St.Moritz
- Corrado Lafranchi, doyen filière Design industriel, Haute Ecole d'arts appliqués, La Chaux-de-Fonds
- Nadège Sougy, professeure assistante d'histoire moderne contemporaine Institut d'histoire, Université de Neuchâtel
- Gaetano Mileti, directeur-adjoint laboratoire Temps-Fréquence, faculté des sciences de l'Université de Neuchâtel
- Philippe Gueslin, responsable de l'unité EDANA, Haute Ecole arc Ingénierie, Le Locle
- Jean-Claude Sabrier, expert près la Cour de Paris, Louviers/France
- Gérard Triponez, président du comité du Musée d'horlogerie du Locle

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REGULATIONS

Distinction GAIA du Musée international d'horlogerie
La Chaux-de-Fonds

Preliminary

Gaïa, mythical personification of the Earth, universal mother, gives her name to the objet d'art which rewards the winners.

1. Every year, on Thursday before the change of equinox, the Musée international d'horlogerie awards the Gaïa Prize to give credit to activities, work or studies connected with time, such as history-research, craftsmanship, spirit of enterprise. Considering the numerous sectors represented, the jury gives itself the right to award the prize in one or several of these disciplines.
2. The nomination of the winner by the jury is irrevocable.
3. The candidates are chosen regardless of nationality.
4. Through the press and the professional newspapers, the general public is requested to propose candidates; the application propositions must be duly founded. The members of the jury are not allowed to make additional propositions.
5. The jury, presided over by the curator of the Musée international d'horlogerie, comprises prominent figures from Switzerland or abroad. Amongst them there is an expert panel from the University of Neuchâtel, the High School of Design Haute Ecole arc, the Formation Center of the Montagnes Neuchâteloises, authoritative figures in cultural, journalistic, scientific and economic circles as well as representatives of our major sponsor.

The jury can debate legitimacy if five members at least are present. The president of the Jury, who is the curator of the Musée international d'horlogerie, has no vote unless he has to cut short. In this case, he has a casting vote.

6. The members of the Jury are requested by the above mentioned personalities (see point 5) and the curator of the Musée international d'horlogerie to act for a period of one year and a half. On request of the president of the jury, one or another mandate can be renewed.
7. In case of legal dispute or doubt with regard to the interpretation or application of the present regulations, the matter is settled by the chairman of the jury.

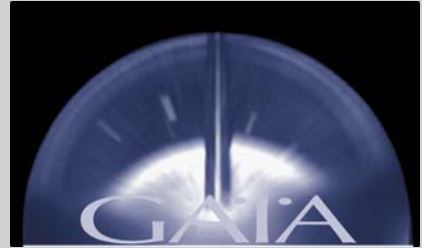
Regulations brought up to date the 14th of May 2007

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HISTORY OF A PRIZE

In 1993, the curator and management of the International Watchmaking Museum decided to create, in tribute to one of the first "patrons" of the Watchmaking Museum, Maurice Ditisheim, Chairman of the Board of the Inspection Bureau for precious metal pieces, a distinction intended to reward individuals whose activities, work and studies in the field of time have promoted watchmaking and its art well beyond national borders. ...The Gaïa Prize was born.

It is symbolised by a translucent sphere representing Gaïa, the Universal mother of Greek mythology, personification of the Earth and wife of Uranus, the Sky. The work of art was created by Valérie Salvisberg, following a competition sent to the School of Art of the town of La Chaux-de-Fonds.

Awarded to individuals in the industry, craftsmen and historians, researchers and scientists, it symbolises the International Watchmaking Museum's recognition for the indisputable contribution that these prizewinners have made to watchmaking, its history and culture, the museum's fields of speciality.

The prizewinners are nominated by a jury comprising mainly individuals from higher technical and academic training environments, and chaired by the curator of the International watchmaking museum.

The first 12 editions of the Gaïa Prize were supported by the Inspection Bureau for precious metal pieces.

Since 2007, the Bank Julius Baer & Cie SA has actively supported the Gaïa Prize, boosting its development and raising its profile.

Traditionally, the Prize is awarded on the Thursday before the autumn equinox at the International Watchmaking Museum.

The forthcoming awards will be held on:

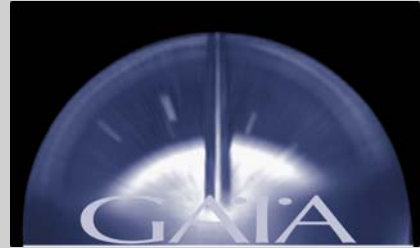
- Thursday 18 September 2008
- Thursday 17 September 2009
- Thursday 16 September 2010

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THE AWARD CATEGORIES

Craftsmanship – Creation

It is without any doubt the desire to honour the bold, creative watchmakers that in some cases work in relative anonymity, with their names unobtrusively associated with big businesses, which urged the prize's founders to see them honoured in the first instance.

Ten years ago, the work of these profound, inventive and determined individuals was not as well recognised by the general public, not specialising or passionate about watchmaking, as it is today. We like to think that the Gaïa Prize has made a modest contribution to revealing the work of some of its ingenious craftsmen.

History – Research

The individuals honoured for their contribution to watchmaking history, techniques or more generally time measurement, by way of their writings or museum activities, come from a very wide variety of training backgrounds. Watchmakers, sales personnel or university students, their passion, learning and culture have led them to carry out research, historical studies or other work that has enabled them to contribute to the dissemination of watchmaking culture. This prize is also related to a wish to recognise historians and researchers who have at times worked unseen on the development of knowledge.

Entrepreneurship

What would watchmaking be without the entrepreneurship that has enabled this art to take root and grow over the centuries. It evolved from craftsmanship to industry, with all the implications from production to product distribution. Over the past centuries, ingenious watchmakers have been able to instil this will to promote their works, and it is now only right to recognise and honour the men and women who have now pursued the same goals, ensuring that the quality of their products is recognised here and worldwide, and above all that new research is still constantly undertaken to improve timekeepers.

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NICOLAS G. HAYEK

Swatch Group

Nicolas G. Hayek, born in 1928, is the co-founder and Chairman and Delegate of the Board of Directors of the Swatch Group, with Headquarters in Biel-Bienne (Switzerland). After having engineered and implemented the reorganization of the Asuag and SSIH watch companies for more than four years, finally bringing about their merger, N.G. Hayek took over, with a group of Swiss investors, a majority shareholding in the new group in 1985. He became Chairman of the Board of Directors and Chief Executive Officer in 1986.

N.G. Hayek played a decisive role in the recovery of the Swatch Group with its watch brands Swatch, Breguet, Blancpain, Jaquet Droz, Glashütte Original, Léon Hatot, Omega, Union, Longines, Rado, Tissot, Calvin Klein, Certina, Mido, Hamilton, Pierre Balmain, Flik Flak, and Endura. The strategies he developed in the early 1980s led to the success of the entire Swiss watch industry and regained its leading position worldwide since 1984.

A few of his achievements at the Swatch Group are

- the strategic decision for launching the Swatch based upon the master plan of Hayek Engineering AG
- the revival of the Swiss watch industry in the 80's through the supply of watch movements and components to the Swiss watch industry

- the continuous development and improvement of products and trademarks such as Breguet, Omega, Rado, Longines, Tissot, etc.
- maintaining the number one position in the watch industry on a worldwide basis by achieving yearly sales of today six billion Swiss francs.
- the revitalization of the Breguet brand and its positioning at the top of the luxury watches in less than four years under his management as President of Breguet
- creating the « Swatchmobil » Smart car in collaboration with Mercedes-Benz, he was Co-founder and co-chairman of the Board, until 1998, of MCC Ltd., the production company of the Smart. Under his direction, the Hayek Engineering company was responsible project leader of the construction of « Smartville », the production plant of the Smart car in Hambach (France).

In Fall 2007, Mr. Hayek initiated and founded a new company: The Swatch Group Ltd. and Hayek Engineering, are joining forces with Groupe E, with the international bank *Deutsche Bank*, with the Swiss institutes of technology, and other interested parties to establish a holding company – Belenos Clean Power Ltd. - for the development and production of clean, renewable energy systems. The Biel-based company is presently working on the project.

The aim of this special agreement between The Swatch Group Ltd. and Groupe E is to develop, produce and market energy production systems based on hydrogen and fuel cells. The goal is to provide the population with electricity for both residential and transport purposes. This will allow

considerable progress to be made in producing entirely clean energy, with the aim of saving the environment and providing a substitute for CO2 emissions. The two companies have extensive expertise in this area.

Awards and Distinctions

Various institutions and governments awarded Mr. Hayek the following distinctions, among them

- 1984: « Troubleshooter of year » by the Swiss Media
- 1993: « Freiheitspreis », Max-Schmidheiny Foundation at the University of St. Gall
- 1993: Entrepreneur of the decade, Branco-Weiss foundation
- 1993: Oekreal Innovation award
- 1996: Doctor honoris causa of Law and Economics of the University of Neuchatel (Switzerland), as a sign of gratitude for maintaining and creating new jobs and production centers in Switzerland and for his achievements regarding the Swatch brand
- 1998: Doctor honoris causa of the Faculty of « Beni Culturali » of the University of Bologna (Italy), especially for his achievements at the Swatch Group, for his contribution in maintaining and creating new jobs also in Europe, and for the achievements with respect to the Swatch brand
- 2002: « Das Grosse Ehrenzeichen mit Stern », conferred by the Government of the Republic of Austria for his merits for the country
- 2003: « Officier dans l'Ordre National de la Légion d'Honneur », conferred by the Republic of France
- 2004: Honorary Citizen of the Town of Biel/Bienne, location of The Swatch Group's Head Office, for his

outstanding achievements for the economy of the town and the whole region

- 2006: « Grand mécène du Ministère de la Culture et de la Communication », conferred by the the Ministry of culture and communication of France, for his contribution, on behalf of Montres Breguet SA, to the preservation of the European culture with the renovation of the *Petit Trianon* in Versailles (France)
- 2006: « Commandeur de l'Ordre National du Cèdre »; Commander of the National Cedar Order, conferred by the Republic of Lebanon
- 2007: Swiss Lifetime Award, Swiss Award Academy, for his achievements and the stimulus he brought to the watch industry
- 2007: Honorary Citizen of the Town of Meisterschwanden (Switzerland), place of residence of the Hayek Family since the 1960's

Committees, Working Groups and Memberships

Mr. Hayek, consultant to many European governments, was or is active in the following committees and working groups:

- 1995: Member of his Council for Research, Technology and Innovation for the future of Germany and Europe. The former German Chancellor Helmut Kohl appointed Mr. Hayek in this Council, presided by Mr. Kohl. It included important German personalities from politics, economy, industry and research, Mr. Hayek being the only foreigner among the seventeen members.
- 1996: President of the « Groupe de réflexion » of France, an Innovation Council for the future economical strategies of France, nominated by the Government of

France.

- 1998: Member of the « IOC 2000 », a work shop of the International Olympic Committee formed to restructure the Olympics in the future.
- 2001: Member of the European Commission's work shop « Brussels Capital of Europe », presided by Mr. Roman Prodi. The goal of this work shop was the definition of the needs and functions that a capital of Europe should fulfill.
- 2004: Member of the High Level Group for the future of Manufacturing « Manufuture HLG » of the European Commission. The Group aims at identifying the main barriers and technological needs of the sector, setting-up a strategic agenda to maintain European leadership in manufacturing, and at developing long term visions for research and innovation.

Hayek Engineering

Nicolas G. Hayek is also the founder, Chairman of the Board and C.E.O. of Hayek Engineering Inc. Its headquarters are in Zurich. The Hayek company (founded in 1963) employs some 250 highly qualified professionals experienced in a variety of sectors, such as iron and steel, automotive industry, watches, IC production, telecommunication systems and other advanced technologies, etc., where they undertake projects in engineering, strategic planning, project-management, optimization and feasibility studies, sales and marketing, as well as consulting in the field of organization and systems.

Over more than 30 years, Mr. Hayek has gained a leading reputation throughout the world, with a list of international

clients including: Volkswagen AG, US Steel, Siemens, AEG-Telefunken AG, Deere & Company, Digital Equipment Corp., World Bank, Fried. Krupp GmbH, Ministry of Metallurgy of China, Olivetti SpA, BMW, Thyssen-Group, Dresdner Bank, Voest-Alpine, Alfa-Romeo, Nestlé, etc.

In Switzerland, the Hayek Company has carried out numerous projects in both the public and private sectors, making itself known to the public through its achievements for the Swiss Television and Radio, the City of Zurich, the Swiss Railways, the Asuag-SSIH (today Swatch Group), the University of Basel, the Canton of Aargau, the Swiss Parliament for a project of the Federal Military Department and last but not least the Federal Universities of Technology ETH in Zurich and EPFL in Lausanne, which were reorganized in a remarkable way. In September 1999, Hayek Engineering, under the direction of Mr. Hayek, established a feasibility study for the Swiss national exhibition Expo.02. Mr. Hayek had been mandated to do this crash study by the strategic committee of Expo.02 and the Swiss Government.

Hayek Engineering is presently active with numerous projects in Switzerland and abroad.

Biel-Bienne, in May 2008

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Eric Dudan
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Wirtschaftsverlag Carl Ueberreuter, Wien/Frankfurt, 1997

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Nebst zahlreichen anderen Publikationen – en plus de nombreuses
autres publications – among numerous other publications