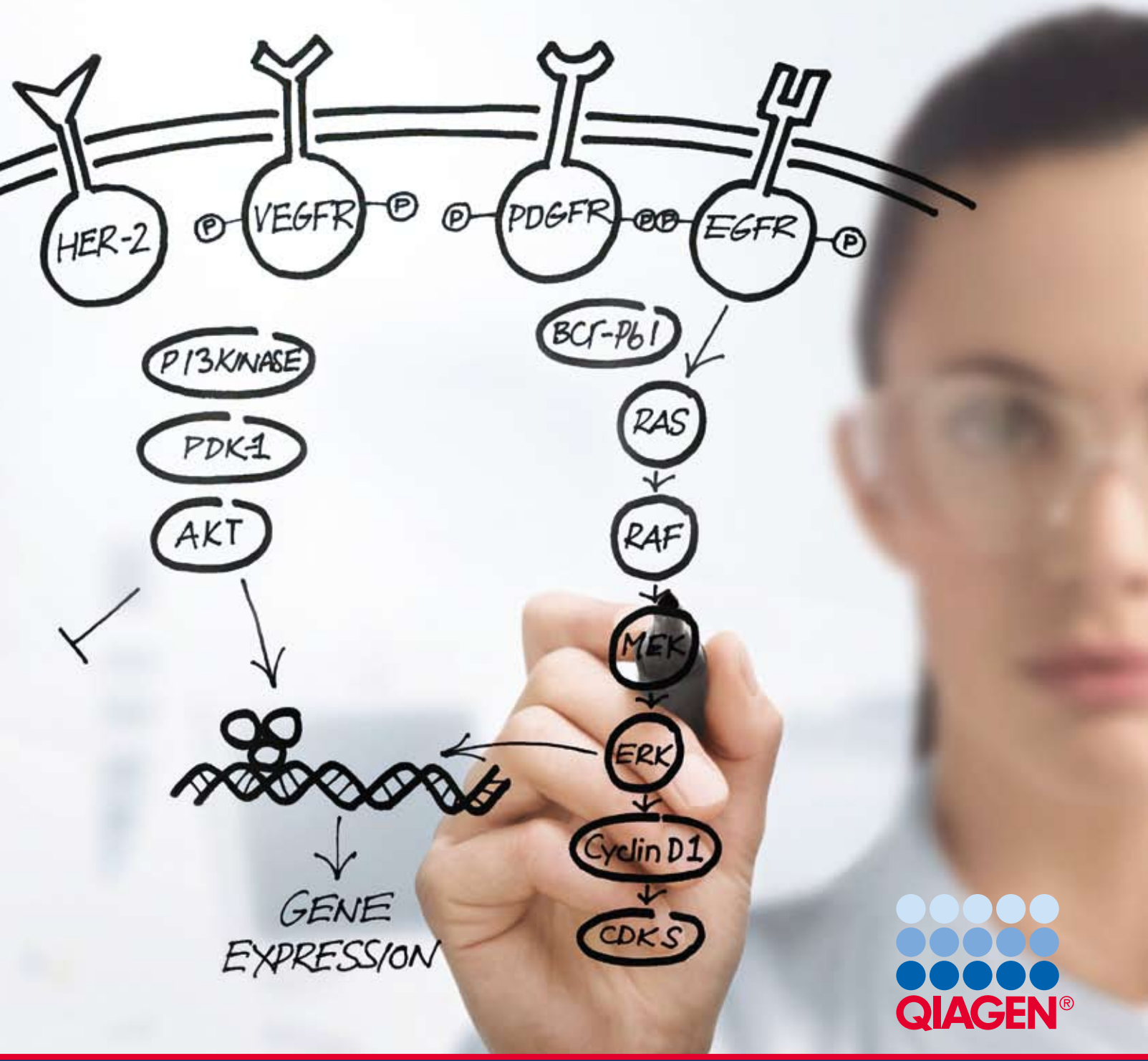
Annual Report 2009

Accelerating into a new dimension



QIAGEN®

Sample & Assay Technologies

Consolidated Statements of Income Data

Years ended December 31

$ 1,000 – except per share data	2009	2008	2007	2006	2005
Net sales	1,009,825	892,975	649,774	465,778	398,395
Cost of sales	342,752	293,285	216,227	147,303	126,513
Gross profit	**667,073**	**599,690**	**433,547**	**318,475**	**271,882**
Operating expenses					
Research and development	107,900	97,331	64,935	41,560	35,780
Sales and marketing	244,814	227,408	164,690	115,942	94,312
General and administrative, integration and other costs	115,933	113,936	87,178	56,087	43,336
Acquisition related intangible amortization	18,221	14,368	7,711	2,085	378
Purchased in-process research and development	–	985	25,900	2,200	3,239
Total operating expenses	**486,868**	**454,028**	**350,414**	**217,874**	**177,045**
Income from operations	**180,205**	**145,662**	**83,133**	**100,601**	**94,837**
Other income (expense), net	**(7,875)**	**(26,376)**	**(7,407)**	**5,467**	**2,427**
Income before provision for income taxes and noncontrolling interest	172,330	119,286	75,726	106,068	97,264
Provision for income taxes	34,563	29,762	25,555	35,529	35,039
Net income	**137,767**	**89,524**	**50,171**	**70,539**	**62,225**
Less: Noncontrolling interest	–	491	49	–	–
Net income attributable to QIAGEN N.V.	**137,767**	**89,033**	**50,122**	**70,539**	**62,225**
Basic net income attributable to QIAGEN N.V. Common Share[1]	**0.67**	**0.45**	**0.30**	**0.47**	**0.42**
Diluted net income attributable to QIAGEN N.V. per Common Share[1]	**0.64**	**0.44**	**0.28**	**0.46**	**0.41**
Number of shares					
Weighted average number of Common Shares used to compute basic net income per Common Share	206,928	196,804	168,457	149,504	147,837
Weighted average number of Common Shares used to compute diluted net income per Common Share	213,612	204,259	175,959	153,517	150,172

[1] See Note 3 of the "Notes to Consolidated Financial Statements" included in our Form 20-F enclosed with this Annual Report for the computation of the weighted average number of Common Shares.

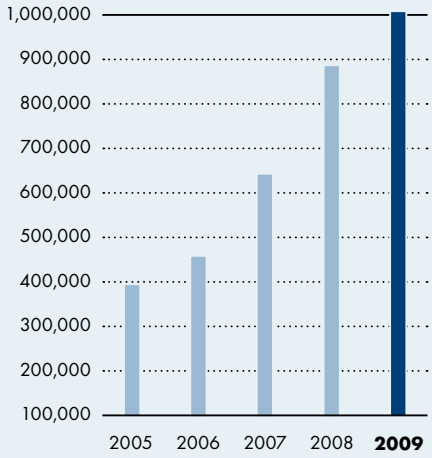
Consolidated Balance Sheet Data

Years ended December 31

$ 1,000	2009	2008	2007	2006	2005
Cash and cash equivalents	825,557	333,313	347,320	430,357	191,700
Working capital	957,940	441,180	482,215	566,660	278,586
Total assets	3,796,464	2,885,323	2,775,174	1,212,012	765,298
Total long-term liabilities, including current portion	1,183,182	1,197,088	1,220,084	536,738	230,086
Total shareholders' equity	2,291,169	1,453,844	1,391,575	566,165	450,457
Number of shares					
Shares outstanding	232,074	197,839	195,335	150,168	148,456

Net sales

$ 1,000

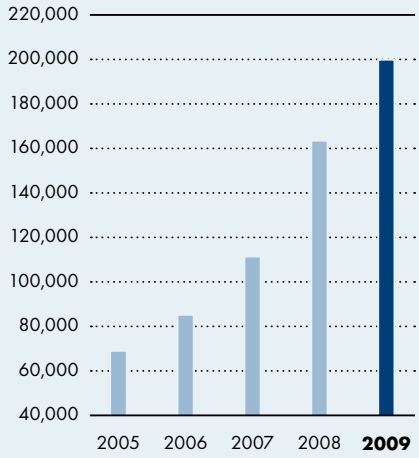


5-year CAGR +20%

Net income, adjusted

Excluding acquisition, business integration and related charges as well as amortization of acquired IP and equity-based compensation (SFAS 123R) of US$ 7.0 million in 2005, US$ 14.8 million in 2006, US$ 61.4 million in 2007, US$ 74.3 million in 2008 and US$ 61.8 million in 2009.

$ 1,000

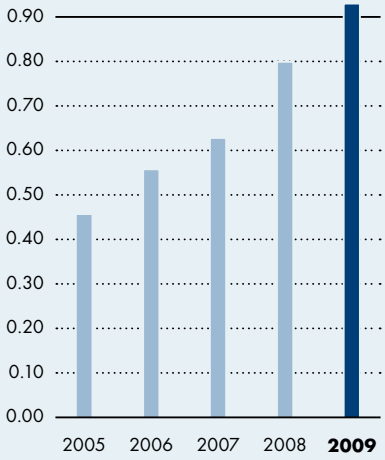


5-year CAGR +28%

Diluted earnings per share, adjusted

Excluding acquisition, business integration and related charges as well as amortization of acquired IP and equity-based compensation (SFAS 123R) of US$ 0.05 in 2005, US$ 0.10 in 2006, US$ 0.35 in 2007, US$ 0.36 per share in 2008 and US$ 0.29 per share in 2009.

$ per share



5-year CAGR +19%

CAGR = compound annual growth rate

Consolidated Statements of Cash Flows Data

Years ended December 31

$ 1,000	**2009**	**2008**	**2007**	**2006**	**2005**
Net income	137,767	89,033	50,122	70,539	62,225
Net Cash provided by operations	216,995	172,998	84,811	101,479	91,237
Net Cash used in investing activities	(341,744)	(210,518)	(659,671)	(165,472)	(98,501)
Net Cash provided by financing activities	629,198	12,769	494,054	303,160	2,955
Cash and Cash equivalents beginning of the year	333,313	347,320	430,357	191,700	196,375
Cash and Cash equivalents end of year	825,557	333,313	347,320	430,357	191,700
Depreciation and amortization	120,394	105,704	62,583	30,038	24,955
Purchases of property, plant and equipment	52,179	39,448	34,492	28,995	13,728
$ per share					
Cash EPS (operating CF/diluted shares)	1.02	0.85	0.48	0.66	0.61
$ 1,000					
Free Cash flow (Net Cash provided by operations less capital expenditures)	164,816	133,550	50,319	72,484	77,509

Accelerating into a new dimension

QIAGEN is the world's leading provider of Sample & Assay Technologies – tools that enable handling, processing and preparation as well as the molecular analysis of any molecule in a biological sample.

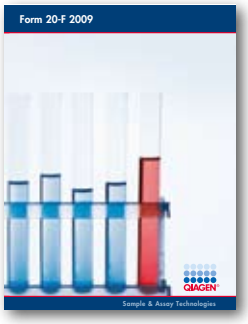
QIAGEN's products allow its customers to build on reliable and optimized platform technologies for use in routine applications in molecular diagnostics and applied testing markets, to develop innovative therapies and enhance success in the pharmaceutical industry and to create breakthroughs in life science research. We strive to contribute to making improvements in life possible.

QIAGEN's commitment to its markets, customers and patients drives its leadership in all areas where Sample & Assay Technologies are required. By extending its market and technology leadership and its expertise in providing technologies that can be leveraged across and adopted in all markets it serves, QIAGEN paves the way for "accelerating into a new dimension".

Form 20-F

The Form 20-F is an integral part of this Annual Report. It contains detailed financial information about QIAGEN as well as other information, including information about QIAGEN's markets and risks associated with QIAGEN's business and about QIAGEN's Directors, Management and Advisors. It also contains a summary of the Company's Code of Ethics as well as descriptions of securities, and information about QIAGEN's controls and procedures.

If the Form 20-F insert is missing from this Annual Report, it can be requested from QIAGEN or can be downloaded from the investor relations section of QIAGEN's homepage under www.qiagen.com.



Content

Interview with Mr. Peer Schatz, Chief Executive Officer

2009 was another exciting year for QIAGEN. In the year of the Company's 25th anniversary, QIAGEN crossed the one billion dollar revenue hurdle and achieved several strategic milestones that have further expanded its market and technology leadership positions. In the following interview, CEO Peer M. Schatz explains how QIAGEN again has created significant shareholder value and paved the way for dynamic and sustainable growth in the years ahead.

"I think it is fair to say
that we are now in a better position than ever."

Peer M. Schatz, Chief Executive Officer

Mr. Schatz, with over one billion dollars in sales, 13 % organic growth and adjusted net earnings growth of 22 %, 2009 should go down as one of the most successful years in QIAGEN's history. What part of the success is most significant in your opinion?

2009 definitely stands out as a year in which we achieved several very important milestones. Of course, reaching the billion dollar mark in revenues is a very visible indication of our success that all employees can justifiably be proud of. We grew our sales seven fold over the last decade – with strong organic growth as a key contributor. More importantly, however, in 2009 we managed to prepare the company, through our strategic initiatives, for a strong future while also delivering strong financial results in a difficult economic environment. I think it is fair to say that we are now in a stronger position than ever. I would like to take the opportunity to thank each of our employees for their contributions which have put us in a position for strong growth in the future.

By strategic initiatives, do you mean the acquisition of DxS, SABiosciences and ESE?

These were key milestones, but the underlying initiatives were much broader and primarily driven through organic growth. For example, the acquisitions we made in 2009 and early 2010 (DxS, SABiosciences and ESE) supported organic initiatives such as to attain a leadership position in companion diagnostics, strengthen our content engine and to add a point of need platform, respectively. Through these acquisition and our organic initiatives we have reinforced our position in these segments – which was already strong – contributing to our current leading role in all four areas of molecular diagnostics. We were already leading in prevention, the early detection of diseases, and profiling, the diagnosis of symptomatic patients. In personalized healthcare, we are now involved in an impressive number of partnerships with pharmaceutical companies to develop molecular companion diagnostics to guide therapies for cancer and other diseases. In point of need testing, we set standards for tests that cannot be conducted in laboratories due to constraints such as the need for fast results, which is important in such fields as intensive care. We have developed, or have in our pipeline, platforms for all segments in diagnostics (prevention, profiling, personalized healthcare and point of care) and can thus offer instruments tailored to specific customer needs. This is a truly unique position.

Why do you place such a high value on the potential for growth in molecular diagnostics? And why should this potential become reality?

We are still at the very beginning in terms of the development of this market. The market penetration of molecular testing is still very low. Laboratories that provide molecular diagnostic testing services are still relatively few in number, and only certain tests are available today as regulated products. This, however, will change as we see more and more biological content emerge that can be translated into tests for prevention, profiling, personalized healthcare and point of need testing. In the end, molecular diagnostics enable higher quality and more cost-efficient healthcare, which will continue to become more prevalent given the lean economic times and aging population.

How does the acquisition of SABiosciences fit into the concept?

SABiosciences manufactures PCR-based test panels, which researchers use to efficiently analyze biological pathways and specific diseases. We can use these biomarker panels

+1 billion

in sales in 2009

+13 %

organic revenue growth

to further strengthen our partnerships with the pharmaceutical industry and support early and mid-stage research on specific diseases such as cancer, cardiovascular, central nervous system, autoimmune and metabolic diseases. In this research and validation process, potential biomarker candidates can be selected from these biomarker test panels to be further developed into companion diagnostic candidates and then, potentially, into a companion diagnostic test for routine use with a drug. SABiosciences can be seen as the front end of our molecular diagnostic content pipeline. The company's location in the immediate vicinity of our US headquarters, its similar culture and the fact that its products run on our instruments further supported our decision to add this offering to our portfolio.

What does the pipeline look like and what products will be launched in 2010?

We believe we are well positioned and are eagerly anticipating the introduction of our high-throughput platform QIAensemble, which will be available in Europe this year and then, subject to FDA approval, in the United States in 2012. We believe that QIAensemble has the ability to revolutionize the way in which large laboratories perform "prevention" tests, which typically run in higher throughput quantities. In addition, we are planning the introduction of the QIAsymphony RGQ, which will follow similar timelines. QIAsymphony RGQ will fully automate the process from sample to result and is the platform of choice for our "profiling" and "personalized healthcare" assays. We also expect to see the introduction of and regulatory submissions for new tests used in conjunction with therapies – such as the biomarker EGFR, new tests for infectious diseases and the European launch of our test panel for 12 cancer biomarkers. Our pipeline, the driving force behind our growth, is once again impressive evidence of the power of our innovation engine. We expect to invest between 11 % and 12 % of net sales back into research and development, which is well above the industry average. This investment allows us to generate 5 percentage points of our organic growth with products launched within the trailing 12 months. This is a very strong figure, and bench mark for our innovation power.

You have described your strategic approach. What role does last year's recapitalization play in this context?

The equity financing raised $623.5 million, allowing us to have an extremely strong balance sheet – one which is almost net debt free. With the uncertainty in the financial markets, the significant growth we anticipate and the upcoming value creation milestones stemming from new product launches and our planned expansions, we believe it was a prudent step. I want to thank our new and existing shareholders for their continued support and trust in the value creation opportunities we believe we can capture.

Can your shareholders count on continued strong growth rates in 2010 and beyond?

Our long-term growth outlook is positive. Our customer base is very stable and growing. We are well positioned, have an excellent pipeline and a well running innovation engine. In 2010, we are targeting to grow our net sales between 11 % and 16 %.

Why should investors hold on to or buy QIAGEN shares?

QIAGEN is a proven innovation leader, and we have shown that we can translate opportunities into significant shareholder value.

Today, we hold a strategic position that allows us to take advantage of many significant opportunities in the future. In addition, our pipeline includes many very exciting and novel solutions. From cutting-edge science to its application in areas such as early detection of diseases (prevention), and from ultra-sensitive and -specific testing (profiling) to personalized healthcare and point of need testing – QIAGEN is active in some of the most exciting areas of the Life Sciences.

The revolution that molecular biology sparked has only just begun and QIAGEN is and will remain a significant driver. Our stock has shown strong annual performance and has an excellent profile as a long-term investment. The share price in U.S. dollar rose by over 34% last year and it has more than quadrupled since 2003.

What do you want to accomplish in 2010?

I wish that we execute well on our existing initiatives and that we continue to be able to react quickly, flexibly and resolutely to the rapidly changing requirements of our industry. I also want to build upon our ability to creatively find new solutions and technological breakthroughs and transfer these innovations to our customer markets. Furthermore, I hope that we continue to relentlessly challenge ourselves to exceed the expectations of our customers, all while keeping sight of the importance of our mission to "Make Improvements in Life Possible" – the driving force behind our day-to-day work. Given the talent and dedication of our 3,500 employees, I am confident that we will be able to deliver on these goals and achieve our targets.

+3,500
employees

The Executive Committee

QIAGEN's Executive Committee forms the Company's most senior global management team and combines unique expert knowledge from the diagnostic, the life science, and the pharmaceutical industries. The Executive Committee is responsible for decisions that have a material or global impact on QIAGEN's business, future, and employees and is led by Peer M. Schatz as Chief Executive Officer.

Peer M. Schatz

Peer M. Schatz

Managing Director, Chief Executive Officer, joined QIAGEN in 1993 and has been Chief Executive Officer since January 1, 2004. Between 1993 and 2003 he was Chief Financial Officer and became a Managing Director in 1998. Mr. Schatz was previously a partner in a private management buyout group in Switzerland and worked in finance and systems positions at Sandoz, Ltd. and Computerland AG, as well as in finance, operations, management and sales positions in various start-up companies in the computer and software trading industry in Europe and the United States. Mr. Schatz graduated from the University of St. Gallen, Switzerland, with a Master's degree in Finance in 1989 and obtained an M.B.A. in Finance from the University of Chicago Graduate School of Business in 1991. Mr. Schatz serves as a member of the German Corporate Governance Commission.

Dr. Michael Collasius

Dr. Michael Collasius

Vice President Automated Systems, joined QIAGEN in 1992 and was responsible for the integration and the development of QIAGEN's instrumentation business as General Manager of QIAGEN Instruments since its acquisition in 1998. Dr. Collasius became Vice President Automated Systems in 2001. During his time with QIAGEN, Dr. Collasius has developed a series of automated systems for nucleic acid purification and handling. Dr. Collasius graduated from the Institut für Genetik in Cologne with a Diploma (M.Sc.) and obtained his Ph.D. in Chemistry from the Max-Planck-Institute of Biochemistry in Martinsried, Germany.

Douglas Liu

Douglas Liu

Vice President Global Operations, joined QIAGEN in 2005 as Vice President Global Operations. Before joining QIAGEN, Mr. Liu worked at Bayer Healthcare as Head of Operations for Nucleic Acid Diagnostics in the US, and in Strategic Planning and Consulting at Bayer AG, Leverkusen. Prior to these positions, Mr. Liu worked at Abbott Diagnostics and Chiron Diagnostics. Mr. Liu holds an M.B.A. from Boston University and a Science degree from the University of Illinois.

Gisela Orth

Gisela Orth

Vice President Global Human Resources, joined QIAGEN in February 2009 as Head of Global Human Resources Management. Before joining QIAGEN, Mrs. Orth worked at Continental as Human Resources Director on different assignments in Germany, Eastern Europe and the Middle East. In these positions she successfully created and upgraded HR structures and processes and also implemented programs in Human Resources and Organizational Development. Before joining Continental, Mrs. Orth spent six years in HR-related international management consulting for firms such as Kienbaum Development Services as well as others. Mrs. Orth holds an M.B.A. from Edinburgh Business School, Heriot-Watt University, UK.

Roland Sackers

Managing Director, Chief Financial Officer, joined QIAGEN in 1999 as Vice President Finance and has been Chief Financial Officer since 2004. In 2006, Mr. Sackers became a Managing Director. Before joining QIAGEN, he served as an auditor with Arthur Andersen Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. Mr. Sackers graduated from the Westfälische Wilhelms-Universität Münster, Germany with an M.B.A. Until 2006, he was a member of the Supervisory Board of IBS AG and a member of the Audit Committee of IBS AG. Until December 2007, Mr. Sackers was also a member of the board of directors of Operon Biotechnologies, Inc. Since January 2007, Mr. Sackers has served as QIAGEN's representative observer of the board of Eurofins Genomics BV and is a board member of the industry association BIO Deutschland.

Roland Sackers

Dr. Joachim Schorr

Managing Director, Senior Vice President Global Research & Development, joined QIAGEN in 1992 and has been Senior Vice President Research & Development since January 1, 2004. He became a Managing Director in 2004. In 1999, Dr. Schorr became Vice President Research & Development with the responsibility for QIAGEN R & D activities worldwide. Before joining QIAGEN, Dr. Schorr worked for the pharmaceutical company Hoechst AG. Dr. Schorr holds a Ph.D. in Molecular Biology and Virology from the University of Cologne. Dr. Schorr is a co-founder of Coley Pharmaceuticals, EnPharma Pharmaceuticals and QBM Cell Sciences and is currently a member of the Supervisory Board of QBM Cell Sciences.

Dr. Joachim Schorr

Dr. Ulrich Schriek

Vice President Corporate Business Development, joined QIAGEN in 1997 and has been Vice President of Corporate Business Development since 2000. Prior to joining QIAGEN, Dr. Schriek held several sales and marketing positions at Pharmacia Biotech. Dr. Schriek graduated with a Master's degree in science and obtained his Ph.D. in biochemistry from the Ruhr-University Bochum in Germany. Dr. Schriek is member of the World Economic Forum Technology Pioneers Selection Committee and the Nanobiotechnolgy Initiative initiated by the German Federal Ministry of Education and Research.

Dr. Ulrich Schriek

Dr. Thomas Schweins

Vice President Marketing & Strategy, joined the Company in 2004 as Vice President Corporate Strategy. With completion of the restructuring of QIAGEN's Sales & Marketing organization, Dr. Thomas Schweins became Vice President Marketing & Strategy in 2005. Dr. Schweins joined QIAGEN from The Boston Consulting Group, Düsseldorf, where he was a core team member of the Pharma/Health Care as well as the Corporate Development Practice Area. Before this, Dr. Schweins worked as Technology Manager and later as Assistant to the Board with Hoechst/Aventis. Dr. Schweins has a Biochemistry degree from the University of Hanover. He obtained his Ph.D. at the Max-Planck-Society and received a M.Sc. from the University of Southern California.

Dr. Thomas Schweins

Bernd Uder

Managing Director, Senior Vice President Global Sales, joined QIAGEN in 2001 as Vice President Sales & Marketing and became a Managing Director and Senior Vice President Sales & Marketing in 2004. With completion of the restructuring of QIAGEN's Sales & Marketing organization, Bernd Uder became Senior Vice President Global Sales in 2005. Before joining the Company, Mr. Uder gained wide experience in building up and coordinating worldwide distribution networks as Vice President European Biolab Sales & Marketing with Pharmacia and Vice President global e.business with Amersham Pharmacia Biotech.

Bernd Uder

QIAGEN's Common Shares

QIAGEN's common shares, traded as global shares, are registered and traded in the United States on the NASDAQ Global Select Market (the NASDAQ National Market prior to July 2006) since June 1996 and on the Frankfurt Stock Exchange in Germany since 1997, where its shares are traded in the Prime Standard segment, a premium segment created by the Frankfurt Stock Exchange in January 2003.

NASDAQ

Market	NASDAQ
Segment	NASDAQ Global Select Market
Ticker	QGEN
ISIN	NL0000240000

German Stock Exchange

Market	Frankfurt Stock Exchange
Segment	Prime Standard
Ticker	QIA
WKN	901626

Capitalization Dec. 31, 2009

Market capitalization	$5,182 billion
Shares outstanding	232,074,000
Free float	approx. 83.3%

Listing information

We believe that the dual listing on NASDAQ and the Frankfurt Stock Exchange provides significant advantages for QIAGEN, our shareholders and our employees.

Such advantages include increased visibility of QIAGEN in both Europe and the USA, which can positively impact sales and other aspects of our business. We also believe that our dual listing enlarges the trading market for our securities and thereby increases liquidity. This liquidity is also facilitated by the fact that the equity security traded on both exchanges is the QIAGEN common share (Global Share Program).

QIAGEN shares added to NASDAQ-100 Index

Effective as of the start of trading on December 21, 2009, QIAGEN's common shares were included in the NASDAQ-100 Index. The NASDAQ-100 Index was launched in January 1985 and today comprises the top 100 non-financial securities listed on the NASDAQ Stock Market based on market capitalization. The addition of QIAGEN's securities to the NASDAQ-100 Index reflects its strong growth, consistent performance and significant value creation.

Trading information

With a daily average trading volume of approximately 2.1 million shares during 2009 (more than 1 million shares being traded on the NASDAQ, more than 1 million shares in the Prime Standard segment of the Frankfurt Stock Exchange and approximately 15,000 shares on other German markets) QIAGEN's common shares offered high liquidity.

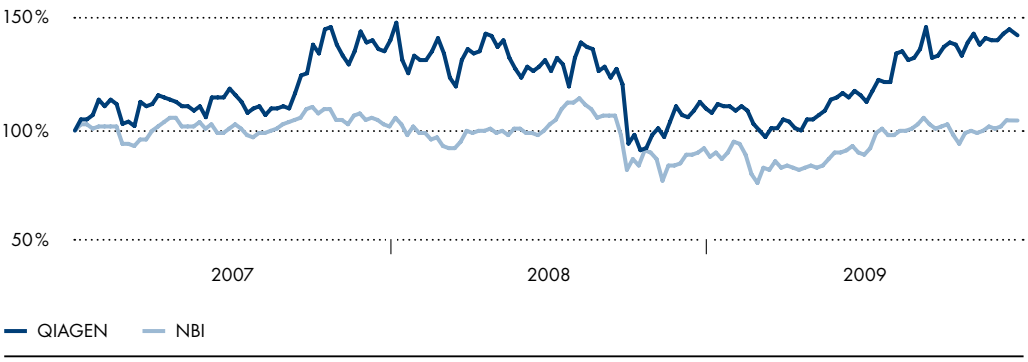
As of December 31, 2009, the free float, affecting the weighting of QIAGEN's common shares in various indexes, was approximately 83.3%. Members of the Managing Board and the Supervisory Board hold approximately 3.4% of the outstanding shares in the aggregate. We believe that the majority of QIAGEN's common shares are held by institutional investors in Europe and in the United States.

Investor relations information

QIAGEN is committed to ensuring that individual and institutional shareholders, analysts and journalists are provided with a regular flow of transparent, comprehensive and readily accessible information on our strategy, business and results.

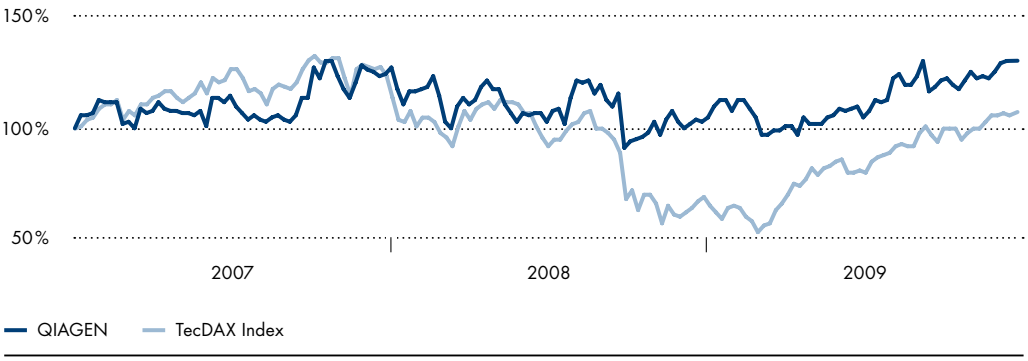
As 2009 was a difficult year for the financial markets, it was of tremendous importance to us to maintain close relationships with our investors and analysts. QIAGEN's management presented at 36 national and international institutional conferences. Additional meetings during these conferences and more than 40 road shows and in-house visits in Europe and the United

QIAGEN Share price development – NASDAQ 2007–2009



Over a period of three years, QIAGEN shares outperformed the NASDAQ Biotechnology Index (NBI).

QIAGEN Share price development – Frankfurt Stock Exchange 2007–2009



Over a period of three years, QIAGEN shares outperformed the German TecDAX Index (TecDAX in Euro).

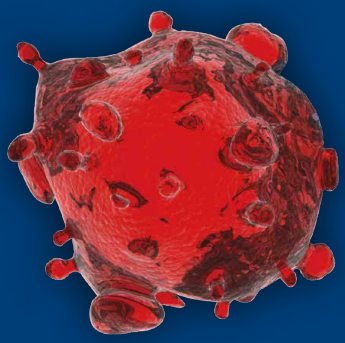
States as well as numerous conference calls, provided the opportunity for more than 800 direct discussions with investors and analysts.

QIAGEN also held telephone conferences when publishing quarterly results and hosted an analyst day in New York with more than 80 professionals attending this event to discuss year end results and to provide an outlook on future developments. QIAGEN hosted in-house visits for analysts and investors in several subsidiaries around the world which are key elements of our communication with the financial markets.

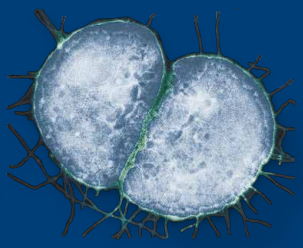
In 2009, QIAGEN shares were followed by more than 32 analysts from most major institutions. At the end of 2009, approximately 60% of the QIAGEN analysts known by the Company recommended buying our shares while approximately 38% had a hold recommendation on our shares. On December 31, 2009, the average analyst target price for QIAGEN shares was approximately $24.00.

"I do not want to leave my health to chance. Regular HPV testing could save me from developing cervical cancer."

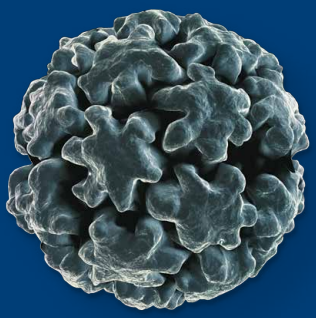
It has been proven that the most promising way of reducing the global burden of cancer is through [PREVENTION] and early disease detection. It is estimated that up to 50% of all new cancer cases and deaths could be prevented if people had access to vaccination and regular screening programs. Screening has been proven to be effective in reducing both the severity and mortality of diseases for many frequent malignancies such as cervical, breast, colorectal, skin and prostate cancer.



[CT] Chlamydia trachomatis



[GC] Neisseria gonorrhea



[HPV] Human papilloma virus

A typically sexual transmitted infection with viruses or bacteria can lead to severe diseases when left untreated including cervical precancer (lesions on the cervix), which can progress to invasive cervical cancer (human papillomavirus), pelvic inflammatory disease (PID) which can cause scarring inside the reproductive organs and dangerous complications during pregnancy (Chlamydia) and gonorrhea which may spread throughout the body, affecting joints and even heart valves (Neisseria).

QIAGEN'S SOLUTIONS FOR

[PREVENTION]

QIAGEN's digene HPV test today is considered to be the gold standard in cervical cancer screening. Based on this, QIAGEN has developed its new QIAensemble platform addressing the highest demands of screening applications in terms of throughput, reliability and efficiency. This ultra-high throughput platform can process thousands of samples in an eight hours shift, it can run up to 12 different screening tests including HPV testing, HPV 16, 18, 45 genotyping, Chlamydia and Gonorrhea testing with additional opportunities in cancer screening and other applications still to come.

Prevention

For almost 20 years, Jodie McKinney's (39) annual visit to her gynecologist was a simple routine. Over those many years, the results of her Pap test – an examination of cervical cells under a microscope to look for abnormalities – had always been normal. In 2007, however, her doctor decided to perform an additional test for Human Papillomavirus (HPV), the cause of cervical cancer. The molecular test returned a positive result for HPV infection, and in the follow-up exam Jodie was found to have pre-cancerous cells requiring immediate treatment. With the help of the HPV test, her gynecologist was able to fight the cervical disease before it advanced to cancer.

Hundreds of thousands of women worldwide share a similar story. Yet in contrast to Jodie, the majority of these stories do not have a happy ending. Of the 500,000 new cases of cervical cancer diagnosed every year, about 300,000 end in death. Statistics show that cervical cancer is the second most frequent malignancy found in women, accounting for a significant portion of the global burden of cancer. According to the American Cancer Society, cancer overall strikes more than 12.3 million people worldwide and accounts for more than 7.6 million deaths each year. Given the change in lifestyle in many developing countries and increased life expectancy, these figures are expected to dramatically rise in the future, up to an estimated 23 million new cancer cases and 17 million deaths by 2030 – putting cancer prevention and treatment at the top of the list of both national and international healthcare organizations. [1]

American Cancer Society: Cancer strikes more than 12.3 million people and accounts for more than 7.6 million deaths globally each year.

However, due to ongoing progress in biomedical and pharmaceutical research, today a cancer diagnosis is not necessarily a death sentence. In fact, new treatment strategies are already helping healthcare professionals not only to improve the quality and length of patients' lives, but also to fight back diseases.

However, when it comes to cancer, studies have shown that the most promising way of reducing the global burden is through prevention and early disease detection. It is estimated that up to 50 percent of all new cancer cases and deaths could be prevented if people led healthier lives and had access to vaccination and regular screening programs. Effective and broad screening programs are the key as early detection and diagnosis of the disease enables healthcare professionals to initiate therapy at an early stage. Screening has been proven [2] to be effective in reducing both the severity and mortality of diseases for many frequent malignancies such as cervical, breast, colorectal, skin and prostate cancer.

Here, in particular, new molecular technologies enabling the detection and analysis of hereditary material are opening up significant opportunities to improve and expand existing screening and prevention programs for cancer and a range of other diseases. Compared to traditional screening methods, molecular technologies are more sensitive and reliable, much faster and less invasive. They can provide healthcare professionals with more information, enabling the identification of patients who are at risk of developing a certain disease. Furthermore, dissemination of conven-

[1] World Health Organization, http://www.who.int/mediacentre/factsheets/fs297/en/index.html

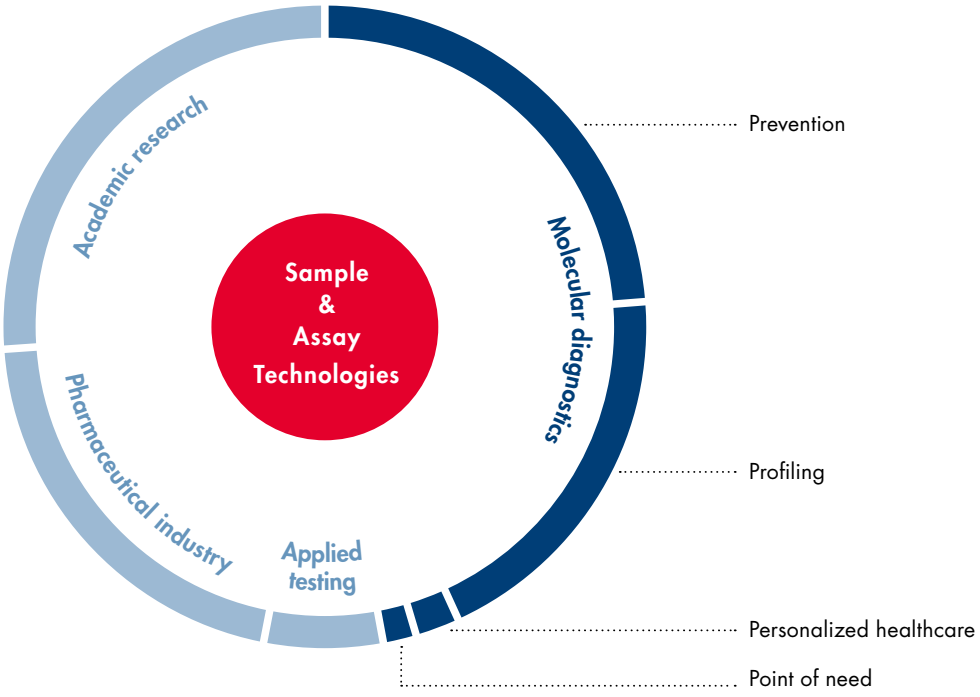
[2] World Health Organization. National cancer control programmes. Geneva: World Health Organization; 2002.

ient, easy to use and robust molecular tests can help to bring screening to people living in low-resource countries, those who are often the most in need.

As a global leader in sample and assay technologies, QIAGEN is a major driver behind the development and dissemination of novel molecular screening solutions for prevention applications. Prevention represents one of four relevant segments QIAGEN has identified in the global market for in vitro diagnostics, in which the Company executes on a strategy to attain and expand a leadership position. For QIAGEN, prevention encompasses the screening of non-symptomatic patients for early detection or diagnosis of diseases or to identify people at risk of developing certain disorders. Typically, such tests are performed on a large scale and in regular intervals. Laboratory customers working in this segment and performing such assays therefore have a specific set of requirements distinctive from other assay types: they require highly reliable platforms which can address the highest throughput needs and require little hands-on time.

The most prominent example of a prevention assay is QIAGEN's digene HPV test. This test is widely considered as the gold standard in cervical cancer screening and addresses a dynamically growing market with a potential value of over one billion US dollars. Over the last few years, QIAGEN has expanded its

QIAGEN in molecular diagnostics – Revenue breakdown per customer group



Source: QIAGEN estimates

Contributing nearly 50% to the overall revenues, sample and assay technologies for molecular diagnostics represent the biggest part of QIAGEN's business today with prevention still representing the strongest franchise inside molecular diagnostics.

QIAensemble = 12 different screening tests and more than 2,000 samples a shift on a single platform.

HPV testing business into the leading franchise in the molecular diagnostics industry, significantly widening global access to this life-saving technology and steadily increasing market penetration in developed countries. In this process, 2009 was a milestone year for QIAGEN, which saw significant progress in the development of the Company's new QIAensemble screening platform, the introduction of new products enabling a more detailed risk assessment of HPV positive patients and the start of new major initiatives to fight cervical cancer in low-resource areas.

QIAensemble is a novel ultra-high throughput platform for screening applications currently under development by QIAGEN. The automated, fully integrated system consisting of a specific instrument for sample processing and a dedicated detection platform has been designed to implement the latest molecular sample and assay technologies even under the highest demands on throughput, reliability and ease of use. The new platform will be able to automatically process thousands of samples during a single day shift, significantly more than any other instrument currently available on the market. It will be able to run up to 12 different screening tests on one single platform and in one test run, including a significantly enhanced version of QIAGEN's digene HPV test as well as assays for pathogens such as gonorrhea and chlamydia, allowing laboratories to maximize the efficiency of their existing infrastructure. In 2009, QIAGEN finished the development process and initiated preparations for clinical trials which will

digene HPV HC2 DNA Test – The gold standard in cervical cancer screening

include more than 40,000 patients, setting new standards for clinical evidence in the molecular diagnostics industry. Following clinical trials, the QIAensemble system is expected to launch in Europe and the United States in late 2010 and 2012, respectively.

Other additions to QIAGEN's portfolio of prevention assays that were successfully launched in 2009 include, most notably, several new products for the genotyping of HPV infections. Designed for follow-up examination of HPV positive women, these tests allow healthcare professionals to further identify patients who carry specific subtypes of the virus that are associated with the highest mortality rate, namely types 16, 18 and 45. This information can help to determine which women are most at risk of developing the disease and which are in need of closer monitoring or immediate treatment.

Data from various international health organizations show that a vast majority of women threatened by cervical cancer live in developing countries, which account for about 80% of all deaths caused by this disease. This disproportionally high incidence rate results from a lack of adequate screening programs and qualified medical personnel. The World Health Organization estimates that only about 5% of women in the developing world have been screened for cervical diseases in the previous five years, compared to 40 to 50% in the developed world. In 2009, a landmark study published in the April issue of the renowned New England Journal of Medicine showed that QIAGEN's HPV testing technology represents the best available means to address this problem. The study demonstrated that in low-resource settings, only one round of screening with QIAGEN's HPV test significantly reduces the number of advanced cervical cancers and deaths, compared to the Pap smear and visual inspection with acetic acid (VIA). Moreover, it also stated that QIAGEN's HC2 HPV testing platform "was the most objective and reproducible of all cervical cancer screening tests and was less demanding in terms of training and quality assurance."[3]

In 2009, QIAGEN donated 1.5 million free HPV tests to developing countries.

To improve access to this life-saving technology in low resource areas, following the publication of these study results, QIAGEN announced the donation of one million free HPV tests to developing countries. Later in 2009, QIAGEN donated an additional 500,000 tests as part of a joint initiative with the pharmaceutical company Merck & Co., Inc. to provide HPV testing and vaccination to women in developing countries. A further project geared to stimulate the dissemination of HPV testing in the developing world is a joint initiative with the Chittaranjan National Cancer Institute in Kolkata, India. Through this collaboration, QIAGEN has initiated the first large-scale cervical cancer screening program in Kolkata, which will benefit approximately 50,000 women over the next five years.

[3] New England Journal of Medicine, Volume 360:1385-1394, April 2, 2009, Number 14

Enabling scientific breakthroughs for better prevention

Significant progress is also being achieved in the ongoing improvement of screening programs and the underlying diagnostic technologies for many other diseases. Since the decryption of the human genome a decade ago, progress in life sciences research has radically expanded the boundaries of our knowledge about the molecular fundamentals of life, specifically our understanding of the emergence and progress of diseases and the impact of inheritance and environmental

factors. As such, progress in life science research is opening up many new and exciting opportunities for the early detection and diagnosis of a growing number of diseases.

Areas of research holding particularly strong potential for the development of new diagnostics for applications in prevention include epigenetics, miRNA research and systems biology. While scientists working in these fields are occupied with many different specific phenomena associated with the human genome, the practical application of their findings in prevention relies on the discovery of specific molecular signatures signaling the emergence of specific diseases – so called biomarkers.

With cutting-edge sample and assay technologies, QIAGEN enables scientists working in these fields to arrive at precise and reliable results in the shortest possible period of time. Working closely with many of the world's leading scientists and research institutions, QIAGEN is capable of anticipating emerging market trends and developing new, innovative technologies which also create significant value for customers in other markets. In 2009, this contributed to the launch of several new sample and assay technologies benefiting both scientific research and applications in prevention.

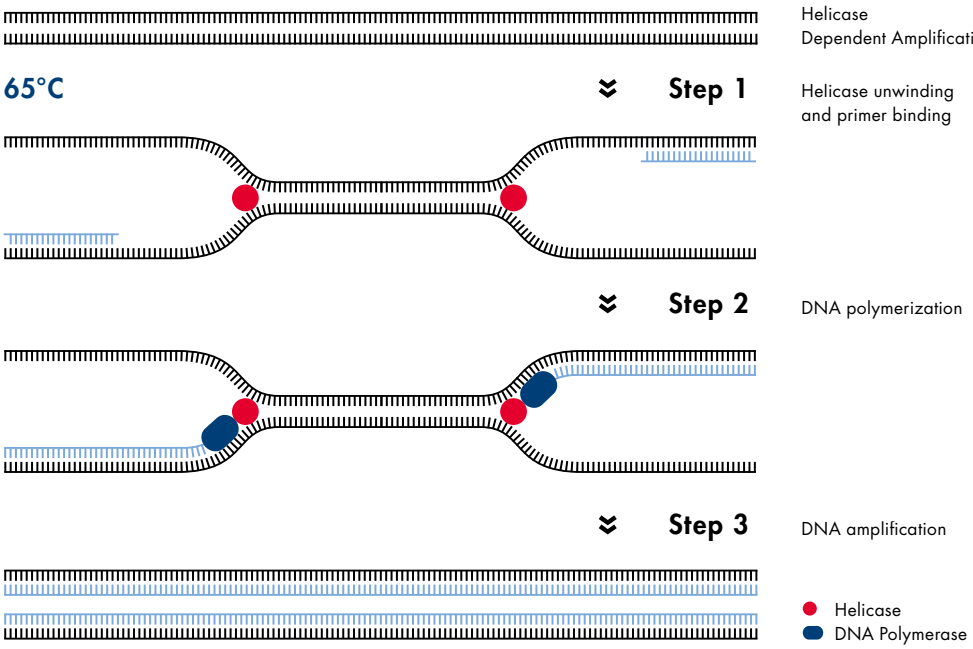
QIAamp Circulating Nucleic Acid Kit enables the development of new, non-invasive approaches for detecting malignancies.

In sample preparation, examples include a novel technology for the isolation of free circulating nucleic acids from blood or urine as well as methods for purification of RNA and miRNA from human blood samples. The QIAamp Circulating Nucleic Acid Kit enables the development of new, non-invasive approaches to detecting malignancies such as colon and lung cancer. The product provides researchers with an easy and reliable tool for the extraction of tumor derived DNA and RNA fragments circulating in human bodily fluids which have been found to correlate with the state of a disease and therefore might serve as potential biomarkers. By facilitating the handling of such DNA and RNA segments, the product is expected to help drive corresponding research. The PAXgene Blood miRNA Kit, in contrast, can be used to co-purify RNA and miRNA molecules from human blood. These molecules play a crucial part in the regulation of gene activity in human cells, yet degrade quickly and are difficult to preserve for further analysis. By stabilizing the molecules, the new kit removes this bottleneck and is expected to primarily benefit biomarker discovery in oncology.

In 2009, QIAGEN also launched a range of assay technologies for the analysis of processed biomolecules, offering researchers new methods to study the activity and function of genes. In epigenetics, which focuses on differences in the regulation and expression of genes resulting from a process called DNA methylation, QIAGEN has launched a new kit to screen large number of samples for changes in the methylation status of individual genes. Samples, deviating from the expected methylation pattern, which is highly specific for different tissue types in the human body, can then be investigated using QIAGEN's proprietary pyrosequencing technology, which provides information on the single base-pair level. With this technology, scientists can potentially discover novel biomarkers which could benefit the development of new diagnostics.

There are numerous other examples which demonstrate the role that QIAGEN's technologies play not only in the fundamental research

Helicase Dependent Amplification (HDA) – Isothermal alternative to PCR on QIAensemble



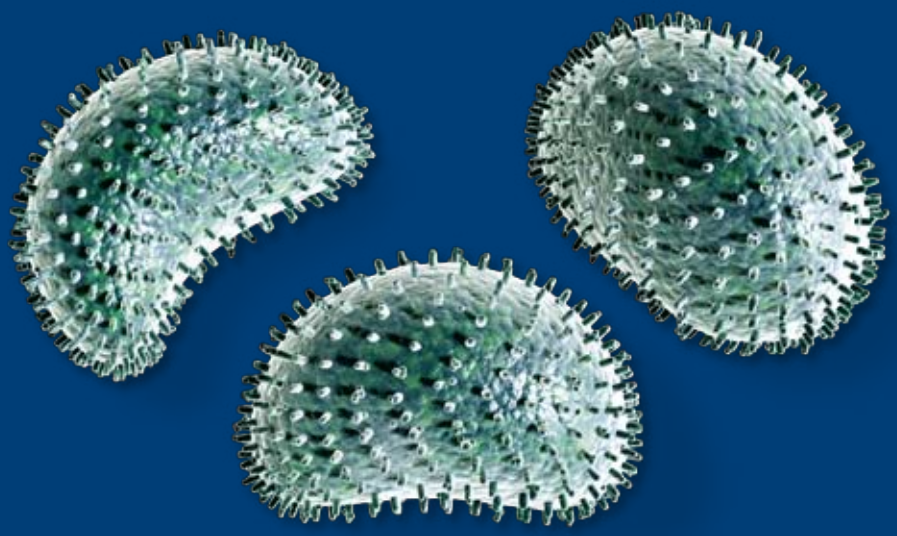
QIAGEN's improved tHDA technology mimics nature's method of replicating DNA by using helicase (± ssBP) to denature the DNA at a constant temperature of 65°C. Like in PCR two sequence specific primers are flanking the DNA fragment enabling the amplification by using an enzymatic mixture. Its advantage: HDA can easily be combined with hybrid capture technology on the QIAensemble platform.

and discovery phase, but also, and even more importantly, in the application of new findings in clinical practice. In the mid- to long-term, progress in life science research will enable the development of new screening tests not only for cancer but also for a broad range of other conditions such as cardiovascular or neural diseases. Novel technologies promise not only to enable the identification of diseases in their early stage, but also the identification of patients who are at risk of developing certain disorders – thereby allowing monitoring intervals and treatments to be adjusted early on an individual level.

Facing exploding healthcare costs, an ageing population and the growing incidence of chronic diseases, healthcare systems will soon be forced to readjust their focus from treating and managing diseases to sustaining health. New diagnostic technologies enabling the early detection of diseases before the manifestation of symptoms will inevitably be a main pillar of such a prevention strategy. QIAGEN is committed to remaining a driving force in this development. This way, one day Jodie's story can cease to be an exception and rather become the rule.

"Being a mother changed my attitude towards contagion. Fast detection of infectious diseases is of the upmost importance to keep my family healthy."

Modern molecular diagnostics take a key role in defense strategies against infectious diseases and arising pandemic risks. Accurate and fast [PROFILING] helps to isolate patients infected with new or dangerous pathogens and to prevent the spread of infections until appropriate vaccines or medicines can be developed. Molecular diagnostic tests help doctors to reliably diagnose and differentiate between different diseases, enabling fast and targeted treatment and in addition, play a key role in tracking the paths of infection and in monitoring the pathogens for potential mutations.



[Influenza Virus]

A virus is a small infectious agent that can replicate only inside the living cells of other organisms. Viruses infect all types of organisms, from humans, animals and plants to bacteria and archaea. Today about 5,000 viruses have been described in detail, although there are millions of different types. Some viruses including those causing HIV and viral hepatitis evade these immune responses and result in chronic infections.

QIAGEN'S SOLUTIONS FOR

[PROFILING]

QIAGEN provides the world's widest range of molecular diagnostic assays targeting more than 120 different pathogens including widespread bacterial and viral infections such as Hepatitis, Tuberculosis, HIV or Borreliosis. To address the highest demands in profiling in terms of flexibility and speed, QIAGEN developed the QIAsymphony, a mid-throughput, extremely flexible platform featuring amongst others random access and continuous load which enable fully automated processing from sample to result, covering almost every source material and testing kits based on different assay technologies including PCR, real-time PCR, pyrosequencing and multiplexing.

Profiling

When Maria Adela Gutierrez was rushed to the Dr. Aurelio Valdivieso Hospital in the southern Mexican city of Oaxaca on April 8, 2009, the treating physicians were puzzled. The 39-year-old patient was suffering severe shortness of breath and diarrhea, and her conditioned was worsened by diabetes. No antibiotics, oxygen or other treatment methods were able to help. Initial suspicion that the mysterious illness could be the respiratory disease SARS, was able to be ruled out a few days later. Unfortunately, this news came too late for Marie Adela Gutierrez – she was already dead.

A few weeks, hundreds of fatalities and thousands of new cases of illness later, the cause of the epidemic was all anyone could talk about: Influenza A/H1N1. A new flu virus spread at breathtaking speeds from Mexico around the world; "swine flu" made international headlines. It was a novel pathogen that prompted the World Health Organization (WHO) to declare a worldwide flu pandemic for the first time in over forty years. All that was accompanied by growing public concern around the world and a race to develop better diagnostic procedures and more effective vaccines to contain the virus.

Roughly a year later, it is some relief that the pandemic turned out to be not much more dangerous than the normal flu, despite over 16,000 deaths registered to date. It has nevertheless brought home to the world how susceptible the international community is to these types of dangers in these times of international flows of goods and people. Swine flu was a warning shot that underscored the significance of pandemic preparedness in light of existing and potential future infectious diseases.

Swine flu was a warning shot that underscored the significance of pandemic preparedness.

Modern molecular diagnostic procedures take on a key role in the defense against infectious diseases. After all, the only way to isolate patients infected with new or dangerous pathogens and to prevent the spread of infection until appropriate vaccines or medicines can be developed is through accurate and fast diagnosis. Even when drugs and vaccines are available, molecular diagnostic tests play a key role in tracking the paths of infection and in monitoring the pathogens for potential mutations. But above all, they help doctors reliably diagnose and differentiate between different diseases, enabling fast and targeted treatment.

These advantages of molecular testing procedures are equally useful in fighting widespread known infectious diseases. Even though diseases like Tuberculosis and Hepatitis do not attract the same attention from the public as new, unknown pathogens, measured by the number of cases, they are an even greater burden on the global healthcare system. The immunodeficiency syndrome AIDS alone claims around 2.1 million victims a year. The respiratory disease tuberculosis takes another 1.7 million lives. What's more, communicable diseases affect young people at a disproportionately high rate. Using global fatality statistics, the WHO calculates that on a global scale, infectious diseases will account for one-third of all deaths but over half of the years of life lost.

Molecular assay methods based on the detection of nucleic acids have significant advan-

tages in the fight against infections. One of their greatest advantages is their extremely high sensitivity and specificity, which enables even the smallest traces of viruses or bacteria to be detected in the human body. This prevents healthcare professionals from overlooking certain diseases or opting for unsuitable therapies due to false positive results. Another advantage of molecular assays is their speed, which ensures efficient patient management and enables treatment to be started immediately. Instead of waiting weeks for a certain result, time during which the patient – who sometimes might present a danger to others – cannot be treated, physicians can begin the right therapy in just a few hours. Thanks to these characteristics, molecular tests are far superior to diagnostic methods like immunological tests and bacterial cultures.

QIAGEN groups these types of molecular diagnostic technologies in its segment for profiling applications. Profiling refers to creating or confirming a diagnosis when the patient already exhibits the first symptoms of an underlying illness, such as a cough or fever, but it is not yet clear what is causing the condition. In the field of profiling, QIAGEN has the world's widest range of sample preparation and assay technologies, comprising over 120 assays for different molecular targets alone. The range of products includes methods for detecting widespread bacterial and viral infections such as Hepatitis, Tuberculosis, HIV or Borreliosis as well as rare but no less dangerous pathogens like Ebola, or the West Nile Virus. In many cases, QIAGEN is even the world's only commercial provider of certain tests and can offer the right assay systems quickly based on its extensive expertise when new, previously unknown pathogens emerge.

Complementary instruments like the QIAsymphony platform, which covers all steps from sample preparation to the final result, enables fully automated processing of the sample preparation and testing kits. Unlike in prevention applications, in profiling QIAGEN relies on mid-throughput solutions, which are extremely flexible and can process almost any source material and detect different targets. In 2009, QIAGEN was able not only to conclude strategically important initiatives in this area and to continue to expand its excellent position as the market and technology leader, but was also able to demonstrate its profiling expertise in the face of the swine flu pandemic.

QIAGEN was one of the first companies worldwide to provide public health authorities, hospitals and clinics suitable products for monitoring infections with Influenza A/H1N1. Due to its wealth of experience in the area of testing systems for bird flu (H5N1) and SARS, as well as thanks to its close cooperation with reference labs and public health authorities, QIAGEN was able to provide clinically verified assay systems for detecting the novel flu virus in just under two weeks following the death of Maria Adela Gutierrez, therewith actively helping to fight the pandemic.

QIAGEN was one of the first companies in the world to provide public health authorities, hospitals and clinics suitable products for monitoring infections with Influenza A/H1N1.

QIAGEN has quickly become one of the most important providers of needed monitoring technologies through its assays for detecting influenza A/H1N1, multiplex assays for detection of different seasonal subtypes of the flu virus, technologies for researching potential mutations of the virus and numerous assay components and reagents for sample preparation. Once again, QIAGEN's technologies found themselves to be integral components of numerous test protocols of public health

QIAGEN's technologies are integral components of numerous test protocols of public health authorities like the U.S. Centers for Disease Control and the WHO.

authorities like the Centers for Disease Control (CDC) in the United States and the WHO as well as national reference labs around the globe. The Company itself signed numerous supply agreements with public health authorities in Europe, Asia, Latin America and other regions. QIAGEN products were supplied to the United States Army and were used by Saudi Arabian government bodies to monitor possible swine flu infections along the annual pilgrimage route to Mecca.

The major benefit of QIAGEN's sample preparation and assay technologies in the fight against diseases also became clear in other cases and applications in 2009. Over the past fiscal year, QIAGEN further expanded its geographical presence, reinforcing its activities especially in Latin America and Asia. The expansion was a huge success: With an increase in sales by approximately 90% in China alone, Asia contributed to around 12% of the Company's sales in 2009. Another major geographic area is Latin America were we finalized important strategic initiatives.

These initiatives included the signing of a five-year supply agreement covering assay technologies for Brazil's national blood screening program. In the future, QIAGEN's molecular assay procedures will help identify donors infected with HIV or Hepatitis faster and more reliably, increasing the safety of donated blood and curtailing the spread of these diseases. One key advantage of QIAGEN's technologies over the immunodiagnostic procedures previously used is that they shorten the diagnostic window between the time of infection and diagnosis in the lab. As a result, experts expect these technologies to improve the diagnosis of infected blood donors in the future, helping to identify patients in need of treatment and greatly reducing the number of new Hepatitis C and HIV infections in Latin America's most populous country.

One important driver behind the dissemination of molecular sample and assay technologies is progressive automation and thus standardization of workflows in the lab. Automated procedures minimize potential sources of error, improving results and accelerating workflows, which in turn improve efficiency. Most importantly, they enormously simplify application procedures of molecular sample and assay technologies, allowing the instruments to be operated not only by senior scientists and experts.

QIAGEN greatly expanded its automation portfolio in 2009 with the introduction of instruments like the EZ1 Advanced XL for sample processing, the Rotor-Gene Q real-time PCR thermocycler and the QIAgility for setting up PCR reactions. Customers in the area of profiling and other segments and markets can now choose from a wide range of automation platforms, which cover all steps from the sample to the final result and address different requirements in terms of sample throughput and detection technology.

The Rotor-Gene Q real-time detection platform introduced in 2009 is especially of note in the profiling segment. This thermocycler uses real-time PCR technology, which is considered the widely accepted standard in diagnostic and many research applications due to its extremely high sensitivity. The Rotor-Gene Q is considered one of the world's most powerful molecular detection platforms based on PCR because of its unique technical features, like its special rotary design. QIAGEN's customers also benefit from ideally aligned

QIAsymphony development plan

Further extension of the application & test portfolio

QIAsymphony SP	QIAsymphony SP & AS	QIAsymphony RGQ	QIAsymphony Plus	QIAsymphony Pyro
Ease of use	Sample preparation	Quantitative real-time PCR	Fully integrated	Sequence based analysis
Flexibility	Assay setup	Validated protocols	Sample to result	Complete workflow
Process safety	LIMS integration	Open channel	Diagnostic software	Validated protocols
	Work list upload	Multiplexing	High speed chemistry	

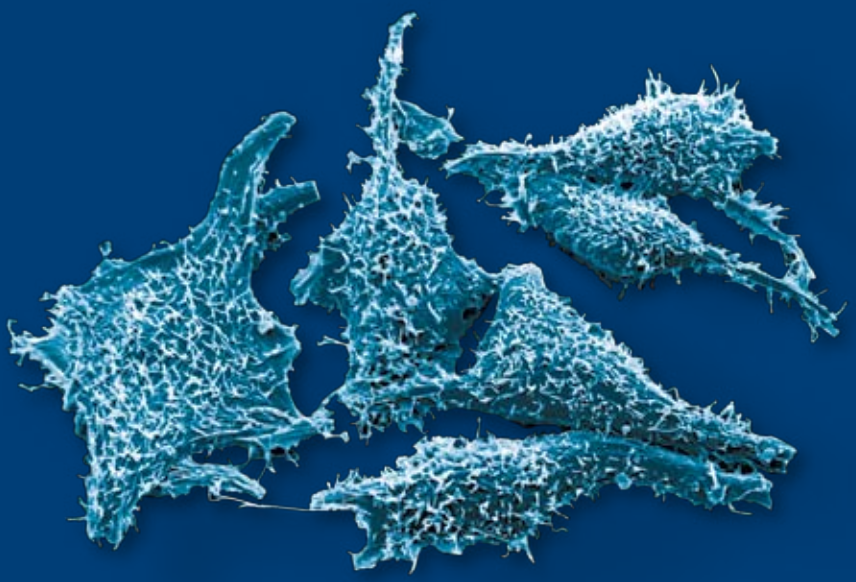
consumables that ensure the highest quality result, and from the Company's extensive intellectual property portfolio. QIAGEN is one of the few companies in the world that can offer real-time PCR instruments and reagents for all applications in research and diagnostics without restrictions. The over 200 assay procedures available to date developed by renowned laboratories specifically for the Rotor-Gene Q cycler in addition to the products developed by QIAGEN speak to the platform's widespread acceptance.

The trend toward progressive standardization of diagnostic procedures first manifests itself not at the analysis level, but as early as at the drawing, collection and transportation of sample material like blood and tissue. After all, comparability of results across different labs and countries can only be guaranteed if every patient sample is handled in exactly the same way along the path from the doctor's office to the lab. The development and implementation of these types of standards within the entire European Union is the objective of the SPIDIA (Standardisation and improvement of pre-analytical procedures for in vitro diagnostics) project, which began in 2009 under the leadership of QIAGEN on behalf of the European Commission and with the participation of 16 partners in eleven countries. The aim is to develop uniform standards for handling of patient samples to increase the capabilities and utility of molecular based in vitro diagnostics in Europe.

In the future, QIAGEN will stay in the front line when it comes to increasing the benefit of molecular sample and assay technologies in the diagnosis of diseases and encouraging the dissemination of these potentially life-saving procedures. QIAGEN's solutions will continue to give doctors and labs the right means to quickly and reliably solve even the most complicated puzzles they face as a result of new and widespread pathogens in their everyday clinical environment – like those that led to the death of Marie Adela Gutierrez.

"Three years ago I was diagnosed with cancer. A personalized treatment especially adapted to my individual genetic profile allowed my rapid return to an active lifestyle."

It is shown in numerous studies that some drugs only work for certain patients but do not work in others. Statistics say that 90% of all drugs are effective in only 30% to 50% of all patients. Molecular diagnostic based [PERSONALIZED HEALTHCARE] enables doctors to choose the most effective, cost efficient and safest drugs based on the individual patient's genetic profile. Personalized healthcare not only reveals enormous saving potential for national healthcare systems, but even more importantly, it increases the safety in treatment decisions and allows faster and more effective therapy.



[Cancer Cells]

Cancer cells display uncontrolled growth, invasion, and sometimes metastasis. Cancer is caused by abnormalities in the genetic material of the transformed cells. These abnormalities or mutations may also affect genes that regulate the metabolic pathways. As a result, drugs that need to pass these pathways to develop their effects might be blocked and the treatment is lost for the patient.

QIAGEN'S SOLUTIONS FOR

[PERSONALIZED HEALTHCARE]

With a portfolio of around 20 molecular assays targeting today's most prominent biomarkers and with more than 15 partnerships with pharmaceutical companies for companion diagnostics, QIAGEN is one of the world's leading providers in personalized healthcare. QIAGEN has developed and marketed tests for detecting K-RAS and EGFR gene mutations, two companion diagnostics used in colon and lung cancer therapies. Companion diagnostics also cover assays for mutations in other oncogenes including PI3K, B-RAF and BCL-ABL, which play key roles in the treatment of numerous types of cancer. All companion diagnostics can run on the QIAsymphony and thereby provide further testament to the flexibility and menu breadth of this platform.

Personalized Healthcare

The annual symposium of the American Society of Clinical Oncology (ASCO) is considered the world's largest and most important conference on cancer. Over 25,000 of the world's leading oncologists, cancer researchers and other experts come together each year to debate the latest discoveries in cancer research. Dr. Eric Van Cutsem, professor of internal medicine at the University of Leuven in Belgium, had something special in his luggage for his presentation before this distinct panel in the summer 2008: the results of a large-scale, prospective clinical study on treatment of colon cancer, which would provide fodder for debates among experts.

The study was able to show that only one specific group of patients with metastatic colon cancer can benefit at all from treatment with a new drug class, so called monoclonal antibodies. Mutations in the K-RAS oncogene, which plays an important role in cell growth and division in the human body, were responsible. If patients had a mutation in this important gene, treatment had no effect. Since this mutation occurs in up to 40% of all colon cancer patients, the ASCO soon declared these findings one of the year's most important scientific breakthroughs and added routine K-RAS testing to its guidelines for treating metastatic colon cancer in early 2009.

This is just one example of the radical about-face currently happening in the area of medicine under the label of personalized healthcare and is expected to bring sweeping changes in the way diseases are treated over the long term. The basic idea is as simple as it is ingenious: the concept aims to adapt and optimize medical treatments based on the patient's individual genetic make-up. In simplified terms, it's about determining which patient receives which dosage of which drug at what time.

90% of all available drugs are effective in only 30% to 50% of all patients.

The fact that numerous drugs work for certain patients but do not work at all or can even have a negative impact in other patient groups has been known for several years. Statistics show that 90% of all available drugs are effective in only 30% to 50% of all patients. The rate is around 60% for asthma drugs, and only 30% and 25% for Alzheimer and cancer drugs respectively. These figures not only reveal enormous savings potential for national healthcare systems, which are estimated by some market observers to total up to $380 billion. Even more importantly, they also show that millions of patients did not receive the right treatment on time or even at all.

Despite this, doctors long had no alternative to the trial-and-error method. It wasn't until the advent of molecular diagnostic technologies, which give doctors a picture of an individual patient's genetic profile, that the promise of personalized healthcare could be adequately fulfilled, that doctors could choose the most effective and safest drugs before beginning treatment and prescribe the optimal dosage for each patient. In this context, the personalized healthcare segment comprises all assay procedures that are used to guide treatments for pre-diagnosed patients with an existing illness.

QIAGEN is the world's leading provider in this segment with almost 20 molecular assay solutions for personalized healthcare, a packed development pipeline and over 15

research and marketing partnerships with pharmaceutical companies. Here, multiple strategic initiatives in 2009 have been an important contribution, thanks to which QIAGEN was able to rapidly expand its existing assay and technology portfolio and market position.

An important milestone in the expansion of QIAGEN's position in the personalized healthcare segment was the acquisition of its British competitor DxS Ltd. in September 2009. The privately held company headquartered in Manchester was focused on developing molecular diagnostic products for applications in oncology and marketed tests for detecting K-RAS and EGFR gene mutations, two companion diagnostics used in colon and lung cancer therapies. The DxS range of products also included assays for mutations in other oncogenes like PI3K, B-RAF and BCL-ABL, which have been attributed a key role in the treatment of numerous types of cancer.

The acquisition of DxS created a highly synergistic combination, which optimally unifies the strengths of both companies, creating a leadership position in personalized healthcare. QIAGEN's independence, the breadth of its molecular sample and assay technology portfolio, international distribution channels and its regulatory expertise also make the expanded company a key partner for pharmaceutical companies in this field.

In 2009, QIAGEN was able to build on the strong foundation it had laid in previous years. Early that year, QIAGEN added a new detection platform based on pyrosequencing technology to its instrument portfolio for personalized healthcare, which also includes such products as the QIAsymphony SP and Rotor-Gene Q. One important advantage of pyrosequencing is that the equipment reads the exact sequence of individual DNA building blocks, detecting even those mutations that were previously unknown. Therewith, the technology provides added information that can be relevant in personalized healthcare applications to further specify findings. The portfolio also includes customized assay technologies that enable mutations in genes like K-RAS, B-RAF and APOE to be detected.

Pyrosequencing technology enables to read out the exact sequence of individual DNA building blocks and to detect even mutations that were previously unknown.

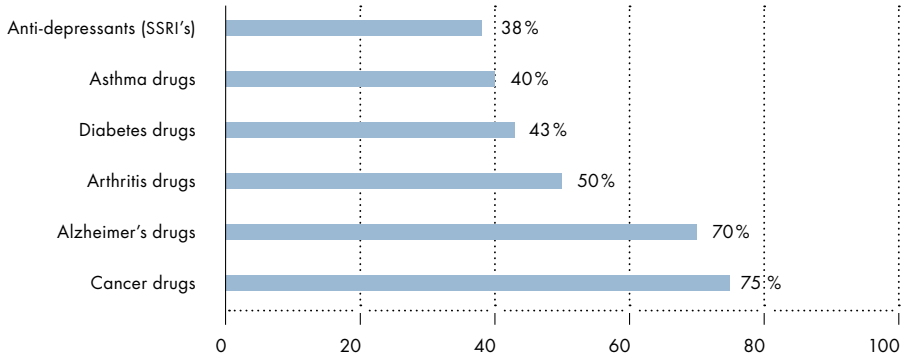
To continue to further expand its activities in personalized healthcare, QIAGEN transferred part of its previous assay business for transplant medicine to the affiliated Swedish company LinkMed in spring 2009. The agreement included a product line for detecting human leukocyte antigens (HLA), which determine the properties of the cell surface and thus a potential immune response in organ transplant recipients. The transaction allowed QIAGEN to focus on applying this technology in personalized healthcare. Relevant assays for personalized healthcare applications enable typing of the HLA-B*5701 allele, which e. g. in AIDS patients is associated with strong adverse reactions to the common drug Abacavir.

As the leading provider, QIAGEN is perfectly positioned to continue to promote the dissemination of personalized healthcare and sustainably participate in opportunities to grow in this segment. Multiple factors contribute to the expected growth in the market for personalized healthcare, whose U.S. volume in diagnostics alone was recently estimated at $24 billion. In addition to mounting cost pressure in healthcare, regulatory restrictions, scientific progress and not least patient requirements, the pharmaceutical industry is

U.S. market volume of personalized healthcare diagnostics estimated to be at around $ 24 billion.

Patients sometimes respond differently to the same therapy

Percentage of the patient population for which a particular drug in a class is ineffective, on average



Source of data: Brian B. Spear, Margo Heath-Chiozzi, Jeffrey Huff, "Clinical Trends in Molecular Medicine", Volume 7, Issue 5, 1 May 2001, Pages 201-204.

Statistics show that 90% of all drugs prescribed work only in 30% – 50% of individuals. Novel innovative therapies might only be effective in a portion of the target population. The opportunity to Identify a sub-group of patients likely to respond can dramatically increase cost effectiveness of a drug.

also increasingly recognizing the benefits of this concept for developing and marketing countless new drugs.

Expanding the blockbuster model practiced until now – developing one-size-fits-all drugs for the largest population groups possible – through the development of novel personalized healthcare solutions (drugs that are administered in combination with so called companion diagnostic tests) can in fact have numerous advantages for companies in the pharmaceutical industry. Key driving forces are the extremely high costs and risks associated with the many-year process of developing new drugs. Expensive clinical trials in which new drugs must prove effective and safe before they can be approved are especially critical. Yet unanticipated side effects can result in lawsuits and product recalls even after a drug is approved.

Molecular sample and assay technologies can solve this problem by enabling clinical studies to be carried out more efficiently and safely. Using molecular assays, pharmaceutical companies can identify study participants in which drugs are now likely to have the desired effect and enrich the trials with the right patients to increase the significance of results. Subsequently, marketing the drugs in conjunction with a diagnostic assay would prevent undesirable side effects, and the increased effectiveness of the drug would become more valuable to certain patient groups.

As a partner for the pharmaceutical industry, QIAGEN follows the entire development process of new drugs, from researching the molecular basis of a disease, identifying potential targets, active ingredients and biomarkers to conducting clinical trials and marketing the drug. QIAGEN offers an extensive range of

sample and assay technologies including the appropriate automation, which was once again significantly expanded in 2009.

PCR-based assay panels for entire biological pathways associated with certain diseases or cell processes which QIAGEN added to its portfolio in 2009 are an important boon to its customers in biomedical and pharmaceutical research. Unlike traditional tests, these types of detection procedures can simultaneously analyze up to several hundred DNA, RNA and miRNA molecules associated with certain diseases or with processes like programmed cell death, toxicology or signaling. The test panels enable a targeted analysis of the interaction between individual molecules in the human body, which significantly accelerates and facilitates the discovery and validation of potential biomarkers. This information collected around new biomarkers may also provide considerable benefits for the development of new diagnostics for applications in personalized healthcare and other molecular diagnostics segments. In addition, it may prompt collaborations for the direct transfer of identified and validated biomarkers and speed up the approval processes of diagnostic assays.

Identifying and validating new biomarkers will continue to fuel the dissemination of personalized healthcare in the future and expedite the combined approval and introduction of new drugs and molecular tests. QIAGEN plays a pioneering role in this area as well and has taken additional preparatory steps to initiate cooperation with pharmaceutical companies and to submit its K-RAS assay to the US Food and Drug Administration (FDA) for approval. The almost 3,000 drugs currently in development, of which 50 alone address the EGFR signaling pathway using the B-RAF, K-RAS, EGFR and PI3K biomarkers covered by QIAGEN, and of which others will likely only work in subpopulations only hint at the dynamics of development in the years to come.

The continuing advances in life science also bring an additional impetus to this trend. Thousands of scientists around the world use QIAGEN's technologies in areas such as epigenetics, miRNA research and system biology to decode the molecular basis of many diseases and study new biomarkers that will allow doctors to develop brand new individualized strategies in the fight against many of today's most threatening diseases. QIAGEN will continue to be involved in this process into the future and provide researchers the advanced technologies needed to achieve these breakthroughs.

Today, however, it is already clear that the application of personalized healthcare is one of the most important emerging trends. In the years to come, it will shape our understanding of healthcare and change it over the long term, not only in areas like oncology. Personalized healthcare will make medical care more effective and safer, greatly unburden healthcare systems by improving efficiency and tap new growth markets for pharmaceutical companies. Molecular information is the key to this development, and QIAGEN better than any company covers the entire value chain from development and validation of new biomarkers and conducting clinical trials to marketing clinically validated assay systems. K-RAS is one example of where we are headed. Less than two years after Dr. Van Cutsems' talk in Chicago, the corresponding test is already regarded as an internationally accepted standard in colon cancer treatment, and nearly all patients will soon be able to benefit from this breakthrough.

Currently nearly 3,000 drugs are in development of which 50 alone address the EGFR signaling pathway using the B-RAF, K-RAS, EGFR and PI3K biomarkers covered by QIAGEN.

"Point of need testing allows us to take care of our patients in emergency situations or when laboratory services are unavailable."

Technological advances started a trend toward decentralizing healthcare – the [POINT OF NEED] testing. New technologies and procedures enable doctors to perform molecular tests wherever they are needed. Solutions for emergency care have improved, allowing healthcare professionals to make the right treatment decisions in settings without any suitable infrastructure or in situations which admit no delay, such as critical care. The same assay technologies and platforms also allow laboratory independent tests in applied testing surroundings including veterinary, food testing, forensic and others.

[Pathogenic bacteria – e.g. Salmonella]

Pathogenic bacteria are a major cause of human death and disease and cause infections such as tetanus, typhoid fever, diphtheria, syphilis, cholera, foodborne illness, leprosy and tuberculosis and in some cases require acute care and emergency testing. Bacterial diseases are also important in agriculture, with bacteria causing leaf spot, fire blight and wilts in plants, as well as Johne's disease, mastitis, salmonella and anthrax in farm animals.

QIAGEN'S SOLUTIONS FOR

[POINT OF NEED]

As the market and technology leader in molecular sample and assay technologies, QIAGEN recognized early on the growing need for highly reliable and fast yet sturdy and easy-to-use products for point of need testing. The careHPV test is a special version of QIAGEN's digene HPV test, which is considered the gold standard for detecting human papillomavirus (HPV) infections in women in remote regions. In late 2009, QIAGEN added a unique optical fluorescence detection technology to its platform portfolio, which is considered an emerging standard in medical and industrial applications.

Point of Need Testing

Bringing medical advances to people – this simple formula expresses the vision that John Flynn pursued with drive and determination throughout his life. The Australian priest recognized as early as 1917 the enormous potential that new technologies like radio and the airplane had not only for improving general quality of life, but above all for healthcare in his native country. Flynn had the idea of using airplanes and radio equipment to tackle the lack of adequate health-care infrastructure in the outback and ensure that people in the most remote corners of Australia received medical care in emergencies. The idea of the Flying Doctors was born.

Today, the Flying Doctors care for over 270,000 patients each year with 53 airplanes. The approach of offering medical care to patients directly where it is needed set an international precedent and found many imitators. What's more, technological advances started a trend toward decentralizing healthcare, which continues today. Thanks to new technologies, tests and procedures that just a few years ago needed to be performed in a specialized facility can now increasingly be performed by doctors in their own offices. At the same time, the quality of emergency care has improved, enabling medical innovations to be transferred to sparsely populated regions without a suitable infrastructure. Likewise, new diagnostic technologies can help healthcare professionals to make the right treatment decisions in settings which admit no delay, such as critical care.

Point of need testing segment estimated to account for $13 billion in 2009 with huge growth potentials over the next five years.

In the global market for in vitro diagnostics, this trend is clearly reflected in the growth seen by the point of need testing segment, which accounted for $13 billion in 2009, the largest share of worldwide diagnostic product sales. According to market studies, these sales could grow to $18.4 billion in just five years. And this trend is in no way limited to medical diagnostics for humans. In other markets like food quality assurance, defense against biohazards and veterinary medicine, users are increasingly demanding procedures that enable the detection and identification of pathogens quickly and reliably at the point of need, and thus efficient management of commodity flows and the monitoring and containment of epidemics.

Molecular assay technologies that detect viruses and bacteria based on nucleic acids are suitable for these demands because of their high sensitivity and specificity. And yet the use of molecular assay systems has so far been reserved largely for specialized labs despite advances in standardization and automation of the necessary steps in the process. Only in these labs can specialists ensure controlled conditions and thus the basis for comparing results, which are achieved using highly precise and sensitive technologies like PCR. Moreover, the necessary equipment usually requires a minimum of infrastructure, like electricity, and generally is not intended for portable use, which means that it may need to be recalibrated after it is transported. In developing and newly industrialized countries, the lack of suitable personnel has also proven an additional stumbling block for wide-spread use of molecular assay technologies.

As the market and technology leader in molecular sample and assay technologies, QIAGEN recognized early on the growing need for highly reliable and fast yet sturdy and easy-to-use products for point of need testing and invested its expertise first in the development of a specially adapted HPV test for low-resource regions. QIAGEN did so to great success, as evidenced by the significant progress in the development of the test in 2009.

The careHPV test is a special version of QIAGEN's digene HPV test, which is considered the gold standard for detecting Human Papillomaviruses (HPV) in the prevention of cervical cancer. QIAGEN developed the careHPV test together with the nonprofit health organization PATH and with funding from the Bill & Melinda Gates Foundation for use in developing and newly industrialized countries, where 80% of the world's cases of illness and death from cervical cancer occur. The portable test requires only a short training time and no access to running water or electricity. It returns highly reliable results in less than two hours. Herewith, the method meets all the key requirements for efficient use in point of need testing, even in remote regions.

Several milestones were achieved along this path in 2009. One important step toward widespread marketing of the new test was the start of clinical trials in China, where QIAGEN expects its first official approval by the SFDA regulatory agency following conclusion of the trials in 2010. QIAGEN simultaneously initiated additional research projects in Rwanda and Nigeria to collect further empirical data in the practical use of this life-saving method, while QIAGEN's development partner PATH started a pilot project in Nicaragua. PATH's activities aim to evaluate potential strategies for implementing cervical cancer screening based on the careHPV test in national health programs in developing and newly industrialized countries. Additional projects in India and Uganda have also been in place since 2010.

Another priority for QIAGEN is broadening its technology and product range for point of need testing in markets for molecular diagnostics and applied assay procedures. In late 2009, QIAGEN initiated the acquisition of ESE GmbH, headquartered in Stockach on Lake Constance, adding to its platform portfolio a unique fluorescence detection technology, which is considered an emerging standard in point of need testing and forms the basis of QIAGEN's corresponding next-generation testing platform.

Acquisition of ESE GmbH added unique fluorescence detection technology, considered the emerging standard in point of need testing.

The detection platform is based on optical fluorescence measurement systems, which are integrated into compact modules and are also used in industrial applications in addition to the markets served by QIAGEN. These systems enable ultra-fast detection times, are highly portable and affordable. They produce results in just 5 to 15 minutes, can be battery-operated and are already available for less than $2,000. The optical fluorescence measurement system can process up to eight samples simultaneously and enable multiplexing, detecting multiple molecular targets in just a single test run.

Unique battery-operated fluorescence detection technology produces results in just 5 to 15 minutes.

To promote the use of this technology, QIAGEN is focusing on developing compatible detection methods for molecular diagnostics and applied assay procedures. Since the detection platform is compatible with QIAGEN's

sample and assay technologies, there is huge potential for expanding a market-driven test portfolio in adapting selected assay procedures for detecting viral and bacterial pathogens like salmonella, E. coli and influenza. Significant synergies result from the ongoing development projects for the QIAensemble high-throughput screening platform, which also uses isothermal assay systems such as a modified HDA technology. This technology enables amplification and detection reactions to occur at a constant temperature. Heating and cooling processes like those required in PCR-based methods can be avoided, thereby making the development of compact instruments easier.

The system has the potential to be used especially in low-throughput settings, in which fast and reliable test results are needed but no laboratory infrastructure is available. These could be molecular diagnostic applications like the direct detection of pathogens in emergency and operating rooms or in ambulances to enable targeted therapy to be started immediately upon arrival at hospitals. In such applications, QIAGEN's fluorescence detection systems have the potential to tap new user groups for molecular sample and assay technologies and crowd out traditional methods like immunodiagnostics. QIAGEN expects its first submissions for regulatory approval of such assays to take place following the launch of clinical systems after 2011.

Point of need testing required in low-throughput settings where fast and reliable test results are needed but no laboratory infrastructure is available.

The detection platform also offers significant potential for applications in the market for applied testing procedures. In veterinary medicine, portable test systems could be used in the field, for example for detection and the immediate fight against widespread animal diseases without losing valuable time for transporting samples to a laboratory. In food quality testing, these procedures could be used to monitor samples seamlessly along the entire transportation chain from the processing facility to the consumer and without delays. The portability and universal applicability of the detection platform also make it the perfect choice for defending against biohazards where analyzing a large number of a variety of samples at different locations as quickly as possible is absolutely essential.

The development of suitable detection procedures can benefit from the numerous partnerships QIAGEN has entered in applied testing and was able to expand in 2009. In addition to cooperating with the Chinese Academy of Sciences in food quality control and with the Institutes of Animal Health in veterinary medicine, QIAGEN also cooperates with the renowned British Veterinary Laboratories Agency, a partnership that has already produced several assay procedures for detecting animal diseases. Based on these successes, QIAGEN was able to expand this partnership in 2009. In the future, both partners will work toward developing molecular assays for detecting infectious diseases in horses, including the dangerous equine respiratory disease strangles as well as certain infections of the reproductive system, for which thoroughbreds must be tested before breeding.

Leveraging point of need technologies in laboratory-based applications

Developments in point of need testing, however, are not only a helpful addition to stationary applications in the lab, but can also enhance them over the long term. Laboratory procedures are used whenever the procedure must be highly accurate and reliable "down to the last drop" and even minimal deviations

can make a difference. Forensics is such a field, where laboratory procedures must meet the most stringent standards. Investigators often have only minute traces of genetic material to work with. Moreover, samples from crime scenes are often impure or have degenerated, which further complicates work. In these cases, scientists rely on advanced technologies that are at the cutting edge of what is possible.

Here, QIAGEN is setting standards with its sample and assay technologies. QIAGEN's consumables and instruments are part of the standard equipment of leading forensic labs throughout the world. In the United States alone, the largest market, over 600,000 crime scene samples are tested year after year using QIAGEN products. QIAGEN has a significant market leadership in commercial sample preparation. QIAGEN owes this success to the continuous improvement and development of products like the EZ1 Advanced for automated purification of nucleic acids, which completed its third development stage in 2009. The EZ1 Advanced XXL can process up to 14 samples in a single run from a broad spectrum of sample materials like blood and tissue. It ensures the highest quality results and features a variety of proven functions like UV decontamination, barcode scanning and ease of use.

Although equipment like the EZ1 Advanced XXL is designed primarily for lab applications, its next development stages could benefit from point of need testing technologies. Specifically, development could benefit from the compact fluorescence detection modules at the core of QIAGEN's new platform for point of need testing, which could also be integrated into stationary equipment for process control – for example for determining the DNA concentration in a purified sample – and thus as an additional quality assurance mechanism.

Having portable, widely useable platform technologies and assay content can create numerous synergies between QIAGEN's solutions for stationary and mobile use, applications in prevention, profiling, personalized healthcare and point of need testing, which ultimately would help improve and thus continue to disseminate molecular assay systems in an increasing number of areas of everyday life. We are still in the very early stages of development. One day, compact detection modules could bring molecular technologies to almost every medical practice and other applications. It is hard for us today to imagine the variety of possibilities, but one thing seems certain: these types of assay systems will likely first find their way into the Flying Doctors' luggage in keeping with the founder's original idea.

The EZ1 Advanced XXL can process up to 14 samples in a single run from a broad spectrum of sample materials like blood and tissue.

Innovation @ QIAGEN

Innovation is the most central value at QIAGEN. From the Company's first days, we strived to improve and revolutionize the utility of applications for sample and assay technologies. And our vision for the future also builds on this power of our core innovation competency to shape the industries we serve.

At QIAGEN, we take great pride in our innovation culture that enables us to always exceed customer's expectations, to exceed the targets we set and to shape new markets.

In 2009, we launched 79 new products in the area of sample and assay technologies into our markets which contributed 5% to our 2009 organic revenue growth rate of 13%. These new product introductions are a testament to QIAGEN's focus on differentiating by innovation and building on a culture that is driven by individual talents, open working platforms, internationality and open and effective communication. Our full pipeline of new products, platforms and technologies builds a solid basis for our success in 2010 and beyond.

Innovation Culture

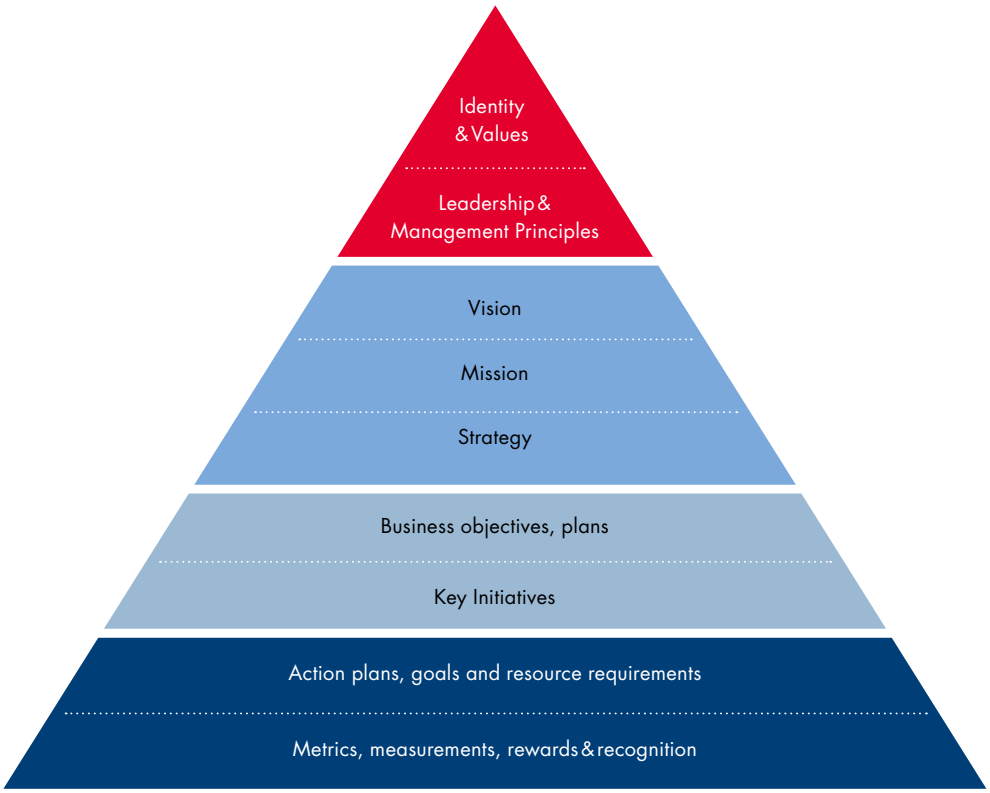
QIAGEN's 3 I's (Identity, Inspire and Impact) build the basis of our culture and give us the strength to make innovation a part of our daily work life.

In the way that DNA as genetic information is shaping the Identity of every human being, our employees shape the way we work together at QIAGEN. We believe that we have assembled a highly talented group of employees, working passionately, always striving for the best solution possible to create value for our stakeholders. We interact with each other in an honest and respectful way and are always open to actively search for new ideas.

By minimizing corporate hierarchy and living an open door culture we enable effective communication among employees of all levels, across departments and regions. Individual thinking and creativity is one of our key assets. We empower and encourage our employees to act entrepreneurial and to demonstrate leadership by exemplifying our vision and goals. Thereby, we Inspire and motivate QIAGEN's people to new levels of innovation. We take great pride in providing an environment where talented and engaged individuals can find fulfilment in their jobs.

This engagement and talent of our employees are our most important success factors. They have an extremely high Impact on our business results. The synchronized translation of our culture (Identity) through leadership (Inspire) to our daily management and actions (Impact) is a secret of our success. The contribution from each employee is appreciated in the innova-

QIAGEN's strategy pyramide



QIAGEN's 3 I's – Identity, Inspire & Impact – build the basis of the company's culture and make innovation a part of the daily work life. The synchronized translation of culture (Identity) through leadership (Inspire) to daily management and actions (Impact) is a pillar of QIAGEN's success.

tion process, thus helping us to create amazing things that provide significant value to our customers. We reflect on personal actions and strive for continuous self improvement, continuous learning and self development. These, combined with a constant urge to challenge the status quo, are key elements of successful innovation cultures.

A key element of our 3 I system is that we foster excellent teams of exceptional individuals. As such, we are convinced that considering multiple, cross functional, cross-discipline views is critical to developing effective solutions. Hence, we foster teams who engage in open ways of thinking to draw the highest benefit from this diversity. Although, we invest more in research and development to drive innovation than almost any other company in our industry, we believe that innovation is far more than a goal only for research and development: It is a core mission for every employee, independent of position, department or region.

Selected Product Introductions in 2009 and early 2010

Product	Application
SAMPLE TECHNOLOGIES	
BioSprint One-For-All Vet Kit	Purification of viral DNA and/or RNA and bacterial DNA from veterinary samples
EasyXpress NMR Uniform Labeling Kit	Expression of large amounts of proteins in cell-free E.coli lysates
EasyXtal 15-Well Tool	Screw-in crystallization supports hanging drop protein crystallization
Gluthatione Superflow Matrices and GST-tag Antibody	Affinity purification of recombinant GST-tagged proteins and for detection of GST-tagged proteins
NeXtal CubicPhase Kit	Pre-spotted 96 well plates for automated membrane protein crystallization
Nextal Evolution µplate	96 well plates for high throughput protein crystallization
Ni-NTA Membrane Protein Kit	Solubilization and purification of His-tagged membrane proteins
PAXgene Blood miRNA Kit	Extraction of RNA including miRNA from PAXgene Blood RNA Tubes
PAXgene Tissue System	Fixation of tissue with simultaneous stabilization of biomolecules
QIAamp Circulating Nucleic Acid Kit	Concentration and purification of free-circulating DNA, RNA and miRNA from human plasma and serum
QIAGEN Plasmid Plus Kit	Large scale plasmid preparation
QIAsafe DNA Blood Kit	Room temperature storage, archiving and transport of blood
QIAsymphony AXpH DNA Kit	Extraction kit purification of DNA from PreservCyt liquid cytology samples using AXpH technology on QIAsymphony SP
RNeasy Protect Animal Blood System	Stabilization and purification of total RNA and miRNA from blood from small animals
SeqTarget Product Line	Upstream sample enrichment for NextGen Sequencing
Strep-Tactin Superflow Plus	Affinity purification of recombinant Strep-tagged proteins
ASSAY TECHNOLOGIES	
artus BK Virus RG PCR KI, CE marked	Detection of BK virus DNA from sample materials human plasma and urine by real-time PCR using Rotor-Gene Q instruments
artus Influenza/H1 LC/RG RT-PCR Kit	Detection of Influenza plus Influenza A (H1N1) by real-time PCR using the LightCycler or the Rotor-Gene Q
artus VZV Virus RG PCR KI, CE marked	Detection of varicella-zoster virus DNA from human cerebral spinal fluid (CSF) by real-time PCR using Rotor-Gene Q instruments
cador BTV RT-PCR Kits	Real-time PCR Kits for detection of Bluetongue Virus (BTV) in cattle and sheep
digene HPV Genotyping Test	PCR based assay for the in-vitro identification of 18 high-risk HPV genotypes
EpiTect HRM PCR Kit	High resolution melting (HRM) analysis of CpG methylation
miScript Precursor Assay	Detection of specific precursor miRNAs
PyroMark KRAS Kit, CE	Quantitative measurement of mutation levels of the human KRAS gene to select patients likely to benefit from anti-EGFR therapies
PyroMark PCR Kit	PCR master mix kit for optimized amplification of gDNA or bisulfite treated DNA for methylation sequencing analysis
QIAGEN HRM Genotyping PCR Kit	Genotyping of SNPs and mutations using high resultion melting (HRM) analysis on Rotor-Gene family
QuantiFast Multiplex RT-PCR Kits	Fast multiplex for one-step real-time PCR using TaqMan probes on any standard or fast cycler
Rotor-Gene Multiplex RT-PCR Kit	Ultrafast real-time multiplex one-step real-time PCR using TaqMan probes on the Rotor-Gene Q
Type-it HRM PCR Kit	Genotyping of SNPs and mutations on all rela-time PCR cyclers capable of high resolution melting (HRM) analyis
AUTOMATION	
EZ1 Advanced XL	Walk away workstation for magnetic bead based nucleic acid purification. Fourteen samples per run and barcode reader
Rotor-Gene Q	Real-time PCR cycler featuring a rotary design including the option for high resolution melting (HRM) analysis
QIAsymphony AS	The second module of the QIAsymphony Series for automated assay set up in combination with the QIAsymphony SP
QIAgility	Reaction setup device specifically developed for PCR and real-time PCR setup
QIAxtractor	High throughput 96 wells nucleic acid purification system
Pyromark Q24	Using pyrosequencing technology for the detection and quantification of base variants
Pyromark Q96 MD/ID	Using pyrosequencing technology for the detection and quantification of base variants or sequence-based mutations

Application Field	Markets	Applied Testing	Biomedical research	Clinical laboratories	Life Science research	Molecular Diagnostics	Pharma
All in one detection		●					
Protein expression, Protein purification			●		●		●
Structural biology, Drug screening, Protein research			●		●		●
Protein purification, Protein expression, Protein detection			●		●		●
Protein research			●		●		●
Protein research			●		●		●
Protein expression, Protein purification, Protein detection			●		●		●
Biomarker discovery, Cancer research/oncology, Pharmacogenetics			●		●	●	●
Histology and molecular analysis on the same sample, e.g. in oncology or pathology		●	●		●	●	●
Biomarker discovery, Blood safety testing, Cancer research/Oncology, Genotyping			●		●	●	●
				●			●
Biobanking, Sample repository		●	●		●	●	●
Viral nucleic acid purification, HPV testing, Infectious disease, Virology			●			●	●
Gene expression analysis	[1] pre-clinical studies				●		● [1]
Cancer research/Oncology			●		●	●	●
Protein expression, Protein purification, Protein detection			●		●		●
Infectious disease testing			●			●	●
Infectious disease testing			●			●	●
Infectious disease testing			●			●	●
Infectious disease testing	[2] animal vaccine production	●					● [2]
Infectious disease testing						●	
Biomedical research, Cancer research, Pharmacogenomics		●	●			●	●
Biomarker discovery, Cancer research/Oncology, Genotyping			●		●		●
Companion diagnostics, Pharmacogenetics, Genotyping			●			●	●
Methylation mechanism studies, Gene regulation, Gene silencing		●	●		●		●
Cancer reseach, Biomarkere discovery, Genotyping		●	●		●	●	●
Gene expression analysis, Gene function analysis		●	●			●	●
Content		●	●			●	●
Cancer research, Biomarker discovery, Gonotyping		●	●		●	●	●
Purification of DNA and RNA from various types of samples		●	●			●	
Gene expression, Pathogen detection, DNA methylation analysis, Genotyping, miRNA research		●	●		●	●	●
Liquid handling system supporting multiple cycler formats		●	●			●	●
Gene expression, Pathogen detection, DNA methylation analysis, Genotyping, miRNA research		●	●		●	●	●
	[3] veterinary	● [3]	●		●		
Methylation analysis, Genotyping			●		●	●	●
Methylation analysis, Genotyping, Microbiological identification, Resistance typing (e.g. antibiotics)		●	●		●	●	●

Financial Statements

Business Overview

Description of Our Business

We believe, based on the nature of our products and technologies and on our United States and European market shares as supported by independent market studies, that we are the world's leading provider of innovative sample and assay technologies and products. Our products are considered standards in areas such as pre-analytical sample preparation and assay solutions in research for life sciences, applied testing and molecular diagnostics.

- **Sample Technologies:** Sample technologies are used to collect, stabilize, isolate and purify molecules such as deoxyribonucleic acid (DNA), ribonucleic acid (RNA) and proteins from any biological sample. Our sample technologies provide access to the content of biological samples. These include solutions for the collection, stabilization, purification, handling and storage of any analyte (DNA, RNA, protein) from any sample (blood, bone, tissue, etc.). Our sample technologies ensure that a sample is processed in a reproducible, standardized method with the highest level of quality before entering the subsequent analysis phase, for which the Company provides a broad range of assay technologies, such as reagents and testing solutions.

- **Assay Technologies:** Once the general group of biomolecules or a specific subgroup has been isolated with sample technologies, assay technologies are then used to make specific target biomolecules, such as the DNA of a specific virus, visible for subsequent detection and analysis. Our assay technologies include reagents which enable the detection of such target analytes, e.g. the DNA sequence from a specific virus, from a purified sample. We also provide closed assays, in which such assay technologies have been pre-configured to test for specific targets such as the influenza virus, hepatitis, HIV, HPV or herpes. We hold unique leadership positions in a wide range of tests including in HPV-testing, one of the largest and most rapidly expanding market segments for sample and assay technologies in molecular diagnostics, and specifically, in women's health testing.

Our Products

We offer more than 500 consumable products and automated solutions and we regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. In 2009 we launched 79 new products in the area of sample & assay technologies. We sell these products to academic research markets, to leading pharmaceutical and biotechnology companies, to molecular diagnostics laboratories as well as to customers in applied testing markets, such as forensics, animal or food testing, and pharmaceutical process control. These products enable our customers to efficiently pursue their research and commercial goals that require the use of nucleic acids.

The main categories of our products include:

- **Consumables:** Our consumable products include our sample and assay technologies. Sample technologies are used to collect, stabilize, isolate and purify DNA, RNA and proteins from all biological samples such as blood or tissue. Assay technologies like our amplification consumables or molecular diagnostic assays are used to make such isolated biomolecules visible. We offer most of our sample and assay consumable products, which can account for as much as 90% of our business, in kit form to maximize customer convenience and reduce user error. These kits contain all necessary reagents and buffers, and a technical handbook that includes a detailed protocol and background information. Each kit is sufficient to support a number of applications varying from one to one thousand depending on the kit. Each kit is covered by our quality guarantee.

Major applications for our consumable products are plasmid, DNA purification; RNA purification and stabilization; genomic and viral nucleic acid purification; nucleic acid transfection; polymerase chain reaction (PCR) amplification; reverse transcription; DNA cleanup after PCR and sequencing; DNA cloning and protein purification. In 2005, we began offering validated PCR assays which allow PCR-based detection of viral, bacterial and parasite, human and animal pathogens as well as pharmacogenomic testing and genotyping.

In 2007, we acquired Digene Corporation and began offering the digene HC2 HPV Test, a signal amplified test for the Human Papillomavirus for use in cervical cancer screening programs. The majority of our assays are validated with either manual or automated sample preparation from QIAGEN and CE-labeled according to the IvD-Directive in the EU.

In 2009, we acquired DxS Ltd., a developer and manufacturer of companion diagnostic products (CDx) for personalized healthcare applications. With this acquisition, we added activities in companion diagnostics with a portfolio of molecular diagnostic assays and intellectual property, as well as a deep pipeline of active or planned companion diagnostic partnerships in oncology with many of the leading pharmaceutical companies, including Amgen, Boehringer Ingelheim, Bristol-Myers Squibb, AstraZeneca and others in the field of personalized healthcare.

Also in 2009, we acquired SABiosciences Corporation and added a leading portfolio of PCR-based, disease and pathway-based panels that play key roles in biomedical research and the development of future drugs and diagnostics for molecular analysis-based clinical development in pharmaceutical and biomedical research.

- **Instrumentation:** Our instrumentation systems automate the above mentioned consumables in low, medium or high throughput scale as well as reaction set-up, allowing customers to perform reliable low- to high-throughput nucleic acid sample preparation, assay setup and other laboratory tasks.

Our automated systems offer walk-away automation of sample and assay technologies in low, medium or high throughput scale, as well as reaction set-up and other laboratory tasks. In early 2007, we launched the QIAcube, a novel sample processing platform incorporating novel and proprietary technologies which allow users in research in life sciences, applied testing and molecular diagnostics to fully automate the processing of almost all our consumable sample technology products. The QIAcube received the distinguished New Product Award, or NPA, Designation of the Association for Laboratory Automation, or ALA, in February, 2007 and the QIAsymphony, which was introduced in January 2008, received the ALA NPA in 2008.

Also in early 2008, we released our QIAxcel, an innovative automated system. This system can replace tedious and time-consuming methods of nucleic acid separation in low- to high-throughput laboratories and can be used for the detection of results following the use of assay technologies. QIAxcel, which is designed to take the place of traditional slab-gel analysis, is characterized by an unprecedented sensitivity and time to results.

In 2008, we acquired Corbett, who is best known for having developed the world's first rotary real-time PCR cycler system, the Roto-Gene Q, a system used to detect real-time polymerase chain reaction (PCR) reactions. Real-time PCR reactions are assay technologies which make specific sequences of DNA and RNA, targets visible through amplification and quantifiable through real-time measurement of such amplification. The addition of this proprietary PCR detection technology extends QIAGEN's real-time PCR molecular testing solution portfolio and enhances QIAGEN's options to offer sample and assay technology solutions spanning from sample to result.

Also in 2008, we acquired the Biosystems Business of Biotage, best known for having pioneered Pyrosequencing®, which has become a fundamental assay technology in next-generation sequencing. Pyrosequencing is a patented assay technology that in special formats can achieve significantly longer runs and can be employed in a massively

parallel design to address the needs for applications such as high volume data generation in whole genome sequencing applications. In its widely used standard format, this technology provides the opportunity to read DNA-sequences up to 100 base pairs in real-time and at a price per read in the single dollar range.

In January 2010, we acquired ESE GmbH, a privately held developer and manufacturer of portable, battery operated, "ultra-fast time to result", multiplex UV and fluorescence optical measurement devices. These fluorescence detection systems are utilized for point of need testing in healthcare and applied testing markets enabling low-throughput molecular testing in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required.

In addition, key programs currently underway include the further development of our modular, medium throughput QIAsymphony platform and the related sample and assay technologies. This system features specifications such as random access and continuous load capabilities and is designed to ultimately allow fully integrated processing of a wide range of molecular tests – from sample to result. Also, further work is continuing on our next generation high throughput of molecular testing platform, the QIAensemble system. The QIAensemble system will automate most all steps in the workflow for high throughput testing and its menu will also include our new version of our HPV tests.

- **Other:** A very small part of our business revenues comes from custom services, such as whole genome amplification services, DNA sequencing, and non-cGMP DNA production on a contract basis. We also sell and/or license technology.

Research and Development

By focusing our resources on our core expertise "Sample & Assay Technologies" and due to the size of the markets for products that utilize this core expertise, we can invest more in research and development on our core application area than we believe is typical in our industry. Approximately 700 employees in research and development, who work in six centers of excellence on three different continents, constantly develop new applications that push the frontiers of science further. Our investment in research and development accounts for more than 10% of our sales. Our total research and development expenses in 2009, 2008 and 2007 were approximately $107.9 million, $97.3 million, and $64.9 million, respectively. We have fast, proven innovation cycles, with approximately five percent of 2009 revenue growth stemming from new products launched in 2009. Our comprehensive intellectual property portfolio spans over 700 granted patents and more than 800 pending applications.

Our product development efforts are focused on expanding our existing products and developing innovative new products in selected areas where we have expertise and have identified substantial unmet market needs. We intend to maintain our technology leadership position through investments in product improvements, product extensions, and innovative new approaches. We believe that improvements in instrumentation will strengthen our leadership position in the automation of sample and assay technology applications and generate an increased demand for our consumable products.

Sales and Marketing

We market our products in more than 40 countries throughout the world. We have established subsidiaries in the markets that we believe have the greatest sales potential in the Americas, Europe, Australia, and throughout Asia. We have established a network of highly experienced marketing personnel and employ a dedicated field sales force of over 1,200 people, who sell our products and provide direct support to customers. A significant number of our marketing and sales staff is experienced scientists with academic degrees in molecular biology or related areas. We also have specialized independent distributors and importers.

Our marketing strategy is focused on providing high-quality products that offer customers unique advantages,

coupled with a commitment to technical excellence and customer service. We have developed a range of marketing tools designed to provide customers with direct access to technical support and to inform them of new product offerings, as well as to enhance our reputation for technical excellence, high-quality products, and commitment to customer service. One such tool is our technical service hotline, which allows existing or potential customers to discuss, via phone and e-mail, a wide range of technical questions regarding our products and related molecular biology procedures with Ph.D. and M.Sc. scientists in our technical service group, who provide advice and training. Frequent communication with customers enables us to identify market needs, to gain early insight into new developments and business opportunities, and to respond with new products.

To enhance the knowledge base of clinicians and to provide for physician-directed marketing of our products, we have sales representatives dedicated to educating physicians, nurses and other healthcare professionals about the benefits of HPV testing using our technologies. Additionally, we have implemented direct to consumer (DTC) advertising campaigns designed to educate women about the link between HPV and cervical cancer and the availability of our HPV Test.

We also distribute several publications, including our annual catalog, to existing and potential customers worldwide, providing new product information, product updates, and articles contributed by customers and by our scientists about existing and new applications for our products. In addition, we advertise in leading scientific and clinical journals such as Science, and hold numerous scientific seminars, in which our scientists present technical information at leading clinical, academic and industrial research institutes worldwide. We conduct direct mail campaigns to announce new products or offer special sales promotions, and also offer various personalized electronic newsletters for our worldwide customers that provide helpful hints and information for molecular biology applications. Our web site (www.qiagen.com) contains a full online product catalog and ordering system, as well as a host of support tools, scientific design tools and other resources. Some information is available on our website in French, German and Korean to support these local markets. In addition, we have full Japanese and Chinese language versions of our site. The information contained in, or that can be accessed through, our website is not part of this Annual Report.

In addition to keeping our customers informed of new product offerings, we also offer an inventory consignment program. The QIAcabinet is a storage cabinet owned by us and placed in customer laboratories at their request. The QIAcabinet is stocked with our products, offering customers the convenience of immediate access, thereby reducing product reorder procedures and shipping costs. We monitor cabinet inventory and bill the customers at regular intervals as the products are used. We believe that our QIAcabinet helps us maintain our competitive position while also reducing distribution costs and increasing our visibility in the laboratory.

Principal Markets

From our inception, we have believed that sample and assay technologies for nucleic acids and proteins would play an increasingly important role in cutting-edge molecular biology and that major new commercial uses of nucleic acids would be developed. We have been supplying customers with proprietary products for the processing of nucleic acids since 1986. Customers include major academic institutions and governmental laboratories, such as the NIH, as well as leading pharmaceutical and biotechnology companies. In addition, fundamental developments in recent years have created significant new opportunities for us in the emerging markets of nucleic acid-based molecular diagnostics, such as HPV-testing or personalized healthcare, and applied testing (or the use of molecular diagnostics outside of human healthcare), such as forensics, veterinary diagnostics, testing of genetically modified organism, or GMO, and other food testing, drug discovery and development. In response to these opportunities, we are currently targeting our products and marketing activities to each of these markets.

Research Market

The worldwide research market for nucleic acid and protein separation and purification products is comprised of an estimated 45,000 academic and industrial research laboratories with more than 400,000 researchers from leading academic institutions, diagnostics companies and laboratories, biotechnology companies and pharmaceutical companies. A substantial portion of this market continues to utilize traditional, labor intensive, manual methods for nucleic acid separation and purification, and we estimate that 15 percent of all molecular biology research time is spent on such processes. We recognized the opportunity to replace the traditional methods with reliable, fast, highly reproducible, and high-quality nucleic acid separation and purification technologies and products. We concentrated our product development and marketing efforts on this market and now offer over 500 nucleic acid sample processing products to customers. We also offer a broad and innovative portfolio for the expression, purification and fractionation of proteins. We believe that we are the technology leader in this growing research market and that we are well positioned to increase sales and expand our share of the research market as laboratories continue to convert from traditional methods to newer technologies such as ours. Based on estimates of the number of sample preparations being performed each year, we believe that the potential worldwide research market for our nucleic acid purification products exceeds $1 billion, as the majority of the market currently uses traditional methodology. In addition, we believe that an additional $800 million is spent annually in this market on PCR enzymes and reagents. We have expanded our product base for assay technologies such as PCR amplification and reverse transcription and continue to develop products for the PCR-related market segment. In 2005, we were one of the first companies to enter into a broad licensing agreement with Applied Biosystems Group regarding real-time PCR technology. This agreement enhances our value as a leading supplier of a broad range of real-time PCR technologies. These real-time PCR technologies are optimized for use with our market- and technology-leading preanalytical solutions. Our PCR reagent portfolio is also a critical component for ready-to-use real-time PCR assays which we offer and which are linked to our innovative RNAi assay offering. Finally, during 2008, through our acquisition of Corbett, we acquired the world's first rotary real-time PCR cycler system, the Roto-Gene Q, a system used to detect real-time PCR reactions which make specific sequences of DNA and RNA targets visible through amplification and quantifiable through real-time measurement of such amplification. The addition of this proprietary PCR detection technology extends our molecular testing solution portfolio and enhances our options to offer sample and assay technology solutions spanning from sample to result.

Molecular Diagnostics Market

We believe that the molecular diagnostics market represents a significant market for nucleic acid sample and assay technology products. We believe that the advent of PCR and other amplification technologies has made the prospect of nucleic acid-based molecular diagnostics feasible. Molecular diagnostics have fundamental advantages over traditional diagnostic technologies, such as immunoassays, in potential applications and clinical specificity and sensitivity.

This new generation of molecular diagnostics can be used, for example, to detect or identify microorganisms, cancer cells, bacteria and viruses by searching for their specific nucleic acid sequences. In order to prove that a disease is present in a patient, the unique sequence of the target nucleic acid causing the disease must be known, and either the sequence in the sample must be amplified (target amplification) or the signal from the DNA must be amplified (signal amplification) to facilitate detection. Potential commercial applications for nucleic acid-based molecular diagnostics include infectious disease diagnostics in bio banks, HLA typing for bone marrow and organ transplantation, genetic testing for predisposition to cancers and other common diseases, and genetic "fingerprinting" of humans, animals and plants.

We believe clinical sensitivity and specificity can be greatly enhanced by using nucleic acid-based information. In many cases, conventional diagnostic tests also lack the clinical sensitivity and specificity to provide definitive diagnoses during the early stages of disease. Clinical sensitivity is typically regarded as the measure of a test's ability to accurately detect the presence of disease. A false negative test result can lead to providing a negative or normal diagnosis to a patient who has the disease. Clinical specificity is typically regarded as the measure of a test's ability to correctly identify the absence of disease when it is not present. A false positive test result can lead to providing a positive or abnormal diagnosis to a patient who does not have disease.

For detection of HPV, we sell our products in the United States primarily for the two FDA-approved indications: adjunctive primary screening with a Pap test for women age 30 and older, and follow-up testing of equivocal Pap test results in women of any age. In Europe and the rest of the world, HPV testing is in varying stages of research and adoption, with most use limited to follow-up for equivocal Pap tests. We are aware of an increasing number of clinical trials being conducted to explore the use of HPV testing for primary screening, both with a Pap test or as a stand-alone primary screen, as well as for proof of clearance or cure after treatment for diagnosed cervical disease or cancer.

The success of molecular diagnostics will depend on the ability to analyze purified nucleic acid samples from a variety of specimens, including blood, tissue, body fluids and stool, and on automation so that hundreds of samples can be handled concurrently. Other key factors will be the convenience, versatility, reliability and standardization of the nucleic acid separation and purification procedures. Our automated systems series has been developed to handle low-, medium-, and high-throughput nucleic acid sample preparation and handling tasks in molecular biology laboratories, clinical laboratories, blood banks, forensic projects, and genomics projects. Nucleic acid samples purified on our instruments are ready for use in the demanding and sensitive downstream assays performed in molecular diagnostic applications. We offer closed and open assay technologies. The open assay technologies, such as real-time PCR or endpoint PCR, contain PCR reagents. Closed assays, diagnostics with predefined targets, include Multiplexing and other pathogen detection assays. In order to broadly address the molecular diagnostics market, in 2005, we acquired artus Gesellschaft fur molekularbiologische Diagnostik und Entwicklung mbH, subsequently renamed QIAGEN Hamburg GmbH, which offers a broad range of real-time PCR assays for viral and bacterial pathogen detection that are complementary to our sample preparation kits. The majority of these assays are validated with either manual QIAamp sample preparation or automated MagAttract sample preparation and CE-labeled according to the EU-IvD-D. Assays are marketed directly to end customers by our sales channels and selected assays are marketed by major diagnostic partners with access to customers complementary to our customers. In addition, we intend to enter into partnerships or other agreements with established companies in the molecular diagnostics market in order to broaden the distribution of our products.

We view the molecular diagnostics market as having 4 key submarkets: Prevention, Profiling, Personalized Healthcare and Point of Need. Molecular diagnostics in the Prevention submarket are typically used in disease screening in non-symptomatic patients, such as HPV testing in primary cervical cancer screening. In the Profiling submarket, diagnostics are typically used to screen symptomatic patients for disease, such as the use of our flu testing solutions in patients presenting flu-like symptoms. In Personalized Healthcare, diagnostics are used in order to stratify the population to determine which patients are most likely to respond positively to a particular therapy, such as KRAS testing in conjunction with antibody linked chemotherapies for the treatment of colorectal cancer. Finally, the Point of Need diagnostics are used in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required.

We expect molecular diagnostic tests at large to create a fundamental shift in both the practice of medicine and the economics of the diagnostics industry. Molecular-based diagnostic tests are expected to create an increased emphasis on preventative and predictive molecular medicine. In the Personalized Healthcare segment, physicians will be able to use these tests for the early detection of disease and to treat patients on a personalized basis, allowing them to select the most effective therapy with the fewest side effects. In addition, the relatively straight-forward format and significant automation capabilities of our tests allow ease of laboratory use, reducing overall processing costs. Additionally, the relatively straightforward format and fast turnaround time of molecular tests allows for near patient testing in the Point of Need diagnostics segment.

Applied Testing Market

We believe that emerging applied testing markets (which we define as the molecular diagnostics market outside of human healthcare), such as forensics, veterinary and food, offer great opportunities for standardized sample preparation and assay solutions. Successes in crime cases due to DNA analyses, public debates about GMO and food safety as well as bioterrorism risks, have increased the value of the use of molecular-based methods. These methods are performed by well trained researchers in fully equipped laboratories as well as by less trained personnel calling for easy-to-use, reproducible and standardized methods. Our manual DNA and RNA purification methods and the automated solutions on QIAsymphony, BioRobot EZ1, BioSprint 15 and 96, as well as our amplification enzymes and quantitative assays address the needs in these markets. We market a range of assays to end users in applied testing markets, such as veterinary diagnostics and biodefense laboratories.

Seasonality

Our business does not experience predictable seasonality. Historically, a significant portion of our sales have been to researchers, universities, government laboratories and private foundations whose funding is dependent upon grants from government agencies, such as the NIH and similar agencies. To the extent that our customers experience increases, decreases or delays in funding arrangements and budget approvals, and to the extent that any of our customers' activities are slowed, such as during vacation periods or due to delays in the approval of governmental budgets, including the U.S. federal government's budget, we may experience fluctuations in sales volumes during the year or delays from one period to the next in the recognition of sales.

Revenue by Geographic Region

The table [T 1] on page 55 sets forth total revenue during each of the past three fiscal years by geographical market, which includes revenue from all of our product and service offerings. It is not practicable to provide a detail of revenues by category of activity. Net sales are attributed to countries based on the location of the subsidiary making the sale as certain subsidiaries have international distribution. Additional information with respect to operations by geographic region can be found in Note 19 in "Financial Statements" included in Item 18, of our Form 20-F enclosed with this Annual Report.

Intellectual Property, Proprietary Rights and Licenses

We have made and expect to continue to make investments in intellectual property. In the years ended December 31, 2009, 2008 and 2007, our purchases of intangible assets have totaled approximately $17.2 million, $18.5 million, and $24.1 million, respectively. We do not depend solely on any individual patent or technology owned or licensed by us. We are, however, significantly dependent in the aggregate on technology that we own or license. Therefore, we consider the protection of our proprietary technologies and products as one of the major keys to the success of our business. We rely on a combination of patents, licenses and trademarks to establish and protect our proprietary rights in our technologies and products. We currently own 149 issued patents in the United States, 107 issued patents in Germany and 527

Revenue by Geographic Region [T 1]

Net Sales

$ 1,000	2009	2008	2007
Americas [1]	1,060,307	988,617	465,878
Germany [1]	391,312	331,013	270,173
Switzerland [1]	128,627	77,745	56,615
Asia [1]	135,779	90,047	71,168
All Other [1]	241,992	210,439	148,082
Corporate [1]	334	878	350
Subtotal	**1,958,351**	**1,698,739**	**1,012,266**
Intersegment Elimination [2]	**(948,526)**	**(805,764)**	**(362,492)**
Total	**1,009,825**	**892,975**	**649,774**

[1] Includes net sales to affiliates.
[2] Represents intercompany sales between affiliates, which are accounted for by a formula based on local list prices and eliminated in consolidation.

issued patents in other major industrialized countries, and have 843 pending patent applications. Our policy is to file patent applications in Western Europe, the United States and Japan. U.S. patents have a term of 17 years from the date of issue for patents issued from applications submitted prior to June 8, 1995, and 20 years from the date of filing of the application in the case of patents issued from applications submitted on or after June 8, 1995. Patents in most other countries have a term of 20 years from the date of filing the patent application. We intend to aggressively prosecute and enforce our patents and otherwise protect our proprietary technologies. We also rely on trade secrets, know-how, continuing technological innovation and licensing opportunities to develop and maintain our competitive position.

Our practice is to require employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of their relationships with us. These agreements provide that all confidential information developed by or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties, subject to a right to publish certain information in scientific literature in certain circumstances and to other specific exceptions. In the case of our employees, the agreements provide that all inventions conceived by the individual in the course of their employment will be our exclusive property.

Additional information with respect to risks related to our reliance on patents and proprietary rights can be found in "Risk Factors" included in Item 3 of our Form 20-F enclosed with this Annual Report.

Partnerships, Alliances and Acquisitions

Our strategy includes the use of strategic alliances to augment our product development efforts with complementary technologies and to leverage our marketing and distribution capabilities with respect to select market opportunities. In order to expand our business, we also intend to continue to pursue strategic investments in our acquisitions of complementary businesses and technologies as the opportunities arise. We currently develop integrated solutions for and together with many manufacturers from pharma and diagnostics.

Competition

We believe that our primary competition in sample technology products involves traditional separation and purification methods, such as phenol extraction, cesium chloride density gradient centrifugation, and precipitation. These methods utilize widely available reagents and other chemicals supplied by companies, such as Sigma-Aldrich Corp. and Roche Diagnostics GmbH (Applied Sciences Division). We compete with such methods through our innovative technologies and products, which offer a comprehensive solution for nucleic acid collection, pre-treatment, separation and purification needs and provide significant advantages over traditional methods with respect to speed, reliability, convenience, reproducibility and ease of use.

We also experience, and expect to continue to experience, competition in different segments of our business from other companies providing sample preparation products in kit form and assay solutions. These competitors include, but are not limited to: Promega Corp., Millipore Corp., Roche Diagnostics, and Macherey-Nagel GmbH for nucleic acid separation and purification; Life Technologies Corp. (created through the merger of Invitrogen Corp. and Applied Biosystems Inc. in 2008) and Promega Corp. for assay solutions; Life Technologies Corp. and Promega Corp. for transfection reagents; and Sigma-Aldrich Corp. and Fisher Scientific for protein fractionation products. We believe that our proprietary technologies and products offer significant advantages over competitors' products with regard to purity, speed, reliability and ease-of-use.

In respect to our HPV franchise, we face competition from well established diagnostic technologies, such as cytology, and from emerging HPV testing approaches, such as signal amplified testing, research-based PCR, other indicators of disease and other traditional testing methods developed by laboratories. Our competitors include companies, such as Roche Diagnostics, Gen-Probe, Inc., and Hologic, Inc. (formerly Third Wave Technologies, Inc.), which are developing and/or marketing FDA approved HPV testing products, and manufacturers of liquid-based Pap tests, such as Hologic, Inc. (formerly Cytyc Corp.) and Beckton Dickinson and Company (formerly TriPath Imaging). These tests, if approved by the FDA or similar non-U.S. regulatory authorities, may offer an alternative to our products and, considering the increasing acceptance of the importance of HPV testing, we expect competition to intensify.

With respect to our other diagnostic test products, the medical diagnostics and biotechnology industries are subject to intense competition. Some of our products, such as our tests for Chlamydia, Gonorrhea, hepatitis B virus, herpes simplex virus and cytomegalovirus, compete against existing screening, monitoring and diagnostic technologies, including tissue culture and antigen-based diagnostic methodologies. Our competitors for gene-based diagnostic probes include Roche Diagnostics, Abbott Laboratories, Siemens and Gen-Probe. We believe the primary competitive factors in the market for gene-based probe diagnostics and other screening devices are clinical validation, performance and reliability, ease of use, standardization, cost, proprietary position, the competitor's share of the existing market, access to distribution channels, regulatory approvals, and availability of reimbursement.

We believe that our competitors do not have the same comprehensive approach to sample and assay technologies and therefore cannot provide the broad range of technologies and depth of products and services that we offer. With our complete range of manual and fully automated solutions, we believe we offer the value of standardization of procedures and therefore more reliable results. We also believe that our integrated strategic approach of sample and assay technologies gives us a competitive advantage. The quality of sample preparation – a field in which we have a unique market and leadership position – is a key prerequisite for reliable molecular assay solutions which increasingly are being applied in emerging markets, such as applied testing and molecular diagnostics. Regarding our HPV test products, we believe we have a competitive advantage as a multitude of clinical trials, encompassing over one million women, have validated

that our HPV test products, when used alone or in conjunction with the Pap test, have demonstrated their ability to enable significant diagnostic capabilities for cervical disease and cancer due to high clinical sensitivity and high negative predictive value. In addition to the industry leading clinical performance of our assay, considering the high volume needs of the HPV testing market, we believe additional competitive factors in the HPV testing market relate to automation, including performance and reliability, ease of use, standardization, cost, proprietary position, and regulatory approvals.

Our existing and potential competitors may be in the process of seeking FDA or foreign regulatory approvals for their respective products. Our continued future success will rely in large part on our ability to maintain our technological advantage over competing products, expand our market presence and preserve customer loyalty. There can be no assurance that we will be able to compete effectively against our past, present or future competitors or that development by others will not render our technologies or products non-competitive.

Suppliers

As part of our quality assessment procedures, we periodically evaluate the performance of our raw material suppliers, potential new alternative sources of such materials, and the risks and benefits of reliance on our existing suppliers. We buy materials for our products from many suppliers, and are not dependent on any one supplier or group of suppliers for our business as a whole. Raw materials generally include chemicals, raw separation media, biologics, plastics and packaging. Raw materials are generally readily available at competitive, stable prices from a number of suppliers. Certain raw materials are produced under our specifications, so we closely monitor stock levels to maintain adequate supplies. We believe we maintain inventories of raw materials at a sufficient level to ensure reasonable customer service levels and to guard against normal volatility in availability.

Fiscal Year Ended December 31, 2009 Compared to 2008

Net sales

In 2009, net sales increased 13% to $1.0 billion compared to $893.0 million in 2008. The increase in total sales includes organic growth (13%) and sales from our recently acquired businesses (4%), partially offset by the negative impact of foreign currency exchange rates (3%) and the third quarter divestiture of our subsidiary in Austria (1%). Our 2009 net sales include the results of operations for the full year of Corbett, which was acquired in July 2008, as well as the acquisitions of DxS Ltd, acquired in September 2009, and SABiosciences, acquired in December 2009.

Net sales are attributed to countries based on the location of the subsidiary recording the sale. In 2009, net sales in Asia increased by 39%, primarily driven by China, Japan and Singapore, net sales in Germany increased by 24%, net sales in the Americas increased by 9% and net sales in all other countries increased by 5%, which includes the results of Corbett and DxS. The increase in sales in each of these regions was the result of an increase in sales of our sample and assay technologies, which represented approximately 86% of total sales, and instruments products, which represented approximately 14% of total sales. Sales of sample and assay technologies, which include consumables and instrumentation, experienced growth rates of 10% and 37%, respectively, in 2009, as compared to 2008. The uncertainties of the current global financial crisis represent a risk for the Company, and while we expect continued growth in our consumables and instrumentation businesses, such future growth may be lower than our historical growth and future growth could be adversely effected.

A significant portion of our revenues is denominated in Euros and currencies other than the United States dollar. Changes in exchange rates can affect the growth rate of net sales, potentially to a significant degree. When calcu-

lated by translating the local currency, actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period, net sales were negatively impacted by $28.8 million of currency effects for the year ended December 31, 2009, as compared to 2008.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. In 2009, we launched 79 new products in the area of sample & assay technologies including the PAXgene Blood miRNA kit for use in cancer, biomarker and miRNA research and the QIAamp Circulating Nucleic Acid kit for sample preparation in prenatal or other circulating nucleic acid research. In addition, QIAGEN launched a number of assay technologies including two multiplexed, PCR-based CE-marked digene HPV Genotyping Tests, a next generation CE marked mutation profiling KRAS test, as well as a BRAF test for use in cancer treatments and a test for epigenetic methylation analysis based on pyrosequencing technology.

Gross profit

Gross profit was $667.1 million, or 66% of net sales, in the year ended December 31, 2009 as compared to $599.7 million, or 67% of net sales, in 2008. The absolute dollar increase in 2009 compared to 2008 is attributable to the increase in net sales. Our sample and assay products have a higher gross margin than our instrumentation products, and fluctuations in the sales levels of these products can result in fluctuations in our gross margin during a period when compared to the gross margin of another period.

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. The amortization expense on acquisition-related intangibles within cost of sales increased to $53.6 million in 2009 as compared to $48.7 million in 2008. The increase in amortization expense is the result of an increase in intangibles acquired in our recent business combinations. We expect that our acquisition-related intangible amortization will continue to increase as a result of our acquisitions.

In addition, during 2009 and 2008 a total of $7.4 million and $1.4 million, respectively, was expensed to acquisition-related cost of sales related to the write-off of inventories made obsolete following an acquisition as well as to the write-up of acquired inventory to fair market value as a result of business combinations. In accordance with purchase accounting rules, acquired inventory was written-up to fair market value and subsequently expensed as the inventory was sold. Additionally, in 2009, we recognized a charge of $2.5 million to cost of sales related to the impairment of developed technology, which was triggered by the acquisition of DxS and the discontinuation of certain products.

Research and Development

Research and development expenses increased by 11% to $107.9 million (11% of net sales) in 2009 compared to $97.3 million (11% of net sales) in the same period of 2008. Our business combinations, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to discover, develop and acquire new products and technologies, we will incur additional expense related to research and development facilities, licenses and employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) and EU CE approval of certain assays or instruments. The increase in research and development expense was partially offset by $2.8 million of currency impact in 2009 calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period. We have a strong commitment to research and development and expect to continue

to make investments in our research and development efforts. Accordingly, our research and development expenses will continue to increase, perhaps significantly.

Sales and Marketing

Sales and marketing expenses increased by 8% to $244.8 million (24% of net sales) in 2009 from $227.4 million (25% of net sales) in 2008. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses and other promotional expenses. The increase in sales and marketing expenses in 2009 as compared to 2008, is primarily due to our 2009 acquisitions, as well as the acquisition of Corbett which occurred in July of 2008, and thus is only included for part of 2008. In addition, the sales and marketing expenses include the costs of maintaining separate sales organizations addressing customers in industrial and academic research, applied testing and molecular diagnostics. The increase in sales and marketing expense was partially offset by $6.9 million of currency impact in 2009 when calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period. We anticipate that sales and marketing costs will continue to increase along with new product introductions and continued growth in sales of our products, but we expect sales and marketing costs will, for the most part, grow at a slower rate than our overall revenue growth.

General and Administrative, Integration and Other

General and administrative, business integration, restructuring and related costs increased by 2% to $115.9 million (11% of net sales) in 2009 from $113.9 million (13% of net sales) in 2008. The increase in these expenses in 2009 is partly the result of general and administrative expenses related to our new acquired businesses. Additionally, during 2009, an impairment loss of $1.6 million of goodwill was recognized in connection with our acquisition of DxS Ltd. in September 2009. We have continued to incur integration costs for businesses acquired and such costs totaled approximately $21.5 million in 2009, as compared to $30.9 million in 2008. Included in these costs are $7.5 million in 2009 and $8.1 million in 2008 for legal costs related to litigation assumed in connection with the acquisitions of Digene and Corbett. In connection with the integration of the acquired companies, we aim to improve efficiency in general and administrative operations. Additionally, when calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period, general and administrative, integration and related costs decreased by $2.1 million due to currency impact in 2009, as compared to 2008.

In October 2009, we started the closure of our facilities and relocation of our activities in Brisbane and Sydney to other locations of the Company, primarily to QIAGEN Instruments AG in Switzerland. These restructurings follow the acquisition of Corbett in 2008 and consolidate our instrument manufacturing activities. The closure and relocation are expected to be completed in the second quarter of 2010 at a total pre-tax cost of approximately $4.0 million to $5.0 million.

As we further integrate the acquired companies, we expect to continue to incur additional business integration costs. We believe that over time the results of the integration activities will continue to result in a decrease in our general and administrative expenses as a percentage of sales.

Acquisition-Related Intangible Amortization

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. Amortization of trademarks, customer base and non-compete agreements, which have been acquired in a business combination, is recorded in operating expense under the caption "acquisition-related intangible amortization."

Amortization expenses of intangible assets not acquired in a business combination are recorded within either cost of sales, research and development or sales and marketing line items based on the use of the asset.

During 2009, the amortization expense on acquisition-related intangibles within operating expense increased to $18.2 million compared to $14.4 million in 2008. The increase in expense is the result of an increase in amortized intangibles acquired in our recent business combinations. We expect that our acquisition-related intangible amortization will continue to increase as a result of our acquisitions.

Purchased In-Process Research and Development

Purchased in-process research and development costs represent the value assigned to research and development projects which were commenced but not yet completed at the date of acquisition, whose technological feasibility has not been established and which have no alternative future use in research and development activities or otherwise. In connection with our 2009 acquisitions, we have capitalized $3.1 million of purchased in-process research and development as an indefinite lived intangible asset. Prior to January 1, 2009, in-process research and development was expensed. In connection with our 2008 acquisition of Corbett, we recorded charges of $985,000 for purchased in-process research and development. Beginning in 2009, purchased in-process research and development costs are capitalized and no longer expensed. Additional information regarding purchased in-process research and development can be found in Note 4 in the Notes to Consolidated Financial Statements included in Item 18 of our Form 20-F enclosed with this Annual Report.

Other Income (Expense)

Other expense was $7.9 million in 2009, as compared to other expense of $26.4 million in 2008. This decrease in expense was mainly due to lower interest expense, a gain from the sale of a cost-method investment and the impairment of a cost-method investment. During the fourth quarter of 2009, we sold our investment in a privately held company and realized a gain of $10.5 million. During the third quarter of 2008, in connection with the acquisition of Corbett, we recorded a $4.0 million impairment of a cost-method investment based on an assessment of the recoverability of the investment amount. Following the acquisition of Corbett, we anticipated a change in our purchasing pattern of the investee's products, which was expected to negatively impact the forecasted financial condition of the investee. Accordingly, we believe the known impact to the investee's financial condition, absent other evidence indicating a realizable value of the investment, indicated that the recoverability of the asset through future cash flows was not considered likely enough to support the carrying value.

For the year ended December 31, 2009, interest income decreased to $3.5 million from $9.5 million in 2008. The decrease in interest income was primarily due to a decline in interest rates.

Interest expense decreased to $29.6 million in 2009 compared to $37.5 million in 2008. Interest costs primarily relate to our long-term debt. Additional information regarding long-term debt can be found in Note 14 in the Notes to Consolidated Financial Statements of our Form 20-F enclosed with this Annual Report. The decrease in interest expense is primarily due to a decrease in the interest expense on our term loan as a result of a decreasing LIBOR rate as well as a $25.0 million decreased debt balance.

Provision for Income Taxes

Our provision for income taxes is based upon the estimated annual effective tax rates. Fluctuations in the distribution of pre-tax income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements. Our operating subsidiaries are exposed to effective tax rates ranging from zero up to approximately 42%.

In 2009 and 2008, our effective tax rates were 20% and 25%, respectively. In 2009, the mix of earnings was more heavily weighted in the lower tax rate jurisdictions versus

higher tax rate jurisdictions in 2008. Additionally, a number of discrete events occurred during 2009 which resulted in favorable tax benefits being recognized in the income statement. These discrete events include but are not limited to post-merger internal restructuring initiated to better align our businesses which led to favorable tax benefits; sale of our Austrian business and a cost-method investment on almost an entirely tax free basis; tax planning and reductions in certain purchase-accounting-related deferred tax liabilities due to tax rate changes and step-up in tax basis. Certain of these items are non-recurring in nature and will not have a future tax rate impact.

Foreign Currency

QIAGEN N.V.'s functional currency is the U.S. dollar and our subsidiaries' functional currencies are the local currency of the respective countries in which they are headquartered. All amounts in the financial statements of entities whose functional currency is not the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) assets and liabilities at period-end rates, (2) income statement accounts at average exchange rates for the period, and (3) components of shareholders' equity at historical rates. Translation gains or losses are recorded in shareholders' equity, and transaction gains and losses are reflected in net income. The net gain (loss) on foreign currency transactions in 2009, 2008 and 2007 was $5.6 million, ($0.2) million and $2.0 million, respectively, and is included in other income (expense), net.

Liquidity and Capital Resources

To date, we have funded our business primarily through internally generated funds, debt and the private and public sales of equity. Our primary use of cash has been to support continuing operations and our capital expenditure requirements including acquisitions. As of December 31, 2009 and 2008, we had cash and cash equivalents of $825.6 million and $333.3 million, respectively. We also had short-term investments of $40.0 million at December 31, 2009. Cash and cash equivalents are primarily held in U.S. dollars, euros and Australian dollars, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At December 31, 2009, cash and cash equivalents had increased by $492.2 million from December 31, 2008 primarily due to cash provided by operating activities of $217.0 million and financing activities of $629.2 million, offset by cash used in investing activities of $341.7 million. As of December 31, 2009 and 2008, we had working capital of $957.9 million and $441.2 million, respectively.

Operating Activities

For the years ended December 31, 2009 and 2008, we generated net cash from operating activities of $217.0 million and $173.0 million, respectively. Cash provided by operating activities increased in 2009 compared to 2008 primarily due to increases in net income, depreciation and amortization, and accrued and other liabilities, partially offset by increases in accounts receivable and inventories. The increase in net income and accounts receivable is primarily attributable to our 2009 sales growth, while the increase in depreciation and amortization is primarily due to our new acquisitions. The increase in accrued and other liabilities reflects higher accruals as a result of our growth, such as accrued payroll and royalties. The increase in inventories in 2009 primarily reflects our new product introductions along with increases related to safety stock in order to minimize potential challenges in abilities to supply. Because we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, longer collection cycles or significant technological advances of competitors would have a negative impact on our liquidity.

Investing Activities

Approximately $341.7 million of cash was used in investing activities during 2009, compared to $210.5 million during 2008. Investing activities during 2009 consisted principally of cash paid for purchases of property and equipment and intangible assets as well as cash paid for acquisitions. During 2009, cash paid for acquisitions, net of cash acquired totaled $234.7 million and includes cash paid for acquisitions made in 2009 as well as milestone payments from previous acquisitions. In September 2009,

we acquired DxS Ltd., a privately-held developer and manufacturer of companion diagnostic products headquartered in Manchester, United Kingdom, for an upfront purchase price of $94.5 million in cash and potential future milestone payments. Additionally, in August 2009, we acquired Explera s.r.l., a leading supplier in molecular diagnostics and personalized medicine in Italy. In December 2009, we acquired SABiosciences, located in Frederick, Maryland for $97.6 million in cash subject to customary adjustment. Investing activities during 2008 consisted principally of purchases of property and equipment, intangibles and cash paid for acquisitions as well as a loan to Dx Assay Pte Ltd, our new joint venture in Singapore, partially offset by the sale of marketable securities.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to $106.2 million based on the achievement of certain revenue and operating results milestones as follows: $18.6 million in 2010, $16.5 million in 2011, $16.2 million in 2012 and $54.9 million payable in any 12 month period from now until 2014 if certain criteria are met. Of the $106.2 million total contingent obligation, approximately $40.8 million is accrued as of December 31, 2009.

In January 2009, we purchased land adjacent to our facility in Hilden, Germany for EUR 2.5 million (approximately $3.2 million) and in August 2009 began the construction to further expand the German facilities for research and development and production space. In addition, we are planning for expansions at our Germantown, Maryland facility for production and administrative space, construction on which is expected to begin in June 2010. These expansion projects are expected to continue into 2012 at an estimated total cost of approximately $93.9 million. We anticipate that we will be able to fund such expansions with cash generated by our operating activities.

Financing Activities

Financing activities provided $629.2 million in cash for the year ended December 31, 2009, compared to $12.8 million for 2008. Cash provided during 2009 was primarily due to the sale of 31.625 million common shares, including 4.125 million common shares upon exercise of the underwriters' over-allotment option, in September 2009. After deducting the underwriting discounts, commissions and the offering expenses net of tax, the total net proceeds from the offering were $623.6 million. We intend to use the net proceeds of this offering to fund acquisitions, including our September 2009 acquisition of DxS Ltd. and our December 2009 acquisition of SABiosciences, to strengthen our balance sheet and for general corporate purposes.

We have credit lines totaling $183.7 million at variable interest rates, an insignificant amount of which was utilized as of December 31, 2009. We also have capital lease obligations, including interest, in the aggregate amount of $38.9 million, and carry $920.0 million of long-term debt, of which $50.0 million is current as of December 31, 2009.

In July 2007, we signed a Syndicated Multi-Currency Term Loan and Revolving Credit Facilities Agreement with Deutsche Bank AG, Deutsche Bank Luxembourg S.A., and the lenders named in the syndication agreement. The lenders made available to us an aggregate amount of $750 million in the form of (1) a $500.0 million term loan, (2) a $100.0 million bridge loan, and (3) a $150.0 million revolving credit facility. Under the agreement, the $500.0 million term loan will mature in July 2012 with an amortization schedule commenced July 2009. The $150.0 million revolving credit facility will also expire in July 2012. The $100.0 million bridge loan was utilized and repaid within the third quarter of 2007. We used the proceeds of the term loan and the bridge loan to pay the cash component of the Digene acquisition consideration and the fees and expenses of the Digene offer and the merger. The revolving credit facility is available for general corporate purposes. The interest due on the $500.0 million term loan and the $150.0 million currently undrawn revolving credit facility is tied to the LIBOR benchmark and therefore variable. A $200.0 million portion of the $500.0 million term loan has been swapped into a fixed interest rate.

We have notes payable, which are the long-term borrowings of the proceeds from the issuances of $150.0 million senior unsubordinated convertible notes, with a 1.5% coupon due in 2024 through QIAGEN Finance (2004 Notes), and of $300.0 million 3.25% senior convertible notes (2006 Notes) due in 2026 through Euro Finance. QIAGEN Finance and Euro Finance are unconsolidated subsidiaries, which were established for this purpose. At December 31, 2009, $145.0 million and $300.0 million are included in long-term debt for the amount of 2004 Notes and 2006 Notes payable to QIAGEN Finance and Euro Finance, respectively. In connection with conversion of $5.0 million of the 2004 Notes, we repaid $5.0 million of the debt to QIAGEN Finance. The 2004 Notes have an effective rate of 2.14%, are due in July 2011 and are convertible into our common shares at a conversion price of $12.6449, subject to adjustment. The 2006 Notes have an effective rate of 3.91%, are due in November 2012 and are convertible into our common shares at a conversion price of $20.00, subject to adjustment. QIAGEN N.V. has guaranteed the 2004 and 2006 Notes and has agreements with QIAGEN Finance and Euro Finance to issue shares to the investors in the event of conversion. These subscription rights, along with the related receivable, are recorded at fair value in the equity of QIAGEN N.V. as paid-in capital. In November 2008, we issued 395,417 common shares upon the exercise of a portion of the subscription rights in connection with the conversion of $5.0 million of the 2004 Notes.

We expect that cash from financing activities will continue to be impacted by issuances of our common shares in connection with our equity compensation plans and that the market performance of our stock will impact the timing and volume of the issuances. Additionally, we may make future acquisitions or investments requiring cash payments or the issuance of additional equity or debt financing.

We believe that funds from operations, existing cash and cash equivalents, together with the proceeds from our public and private sales of equity, and availability of financing facilities, will be sufficient to fund our planned operations and expansion during the coming year. However, the global economic downturn may have a greater impact on our business than currently expected, and we may experience a decrease in the sales of our products, which could impact our ability to generate cash. The availability of debt financing has also been negatively impacted by the global credit crisis. If our future cash flows from operations and other capital resources are not adequate to fund our liquidity needs, we may be required to obtain additional debt or equity financing or reduce or delay our capital expenditures, acquisitions or research and development projects. If we could not obtain financing on a timely basis or at satisfactory terms, or implement timely reductions in our expenditures, our business could be adversely affected.

Off-Balance Sheet Arrangements

Other than our arrangements with QIAGEN Finance and Euro Finance as discussed above and in Notes 10, 14 and 18 to the consolidated financial statements, we did not use special purpose entities and do not have off-balance-sheet financing arrangements as of and during the years ended December 31, 2009, 2008 and 2007.

Contractual Obligations

As of December 31, 2009, our future contractual cash obligations are listed in the table [T2] on page 64.

In addition to the future contractual cash obligations listed in the table [T2] and pursuant to purchase agreements for several of our recent acquisitions, we could be required to make additional contingent cash payments totaling up to $106.2 million based on revenue and other milestones in 2010 and beyond.

Liabilities associated with uncertain tax positions, including interest, are currently estimated at $10.8 million and are not included in the table above as we cannot reasonably estimate when, if ever, an amount would be paid to a government agency. Ultimate settlement of these liabilities is dependent on factors outside of our control, such as examinations by each agency and expiration of statutes of limitation for assessment of additional taxes.

Contractual Obligations [T2]

Contractual obligations $ 1,000	Total	2010	2011	2012	2013	2014	Thereafter
Long-term debt	920,000	50,000	220,000	650,000	—	—	—
Capital lease obligations	38,935	5,275	5,327	5,351	5,281	5,237	12,464
Operating leases	21,358	8,598	6,211	3,971	1,365	669	544
Purchase obligations	52,154	44,383	6,157	231	188	187	1,008
License and royalty payments	3,945	725	692	655	655	655	563
Lease termination	225	182	43	—	—	—	—
Total contractual cash obligations	**1,036,617**	**109,163**	**238,430**	**660,208**	**7,489**	**6,748**	**14,579**

Critical Accounting Policies, Judgments and Estimates

The preparation of our financial statements in accordance with accounting principles generally accepted in the United States requires management to make assumptions that affect the reported amounts of assets, liabilities and disclosure of contingencies as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those that require the most complex or subjective judgments often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Thus, to the extent that actual events differ from management's estimates and assumptions, there could be a material impact to the financial statements. In applying our critical accounting policies, at times we used accounting estimates that either required us to make assumptions about matters that were highly uncertain at the time the estimate was made or it is reasonably likely that changes in the accounting estimate may occur from period to period that would have a material impact on the presentation of our results of operations, financial position or cash flows. Our critical accounting policies are those related to revenue recognition, investments, goodwill and other intangible assets, share-based compensation, income taxes and purchase price allocation. We reviewed the development, selection, and disclosure of our critical accounting policies and estimates with the Audit Committee of our Supervisory Board.

Revenue Recognition

We recognize revenue when four basic criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) could require management's judgments regarding the fixed nature of the fee charged for services rendered and products delivered and the collectability of those fees. Should changes in conditions cause management to determine that these criteria are not met for certain future transactions, revenue recognized for any reporting period could be adversely affected.

Investments

We have equity investments accounted for under the cost method. We periodically review the carrying value of these investments for permanent impairment, considering factors such as the most recent stock transactions, book values from the most recent financial statements, and forecasts and expectations of the investee. Estimating the fair value of these non-marketable equity investments in life science companies is inherently subjective, and if actual events differ from management's assumptions, it could require a write-down of the investment that could materially impact our financial position and results of operations.

Goodwill and Other Intangible Assets [T3]

$	Goodwill	Intangibles
Americas	1,021,543	469,366
Germany	64,330	123,335
Switzerland	12,492	10,662
Asia	15,805	9,728
All Other	222,894	137,378
Corporate	—	1,827
Total	**1,337,064**	**752,296**

In addition, generally accepted accounting principles require different methods of accounting for an investment depending on the level of influence that we exert. Assessing the level of influence involves subjective judgments. If management's assumptions with respect to its level of influence differ in future periods and we therefore have to account for these investments under a method other than the cost method, it could have a material impact to our financial statements.

Goodwill and Other Intangible Assets

We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. We assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. If we determine that the fair values of our reporting units are less than the carrying amount of goodwill recorded, we must recognize an impairment in our financial statements. Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimate.

At December 31, 2009, goodwill and intangible assets totaled $1.3 billion and $752.3 million, respectively, and were included in the following segments shown in the table [T3] above.

In the fourth quarter of 2009, we performed our annual impairment assessment of goodwill (using data as of October 1, 2009). In testing for potential impairment, we measured the estimated fair value of our reporting units based upon discounted future operating cash flows using a discount rate reflecting our estimated average cost of funds. Differences in assumptions used in projecting future operating cash flows and cost of funds could have a significant impact on the determination of impairment amounts. In estimating future cash flows, we used our internal budgets. Our budgets were based on recent sales data for existing products, planned timing of new product launches or capital projects, and customer commitments related to new and existing products. These budgets also included assumptions of future production volumes and pricing. We concluded that no impairment existed. Based on the sensitivity analysis performed, we determined that in the event that our estimates of projected future cash flows were too high by 10%, there would still be no impact on the reported value of goodwill at December 31, 2009.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimates.

Share-Based Compensation

Our stock plan, the QIAGEN N.V. Amended and Restated 2005 Stock Plan (the Plan), allows for the granting of stock rights, incentive stock options, as well as for non-qualified options, stock grants and stock-based awards. We use the Black-Scholes-Merton valuation model for estimating the fair value of our stock option grants. Option valuation models, including Black-Scholes-Merton, require the input of highly subjective assumptions, including the risk-free rate of interest, expected dividend yield, expected volatility, and the expected life of the award. Changes in the assumptions used can materially affect the grant date fair value of an award.

Income Taxes

The calculation of our tax provision is complex due to the international operations and multiple taxing jurisdictions in which we operate. We have significant deferred tax assets due to net operating losses (NOL). The utilization of NOLs is not assured and is dependent on generating sufficient taxable income in the future. Although management believes it is more likely than not that we will generate sufficient taxable income to utilize all NOL carryforwards, evaluating the NOLs related to our newer subsidiaries requires us to make estimates that we believe are reasonable, but may also be highly uncertain given that we do not have direct experience with such subsidiaries or their products, and thus the estimates also may be subject to significant changes from period to period as we gain that experience. To the extent that our estimates of future taxable income are insufficient to utilize all available NOLs, a valuation allowance will be recorded in the provision for income taxes in the period the determination is made, and the deferred tax assets will be reduced by this amount, which could be material. In the event that actual circumstances differ from management's estimates, or to the extent that these estimates are adjusted in the future, any changes to the valuation allowance could materially impact our financial position and results of operations.

Further detailed financial information on the Company can be found in our Form 20-F, which is an integrated part of this Annual Report.

If the Form 20-F insert is missing from this Annual Report, it can be requested from the Company or can be downloaded from the investor relations section of QIAGEN's homepage under www.qiagen.com.

Consolidated Statement of Income [T4]

Years ended December 31

$ 1,000 (except per share data)	2009	2008	2007
Net sales	1,009,825	892,975	649,774
Cost of sales	342,752	293,285	216,227
Gross profit	**667,073**	**599,690**	**433,547**
Operating expenses			
Research and development	107,900	97,331	64,935
Sales and marketing	244,814	227,408	164,690
General and administrative, integration and other	115,933	113,936	87,178
Acquisition-related intangible amortization	18,221	14,368	7,711
Purchased in-process research and development	—	985	25,900
Total operating expenses	**486,868**	**454,028**	**350,414**
Income from operations	**180,205**	**145,662**	**83,133**
Other income (expense)			
Interest income	3,522	9,511	19,509
Interest expense	(29,641)	(37,527)	(31,455)
Other income, net	18,244	1,640	4,539
Total other expense	**(7,875)**	**(26,376)**	**(7,407)**
Income before provision for income taxes and noncontrolling interest	172,330	119,286	75,726
Provision for income taxes	34,563	29,762	25,555
Net income	**137,767**	**89,524**	**50,171**
Less: Noncontrolling interest	—	491	49
Net income attributable to the owners of QIAGEN N.V.	137,767	89,033	50,122
Basic net income per common share attributable to the owners of QIAGEN N.V.	0.67	0.45	0.30
Diluted net income per common share attributable to the owners of QIAGEN N.V.	0.64	0.44	0.28
Number of shares used in computing basic net income per common share	206,928	196,804	168,457
Number of shares used in computing diluted net income per common share	**213,612**	**204,259**	**175,959**

The accompanying notes to these financial statements along with the unqualified Report of Independent Registered Public Accounting Firm, and the unqualified Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting can be found in the Company's Form 20-F enclosed with this Annual Report.

Consolidated Balance Sheets Assets [T5]

As of December 31

$ 1,000	2009	2008
Assets		
Current assets		
Cash and cash equivalents	825,557	333,313
Short-term investments, stated at market value	40,000	—
Accounts receivable, net of allowance for doubtful accounts of $3,402 and $3,070 in 2009 and 2008, respectively	193,737	158,440
Income taxes receivable	12,907	14,441
Inventories, net	130,851	108,563
Prepaid expenses and other	96,893	61,424
Deferred income taxes	33,525	27,374
Total current asasets	**1,333,470**	**703,555**
Long-term assets		
Property, plant and equipment, net	317,467	289,672
Goodwill	1,337,064	1,152,105
Intangible assets, net of accumulated amortization of $219,731 and $132,570 in 2009 and 2008, respectively	752,296	640,309
Deferred income taxes	26,387	73,766
Other assets	29,780	25,916
Total long-term assets	**2,462,994**	**2,181,768**
Total assets	**3,796,464**	**2,885,323**

Consolidated Balance Sheets Liabilities and Shareholders' Equity [T 6]

As of December 31

$ 1,000	2009	2008
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	43,775	48,836
Accrued and other liabilities (of which $6,296 and $6,358 due to related parties in 2009 and 2008, respectively, see Note 18)	248,699	163,513
Income taxes payable	10,727	14,288
Current portion of long-term debt	50,000	25,000
Current portion of capital lease obligations	3,417	2,984
Deferred income taxes	18,912	7,754
Total current liabilities	**375,530**	**262,375**
Long-term liabilities		
Long-term debt, net of current portion (of which $445,000 in 2009 and 2008 due to related parties, see Note 18)	870,000	920,000
Capital lease obligations, net of current portion	27,554	29,718
Deferred income taxes	212,690	212,589
Other (of which $1,391 due to related party in 2009 and 2008, respectively, see Note 18)	19,521	6,797
Total long-term liabilities	**1,129,765**	**1,169,104**
Commitments and Contingencies (Note 16)		
Shareholders' equity		
Preference shares, 0.01 EUR par value, authorized – 450,000 shares, no shares issued and outstanding	—	—
Financing preference shares, 0.01 EUR par value, authorized – 40,000 shares, no shares issued and outstanding	—	—
Common Shares, 0.01 EUR par value, authorized – 410,000 shares, issued and outstanding – 232,074 and 197,839 shares at December 31, 2009 and 2008, respectively	2,711	2,212
Additional paid-in capital	1,622,733	958,665
Retained earnings	615,579	477,812
Accumulated other comprehensive income	50,146	15,155
Total shareholders' equity	**2,291,169**	**1,453,844**
Total liabilities and shareholders' equity	**3,796,464**	**2,885,323**

The accompanying notes to these financial statements along with the unqualified Report of Independent Registered Public Accounting Firm, and the unqualified Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting can be found in the Company's Form 20-F enclosed with this Annual Report.

Consolidated Statement of Sharholders' Equity and Comprehensive Income [T7]

$ 1,000	Common Shares Share	Common Shares Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Sharholders' Equity
Balance at December 31, 2006	**150,168**	**1,535**	**178,656**	**344,739**	**41,235**	**566,165**
Net income	—	—	—	50,122	—	50,122
Unrealized gain, net on hedging contracts	—	—	—	—	903	903
Realized loss, net on hedging contracts	—	—	—	—	611	611
Unrealized loss, net on short-term investments	—	—	—	—	(504)	(504)
Realized gain, net on short-term investments	—	—	—	—	(1)	(1)
Unrealized gain, net on pension	—	—	—	—	47	47
Translation adjustment	—	—	—	—	32,733	32,733
Comprehensive income	—	—	—	—	—	83,911
Cumulative effect due to the adoption of uncertain tax positions	—	—	—	(6,082)	—	(6,082)
Stock issued for the acquisition of eGene Inc.	870	12	15,598	—	—	15,610
Stock issued for the acquisition of Digene Corporation	39,618	563	635,388	—	—	635,951
Equity awards issued in connection with the Digene acquisition	—	—	33,212	—	—	33,212
Common stock issuances under employee stock plans	4,679	65	42,217			42,282
Tax benefit of employee stock plans	—	—	9,944	—	—	9,944
Share-based compensation	—	—	8,982	—	—	8,982
Proceeds from subscription receivables	—	—	1,600	—	—	1,600
Balance at December 31, 2007	**195,335**	**2,175**	**925,597**	**388,779**	**75,024**	**1,391,575**
Net income	—	—	—	89,033	—	89,033
Unrealized loss, net on hedging contracts	—	—	—	—	(3,920)	(3,920)
Realized gain, net on hedging contracts	—	—	—	—	533	533
Realized loss, net on short-term investments	—	—	—	—	(780)	(780)
Unrealized gain, net on pension	—	—	—	—	65	65
Translation adjustment	—	—	—	—	(55,767)	(55,767)
Comprehensive income	—	—	—	—	—	29,164
Stock issued for the acquisition of eGene Inc.	17	1	301	—	—	302
Stock issued for the acquisition of Corbett.	219	3	4,231	—	—	4,234
Common stock issuances from conversion of warrants	395	5	4,995	—	—	5,000
Common stock issuances under employee stock plans	1,873	28	13,427	—	—	13,455
Tax benefit of employee stock plans	—	—	(662)	—	—	(662)
Share-based compensation	—	—	9,791	—	—	9,791
Proceeds from subscription receivables	—	—	985	—	—	985
Balance at December 31, 2008	**197,839**	**2,212**	**958,665**	**477,812**	**15,155**	**1,453,844**

Consolidated Statement of Sharholders' Equity and Comprehensive Income (Continued) [T7]

$ 1,000	Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Sharholders' Equity
	Share	Amount				
Net income	—	—	—	137,767	—	137,767
Unrealized loss, net on hedging contracts	—	—	—	—	(9,005)	(9,005)
Realized gain, net on hedging contracts	—	—	—	—	5,841	5,841
Unrealized gain, net on pension	—	—	—	—	210	210
Translation adjustment	—	—	—	—	37,945	37,945
Comprehensive income	—	—	—	—	—	172,758
Common stock issuance from public offering	31,625	462	623,109	—	—	623,571
Common stock issuances from conversion of warrants	—	—	1	—	—	1
Common stock issuances under employee stock plans	2,610	37	26,883	—	—	26,920
Tax benefit of employee stock plans	—	—	3,363	—	—	3,363
Share-based compensation	—	—	9,747	—	—	9,747
Proceeds from subscription receivables	—	—	965	—	—	965
Balance at December 31, 2009	**232,074**	**2,711**	**1,622,733**	**615,579**	**50,146**	**2,291,169**

The accompanying notes to these financial statements along with the unqualified Report of Independent Registered Public Accounting Firm, and the unqualified Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting can be found in the Company's Form 20-F enclosed with this Annual Report.

Consolidated Statement of Cash Flows [T8]

Years ended December 31

$ 1,000	2009	2008	2007
Cash Flows From Operating Activities			
Net income	137,767	89,033	50,122
Adjustments to reconcile net income to net cash provided by operating activities, net of effects of businesses acquired:			
Depreciation and amortization	48,575	42,618	31,257
Amortization of purchased intangible assets	71,819	63,086	31,326
Purchased in-process research and development	—	985	25,900
Non-cash acquisition related costs	10,030	5,869	2,839
Share-based compensation:			
Share-based compensation expense	9,747	9,791	8,982
Excess tax benefits from share-based compensation	(5,942)	(1,775)	(9,944)
Deferred income taxes	(10,610)	(17,694)	(1,654)
Gain on sale of investments	(11,501)	—	—
Other	1,907	(843)	1,809
Net changes in operating assets and liabilities:			
Accounts receivable	(25,213)	(19,078)	(21,378)
Inventories	(21,534)	(30,371)	(8,738)
Prepaid expenses and other	(9,364)	(396)	(4,604)
Other assets	(8,213)	4,975	(887)
Accounts payable	(9,076)	5,753	956
Accrued and other liabilities	23,859	19,081	(23,539)
Income taxes	12,473	1,595	(64)
Other	2,271	369	2,428
Net cash provided by operating activities	**216,995**	**172,998**	**84,811**
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(52,179)	(39,448)	(34,492)
Proceeds from sale of equipment	869	1,233	715
Purchases of intangible assets	(17,178)	(18,469)	(24,122)
Proceeds from sale/(purchases) of investments	1,476	(4,175)	(747)
Collections of note receivable in connection with disposed synthetic DNA business unit	—	—	5,106
Purchases of short-term investments	(40,000)	—	(45,444)
Sales of short-term investments	—	2,313	299,005
Cash paid for acquisitions, net of cash acquired	(234,732)	(150,531)	(859,692)
Loan to related party	—	(1,441)	—
Net cash used in investing activities	**(341,744)**	**(210,518)**	**(659,671)**

Consolidated Statements of Cash Flows (Continued) [T8]

Years ended December 31

$ 1,000	2009	2008	2007
Cash Flows From Financing Activities			
Proceeds from debt	—	—	780,018
Repayment of debt	(25,000)	(5,000)	(337,811)
Principal payments on capital leases	(2,991)	(2,995)	(1,979)
Proceeds from subscription receivables	965	985	1,600
Excess tax benefits from share based compensation	5,942	1,775	9,944
Issuance of common shares	650,492	18,455	42,282
Other financing activities	(210)	(451)	—
Net cash provided by financing activities	**629,198**	**12,769**	**494,054**
Effect of exchange rate changes on cash and cash equivalents	(12,205)	10,744	(2,231)
Net increase (decrease) in cash and cash equivalents	492,244	(14,007)	(83,037)
Cash and cash equivalents, beginning of year	333,313	347,320	430,357
Cash and cash equivalents, end of year	**825,557**	**333,313**	**347,320**
Supplemental Cash Flow Disclosures			
Cash paid for interest	27,662	36,460	30,531
Cash paid for income taxes	36,003	39,475	14,234
Supplemental Disclosure of Non-cash Investing and Financing Activities			
Equipment purchased through capital lease	376	141	59
Issuance of common shares in connection with acquisitions	**—**	**4,536**	**651,561**

The accompanying notes to these financial statements along with the unqualified Report of Independent Registered Public Accounting Firm, and the unqualified Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting can be found in the Company's Form 20-F enclosed with this Annual Report.

Report of the Supervisory Board

To our Shareholders

The Supervisory Board thanks the Executive Committee and all QIAGEN's employees for their significant contributions to QIAGEN's success in 2009. In addition, we also would like to thank our partners and customers for their commitment and their trust in QIAGEN.

2009 was a very successful year in the 25 years of the Company's history. We not only exceeded the one billion dollar revenue mark, but also further expanded our technology and market leadership in sample and assay technologies in all our customer segments. Very important milestones in 2009 were the strategic expansion of our molecular diagnostics business in emerging areas including personalized healthcare and point of need testing (in addition to our positions in prevention and profiling). By acquiring DxS Ltd. in September 2009 and by combining it with QIAGEN's previous activities in companion diagnostics (CDx) for Personalized Healthcare, we created a very powerful leader in this transformational area of healthcare. In December 2009, we also acquired SABiosciences and added a portfolio of PCR-based, pathway- and disease-focused panels that represent highly efficient solutions for biomarker discovery and development and diagnostics. In January 2010, we acquired ESE GmbH and added to our instrumentation platform a portable, battery operated, "ultra-fast time to result" analysis system which enables low-throughput molecular testing in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required. All three acquisitions contribute to key elements of our strategy to lead in molecular diagnostics-based prevention, profiling, personalized healthcare and point-of-need testing. With different platform technologies that address all needs in terms of throughput, flexibility in assay technologies, convenience in handling and efficiency in performance, an industry leading assays portfolio and a pipeline that provides us with an ongoing stream of new assays to launch, we are excellently positioned not only to participate but also to shape current and future trends in molecular based testing and life science research.

The Supervisory Board exercised supervision over the Managing Board's policies and business conduct throughout the financial year. Acting in the best interests of the Company and its business and consistent with past practice, the Supervisory Board monitored the Company's activities, including its strategic, economic, and market developments, R&D investments, acquisitions and alliances, the Company's compliance, the Company-shareholder relationships, relevant corporate social responsibilities issues and human resources management.

In particular and as defined by the Dutch Corporate Governance Code, the Supervisory Board devoted considerable time to discussing the corporate strategy, the main risks of the business and the result of the assessment by the Managing Board of the design and effectiveness of the internal risk management and control systems as well as any significant changes thereto.

In addition, the Supervisory Board discussed its current composition, competence and desired profile. As the Supervisory Board strives for a more diverse composition in terms of factors such as age and gender, we hope to succeed in finding candidates who fulfil the other selection criteria as defined in the current profile of the Supervisory Board once a replacement or appointment of new Supervisory Board members becomes imminent. The current profile of the Supervisory Board can be found on the Company's web page. The Supervisory Board conducted a self assessment on its functioning as well as the functioning of its committees and individual members and also reviewed the performance of the Managing Board and the performance of its individual members with and also in the

absence of the members of the Managing Board. In its discussions, the Supervisory Board came to the conclusion that the Managing Board and the Supervisory Board properly functioned and that its current profile, composition and the competence of its members are appropriate. Through its Compensation Committee, the Supervisory Board executed and monitored compliance with the Company's Remuneration Policy approved at the Annual General Meeting held on June 14, 2005.

Compensation of the members of the Managing Board consists of a fixed salary and variable components. Variable compensation includes one-time and annual payments linked to business performance (bonuses), as well as long-term incentives containing risk elements, such as stock options or other equity-based compensation as well as pension plans. The Remuneration Policy and the various aspects of the compensation including the full remuneration of the Managing Board members broken down into its various components are described in greater detail in the Remuneration Report and published on the Company's website. Information on the Company's activities was communicated by the Managing Board to the Supervisory Board through regular meetings and business reports. The Supervisory Board has appointed an Audit Committee, a Compensation Committee and a Selection and Appointment (Nomination) Committee from among its members and can appoint other committees as deemed beneficial. The Supervisory Board has approved charters pursuant to which each of the committees operates. The charters are published on QIAGEN's website. Further detailed information on the composition of the Supervisory Board and its committees, the number of committee meetings and the main items discussed, the independence of its members and their remuneration as well as other information on the Supervisory Board can be found in the Corporate Governance Report which is an integral part of this Annual Report.

The Supervisory Board met five times during the course of 2009 with regular attendance of the members of the Managing Board. We are pleased to report very high attendance at our meetings – none of the members of the Supervisory Board has been frequently absent from the Supervisory Board meetings in 2009. The personal data and other board positions held by the members of the Supervisory Board are set forth in the Corporate Governance Report. All members of the Supervisory Board fulfil the independence criteria as defined by the Marketplace Rules of the NASDAQ Stock Market and the Dutch Corporate Governance Code with the exception of Dr. Metin Colpan due to his former position as CEO of the Company. Additional information on how the duties of the committees of the Supervisory Board have been carried out in the financial year 2009 can be found in the Corporate Governance Report.

QIAGEN N.V. is a company organized under the laws of the Netherlands and has an international network of subsidiaries. The Supervisory Board follows the principle of increasing shareholder value to further represent the interests of all stakeholders, including the shareholders and has always placed the highest standards on its Corporate Governance principles. QIAGEN is committed to a corporate governance structure that best suits its business and stakeholders, and that complies with relevant rules and regulations. Since 1997, QIAGEN has endorsed the recommendations made in the report of the Netherlands' Committee on Corporate Governance, which was replaced by the Dutch Corporate Governance Code effective January 1, 2004 and amended and restated as from January 1, 2009. It is the Company's policy to follow the guidelines of Good Practice of Corporate Governance as described in the Dutch Corporate Governance Code although some minor deviations may result from effects such as legal requirements imposed on QIAGEN or industry standards.

QIAGEN is also subject to the rules regarding Corporate Governance set by NASDAQ, where the Company's common shares have been listed since 1996. In addition, QIAGEN has adopted the standards set by the Corporate Governance Code of Germany, where the Company's common shares have been listed since 1997. QIAGEN provides detailed disclosure regarding compliance with

the German and the Dutch Corporate Governance Code in the Corporate Governance Report.

All Company operations are believed to be carried out in accordance with legal frameworks, including Dutch Corporate Law, U.S. laws and regulations, and the laws of the German capital market, in particular the Wertpapierhandelsgesetz. The common shares of the Company are registered and traded in the United States of America on the NASDAQ Global Select Market and in Germany on the Frankfurt Stock Exchange in the Prime Standard segment. Shareholders in the United States and in Europe hold the majority of the Company's shares. The Company has used its funds to fuel internal growth and to finance acquisitions. The Supervisory Board proposes to retain 2009 earnings to address these goals. We strongly believe that this policy of increasing shareholder value benefits our shareholders.

In this Annual Report, the financial statements for the year 2009 are presented as prepared by the Managing Board, audited by Ernst & Young LLP (Independent Registered Public Accounting Firm), and examined and approved by the Supervisory Board. We recommend that the Annual General Meeting of Shareholders adopts the financial statements for the year 2009 as presented in this Annual Report. Additionally, we request that shareholders discharge the members of the Managing Board of their responsibility for the conduct of business in 2009 and the members of the Supervisory Board for their supervision of management.

The term of office of the members of the Supervisory Board expires as of the close of the Annual General Meeting of Shareholders of QIAGEN N.V. to be held on June 30, 2010. Prof. Dr. Detlev H. Riesner, Dr. Werner Brandt. Dr. Metin Colpan, Erik Hornnaess, Prof. Dr. Manfred Karobath, and Heino von Prondzynski will stand for re-election. Prof. Dr. jur Carsten P. Claussen has agreed to continue to serve as Special Advisor and Honorary Chairman.

The Supervisory Board proposed during the joint meeting of members of the Supervisory Board and Managing Board that the members of the Managing Board be re-elected at the Annual General Meeting of Shareholders on June 30, 2010.

Venlo, the Netherlands, April 2010

Prof. Dr. Detlev H. Riesner
Chairman of the Supervisory Board

Corporate Governance Report

This section contains an overview of QIAGEN's corporate governance structure and includes details of the information required under the Dutch Corporate Governance Code (the "Code"). The Code is applicable to QIAGEN N.V. (in the following also referred to as the "Company"), as it is a publicly listed company incorporated under the laws of the Netherlands with a registered seat in Venlo, the Netherlands. The Code contains the principles and concrete provisions which the persons involved in a listed company (including Managing Board members and Supervisory Board members) and stakeholders should observe in relation to one another.

QIAGEN recognizes the importance of clear and straightforward rules on corporate governance and, where appropriate, has adapted its internal organization and processes to these rules.

Corporate Structure

QIAGEN is a public company with limited liability (naamloze vennootschap) incorporated under Dutch law similar to a 'Corporation' (Inc.) in the United States. QIAGEN has a two-tiered board structure. QIAGEN is managed by a Managing Board, which is supervised and advised by a Supervisory Board. It is in the interest of QIAGEN and all its stakeholders that each Board performs its functions appropriately and that there is a clear division of responsibilities between the Managing Board, the Supervisory Board, the general meeting of shareholders ("General Meeting") and the external auditor in a well-functioning system of checks and balances.

Managing Board

General

The Managing Board is responsible for the management and the general affairs of QIAGEN as well as defining and achieving QIAGEN's aims, strategy, policies and results. The Managing Board is also responsible for complying with all relevant legislation and regulations as well as for managing the risks associated with the business activities and the financing of QIAGEN. It reports related developments to and discusses the internal risk management and control systems with the Supervisory Board and the Audit Committee.

The Managing Board is accountable for the performance of its duties to the Supervisory Board and the General Meeting. The Managing Board provides the Supervisory Board with timely information necessary for the exercise of the duties of the Supervisory Board. In discharging its duties, the Managing Board takes into account the interests of QIAGEN, its enterprises and all parties involved in QIAGEN, including shareholders and other stakeholders.

Composition and appointment

QIAGEN has also established an Executive Committee, of which four members currently serve as Managing Directors of QIAGEN.

The Managing Board consists of one or more members as determined by the Supervisory Board. The members of the Managing Board are appointed by the General Meeting upon the joint meeting of the Supervisory Board and the Managing Board (the "Joint Meeting") having made a binding nomination for each vacancy. However, the General Meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents more than half the issued share capital. Managing Directors are appointed annually for the period beginning on the date following the Annual General Meeting up to and including the date of the Annual General Meeting held in the following fiscal year.

Currently, our Managing Board consists of following individuals [T 9]:

Managing Board [T9]

Name	Age [1]	Position
Peer M. Schatz	44	Managing Director, Chief Executive Officer
Roland Sackers	41	Managing Director, Chief Financial Officer
Dr. Joachim Schorr	49	Managing Director, Senior Vice President, Research and Development
Bernd Uder	52	Managing Director, Senior Vice President, Global Sales

[1] As of January 25, 2010

Members of the Managing Board may be suspended and dismissed by the General Meeting by a resolution adopted by a two-thirds majority of the votes cast, if such majority represents more than half of the issued share capital, unless the proposal was made by the Joint Meeting in which case a simple majority of votes cast is sufficient. Furthermore, the Supervisory Board may at any time suspend (but not dismiss) a member of the Managing Board.

Conflicts of interest

Resolutions to enter into transactions under which members of the Managing Board could have a conflict of interest with QIAGEN that are of material significance to QIAGEN and/or the relevant member of the Managing Board require the approval of the Supervisory Board. QIAGEN has not entered into any such transactions in 2009.

Remuneration

The remuneration of the members of the Managing Board will, with due observance of the Remuneration Policy, which has been drafted taking into account the principles and best practice provisions of the Code, be determined by the Supervisory Board, on a proposal by its Compensation Committee. The current Remuneration Policy was adopted by the General Meeting on June 14, 2005.

The remuneration granted to the members of the Managing Board in 2009 consisted of a fixed salary and other variable components. Variable compensation includes one-time and annual payments linked to business performance (bonuses), as well as long-term incentives containing risk elements, including, but not limited to, stock options or other equity-based compensation and pension plans. Stock options granted to the Managing Board members must have an exercise price that is higher than the market price at the time of grant. The variable part of the compensation is designed to strengthen the Managing Board members' commitment to QIAGEN and its objectives. Please refer to the tables [T10] and [T11] on page 79 for information on the annual compensation of the Managing Board.

Further details on the composition of the remuneration of the Managing Board, and the implementation of the Remuneration Policy during the fiscal year 2009 are disclosed in the Remuneration Report of the Compensation Committee as published on the Company's website at www.qiagen.com.

Managing Board – Annual Compensation [T 10]

Year ended December 31

	Annual Compensation			
$	**Fixed Salary**	**Variable Cash Bonus**	**Other[1]**	**Total**
Peer M. Schatz	1,220,000	673,000	1,000	1,894,000
Roland Sackers	520,000	315,000	41,000	876,000
Dr. Joachim Schorr	348,000	184,000	23,000	555,000
Bernd Uder	348,000	183,000	14,000	545,000

[1] Amounts include, among others, inventor bonus and relocation costs. We also occasionally reimburse our Managing Directors' personal expenses related to attending out-of-town meetings but not directly related to their attendance. The value of such reimbursed personal expenses is reported above as "other". Amounts do not include the reimbursement of certain expenses relating to travel incurred at the request of QIAGEN, other reimbursements or payments that in total did not exceed $10,000 or tax amounts paid by the Company to tax authorities in order to avoid double-taxation under multi-tax jurisdiction employment agreements.

Managing Board – Long-Term Compensation [T 11]

Year ended December 31

	Long-Term Compensation		
	Defined Contribution Benefit Plan in $	**Stock Option**	**Restricted Stock Units**
Peer M. Schatz	81,000	122,521	393,847
Roland Sackers	73,000	40,115	128,949
Dr. Joachim Schorr	26,000	19,088	61,360
Bernd Uder	48,000	18,168	58,403

Supervisory Board

General

The Supervisory Board supervises the policies of the Managing Board, the general course of QIAGEN's affairs and strategy and the business enterprises which it operates. The Supervisory Board assists the Managing Board by providing advice relating to the business activities of QIAGEN. In 2009, the Supervisory Board had eight (8) regular meetings which were held with the attendance of the Managing Board, while certain agenda items were discussed exclusively between the Supervisory Board members. In discharging its duties, the Supervisory Board takes into account the interests of QIAGEN, its enterprise and all parties involved in QIAGEN, including shareholders and other stakeholders. The Supervisory Board is responsible for the quality of its own performance. In this respect, the Supervisory Board conducts a self-evaluation on an annual basis.

Composition and appointment

The Supervisory Board consists of at least three members or such higher number as to be determined by the Joint Meeting. The members of the Supervisory Board are appointed by the General Meeting upon the Joint Meeting having made a binding nomination for each vacancy. However, the General Meeting may at all times overrule

the binding nature of such a nomination by a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents more than half the issued share capital.

The Supervisory Board shall be composed in a way that enables it to carry out its duties properly and that its members are enabled to act critically and independently of one another and of the Managing Board and any particular interests. To that effect, the Supervisory Board has adopted a profile of its size and composition which takes into account the nature of our business, our activities and the desired expertise and background of the members of the Supervisory Board. The current profile of the Supervisory Board can be found on our website. The Supervisory Board has appointed a chairman from its members who has the duties assigned to him by the Articles of Association and the Code.

Members of the Supervisory Board are appointed annually for the period beginning on the date following the Annual General Meeting up to and including the date of the Annual General Meeting held in the following fiscal year. Members of the Supervisory Board may be suspended and dismissed by the General Meeting by a resolution adopted by a two-thirds majority of the votes cast, if such majority represents more than half of the issued share capital, unless the proposal was made by the Joint Meeting in which case a simple majority of votes cast is sufficient.

Prof. Dr. jur Carsten P. Claussen was appointed as non-voting Special Advisor to the Supervisory Board and Honorary Chairman in 1999.

The following is a brief summary of the background of each of the Supervisory Directors. References to "QIAGEN" and the "Company" in relation to periods prior to April 29, 1996 mean QIAGEN GmbH and its consolidated subsidiaries.

Currently, the Supervisory Board consists of the following members [T12]:

Professor Dr. Detlev H. Riesner,
68, is a co-founder of the Company. He has been a member of the Supervisory Board since 1996 and was appointed Chairman of the Supervisory Board in 1999, and in 2005, he was also appointed Chairman of the Selection

Supervisory Board [T 12]

Name	Age	Position
Prof. Dr. Detlev H. Riesner	68	Chairman of the Supervisory Board, Supervisory Director and Chairman of the Selection and Appointment Committee
Dr. Werner Brandt	56	Supervisory Director and Chairman of the Audit Committee
Dr. Metin Colpan	54	Supervisory Director
Erik Hornnaess	72	Deputy Chairman of the Supervisory Board, Supervisory Director, Chairman of the Compensation Committee, Member of the Audit Committee and Member of the Selection and Appointment Committee
Prof. Dr. Manfred Karobath	68	Supervisory Director and Member of the Compensation Committee
Heino von Prondzynski	60	Supervisory Director and Member of the Audit Committee

and Appointment Committee. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980 and retired in 2006. He has held the position of Dean of the Science Faculty (1991-92), Vice President of the University (Research) (1996-99) and Director of Technology (1999-2006). In 2007, he became a member of the University's board of trustees. Prior to that, he was Professor of Biophysical Chemistry at the Darmstadt Institute of Technology and, from 1975 to 1977, Lecturer of Biophysical Chemistry at Hannover Medical School. He has held guest professorships at the Institute of Microbiology, Academia Sinica, Beijing, and the Department of Neurology at the University of California, San Francisco. He received his M.S. in Physics from Hannover Institute of Technology and his Ph.D. from the University of Braunschweig, with post-graduate work at Princeton University. Professor Riesner is either a member of the Supervisory Board or a director of AC Immune S.A., Lausanne, Spinal Cord Therapeutics (former Neuraxo) GmbH, Erkrath, Evocatal GmbH, Düsseldorf and DRK Blutspendedienst West, gGMBH, Hagen. His memberships in the advisory boards of NewLab Bioquality AG and Direvo AG ended when the companies were sold in 2006. Professor Riesner is also a member of the scientific advisory boards of the Friedrich-Loeffler-Institut, Isle of Riems, PrioNet, Canada, and Alberta Prion Research Institute, Canada.

Dr. Werner Brandt,
56, joined the Company's Supervisory Board in 2007. In the same year, he was appointed Chairman of the Audit Committee. Dr. Brandt has been a member of the Executive Board and the Chief Financial Officer of SAP AG since 2001. From 1999 to 2001, he was a member of the Executive Board and Chief Financial Officer of the German-American healthcare company, Fresenius Medical Care AG, where he also served as Labor Relations Director. From 1992 to 1999, Dr. Brandt was a member of the Managing Board of Baxter Deutschland GmbH and Vice President for European Operations. In this capacity, he was responsible for Baxter's financial operations in Europe. Dr. Brandt began his career in 1981 at the former Price Waterhouse GmbH (now PricewaterhouseCoopers) in Frankfurt. Dr. Brandt completed his Doctorate in business administration from the Technical University of Darmstadt, Germany in 1991, after studying business administration at the University of Nuremberg-Erlangen, Germany from 1976 to 1981. Dr. Brandt is currently a member of the Supervisory Boards of Deutsche Lufthansa AG and Heidelberger Druckmaschinen AG.

Dr. Metin Colpan,
54, is a co-founder of the Company and was Chief Executive Officer and a Managing Director from 1985 through 2003. Dr. Colpan has been a member of the Supervisory Board since 2004. Dr. Colpan obtained his Ph.D. and M.S. in Organic Chemistry and Chemical Engineering from the Darmstadt Institute of Technology in 1983. Prior to founding QIAGEN, Dr. Colpan was an Assistant Investigator at the Institute for Biophysics at the University of Düsseldorf. Dr. Colpan has had wide experience in separation techniques, and in the separation and purification of nucleic acids in particular, and has filed many patents in the field. Dr. Colpan currently serves as a Supervisory Board member of GenPat77 Pharmacogenetics AG and Morphosys AG, each in Munich, Germany. Until 2006, he was a member of the Supervisory Board of Ingenium Pharmaceuticals AG in Munich, Germany and until 2009 a member of the Supervisory Board of GPC Biotech AG.

Erik Hornnaess,
72, has been a member of the Supervisory Board since 1998. He joined the Audit Committee in 2002, the Compensation Committee in 2005 and the Selection and Appointment Committee in 2007. He was appointed Deputy Chairman of the Supervisory Board in 2007. Mr. Hornnaess worked for Astra Pharmaceuticals, Sweden from 1965 until 1979 in various management positions in Sweden, Australia, and Canada and, for the last three years of this period, as the General Manager for the Benelux region (Belgium, The Netherlands and Luxembourg). In 1979, he joined Abbott Laboratories European Headquarters in Paris, France, and from 1982, he was

the Area Vice-President of Abbott Diagnostic Division in Europe, Middle-East and Africa, with headquarters in Wiesbaden, Germany. Mr. Hornnaess retired from Abbott Laboratories on March 1, 1997 and currently serves as non-executive director of AXIS-SHIELDS Group, Scotland. Additionally, Mr. Hornnaess served as the Vice-President of European Diagnostic Manufacturers Association (EDMA), Brussels in the period 1995 through 1997. Mr. Hornnaess graduated from Aarhus Handelshojskole, Denmark with an M.B.A. and obtained a P.M.D. from the Harvard Business School.

Professor Dr. Manfred Karobath,
68, has been a member of the Supervisory Board since 2000 and joined the Compensation Committee in 2005. Prof. Dr. Karobath studied medicine, and from 1967 to 1980, he worked first in the Dept. of Biochemistry of the University of Vienna and, after a stage as postdoctoral fellow, he joined the Dept. of Psychiatry where he became Professor of Biological Psychiatry. In 1980, he joined Sandoz Pharma in Basel, first, in drug discovery, and later, he became Senior Vice President and head of R&D. In 1992, Prof. Dr. Karobath joined Rhone Poulenc Rorer ("RPR") as President of R&D and Executive Vice President, and later, he became a member of the boards of directors of RPR, Pasteur Mérieux Connought, Centeon and Rhone Poulenc Pharma. He has received several scientific awards and has published 92 scientific papers.

Heino von Prondzynski,
60, joined the Company's Supervisory Board as well as the Audit Committee in 2007. Mr. von Prondzynski retired in 2005 from Roche where he served as Chief Executive Officer of Roche Diagnostics and a member of the Executive Committee of the Roche Group. Prior to joining Roche in 2000, Mr. von Prondzynski worked at Chiron, first as General Manager and Chief Executive Officer in Germany and Italy, later as President of the Vaccines Division in Emeryville, USA. Mr. von Prondzynski started his career with Bayer in Germany as a sales representative and later worked in Austria and Brazil as General Manager. He studied mathematics, geography and history at Westfälische Wilhelms University of Münster in Germany. Mr. von Prondzynski is a director of Koninklijke Philips Electronics NV, Epigenomics, CARIDIAN BCT and Hospira, Inc.

Professor Dr. jur. Carsten P. Claussen,
82, was Chairman of the Supervisory Board of the Company from 1988 to June 1999 and was appointed as a Special Advisor and Honorary Chairman in 1999. This position is not required by Dutch law and Professor Claussen is no longer a voting member of the Supervisory Board. For many years he has pursued a career in private banking. Between 1976 and 1987, Professor Claussen was a member of the executive board of Norddeutsche Landesbank, Hannover, and Chairman of the Hannover Stock Exchange. Since 1987, he has been a lawyer in Düsseldorf and senior advisor to IKB Deutsche Industriekreditbank, Düsseldorf. He is Chairman of the Board of Flossbach & v. Storch Vermögensmanagement AG, Cologne and WAS Worldwide Analytical Systems AG, Kleve and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

Conflicts of interest
Resolutions to enter into transactions under which members of the Supervisory Board could have a conflict of interest with QIAGEN that are of material significance to QIAGEN and/or the relevant member of the Supervisory Board require the approval of the Supervisory Board plenum. In 2009, neither QIAGEN nor its Supervisory Board members have entered into any such transactions.

Committees
The Supervisory Board has established an Audit Committee, a Compensation Committee and a Selection and Appointment (Nomination) Committee from among its members and can establish other committees as deemed beneficial. The Supervisory Board has approved charters pursuant to which each of the committees operate. These charters are published on QIAGEN's website (www.qiagen.com).

Audit Committee

Among other things, the Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor QIAGEN's accounting and financial reporting process and internal risk management, control and compliance systems, be directly responsible for the proposal of the external auditor to the Supervisory Board which proposes the appointment of the external auditor to the General Meeting. Further, the Audit Committee is responsible for the compensation and oversight of QIAGEN's external auditor and to provide an open avenue of communication among the external auditor as well as the Management Board and the Supervisory Board. QIAGEN's internal audit department operates under the direct responsibility of the Audit Committee. The Audit Committee currently consists of three members: Dr. Brandt (Chairman), Mr. von Prondzynski, and Mr. Hornnaess. The Audit Committee members are appointed by the Supervisory Board and serve for a term of one year. The Supervisory Board has designated Dr. Brandt as a "financial expert" as that term is defined in the provision III.3.2 and III.5.7 of the Code. The Audit Committee met seven (7) times in fiscal year 2009, whereof one meeting took place together with the external auditor and without the members of the Managing Board. Among other things, the Audit Committee discussed the selection of the external auditor to audit the consolidated financial statements and accounting and records of QIAGEN and its subsidiaries, along with the pre-approval of the fees for such services. Further, it reviewed QIAGEN's compliance with laws and policies such as the Code of Conduct; reviewed the Company's risk management system; discussed the performance of the external auditor with management; discussed on a quarterly basis the scope and results of the reviews and audits with the external auditor; and discussed QIAGEN's financial accounting and reporting principles and policies and the adequacy of QIAGEN's internal accounting, financial and operating controls and procedures with the external auditor and management and observed and discussed the development of accounting standards and their effects on QIAGEN's financial statements. The Audit Committee considered and approved any recommendations regarding changes to QIAGEN's accounting policies and processes, reviewed with management and the external auditor QIAGEN's quarterly reports prior to their release to the press; and reviewed the quarterly and annual reports prepared under US-GAAP (reported on Forms 6-K and 20-F) to be filed with the Securities and Exchange Commission in the United States and the and the annual report prepared under IFRS. The Audit Committee performs a self-evaluation of its activities on an annual basis.

Compensation Committee

The Compensation Committee's primary duties and responsibilities include, among other things, the preparation of a proposal for the Supervisory Board concerning the Remuneration Policy for the Managing Board to be adopted by the General Meeting, the preparation of a proposal concerning the individual compensation of members of the Managing Board to be adopted by the Supervisory Board and the preparation of the Remuneration Report on the compensation policies for the Managing Board to be adopted by the Supervisory Board. The Remuneration Report comprises a report on the way in which the Remuneration Policy was implemented in the most recent financial year and comprises an outline of the Remuneration Policy going forward.

The Compensation Committee currently consists of two members: Mr. Hornnaess (Chairman) and Professor Dr. Karobath. Members are appointed by the Supervisory Board and serve for a term of one year. The Compensation Committee met (ten) 10 times in fiscal year 2009. It reviewed, approved and made recommendations on QIAGEN's compensation and benefits policies, practices and procedures to ensure that legal and fiduciary responsibilities of the Supervisory Board and the Managing Board are carried out. Further, the Compensation Committee approved equity-based remuneration systems and their application including stock rights or stock option grants on a monthly basis.

Selection and Appointment Committee

The Selection and Appointment (Nomination) Committee is primarily responsible for the preparation of selection criteria and appointment procedures for members of QIAGEN's Supervisory Board and Managing Board as well as the periodic evaluation of the scope and composition of the Managing Board and the Supervisory Board, including the profile of the Supervisory Board. Additionally, the Selection and Appointment Committee periodically evaluates the functioning of individual members of our Managing Board and Supervisory Board and reports the results thereof to our Supervisory Board, proposes the (re-)appointments of members of our Managing Board and Supervisory Board and supervises the policy of our Managing Board in relation to the selection and appointment criteria for senior management. The Selection and Appointment Committee prepares and submits to our Supervisory Board on an annual basis a report of its deliberations and findings.

The current members of the Selection and Appointment Committee are Professor Dr. Riesner (Chairman) and Mr. Hornnaess. Members are appointed by the Supervisory Board and serve for a term of one year. The Selection and Appointment Committee did not convene in 2009, however, in depth discussion on selection and appointment topics were held in 2 sessions of the Supervisory Board.

Remuneration

The Supervisory Board compensation for 2009 consists of fixed retainer compensation, additional retainer amounts for Chairman and Vice Chairman, and committee membership fees. Annual remuneration of the Supervisory Board members is as follows:

- Fee paid to each member of the Supervisory Board EUR 30,000
- Additional compensation payable to members holding the following positions:
  - Chairman of the Supervisory Board EUR 20,000
  - Vice Chairman of the Supervisory Board EUR 5,000
  - Chairman of the Audit Committee EUR 15,000
  - Chairman of the Compensation Committee EUR 10,000
  - Fee payable to each member of the Audit Committee EUR 7,500
  - Fee payable to each member of the Compensation Committee EUR 5,000

Members of the Supervisory Board also receive EUR 1,000 for attending the Annual General Meeting and EUR 1,000 for attending each meeting of the Supervisory Board.

Members of the Supervisory Board receive EUR 1,000 for attending each meeting of any subcommittees (other than Audit Committee, Compensation Committee and Selection and Appointment Committee).

Supervisory Board members also receive variable compensation, which is determined annually by the Compensation Committee pursuant to a formula based on growth of adjusted Earnings per Share provided that such remuneration will not exceed EUR 5,000 per year. Please refer to the table [T13] on page 85 for detailed information on the components of the compensation of the Supervisory Board members for 2009.

Supervisory Board members also receive a variable component, in the form of share-based compensation. Stock options granted to the Supervisory Board members must have an exercise price that is higher than the market price at the time of grant. Please refer to the table [T14] on page 85 for information on options or other share-based compensation that were granted to the members of the Supervisory Board during 2009.

Supervisory Board – Compensation [T 13]

$	Fixed Retainer	Chairman/ Vice-Chairman Committee	Meeting Attendance	Committee Membership	Subcommittee Meeting Attendance	Variable Cash Bonus	Total
Prof. Dr. Detlev H. Riesner	42,000	28,000	15,500	—	xxxxxx	7,000	92,500
Dr. Werner Brandt	42,000	21,000	7,000	—	xxxxxx	7,000	77,000
Dr. Metin Colpan	42,000	—	15,500	—	xxxxxx	7,000	64,500
Erik Hornnaess	42,000	21,000	8,500	10,500	xxxxxx	7,000	89,000
Prof. Dr. Manfred Karobath	42,000	—	14,000	7,000	xxxxxx	7,000	70,000
Heino von Prondzynski	42,000	—	12,500	10,500	xxxxxx	7,000	72,000

Supervisory Board – Share-Based Compensation [T 14]

Year ended December 31, 2009

	2009 Grants	
Name	**Stock Option**	**Restricted Stock Units**
Prof. Dr. Detlev H. Riesner	1,937	5,366
Dr. Werner Brandt	1,937	5,366
Dr. Metin Colpan	1,937	5,366
Erik Hornnaess	1,937	5,366
Prof. Dr. Manfred Karobath	1,937	5,366
Heino von Prondzynski	1,937	5,366

In 2004, QIAGEN entered into a consulting agreement with Dr. Metin Colpan, our former Chief Executive Officer and current Supervisory Board member, pursuant to which Dr. Colpan is paid a fee of EUR 2,750 per day for scientific consulting services subject to adjustment. During 2009, QIAGEN paid approximately $234,000 to Dr. Colpan for scientific consulting services including travel reimbursements under this agreement. Other than that, we did not pay any agency or advisory service fees to members of the Supervisory Board.

Share Ownership

The table [T15] on page 86 sets forth certain information as of January 25, 2010 concerning the ownership of Common Shares by our directors and officers. In preparing the following table, we have relied on information furnished by such persons.

The table [T16] on page 87 sets forth the vested and unvested options and stock awards of our officers and directors as of January 25, 2010.

Share Ownership [T 15]

Name and Country of Residence	Shares Beneficially Owned [1] Number	Ownership [2] Percent
Peer M. Schatz, Germany	1,609,334 [3]	0.7%
Roland Sackers, Germany	0 [4]	*
Dr. Joachim Schorr, Germany	0 [5]	*
Bernd Uder, Germany	0 [6]	*
Prof. Dr. Detlev H. Riesner, Germany	1,752,068 [7]	0.7%
Dr. Werner Brandt, Germany	800 [8]	*
Dr. Metin Colpan, Germany	4,538,703 [9]	2.0%
Erik Hornnaess, Spain	10,000 [10]	*
Professor Dr. Manfred Karobath, Austria	0 [11]	*
Heino von Prondzynski, Switzerland	0 [12]	*

* Indicates that the person beneficially owns less than 0.5% of the Common Shares issued and outstanding as of January 25, 2010.

[1] The number of Common Shares issued and outstanding as of January 25, 2010 was 232,093,276. The persons and entities named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them and have the same voting rights as other shareholders with respect to Common Shares.

[2] Does not include Common Shares subject to options or awards held by such persons at January 25, 2010. See footnotes below for information regarding options now exercisable or that could become exercisable within 60 days of the date of this table.

[3] Does not include 2,424,009 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $4.590 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

[4] Does not include 110,815 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

[5] Does not include 129,091 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $11.985 to $22.430 per share. Options expire in increments during the period between 10/2011 and 2/2019.

[6] Does not include 53,474 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

[7] Does not include 81,069 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019. Prof. Riesner also has the option to purchase 82,302 Common Shares through Thomé Asset Management&Controlling. Includes 1,752,068 shares held by Riesner Verwaltungs GmbH, of which Professor Riesner is the sole stockholder.

[8] Does not include 1,108 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 4/2018 and 2/2019.

[9] Does not include 774,552 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019. Includes 3,738,703 shares held by CC Verwaltungs GmbH, of which Dr. Colpan is the sole stockholder and 800,000 shares held by Colpan GbR. Dr. Colpan also has the option to purchase 80,566 Common Shares through Thomé Asset Management&Controlling.

[10] Does not include 90,402 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

[11] Does not include 84,402 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

[12] Does not include 1,108 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 4/2018 and 2/2019.

Vested and unvested options and stock awards of our officers and directors as of January 25, 2010 [T 16]

Name	Total Vested	Total Unvested Options	Expiration Dates Options	Exercise Prices in $	Total Unvested Stock Awards
Peer M. Schatz	2,310,614	229,447	3/2011 to 2/2019	4.590 to 22.430	843,430
Roland Sackers	86,231	62,541	3/2011 to 2/2019	16.340 to 22.430	271,706
Dr. Joachim Schorr	111,706	35,451	10/2011 to 2/2019	11.985 to 22.430	129,963
Bernd Uder	36,588	34,070	3/2011 to 2/2019	16.340 to 22.430	125,362
Prof. Dr. Detlev H. Riesner	80,424	3,511	3/2011 to 2/2019	6.018 to 22.430	14,239
Dr. Werner Brandt	463	2,863	4/2018 to 2/2019	16.340 to 22.430	8,852
Dr. Metin Colpan	773,907	3,511	3/2011 to 2/2019	6.018 to 22.430	14,239
Erik Hornnaess	89,757	3,511	3/2011 to 2/2019	6.018 to 22.430	14,239
Prof. Dr. Manfred Karobath	83,757	3,511	3/2011 to 2/2019	6.018 to 22.430	14,239
Heino von Prondzynski	463	2,863	4/2018 to 2/2019	16.340 to 22.430	8,852

Shareholders

Our shareholders exercise their voting rights through Annual and Extraordinary General Meetings. Resolutions of the General Meeting are adopted by an absolute majority of votes cast, unless a different majority of votes or quorum is required by Dutch law or the Articles of Association. Each common share confers the right to cast one vote.

Furthermore, the Managing Board, or where appropriate, the Supervisory Board, shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence QIAGEN's share price.

QIAGEN is required to convene an Annual General Meeting in the Netherlands each year, no later than six months following the end of the Company's fiscal year. The agenda for the Annual General Meeting must contain certain matters as specified in QIAGEN's Articles of Association and under Dutch law, including, among other things, the adoption of QIAGEN's annual financial statements.

Additional Extraordinary General Meetings may be convened at any time by the Managing Board, the Supervisory Board or by one or more shareholders representing at least 10% of the Company's issued share capital. Shareholders are entitled to propose items for the agenda of the General Meeting provided that they hold at least 1% of the issued share capital or the shares that they hold represent a market value of at least EUR 50 million. Proposals for agenda items for the General Meeting must be submitted at least 60 days prior to the date of the meeting. The notice convening a General Meeting accompanied by the agenda for that meeting shall be sent no later than on the fifteenth day prior to the meeting. QIAGEN informs the General Meeting by means of explanatory notes to the agenda of all facts and circumstances relevant to the proposed resolutions.

The Audit of Financial Reporting

The external auditor is appointed annually by the General Meeting. The Audit Committee recommends to the Supervisory Board the external auditor to be proposed for (re) appointment by the General Meeting. In addition, the Audit Committee evaluates and, where appropriate, recommends the replacement of the external auditors. The external auditor is invited to attend the meeting of the Supervisory Board at which the financial statements shall be approved and is

Employee Stock Options as of December 31, 2009 [T 17]

All Employee Options	Number of Shares	Weighted Average Exercise Price $	Weighted Average Contractual Term	Aggregate Intrinsic Value in $ 1,000
Outstanding at January 1, 2009	10,274,996	14.261		
Granted	491,714	16.935		
Exercised	(2,241,848)	12.006		
Forfeited and cancelled	(243,303)	24.064		
Outstanding at December 31, 2009	8,281,559	14.743	4.07	72,185
Exercisable at December 31, 2009	7,448,952	14.356	3.55	68,732
Vested and expected to vest at December 31, 2009	8,226,536	14.721	4.04	71,946

furthermore invited to attend the General Meeting at which the financial statements are adopted and may be questioned by the General Meeting on its statement on the fairness of our annual accounts. At the Annual General Meeting in 2009 Ernst & Young Ac-countants was appointed as external auditor for the Company for the fiscal year 2009.

Share-Based Compensation

During 2005, the Company adopted the QIAGEN N.V. Amended and Restated 2005 Stock Plan (the Plan). The Plan allows for the granting of stock rights and incentive stock options, as well as non-qualified options, stock grants and stock based awards, generally with terms of up to 10 years, subject to earlier termination in certain situations. Generally, options vest over a three-year period. The vesting and exercisability of certain stock rights will be accelerated in the event of a Change of Control, as defined in the Plan. To date all grants have been at the market value on the grant date or at a premium above the closing market price on the grant date. In connection with the acquisition of Digene Corporation during the third quarter of 2007, the Company assumed three additional equity incentive plans. No new grants will be made under these plans.

The Company had approximately 0.4 million common shares reserved and available for issuance under these plans at December 31, 2009.

Stock Options

During the years ended December 31, 2009 and 2008, the Company granted 491,714 stock options. A summary of the status of the Company's employee stock options as of December 31, 2009 and changes during the year then ended is presented in the table [T17] above.

Restricted Stock Units

Restricted stock units represent rights to receive Common Shares at a future date. There is no exercise price and the fair market value at the time of the grant is recognized ratably over the requisite vesting period, generally 10 years.

A summary of the Company's restricted stock units as of December 31, 2009 and changes during the year are presented in the table [T18] on page 89.

Risk Management

The Company has identified various risk factors for its business which are set forth in detail in the 2009 Form 20-F. There may be current risks that the Company has not yet fully assessed or which are currently qualified as minor but which could have a material impact on the performance of the Company at a later stage. The Managing Board has developed and implemented strategies, controls and mitigation measures to identify current and developing risks as part of the Company's risk management system. The

Restricted Stock Units [T 18]

	Restricted Stock Units	Weighted Average Contractual Term	Aggregate Intrinsic Value in $ 1,000
Outstanding at January 1, 2009	1,908,161		
Granted	1,601,504		
Vested	(368,277)		
Forfeited and cancelled	(102,231)		
Outstanding at December 31, 2009	3,039,157	3.43	67,864
Vested and expected to vest at December 31, 2009	2,509,591	3.36	56,039

Company has a variety of functional experts to evaluate and attempt to mitigate and manage its business risks. These groups and their respective main areas of focus are presented in the table [T19] on page 90.

The senior level individuals that manage the aforementioned functional groups report either to the Chief Executive Officer or to another Executive Committee member, who, in connection with the Chief Financial Officer, make strategic determinations as to the proper risk management procedures to be employed by the Company based on their assessment of the level of these risks.

In 2008, QIAGEN has established a Compliance Committee under the leadership of the Company's CFO in his function as Chief Compliance Officer which consists of senior level individuals from the Company's departments of Human Resources, Internal Audit, SEC Reporting, Legal and Regulatory which inter alia, performs an assessments of the legal and regulatory risks and initiates any required corrective actions on a quarterly basis.

As a publicly listed Company in the United States, QIAGEN is subject to Sections 302 and 404 of the Sarbanes Oxley Act. The Company has enacted internal controls and procedures over its financial reporting in 2006 as described in more detail in item 15 of QIAGEN's 2009 Annual Report on Form 20-F. In its report on its audit of the Company's internal controls over financial reporting, the independent registered public accounting firm Ernst & Young expressed the opinion that QIAGEN has maintained in all material respects effective internal control over financial reporting as of December 31, 2009, under the applied criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission.

At least once a year, the Supervisory Board will discuss the corporate strategy and the risks of the business as well as the result of the assessment by the Managing Board and the Audit Committee of the structure and operation of the internal risk management and control systems and any significant changes thereto.

Whistleblower Policy and Code of Conduct

QIAGEN adopted a Whistleblower Policy concerning the reporting of alleged irregularities within QIAGEN of a general, operational or financial nature. Furthermore, a Code of Conduct, including business principles for our employees and rules of conduct, was adopted. The Code of Conduct can be found on our website.

Anti-Takeover Measures

In 2004, the Supervisory Board granted an option to the Dutch Foundation Stichting Preferente Aandelen QIAGEN

Risk Management – Groups and Functions [T 19]

Functional Group	Risk Management Focus
Corporate Strategy	Monitoring of competitive threats to the business
Intellectual Property and Licensing	Monitoring of intellectual property infringements and recommendations to enhance the Company's IP protection through new patentse
Operations, Engineering and QA/QC	Monitoring of production risks (i.e. – contamination prevention, high-quality product assurance and existence of appropriate redundancy of operations)
Health, Safety and Environment	Monitor safety in operations and environmental hazard risks
Sales and Business Development	Monitor demand risks
Legal	Monitor legal exposures

which allows the Foundation to acquire preference shares from the Company if (i) a person has (directly or indirectly) acquired or has expressed a desire to acquire more than 20% of our issued share capital, or (ii) a person holding at least a 10% interest in the share capital has been designated as a hostile person by our Supervisory Board. The option enables the Foundation to acquire such number of preference shares as equals the number of our outstanding common shares at the time of the relevant exercise of the right less one share. When exercising the option and exercising its voting rights on such shares, the Foundation must act in the interest of the Company and the interests of the Company's stakeholders. No preference shares are currently outstanding.

Comply or Explain

The Company's corporate governance structure and compliance with the Code is the joint responsibility of the Managing Board and the Supervisory Board. They are accountable for this to the General Meeting. QIAGEN continues to seek ways to improve its corporate governance by measuring itself against international best practice. The Code was last amended on December 10, 2008 and can be found at www.commissiecorporategovernance.nl.

Non-application of a specific best practice provision is not in itself considered objectionable by the Code and may well be justified because of particular circumstances relevant to a company. In accordance with Dutch law, we disclose in our Annual Report the application of the principles and best practice provisions of the Code. To the extent we do not apply certain principles and best practice provisions or do not intend to apply these in the current or the subsequent financial year, we state the reasons therefore. In this chapter, we will therefore indicate which specific provisions of the Code we do not apply and why. QIAGEN is positively disposed towards the Code and applies nearly all best practice provisions. However, a few best practice provisions we prefer not to apply, due to the international character of our Company and to the fact – acknowledged by the Commission that drafted the Code – that existing contractual agreements between QIAGEN and individual members of the Managing Board cannot be set aside at will.

1. Best practice provision II.1.1 recommends that a management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.

   The members of the Managing Board are appointed annually for the period beginning on the date following the General Meeting up to and including the date of the General Meeting held in the following year. The employment agreements of the Managing Directors with the Company have an indefinite term, but can be terminated

with three months notice by the Managing Director and with six months notice by the Company. These agreements were entered into before the Code became applicable and their term was not renegotiated as this was not considered to be in the interest of the Company. All members of the Managing Board have additional employment agreements with other QIAGEN affiliates which have a term deviating from the term set forth in the employment agreements with the Company (Mr. Uder and Dr. Schorr 24 months, Mr. Schatz and Mr. Sackers 36 months).

2. Best practice provision II.2.4 recommends that the number of granted options shall be dependent on the achievement of challenging targets specified beforehand.

   From time to time, the members of our Managing Board are granted options to acquire QIAGEN common shares with an exercise price that is higher than the market price as of the grant date (as determined by reference to an organized trading market or association). Since the holder cannot realize any value from these options unless the value of QIAGEN's common shares is increased above the exercise price, increasing shareholder value in that quantifiable manner is the "challenging target" that is specified beforehand.

3. Best practice provision II.2.5 recommends that shares granted to management board members without financial consideration shall be retained for a period of at least five years or until at least at the end of the employment, if this period is shorter. The number of shares to be granted shall be dependent on the achievement of clearly quantifiable and challenging targets specified before-hand.

   The members of the Managing Board are granted restricted stock units from time to time. Restricted stock units represent rights to receive common shares at a future date. The number of granted restricted stock units is dependent on the achievement of pre-defined performance goals. Restricted stock units are usually structured such that 40% of a grant vest after three years, 50% after five years and the remaining 10% after ten years.

4. Best practice provision II.2.8 recommends that the maximum remuneration in the event of dismissal of a management board member may not exceed one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.

   As explained in item 1. above (best practice provision II.1.1), the Managing Board members have, in addition to their employment agreement with the Company, entered into employment agreements with certain QIAGEN affiliates which have a term of 24 months and 36 months respectively. In case of a termination of such agreements without serious cause as defined by the applicable law, the respective affiliate would remain obliged to compensate such Managing Board member for the remaining term of his employment agreement.

5. Best practise provision III.3.5 recommends that the supervisory board may recover from the management board members any variable remuneration awarded on the basis of incorrect financial or other data.

   In order to reclaim any remuneration granted on the basis of incorrect financial data, the Supervisory Board would require a legal entitlement based on the employment agreements of the affected Managing Director. The current employment agreements with the Managing Directors, which were entered into before the recent Code changes entered into effect, do not include such so called claw back clause.

6. Best practise provision III.3.5 recommends that a person may be appointed to the supervisory board for a maximum of three 4-year terms.

   The chairman of the Supervisory Board, Prof. Riesner has been a member of the Supervisory Board of QIAGEN NV since its establishment in 1996. Further, Mr. Hornnaess served on the Supervisory Board since

1998. Prof. Riesner contributes his profound scientific expertise and excellent connections in the scientific community to the board profile. In addition, Mr. Hornnaess contributes significant value due to his long term experience in various management positions in the life science industry. Both board members have a unique inside knowledge of the Company which QIAGEN considers as highly valuable. Therefore, QIAGEN strongly supports the reappointment of both members beyond the 12 year term as recommended by the Code.

7. Best practice provision III.6.5 recommends that the company shall draw up regulations governing ownership of and transactions in securities by management or supervisory board members, other than securities issued by their 'own' company.

   Since QIAGEN is a company of which the shares are currently not admitted to trading in The Netherlands we do not see a conflict with potential trades by Supervisory or Managing Board members in securities in Dutch listed companies. Further, QIAGEN is subject to several rules in Germany and the United States regarding the ownership and transactions by Supervisory Board and Managing Board members in QIAGEN shares the compliance with which we consider to be sufficient.

8. Best practice provision III.7.1 recommends that a supervisory board member may not be granted any shares and/or rights to shares by way of remuneration.

   QIAGEN has granted stock options to the members of its Supervisory Board as a remuneration component since its establishment. Since 2007, members of the Supervisory Board were also granted restricted stock units. This practice is in compliance with international business practice in our industry, and we consider the grant of stock options or stock rights as an important incentive to attract individuals with the required skills and expertise to serve on our Supervisory Board.

9. Best practice provision IV.1.1 recommends that a general meeting of shareholders is empowered to cancel binding nominations of candidates for the management board and supervisory board, and to dismiss members of either board by a simple majority of votes of those in attendance, although the company may require a quorum of at least one third of the voting rights outstanding for such vote to have force. If such quorum is not represented, but a majority of those in attendance votes in favour of the proposal, a second meeting may be convened and its vote will be binding, even without a one-third quorum.

   QIAGEN's Articles of Association currently state that the General Meeting may at all times overrule a binding nomination by a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents more than half of the issued share capital. Although a deviation from provision IV.1.1 of the Code, the Supervisory Board and the Managing Board hold the view that these provisions will enhance the continuity of QIAGEN's management and policies.

10. Best practice provision IV.1.7 recommends that the company shall determine a registration date for the exercise of the voting rights relating to meetings.

    QIAGEN does not make use of a registration date for the exercise of voting rights. All of QIAGEN's shares are registered shares and all shareholders are welcome to a General Meeting, provided that a shareholder needs to inform the Company of his intention to attend the Genereal Meeting by the date mentioned in the notice of the meeting. As shareholders are not obliged to block their shares to participate in a meeting, this has the same effect as a registration date, be it that a shareholder can only vote a number of shares held by him at the date of the meeting. QIAGEN does make use of a notional record date, only to enable QIAGEN to distribute documentation regarding the meeting to shareholders.

Declaration of Compliance of QIAGEN N.V. regarding the German Corporate Governance Code

In QIAGEN's 2001 Annual Report, the Managing Board and the Supervisory Board of QIAGEN N.V. declared their intention to disclose in QIAGEN's future Annual Reports the Company's compliance with the German Corporate Governance Code pursuant to §161 of the German Stock Corporation Law (AktG) or state the deviations recorded in the period. QIAGEN N.V. is a company organized under the laws of the Netherlands and subject to laws, rules and regulations in the Netherlands and in addition is listed at the NASDAQ. As such, QIAGEN's compliance with the German Corporate Governance Code is dependent on such code's compatibility with these foreign laws, rules, regulations and customs, which QIAGEN is subject to. QIAGEN hereby declares compliance with the German Corporate Governance Code with the following exceptions:

1. Item 3.8 paragraph 2

If the company takes out a D&O (directors' and officers' liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation of the Management Board member must be agreed upon. A similar deductible must be agreed upon in any D&O policy for the Supervisory Board.

QIAGEN's D&O insurance policy provides for a fixed deductible of USD 10,000 for the members of the Managing Board and the Supervisory which we consider an appropriate sign by our members to take responsibility for their actions.

2. Item 4.2.3 paragraph 3

For instance, share or index-based compensation elements related to the enterprise may come into consideration as variable components. These elements shall be related to demanding, relevant comparison parameters. Changing such performance targets or the comparison parameters retroactively shall be excluded. For extraordinary developments a possibility of limitation (cap) must in general be agreed upon by the Supervisory Board.

From time to time, the members of our Managing Board are granted options to acquire QIAGEN common shares with an exercise price that is 2% higher than the market price as of the grant date (as determined by reference to an organized trading market or association). Such option rights are subject to multi-year vesting periods and sales restrictions. Members of the Managing Board cannot realize any profit from these instruments unless they succeed to increase shareholder value on a long-term basis. For those reasons, as well as to ensure comparability to equity-based incentives granted by peer companies in our industry, we consider these terms as the most appropriate parameters for the stock options granted to the members of the Managing Board.

3. Item 4.2.3 paragraph 4 and 5

In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.

Payments promised in the event of premature termination of a Management Board member's contract due to a change of control shall not exceed 150 % of the severance payment cap.

The employment agreements of the Managing Directors of the Company have an indefinite term, but can be terminated with three months notice by the Managing Director and with six months notice by the Company. All members of the Managing Board have additional employment agreements with other QIAGEN affiliates which have a longer term (Mr. Uder and Dr. Schorr 24 months, Mr. Schatz and Mr. Sackers 36 months) set forth in the employment agreements with the Company. In case of a termination of such agreements without serious cause as defined by the applicable law, the Company would remain obliged to compensate such Managing Board Member for the remaining term of his agreement.

There are no arrangements for early retirement of the Managing Board members. In the event of the sale or the transfer of all or substantially all of the Company's assets or business to an acquirer in one or several transactions including a merger, consolidation or a transfer of shares to a third party, the members of the Managing Board are entitled to a change of control bonus payment commensurate to a multiple (Peer M. Schatz 5 times, Roland Sackers 3 times, Bernd Uder and Joachim Schorr 2 times) of their annual salary (fixed payment plus annual bonus). The Company believes that the before mentioned severance and change of control agreements are appropriate due to the long tenures of the Managing Board members.

Glossary

[A] Amplification A mechanism leading to multiple copies of a chromosomal region within a chromosome arm. There are a lot of technologies being used to amplify genomics information. The most popular technology today is the Polymerase Chain Reaction (PCR) using heat-stable polymerase enzymes.

Applied Testing An area focused on sample preparation and assays (tests) for practical (rather than research) applications, including forensics, veterinary medicine, bio-defense (protection from harmful biological agents such as anthrax), food testing and others.

[B] Biomarker Refers to e.g. proteins which indicate a relevant biological condition (e.g., disease or predisposition to a disease).

Biomedical research Involves thorough investigation of any matter related to the domain of living or biological systems. Usually biomedical denotes a greater stress on problems related to human health and diseases.

[C] CE mark The CE mark (officially CE marking) is a mandatory safety mark on many products placed on the market in the European Economic Area (EEA).

Clinical trial Research studies. The most commonly performed clinical trials evaluate new drugs, medical devices, biologics, or other interventions to patients in strictly scientifically controlled settings, and are required for Food and Drug Administration approval of new therapies.

Companion diagnostics A key attribute of personalized medicine is the development of so-called companion diagnostics, whereby specific molecular assays that measure levels of proteins or genes or specific mutations are used to stratify disease status, select from among different medications and tailor dosages, provide a specific therapy for an individual's condition, or initiate a preventative measure that is particularly suited to that patient at the time of administration.

CT Chlamydia trachomatis, a pathogenic. (disease-causing) bacteria. Chlamydia infections are the most common bacterial sexually transmitted infections in humans and are the leading cause of infectious blindness worldwide.

Cytology The study of cells.

[D] DNA Deoxyribonucleic acid. Macromolecule with a double helix structure built up from the four bases adenine, guanine, cytosine, and thymine. DNA transmits genetic information.

DNA methylation Type of chemical modification of DNA that can be inherited without changing the DNA sequence.

DNA sequencing The process used to obtain the sequential arrangement of nucleotides in the DNA.

Drug metabolism Drug metabolism is the chemical alteration of a drug by the body.

Drug target Target for clinically relevant or therapeutic molecules used to fight genetic disorders and disease.

[E] Epigenetics A fundamental part of eukaryotic biology, and is perhaps most elegantly illustrated in the process of cellular differentiation, which allows cells to stably maintain different characteristics despite containing the same genomic material. The molecular basis of epigenetics involves modifications to DNA and the chromatin proteins that associate with it.

[F] FDA The Food and Drug Administration (FDA) is an agency of the United States Department of Health and Human Services and is responsible for regulating food, dietary supplements, drugs, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics in the United States.

Functional genomics Study of the functions of genes.

[G] GC Neisseria gonorrhoeae, also known as Gonococci (plural), or Gonococcus (singular), is a species of Gram-negative kidney bean-shaped bacteria responsible for the sexually transmitted disease gonorrhoea.

Gene expression Transfer of genetic information to its active form, usually from DNA via RNA (transcription) into protein (translation).

Gene expression profiling Determines which genetic information has been transferred to its active form.

Gene interaction The collaboration of several different genes in the production of one phenotypic character.

Gene silencing Repression of gene expression – especially using the recently discovered mechanism of RNAi (RNA interference). siRNA duplexes can be designed to target and repress expression of specific genes.

Genetic modification (GM) Genetic engineering, and the now-deprecated gene splicing are terms for the process of manipulating genes, usually outside the organism's normal reproductive process.

Genome The entire genetic information of an organism. In most organisms consists of DNA, in some viruses can consist of RNA.

Genomic DNA A representative sample of all the DNA in a genome.

Genomics The scientific study of genes and their role in an organism's structure, growth, health, disease (and/or resistance to disease, etc.).

Genotyping Genetic fingerprinting, DNA testing, DNA typing, and DNA profiling – Study or testing of variations in the genetic information among different individuals.

[H] HDA Helicase dependent amplification. Isothermal amplification technology for nucleic acids.

High-throughput screening Testing of large numbers of samples per day, often simultaneously.

HLA Human leucocyte antigen, a gene product of the major histocompatibility complex; these antigens have been shown to have a strong influence on human organ transplantation, transfusions in refractory patients, and certain disease associations.

HPV Papillomaviruses are a diverse group of DNA-based viruses that infect the skin and mucous membranes of humans and a variety of animals. Approximately 130 human papillomavirus (HPV) types have been identified, Persistent infection with one of the 15 "high-risk" subtypes of sexually transmitted may lead to potentially precancerous lesions and can progress to invasive cancer. HPV infection is a necessary factor in the development of nearly all cases of cervical cancer.

Hybrid capture technology Proprietary technology developed by Digene that serves as the platform for tests that detect HPV, chlamydia trachomatis (CT), neisseria gonorrhea (GC) and cytomegalovirus (CMV). It is called "hybrid capture" because RNA probes bind to the DNA in the targeted virus or bacterium, forming a "hybrid." This hybrid is then "captured" by an antibody added to the solution. In a later step, additional antibodies (which produce light in the presence of hybrids) are introduced. They bind to the hybrids, resulting in the emission of light that is measured by a specialized laboratory instrument called a luminometer. The amount of light detected is proportional to the amount of target DNA present in the sample.

[I] Immunoassay Biochemical test that measures the concentration of a specific antibody in a biological liquid, typically serum or urine, using the reaction of an antibody or antibodies to its antigen. The assay takes advantage of the specific binding of an antibody to its antigen.

In vitro diagnostics In vitro diagnostic (IVD) tests are medical devices intended to perform diagnoses from assays in a test tube, or more generally in a controlled environment outside a living organism. In vitro means in glass in Latin.

[K] K-RAS Kirsten rat sarcoma viral oncogene homolog also known as K-ras is a protein which in humans is encoded by the K-ras gene. While the

protein product of the unmutated K-ras gene performs an essential function in normal tissue signaling, mutated K-ras genes are potent oncogenes that play a role in many cancers.

[L] LIMS integration Laboratory Information Management Systems (LIMS) play a pivotal role in the integration and distribution of scientific information in the global enterprise.

[M] Metabolic enzyme A protein that catalyzes biochemical reactions in processes for the synthesis, modification, and breakdown of molecules (e.g. drugs) within a living organism. The metabolic enzyme pattern differs within individuals and provides a basis for the research of individual drug responses in patients.

Metabolic markers A molecular marker associated with a metabolic function.

Metabolism The entire set of enzyme-catalyzed transformations of organic nutrient molecules (to sustain life) in living cells. Conversion of food and water into nutrients that can be used by the body's cells, and the use of those nutrients by those cells (to sustain life, grow, etc.).

microRNAs (miRNA) Single-stranded RNA molecules of about 21–23 nucleotides in length, which regulate gene expression. miRNAs are encoded by genes that are transcribed from DNA but not translated into protein (non-coding RNA).

Molecular biology The study of life processes at the molecular level, typically through the study of nucleic acids and proteins.

Molecular diagnostics The use of DNA, RNA, and proteins to test for specific states of health or disease.

Multiplex assay A multiplex assay is a type of laboratory procedure that performs multiple assays (dozens or more) concurrently.

[N] Nucleic acid Single or double-stranded polynucleotide. RNA or DNA.

[O] Oncogene An oncogene is a gene that, when mutated or expressed at high levels, helps turn a normal cell into a tumor cell. Examples are PI3K, B-RAF, BCL-ABL.

Optical fluorescence detection technology Fluorescence detection technology is a technique used to study molecular interactions in analytical chemistry, biochemistry, cell biology, physiology, nephrology, cardiology, photochemistry, as well as environmental science.

[P] Pathway A pathway (metabolic/biological) describes a series of actions among molecules in a cell. An understanding of entire pathways and the complex interactions of all molecules involved – as opposed to the study of individual molecules only – is a key to understanding the specifics of many diseases and the development of new diagnostics and drugs.

Pap smear The Papanicolaou test (also called Pap smear, Pap test, cervical smear, or smear test) is a cytology-based screening test screening test used in gynecology to detect premalignant and malignant (cancerous) processes in the ectocervix.

Pathogen A pathogen or infectious agent is a biological agent that causes disease or illness to its host.

PCR Polymerase chain reaction. The sequence-specific amplification of DNA molecules using heat-stable polymerase enzymes.

Personalized medicine The use of information and data from a patient's genotype, level of gene expression and/or other clinical information to stratify disease, select a medication, provide a therapy, or initiate a preventative measure that is particularly suited to that patient at the time of administration.

Pharmacogenetics The study of the association between genetics and response to drug therapy to select "the right medicine for the right patient".

Pharmacogenomics Refers to the entire spectrum of genes that determine drug behavior and sensitivity. By analyzing the whole genome, pharmacogenomics is concerned with genetic effects on drugs themselves and with the genetic variances that contribute to the variable effects of drugs in different individuals.

Polymerases An enzyme that catalyzes the production of a nucleic acid strand by using an existing strand as a template – used in PCR and RT-PCR.

Predisposition A genetic predisposition is a genetic effect which influences the phenotype of an organism but which can be modified by the environmental conditions. Genetic testing is able to identify individuals who are genetically predisposed to certain health problems.

Primer A primer is a strand of nucleic acid that serves as a starting point for DNA or RNA synthesis. They are required because the enzymes that catalyze replication, DNA polymerases, can only add new nucleotides to an existing strand of DNA.

Protein expression The translation and post-translational processing of proteins.

Pyrosequencing Pyrosequencing is a method of DNA sequencing (determining the order of nucleotides in DNA) based on the "sequencing by synthesis" principle, which relies on detection of pyrophosphate release on nucleotide incorporation rather than chain termination with dideoxynucleotides.

[R] Real-time PCR Polymerase chain reaction in real time. The sequence-specific amplification of DNA molecules using heat-stable polymerase enzymes. Often used to measure the amount of a specific DNA molecule in a sample.

RNA Ribonucleic acid. Includes many types of biologically relevant molecules, especially mRNA (messenger RNA) which is copied from DNA and encodes proteins.

RNAi RNA Interference, is one methodology to cause gene silencing.

RT-PCR Reverse-transcriptase polymerase chain reaction. A technique that transcribes RNA molecules into DNA molecules, which are then amplified by PCR.

[S] SARS Severe acute respiratory syndrome is an atypical pneumonia, caused by the SARS coronavirus (SARS CoV), a novel coronavirus.

siRNA Short interfering RNA, a specific short sequences of double-stranded RNA (dsRNA) of less than 30 base pairs.

Sensitivity A statistical measure of how well a test correctly identifies a condition, whether this is medical screening tests picking up on a disease, or quality control in factories deciding if a new product is good enough to be sold. The results of the screening test are compared to some absolute (Gold standard); for example, for a medical test to determine if a person has a certain disease, the sensitivity to the disease is the probability that if the person has the disease, the test will be positive. High sensitivity is required when early diagnosis and treatment is beneficial, and when the disease is infectious.

SNP Single nucleotide polymorphism. DNA sequence variation occurring when a single nucleotide (A, T, C, or G) in the genome differs between members of a species. Variations in the DNA sequences of humans can affect how humans develop diseases and respond to pathogens, chemicals, drugs, vaccines, and other agents. SNPs are also thought to be key enablers in realizing the concept of personalized medicine.

Specificity A statistical measure of how well a test correctly identifies the negative cases, or those cases that do not meet the condition under study. For example, given a medical test that determines if a person has a certain disease, the specificity of the test to the disease is the probability that the test indicates 'negative' if the person does not have the disease. High specificity is important when the treatment or diagnosis is harmful to the patient mentally and/or physically.

Swine flu Swine influenza (also called swine flu, hog flu, and pig flu) refers to influenza caused by any strain of the influenza virus endemic in pigs (swine). Strains endemic in swine are called swine influenza virus (SIV). The 2009 flu outbreak in humans that is widely known as "swine flu" is due to a new strain of influenza A virus subtype H1N1 that derives by reassortment from one strain of human influenza virus, one strain of avian influenza virus, and two separate strains of swine influenza virus.

Trademarks

Registered names, trademarks, etc. used in this document, even when not specifically marked as such, are not to be considered unprotected by law.

Trademarks

Our name together with our logo is registered as a trademark in the United States and a number of other countries: QIAGEN®. Other trademarks registered in the United States and in other countries include, inter alia: QIAGEN®, QIA®, QIAamp®, QIAcard®, QIAcube®, QIAensemble™, QIAEX®, QIAexpress®, QIAGEN Quality®, QIAgility®, QIApack®, QIAplex®, QIAprep®, QIAquick®, QIAsafe®, QIAsymphony®, QIAwell®, QIAxcel®, QIAxtractor®, QIAzol®, Autopure LS®, AllPrep®, Allprotector®, artus®, BioRobot®, BioSprint®, Bisulfitome®, cador®, careHPV™, Catrimox®, CompactPrep®, CoralLoad®, digene®, DirectPrep®, DNeasy®, DoubleTag®, DyeEx®, EASYartus®, EasyXpress®, EasyXtal®, Effectene®, EndoFree®, EpiTect®, EZ1®, FastLane®, FlexiGene®, FlexiTube®, GelPilot®, GeneGlobe®, Generation®, Gentra®, HC2 High-Risk HPV DNA Test®, HiPerFect®, HiSpeed®, HotStarTaq®, Hybrid Capture®, InhibitEX®, LabelStar®, LiquiChip®, LyseBlue®, MagAttract®, MaXtract™, Mass·Spec·Focus®, Mass·Spec·Turbo®, MinElute®, NeXtal®, Oligotex®, Omniscript®, PlasmidAmp®, PolyFect®, ProofStart®, PSQ®, Puregene®, Pyrogram®, PyroMark®, Pyrosequencing®, Q-Bond®, Q-Solution®, QGlyco®, Qproteome®, QuantiFast®, Quantiscript®, QuantiProbe®, QuantiTect®, Qubes®, QuickLyse™, Rapid Capture®, RCAT®, R.E.A.L.®, REPLI-g®, ResPlex®, RNAiFect®, RNAprotect®, RNeasy®, Sensiscript®, SPOC®, StaphPlex®, SuperFect®, T-Script®, TissueRuptor®, TopTaq®, TransMessenger®, TurboCapture®, TurboFilter®, Type-it®, UltraSens®, Vapor-Lock™.

For a complete list of QIAGEN's trademarks and disclaimers please refer to QIAGEN's webpage under http://www.qiagen.com/trademarks_disclaimers.aspx

In this annual report QIAGEN is using the term molecular diagnostics. The use of this term is in reference to certain countries, such as the United States, limited to products subject to regulatory requirements. Current QIAGEN molecular diagnostics products are five FDA (PMA approved or 510k cleared) products, 38 EU CE IVD assays, six EU CE IVD sample preparation products, nine China SFDA IVD assays and six Clinical sample concentrator products.

This Annual Report on Form 20-F may also contain trade names or trademarks of companies other than QIAGEN.

This annual report, in addition to historical information, contains certain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Such statements may involve significant risks and uncertainties and actual results could differ materially from those expressed or implied herein. Please refer to the section entitled "Risk Factors" under Item 3 of our Form 20-F for the year ended December 31, 2009, which accompanies and is part of this Annual Report, for a discussion related to forward-looking statements contained in this Annual Report.

Financial Calendar/Investor Relations Contacts

Financial Calendar

February 8, 2010	Publication of quarterly results 4/09 and year end results 2009
May 3, 2010	Publication of quarterly results 1/10
June 30, 2010	Annual General Meeting
August 9, 2010	Publication of quarterly results 2/10
November 8, 2010	Publication of quarterly results 3/10

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OKAPIA (p. 12 right)
Shutterstock (p. 12 center, p. 38)

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Form 20-F 2009

QIAGEN®

Sample & Assay Technologies

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

or

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

Commission File Number 0-28564

QIAGEN N.V.

(Exact name of Registrant as specified in its charter)

n/a

(Translation of Registrant's name in English)

The Netherlands

(Jurisdiction of incorporation or organization)

Spoorstraat 50
5911 KJ Venlo
The Netherlands
011-31-77-320-8400

(Address of principal executive offices)

Roland Sackers, Tel: (240) 686-7700, Fax: (240) 686-7772
QIAGEN N.V., 19300 Germantown Rd., Germantown, Maryland 20874
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of class:	**Name of each exchange on which registered:**
Common Shares, par value EUR 0.01 per share	**NASDAQ Stock Market LLC**

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

The number of outstanding Common Shares as of December 31, 2009 was 232,074,445.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☒ U.S. GAAP
☐ International Financial Reporting Standards as issued by the International Accounting Standards Board
☐ Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

☐ Item 17
☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Unless the context otherwise requires, references herein to "we," "us," "our," the "Company" or to "QIAGEN" are to QIAGEN N.V. and its consolidated subsidiaries.

Our name together with our logo is registered as a trademark in the United States and a number of other countries: **QIAGEN®**.

Other trademarks registered in the United States and in other countries include, inter alia: QIA*express*®, QIAwell®, QIAEX®, QIAprep®, QIAamp®, QIAquick®, Oligotex®, RNeasy®, BIOROBOT®, ENDOFREE®, R.E.A.L.®, PolyFect®, SuperFect®, DNeasy®, TurboFilter®, HotStarTaq®, MagAttract®, DirectPrep®, InhibitEX®, QuantiScript®, UltraSens®, pAlliance®, MinElute®, FlexiGene®, QuantiTect®, RNAprotect® and LiquiChip®, LabelStar®, EasyXpress® RNAiFect®, BioSprint®, TISSUERUPTOR®, THE SAMPLE & ASSAY COMPANY®, QIAGEN THE SAMPLE & ASSAY COMPANY®, QIAGEN SAMPLE & ASSAY TECHNOLGIES®, QIAcube®, QIAsymphony®, Rod Covers®, Cartridges®, Artus®, Type-it®, Bisulfitome®, QIAGEN Silver Logo®, QIAgilty®, PyroMark® PyroTect® and TheraScreen®.

This Annual Report on Form 20-F may also contain trade names or trademarks of companies other than QIAGEN.

EXCHANGE RATES

QIAGEN publishes its financial statements in U.S. dollars. In this Annual Report on Form 20-F, references to "dollars" or "$" are to U.S. dollars, and references to "EUR" or the "euro" are to the European Monetary Union euro. Except as otherwise stated herein, all monetary amounts in this Annual Report on Form 20-F have been presented in U.S. dollars.

The exchange rate used for the euro was obtained from the European Central Bank and is based on a regular daily concentration procedure between central banks across Europe and worldwide, which normally takes place at 2:15 P.M. Central European Time. This rate at March 15, 2010, was $1.3705 per EUR 1.

For information regarding the effects of currency fluctuations on our results, see Item 5 "Operating and Financial Review and Prospects."

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PART II

PART III

PART I

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

The selected consolidated financial data below should be read in conjunction with "Operating and Financial Review and Prospects" and the Consolidated Financial Statements, notes thereto and other financial information included elsewhere in this Annual Report on Form 20-F. The selected consolidated statements of income data for the years ended December 31, 2009, 2008 and 2007 and the consolidated balance sheet data at December 31, 2009 and 2008 are derived from the Consolidated Financial Statements of QIAGEN which have been audited by an independent registered public accounting firm, and are included herein. The selected consolidated statements of income data presented for the years ended December 31, 2006 and 2005, and the consolidated balance sheet data as of December 31, 2007, 2006 and 2005, is derived from audited consolidated financial statements not included herein.

Selected Financial Data

The information below should be read in conjunction with the consolidated financial statements (and notes thereto) and "Operating and Financial Review and Prospects."

	Years ended December 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Consolidated Statement of Income Data: (amounts in thousands, except per share data)					
Net sales	**$1,009,825**	$892,975	$649,774	$465,778	$398,395
Cost of sales	**342,752**	293,285	216,227	147,303	126,513
Gross profit	**667,073**	599,690	433,547	318,475	271,882
Operating Expenses:					
Research and development	**107,900**	97,331	64,935	41,560	35,780
Sales and marketing	**244,814**	227,408	164,690	115,942	94,312
General and administrative, integration and other costs	**115,933**	113,936	87,178	56,087	43,336
Acquisition-related intangible amortization	**18,221**	14,368	7,711	2,085	378
Purchased in-process research and development	**—**	985	25,900	2,200	3,239
Total operating expenses	**486,868**	454,028	350,414	217,874	177,045
Income from operations	**180,205**	145,662	83,133	100,601	94,837
Other income (expense), net	**(7,875)**	(26,376)	(7,407)	5,467	2,427
Income before provision for income taxes and noncontrolling interest	**172,330**	119,286	75,726	106,068	97,264
Provision for income taxes	**34,563**	29,762	25,555	35,529	35,039
Net income	**$ 137,767**	$ 89,524	$ 50,171	$ 70,539	$ 62,225
Less: Noncontrolling interest	**—**	491	49	—	—
Net income attributable to QIAGEN N.V.	**$ 137,767**	$ 89,033	$ 50,122	$ 70,539	$ 62,225
Basic net income attributable to QIAGEN N.V. per Common Share(1)	**$ 0.67**	$ 0.45	$ 0.30	$ 0.47	$ 0.42
Diluted net income attributable to QIAGEN N.V. per Common Share(1)	**$ 0.64**	$ 0.44	$ 0.28	$ 0.46	$ 0.41
Weighted average number of Common Shares used to compute basic net income per Common Share	**206,928**	196,804	168,457	149,504	147,837
Weighted average number of Common Shares used to compute diluted net income per Common Share	**213,612**	204,259	175,959	153,517	150,172

(1) See Note 3 of the "Notes to Consolidated Financial Statements" for the computation of the weighted average number of Common Shares.

	As of December 31,				
	2009	2008	2007	2006	2005
Consolidated Balance Sheet Data: (amounts in thousands)					
Cash and cash equivalents	**$ 825,557**	$ 333,313	$ 347,320	$ 430,357	$191,700
Working capital	**$ 957,940**	$ 441,180	$ 482,215	$ 566,660	$278,586
Total assets	**$3,796,464**	$2,885,323	$2,775,174	$1,212,012	$765,298
Total long-term liabilities, including current portion	**$1,183,182**	$1,197,088	$1,220,084	$ 536,738	$230,086
Total shareholders' equity	**$2,291,169**	$1,453,844	$1,391,575	$ 566,165	$450,457
Common Shares	**$ 2,711**	$ 2,212	$ 2,175	$ 1,535	$ 1,513
Shares outstanding	**232,074**	197,839	195,335	150,168	148,456

Risk Factors

Note Regarding Forward-Looking Statements and Risk Factors

Our future operating results may be affected by various risk factors, many of which are beyond our control. Certain of the statements included in this Annual Report and the documents incorporated herein by reference may be forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, including statements regarding potential future net sales, gross profit, net income and liquidity. These statements can be identified by the use of forward-looking terminology such as "believe," "hope," "plan," "intend," "seek," "may," "will," "could," "should," "would," "expect," "anticipate," "estimate," "continue" or other similar words. Reference is made in particular to the description of our plans and objectives for future operations, assumptions underlying such plans and objectives, and other forward-looking statements. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We caution investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Factors which could cause such results to differ materially from those described in the forward-looking statements include those set forth in the risk factors below. As a result, our future success involves a high degree of risk. When considering forward-looking statements, you should keep in mind that the risk factors could cause our actual results to differ significantly from those contained in any forward-looking statement.

Risks Related to Our Business

An inability to manage our growth, manage the expansion of our operations, or successfully integrate acquired businesses could adversely affect our business.

Our business has grown rapidly, with total net revenues increasing from $398.4 million in 2005 to $1,009.8 million in 2009. We have made several acquisitions, including our recent acquisitions of SABiosciences in December 2009, DxS Ltd. in September 2009, Corbett Life Science Pty. Ltd., or Corbett, in July 2008 and Digene Corporation, or Digene, in July 2007, and may acquire additional businesses in the future. The successful integration of acquired businesses requires a significant effort and expense across all operational areas, including sales and marketing, research and development, manufacturing, finance and administration and information technologies.

In January 2009, we purchased land adjacent to our facility in Germany and in August 2009 began to expand the German facilities for research and development on this new land as well as expand our production space on previously owned land adjacent to existing buildings. This expansion project is expected to continue through 2011. In addition, we are planning for expansions at our Germantown, Maryland facility for research, production and administrative space, construction on which is expected to begin in 2010 and continue into 2012.

Such expansions increase fixed costs. These higher fixed costs will continue to be a cost of operations in the future, and until we fully utilize the additional capacity of these planned facilities, our gross profit and operating income will be negatively impacted. We also continue to upgrade our operating and financial systems and expand the geographic area of our operations, resulting in the hiring of new employees, as well as increased responsibility for both existing and new management personnel. The rapid expansion of our business and addition of new personnel may place a strain on our management and operational systems.

Our future operating results will depend on the ability of our management to continue to implement and improve our research, product development, manufacturing, sales and marketing and customer support programs, enhance our operational and financial control systems, expand, train and manage our employee base, integrate acquired businesses, and effectively address new issues related to our growth as they arise. There can be no assurance that we will be able to manage our recent or any future expansion or acquisition successfully, and any inability to do so could have a material adverse effect on our results of operations.

Our acquisitions expose us to new risks, and we may not achieve the anticipated benefits of acquisitions of technologies and businesses.

During the past several years we have acquired and integrated a number of companies, including our acquisitions of DxS Ltd. in September 2009, Explera s.r.l in August 2009, SABiosciences in December 2009, all assets of Biosystems Business from Biotage AB in October 2008, Corbett in July 2008 and Digene in July 2007, through which we have gained access to technologies and products that complement our internally developed product lines. In the future, we may acquire additional technologies, products or businesses to expand our existing and planned operations. Acquisitions, including the acquisitions referenced in the previous sentence, expose us to new operating and other risks, including the risks associated with the:

- assimilation of new products, technologies, operations, sites and personnel;
- application for and achievement of regulatory approvals or other clearances;
- diversion of resources from our existing business and technologies;
- generation of revenues to offset associated acquisition costs;
- implementation and maintenance of uniform standards and effective controls and procedures;
- maintenance of relationships with employees and customers and integration of new management personnel;
- issuance of dilutive equity securities;
- incurrence or assumption of debt;
- amortization or impairment of acquired intangible assets or potential businesses; and
- exposure to liabilities of and claims against acquired entities.

Our failure to address the above risks successfully in the future may prevent us from achieving the anticipated benefits from any acquisition in a reasonable time frame, or at all.

Our continued growth is dependent on the development and success of new products.

Rapid technological change and frequent new product introductions are typical in the markets we serve. Our future success will depend in part on continuous, timely development and introduction of new products that address evolving market requirements. We believe successful new product introductions provide a significant competitive advantage because customers make an investment of time in selecting and learning to use a new product and are reluctant to switch thereafter. To the extent that we fail to introduce new and innovative products, or such products suffer significant delays in development or are not accepted in the market, we may

lose market share to our competitors, which will be difficult or impossible to regain. An inability, for technological or other reasons, to successfully develop and introduce new products could reduce our growth rate or otherwise have an adverse effect on our business. In the past, we have experienced, and are likely to experience in the future, delays in the development and introduction of products. We cannot assure you that we will keep pace with the rapid rate of change in our markets or that our new products will adequately meet the requirements of the marketplace, achieve market acceptance or compete successfully with competitive technologies. Some of the factors affecting market acceptance of new products include:

- availability, quality and price relative to competitive products;
- the timing of introduction of the new product relative to competitive products;
- opinions of the new products' utility;
- citation of the new product in published research;
- regulatory trends and approvals; and
- general trends in life sciences research, applied markets and molecular diagnostics.

The expenses or losses associated with unsuccessful product development activities or lack of market acceptance of our new products could materially adversely affect our business, financial condition and results of operations.

Global economic conditions could adversely affect our business, results of operations and financial condition.

Our results of operations could be materially affected by general conditions in the global economy and in the global financial markets. The global financial crisis has caused extreme volatility and disruptions in the capital and credit markets. Therefore, access to financing has been adversely affected for many businesses. A severe or prolonged economic downturn could result in a variety of risks to our business, including, for our business in particular, reductions or delays in planned improvements to the healthcare systems and research funding, or cost-containment efforts by governments and private organizations that could lead to a reduction in future revenues, operating income and cash from operations and furthermore, as is the case for most other businesses, the following risks:

- severely limited access to financing over an extended period of time, which may limit our ability to fund our growth strategy, could result in a need to delay capital expenditures, acquisitions or research and development projects;
- further failures of currently solvent financial institutions, which may cause losses from our short-term cash investments or our hedging transactions due to a counterparty's inability to fulfill its payment obligations;
- inability to refinance existing debt at competitive rates, reasonable terms or sufficient amounts; and
- increased volatility or adverse movements in foreign currency exchange rates.

We depend on patents and proprietary rights that may fail to protect our business.

Our success depends to a large extent on our ability to develop proprietary products and technologies and to establish and protect our patent and trademark rights in these products and technologies. As of December 31, 2009, we owned 149 issued patents in the United States, 107 issued patents in Germany and 527 issued patents in other major industrialized countries. In addition, at December 31, 2009, we had 843 pending patent applications, and we intend to file applications for additional patents as our products and technologies are developed. The patent positions of technology-based companies, including our company, involve complex legal and factual questions and may be uncertain, and the laws governing the scope of patent coverage and the periods of

enforceability of patent protection are subject to change. In addition, patent applications in the United States are maintained in secrecy until patents issue, and publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months. Therefore, no assurance can be given that patents will issue from any patent applications that we own or license or if patents do issue, that the claims allowed will be sufficiently broad to protect our technology. In addition, no assurance can be given that any issued patents that we own or license will not be challenged, invalidated or circumvented, or that the rights granted thereunder will provide us competitive advantages. Further, as issued patents expire, we may lose some competitive advantage as others develop competing products and as a result, we may lose revenue.

A significant portion of Human Papillomavirus, or HPV, -related intellectual property is in the public domain, while additional HPV-related intellectual property is subject to our patents some of which will begin to expire in the next few years or are licensed to us on a non-exclusive basis. As a result, other companies have developed or may develop HPV detection tests.

Certain of our products incorporate patents and technologies that are licensed from third parties and for certain products, these in-licensed patents together with other patents provide us with a competitive advantage. These licenses impose various commercialization, sublicensing and other obligations on us. Our failure to comply with these requirements could result in the conversion of the applicable license from being exclusive to non-exclusive in nature or, in some cases, termination of the license, and as a result, we may lose some competitive advantage and experience a loss of revenue.

We also rely on trade secrets and proprietary know-how, which we seek to protect through confidentiality agreements with our employees and consultants. There can be no assurance that any confidentiality agreements that we have with our employees, consultants, outside scientific collaborators and sponsored researchers and other advisors will provide meaningful protection for our trade secrets or adequate remedies in the event of unauthorized use or disclosure of such information. There also can be no assurance that our trade secrets will not otherwise become known or be independently developed by competitors.

We currently engage in, and may continue to engage in, collaborations with academic researchers and institutions. There can be no assurance that under the terms of such collaborations, third parties will not acquire rights in certain inventions developed during the course of the performance of such collaborations.

Our concentration of a large amount of revenues in a single product and a small number of customers for that product increases our dependence on that product's success, our reliance on our relationship with each of those customers, and our reliance on a diversification strategy.

We believe that revenue from sales of our HPV test product may represent as much as 30% of our total revenues. While the ultimate decision to order that test is made by the patient in consultation with her physician, the test is performed by reference laboratories. At present, sales to a limited number of reference laboratories account for the majority of our revenues for that product. A significant reduction in sales of this product may have a significant adverse impact on our earnings. In times of economic hardship or high unemployment, patients may decide to forego or delay routine tests. Further, the cost of HPV testing is reimbursed to the reference laboratories by insurance providers and healthcare maintenance organizations. If these insurance companies decide to limit the availability of payments for our test to their members, it could have a significant adverse impact on our revenues. It is possible that our dependence on revenues from this product and those customers will continue in the future. If, going forward, we fail to diversify our product line and customer base for this product, we will continue to be at risk that the loss or under-performance of a single product or customer may materially affect our earnings.

Our sales of HPV products and our growth will also be effected by continued increases in the acceptance of and the market for HPV screening by physicians and laboratories.

Our sales of HPV-related molecular diagnostic products and our ability to increase sales of HPV-related molecular diagnostic products depend upon continued and increasing acceptance by physicians and laboratories of HPV screening as a necessary part of the standard of care for cervical cancer screening and more specifically, of our HPV test products as a primary cervical cancer screening method, either alone or in conjunction with cytology-based tests (Pap tests), and the implementation of prophylactic HPV vaccinations. Pap tests have been the principal means of cervical cancer screening since the 1940s. Technological advances designed to improve quality control over sample collection and preservation and to reduce the Pap test's susceptibility to human error may increase physician reliance on the Pap test and solidify its market position as the most widely used screen for cervical cancer. Currently, approximately 60 million Pap tests are performed annually in the United States and we believe that 60 to 100 million are performed annually in the rest of the world.

HPV testing applies a new molecular-based technology and testing approach that is different from the cytology-based (reviewing cells, for instance, under a microscope) approach of the Pap test. Significant resources are required to educate physicians and laboratories about the patient benefits that can result from using HPV test products in addition to the Pap test, and to assist laboratory customers in learning how to use our HPV test products. Using our HPV test products along with the Pap test for primary screening in the United States may be seen by some of these customers as adding unnecessary expense to the generally accepted cervical cancer screening methodology, and therefore, we continually need to provide information to counteract this impression on a case-by-case basis. If we are not successful in executing our marketing strategies, we may not be able to maintain or continue to grow our market share for HPV testing.

Direct-to-consumer awareness marketing programs, including television advertisements, are used because we believe that a well educated female population will work with their healthcare providers to increase the use of the HPV test. If we are not successful in continuing to execute this marketing program, we may not be able to maintain or continue to increase the sales of our HPV tests to the extent we desire.

We are working with physician and laboratory customers and with others to develop and establish the role HPV screening will play in addition to and in conjunction with HPV vaccination. If we are not successful in this endeavor, we may not be able to maintain or grow the market for HPV screening or maintain or increase our HPV test revenues.

We are subject to risks associated with patent litigation.

The biotechnology industry has been characterized by extensive litigation regarding patents and other intellectual property rights. We are aware that patents have been applied for and/or issued to third parties claiming technologies for the separation and purification of nucleic acids that are closely related to those we use. From time to time, we receive inquiries requesting confirmation that we do not infringe patents of third parties. We endeavor to follow developments in this field, and we do not believe that our technologies or products infringe any proprietary rights of third parties. However, there can be no assurance that third parties will not challenge our activities and, if so challenged, that we will prevail. In addition, the patent and proprietary rights of others could require that we alter our products or processes, pay licensing fees or cease certain activities, and there can be no assurance that we will be able to license any technologies that we may require on acceptable terms. In addition, litigation, including proceedings that may be declared by the U.S. Patent and Trademark Office or the International Trade Commission, may be necessary to respond to any assertions of infringement, enforce our patent rights and/or determine the scope and validity of our proprietary rights or those of third parties. Litigation could involve substantial cost, and there can be no assurance that we would prevail in any such proceedings.

Our ability to accurately forecast our results during each quarter may be negatively impacted by the fact that a substantial percentage of our sales may be recorded in the final weeks or days of the quarter.

The markets we serve are characterized by a high percentage of purchase orders being received in the final few weeks or even days of each quarter. Although this varies from quarter to quarter, many customers make a large portion of their purchase decisions late in each fiscal quarter, as both their budgets and requirements for the coming quarter become clearer. As a result, even late in each fiscal quarter, we cannot predict with certainty whether our revenue forecasts for the quarter will be achieved. Historically, we have been able to rely on the overall pattern of customer purchase orders during prior periods to project with reasonable accuracy our anticipated sales for the current or coming quarters. However, if our customers' purchases during a quarter vary from historical patterns, our final quarterly results could deviate significantly from our projections. Consequently, our revenue forecasts for any given quarter may prove not to have been accurate. We may not have enough information as a result of such patterns to confirm or revise our sales projections during a quarter. If we fail to achieve our forecasted revenues for a particular quarter, our stock price could be adversely affected.

Our operating results may vary significantly from period to period.

Our operating results may vary significantly from quarter to quarter and from year to year, depending on factors such as the level and timing of our customers' research and commercialization efforts, the timing of our customers' funding, the timing of our research and development and sales and marketing expenses, the introduction of new products by us or our competitors, competitive conditions, exchange rate fluctuations and general economic conditions. Our expense levels are based in part on our expectations as to future revenues. Consequently, revenues or profits may vary significantly from quarter to quarter or from year to year, and revenues and profits in any interim period will not necessarily be indicative of results in subsequent periods.

Competition could reduce our sales.

Our competition stems from traditional or "home-brew" methods that utilize widely available reagents and other chemicals to perform sample and assay processing steps. We are also aware that a significant number of laboratory organizations and other companies are developing and using internally developed molecular tests. These tests, in particular if approved by the U.S. Food and Drug Administration, or FDA, or similar non-U.S. regulatory authorities, might offer an alternative to our products that could limit the laboratory customer base for our products. The success of our business depends in part on the continued conversion of current users of such traditional methods and home brew tests to our sample and assay technologies and products. There can be no assurance, however, as to how quickly such conversion will occur, if at all.

We also have experienced, and expect to continue to experience, increasing competition in various segments of our business from companies providing competitive pre-analytical and other products. The markets for certain of our products are very competitive and price sensitive. Other product suppliers have significant financial, operational, sales and marketing resources, and experience in research and development. These and other companies may have developed or could in the future develop new technologies that compete with our products or even render our products obsolete. If a competitor develops superior technology or cost-effective alternatives to our kits and other products, our business, operating results and financial condition could be materially adversely affected.

We believe that customers in the market for pre-analytical solutions and assay technologies display a significant amount of loyalty to their initial supplier of a particular product. Therefore, it may be difficult to generate sales to customers who have purchased products from competitors. To the extent we are unable to be the first to develop and supply new products, our competitive position may suffer.

Reduction in research and development budgets and government funding may result in reduced sales.

Our customers include researchers at pharmaceutical and biotechnology companies, academic institutions and government and private laboratories. Fluctuations in the research and development budgets of these researchers and their organizations for applications in which our products are used could have a significant effect on the demand for our products. Research and development budgets fluctuate due to changes in available resources, mergers of pharmaceutical and biotechnology companies, spending priorities and institutional budgetary policies. Our business could be adversely affected by any significant decrease in life sciences research and development expenditures by pharmaceutical and biotechnology companies, academic institutions or government and private laboratories. In addition, short-term changes in administrative, regulatory or purchasing-related procedures can create uncertainties or other impediments which can contribute to lower sales.

In recent years, the pharmaceutical and biotechnology industries have undergone substantial restructuring and consolidation. Additional mergers or corporate consolidations in the pharmaceutical industry could cause us to lose existing customers and potential future customers, which could have a material adverse effect on our business, financial condition and results of operations.

A significant portion of our sales have been to researchers, universities, government laboratories and private foundations whose funding is dependent upon grants from government agencies, such as the U.S. National Institutes of Health, or NIH, and similar agencies. Although the level of research funding has increased during the past several years, we cannot assure you that this trend will continue. Government funding of research and development is subject to the political process, which is inherently fluid and unpredictable. The predictability of our revenues may be adversely affected if our customers delay purchases as a result of uncertainties surrounding the approval of government or industrial budget proposals. Also, government proposals to reduce or eliminate budgetary deficits have sometimes included reduced allocations to the NIH and other government agencies that fund research and development activities. A reduction in government funding for the NIH or other government research agencies could seriously and negatively impact our business.

We may encounter delays in receipt, or limits in the amount, of some European reimbursement approvals and public health funding, which will impact our ability to grow revenues in these markets.

Outside the U.S., third-party payors are often reluctant to reimburse healthcare providers for the use of medical tests that involve new technology or novel diagnostic information. In addition, third-party payors are increasingly limiting reimbursement coverage for medical diagnostic products and, in many instances, are exerting pressure on diagnostic product suppliers to reduce their prices. Because each third-party payor individually approves reimbursement, obtaining such approvals is a time-consuming and costly process that requires us to provide scientific and clinical support for the use of each of our products for which we seek reimbursement to each payor separately with no assurance that such approval will be obtained. This process can delay the broad market introduction of new products and could have a negative effect on our revenues and operating results. As a result, outside the U.S., third-party reimbursement may not be consistently available or financially adequate to cover the cost of our products. This could limit our ability to sell our products, cause us to reduce the prices of our products or otherwise adversely affect our operating results.

We heavily rely on air cargo carriers and other overnight logistics services, and shipping delays or interruptions could harm our business.

Our customers within the scientific research markets typically do not keep a significant inventory of our products and consequently require overnight delivery of purchases. As such, we heavily rely on air cargo carriers and logistic suppliers. If overnight services are suspended or delayed and other delivery carriers and logistic suppliers cannot provide satisfactory services, customers may suspend a significant amount of work requiring nucleic acid purification. If there are no adequate delivery alternatives available, sales levels could be negatively affected.

We depend on suppliers for materials used to manufacture our products, and if shipments from these suppliers are delayed or interrupted, we may be unable to manufacture our products.

We buy materials for our products from many suppliers and are not dependent on any one supplier or group of suppliers for our business as a whole. However, key components of certain products, including certain instrumentation components and chemicals, are available only from a single source. If supplies from these vendors are delayed or interrupted for any reason, we may not be able to obtain these materials timely or in sufficient quantities or qualities in order to produce certain products and our sales levels could be negatively affected.

We rely on collaborative commercial relationships to develop some of our products.

Our long-term business strategy has included entering into strategic alliances and marketing and distribution arrangements with academic, corporate and other partners relating to the development, commercialization, marketing and distribution of certain of our existing and potential products. We may be unable to continue to negotiate such collaborative arrangements on acceptable terms, and such relationships may not be scientifically or commercially successful. In addition, we may be unable to maintain such relationships, and our collaborative partners may pursue or develop competing products or technologies, either on their own or in collaboration with others.

Doing business internationally creates certain risks for our business.

Our business involves operations in several countries outside of the United States. Our consumable manufacturing facilities are located in Germany, China, Sweden and the United States, and our instrumentation facilities are located in Switzerland and Australia. We also have established sales subsidiaries in numerous countries including the United States, Germany, Japan, the United Kingdom, France, Switzerland, Australia, Canada, the Netherlands, Sweden, Italy, Hong Kong, Singapore, Turkey, Korea, Malaysia, China, Spain, Brazil and Mexico. In addition, our products are sold through independent distributors serving more than 40 other countries. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources, and if we fail to coordinate and manage these activities effectively, our business will be adversely affected. We have invested heavily in computerized information systems in order to manage more efficiently the widely dispersed components of our operations. We use SAP as our business information system to integrate most of our subsidiaries in the Americas, Europe, Australia and Japan.

Our operations are also subject to other risks inherent in international business activities, such as general economic conditions in the countries in which we operate, overlap of different tax structures, unexpected changes in regulatory requirements, compliance with a variety of foreign laws and regulations, and longer accounts receivable payment cycles in certain countries. Other risks associated with international operations include import and export licensing requirements, trade restrictions, exchange controls and changes in tariff and freight rates. As a result of these conditions, an inability to successfully manage our international operations could have a material adverse impact on our operations.

We have made investments in and are expanding our business into emerging markets and regions, which exposes us to new risks.

Recently, we have expanded our business into emerging markets in Asia and South America, and we expect to continue to focus on expanding our business in these regions. In addition to the currency and international operation risks described above, our international operations are subject to a variety of risks including those arising out of the economy, political outlook and language and cultural barriers in countries where we have operations or do business. In many of these emerging markets, we may be faced with several risks that are more significant than in the other countries in which we have a history of doing business. These risks include

economies that may be dependent on only a few products and are therefore subject to significant fluctuations, weak legal systems which may affect our ability to enforce contractual rights, exchange controls, unstable governments, and privatization or other government actions affecting the flow of goods and currency. In conducting our business, we move products from one country to another and may provide services in one country from a subsidiary located in another country. Accordingly, we are vulnerable to abrupt changes in customs and tax regimes that may have significant negative impacts on our financial condition and operating results.

Our business in countries with a history of corruption and transactions with foreign governments increase the risks associated with our international activities.

As we operate and sell internationally, we are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. We have operations, agreements with third parties and make sales in countries known to experience corruption. Further international expansion may involve increased exposure to such practices. Our activities in these countries creates the risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents or distributors that could be in violation of various laws, including the FCPA, even though these parties are not always subject to our control. It is our policy to implement safeguards to discourage these practices by our employees and distributors. However, our existing safeguards and any future improvements may not prove to be effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we might be held responsible. Violations of the FCPA may result in criminal or civil sanctions, which could be severe, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition.

Our success depends on the continued employment of our key personnel, any of whom we may lose at any time.

Our senior management consists of an Executive Committee comprised of the Managing Directors and our most senior executives responsible for core functions, the Chairman of which is Mr. Peer Schatz, our Chief Executive Officer. The loss of Mr. Schatz or any of our Managing Directors could have a material adverse effect on us. Further, although we have not experienced any difficulties attracting or retaining key management and scientific staff, our ability to recruit and retain qualified skilled personnel will also be critical to our success. Due to the intense competition for experienced scientists from numerous pharmaceutical and biotechnology companies and academic and other research institutions, there can be no assurance that we will be able to attract and retain such personnel on acceptable terms. Our planned activities will also require additional personnel, including management, with expertise in areas such as manufacturing and marketing, and the development of such expertise by existing management personnel. The inability to recruit such personnel or develop such expertise by existing personnel could have a material adverse impact on our operations.

Our business may require substantial additional capital, which we may not be able to obtain on terms acceptable to us, if at all.

Our future capital requirements and level of expenses will depend upon numerous factors, including the costs associated with:

- marketing, sales and customer support efforts;
- research and development activities;
- expansion of our facilities;
- consummation of possible future acquisitions of technologies, products or businesses;
- demand for our products and services; and

- repayment or refinancing of debt.

We currently anticipate that our short-term capital requirements will be satisfied by our results of operations. However, as of December 31, 2009, we had outstanding loan facilities of approximately $475.0 million, of which $50.0 million will become due in July 2010, $75.0 million will become due in July 2011, and $350.0 million will become due in July 2012. As of December 31, 2009, we also had additional long-term debt obligations of $445.0 million, of which $145.0 million will become due in July 2011 and $300.0 million will become due in November 2012. Furthermore, as of December 31, 2009, we have capital lease obligations, including the current portion, of $31.0 million, that expire in various years through 2018. We currently do not foresee that this will happen, but if at some point in time our existing resources should be insufficient to fund our activities, we may need to raise funds through public or private debt or equity financings. Such additional funds may then not be available or, if available, not on terms acceptable to us. If adequate funds are then not available, we may have to reduce or delay expenditures for research and development, production, marketing, capital expenditures and/or acquisitions, which could have a material adverse effect on our business. To the extent that additional capital is raised through the sale of equity or convertible securities, the issuance of such securities could result in dilution to our shareholders.

An impairment of goodwill and intangible assets could reduce our earnings.

At December 31, 2009, our consolidated balance sheet reflected approximately $1.3 billion of goodwill and approximately $752.3 million of intangible assets. Goodwill is recorded when the purchase price of a business exceeds the fair market value of the tangible and separately measurable intangible net assets. U.S. generally accepted accounting principles, or U.S. GAAP, generally requires us to test goodwill for impairment on an annual basis or when events or circumstances occur indicating that goodwill might be impaired. Long-lived assets, such as intangible assets with finite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If we determine that any of our goodwill or intangible assets were impaired, we would be required to take an immediate charge to earnings.

Our strategic equity investments may result in losses.

We have made and may continue to make strategic investments in complementary businesses as the opportunities arise. We periodically review the carrying value of these investments for impairment, considering factors such as the most recent stock transactions, book values from the most recent financial statements, and forecasts and expectations of the investee. The results of these valuations may fluctuate due to market conditions and other conditions over which we have no control. Estimating the fair value of non-marketable equity investments in life science companies is inherently subjective. If actual events differ from our assumptions and other than temporary unfavorable fluctuations in the valuations of the investments are indicated, it could require a write-down of the investment. This could result in future charges on our earnings that could materially impact our results of operations. It is uncertain whether or not we will realize any long-term benefits from these strategic investments.

Exchange rate fluctuations may adversely affect our business and operating results.

Since we currently market our products in over 40 countries throughout the world, a significant portion of our business is conducted in currencies other than the U.S. dollar, our reporting currency. As a result, fluctuations in value, relative to the U.S. dollar, of the currencies in which we conduct our business have caused and will continue to cause foreign currency transaction gains and losses. Foreign currency transaction gains and losses arising from normal business operations are charged against earnings in the period when incurred. We hedge a portion of the anticipated cash flow that we expect to exchange into other currencies, subject to our short-term financing needs. Due to the number of currencies involved, the variability of currency exposures and the potential volatility of currency exchange rates, we cannot predict the effects of exchange rate fluctuations upon future operating results. While we engage in foreign exchange hedging transactions to manage our foreign

currency exposure, there can be no assurance that our hedging strategy will adequately protect our operating results from the effects of future exchange rate fluctuations.

We have a significant amount of long-term debt which may adversely affect our financial condition.

We have a significant amount of debt which carries with it significant debt service obligations. A high level of indebtedness increases the risk that we may default on our debt obligations. We cannot assure you that we will be able to generate sufficient cash flow to pay the interest on our debt or that future working capital, borrowings or equity financing will be available to repay or refinance such debt. If we are unable to generate sufficient cash flow to pay the interest on our debt, we may have to delay or curtail our research and development programs. The level of our indebtedness could, among other things:

- make it difficult for us to make required payments on our debt;
- make it difficult for us to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and
- make us more vulnerable in the event of a downturn in our business.

The time and expense needed to obtain regulatory approval and respond to changes in regulatory requirements could adversely affect our ability to commercially distribute our products and generate revenue therefrom.

We and our customers operate in a highly regulated environment characterized by continuous changes in the governing regulatory framework. Genetic research activities as well as products commonly referred to as "genetically engineered," such as certain food and therapeutic products, are subject to governmental regulation in most developed countries, especially in the major markets for pharmaceutical and diagnostic products (*i.e.*, the European Union, the United States, and Japan). In the recent past, several highly publicized scientific successes (most notably in the areas of genomic research and "cloning") have stirred a public debate in which ethical, philosophical and religious arguments have been raised against an unlimited expansion of genetic research and the use of products developed thereby. As a result of this debate, some key countries might increase the existing regulatory barriers; this, in turn, could adversely affect the demand for our products and prevent us from fulfilling our growth expectations. Furthermore, there can be no assurance that any future changes of applicable regulations will not require further expenditures or an alteration, suspension or liquidation of our operations in certain areas, or even in their entirety.

Changes in the existing regulations or adoption of new requirements or policies could adversely affect our ability to sell our approved products or to seek to introduce new products in other countries around the world. Sales volumes of certain products in development may be dependent on commercial sales by us or by purchasers of our diagnostic and pharmaceutical products, which will require pre-clinical studies, clinical trials and other regulatory clearance. Such trials will be subject to extensive regulation by governmental authorities in the United States, including the FDA, international agencies and agencies in other countries with comparable responsibilities. These trials involve substantial uncertainties and could impact customer demand for our products. In addition, certain products, especially our products intended for use in in vitro diagnostics applications, are dependent on regulatory or other clearance. For example, since the European Union Directive 98/79/EC on in vitro diagnostic medical devices, or EU-IvD-D, went into effect on December 7, 2003, all products and kits which are used for in vitro diagnostic applications must be compliant with this directive. In addition to high-risk products such as HIV testing systems (list A of Annex II of the directive) or blood glucose testing systems (list B of Annex II of the directive), and nucleic acid purification products, which are used in diagnostic workflows, are affected by this regulatory framework. The major goals of this directive are to standardize the diagnostic procedures within the European Union, to increase reliability of diagnostic analysis

and to enhance patients' safety through the highest level of product safety. These goals are expected to be achieved by the enactment of a large number of mandatory regulations for product development, production, quality control and life cycle surveillance. Our failing to obtain any required clearance or approvals may significantly damage our business in such segments.

Additionally, we may be required to incur significant costs to comply with laws and regulations in the future, and changes or additions to existing laws or regulations may have a material adverse effect upon our business, financial condition and results of operations.

Several of our key products and programs are medical devices subject to extensive regulation by the FDA under the Federal Food, Drug and Cosmetic Act, and we plan to apply for FDA clearance as medical devices for additional products in the future. Governmental bodies in other countries also have medical device approval regulations which are becoming more extensive. Such regulations govern the majority of the commercial activities including the indications for which these products can be used, product development, product testing, product labeling, product storage, use of these products with other products and the manufacturing, advertising and promotion of these products for the approved indications. Compliance with these regulations is expensive and time-consuming. Certain of our HPV test products were the first to obtain approval for regulated applications for HPV testing in the United States and in many countries in Europe, which adds to our expense and increases the degree of regulatory review and oversight. The expense of submitting regulatory approval applications in multiple countries as compared to our available resources will impact the decisions we make about entering new markets.

Each medical device that we wish to distribute commercially in the United States will likely require either 510(k) clearance or pre-market approval from the FDA prior to marketing the device for in vitro diagnostic use. Clinical trials related to our regulatory submissions take years to execute and are a significant expense. The 510(k) clearance pathway usually takes from three to twelve months, but can take longer. The pre-market approval pathway is much more costly, lengthy and uncertain and can take from one to three years, or even longer. It took more than four years to receive pre-market approval to offer our current generation HPV test product to test for the presence of HPV in women with equivocal Pap test results and pre-market approval to use our HPV test as a primary adjunctive cervical cancer screening test to be performed in conjunction with the Pap test for women age 30 and older. The regulatory time span increases our costs to develop new products and increases the risk that we will not succeed in introducing or selling new products in the United States.

Our cleared or approved devices, including our diagnostic tests and related equipment, are subject to numerous post-approval requirements. We are subject to inspection and marketing surveillance by the FDA to determine our compliance with regulatory requirements. If the FDA determines that we have failed to comply, it can institute a wide variety of enforcement actions, ranging from a public warning letter to more severe sanctions such as fines, injunctions and civil penalties, recall or seizure of our products, operating restrictions, partial suspension or total shutdown of production, denial of our requests for 510(k) clearance or pre-market approval of product candidates, withdrawal of 510(k) clearance or pre-market approval already granted and criminal prosecution. Any enforcement action by the FDA may affect our ability to commercially distribute these products in the United States.

Some of our test kits are sold for research use only in the United States. We do not promote these tests for clinical diagnostic use and they are labeled "For Research Use Only" or RUO. If the FDA were to disagree with our designation of a product as ROU, we could be forced to stop selling that kit until the appropriate regulatory clearance or approval is obtained.

Risk of price controls is a threat to our profitability.

The ability of many of our customers to successfully market their products depends in part on the extent to which reimbursement for the costs of these products is available from governmental health administrations,

private health insurers and other organizations. Governmental and other third-party payors are increasingly seeking to contain healthcare costs and to reduce the price of medical products and services. Therefore, the biotechnology, diagnostics and pharmaceutical industries are exposed to the potential risk of price controls by these entities. If there are not adequate reimbursement levels, the commercial success of our customers and, hence, our company, could be adversely affected.

Our business exposes us to potential product liability.

The marketing and sale of our products and services for certain applications entail a potential risk of product liability, and, although we are not currently subject to any material product liability claims, product liability claims may be brought against us in the future. Further, there can be no assurance that our products will not be included in unethical, illegal or inappropriate research or applications, which may in turn put us at risk of litigation. We currently carry product liability insurance coverage, which is limited in scope and amount, but which we believe is currently appropriate for us. There can be no assurance, however, that we will be able to maintain such insurance at reasonable cost and on reasonable terms, or that such insurance will be adequate to protect us against any or all potential claims or losses.

We are subject to various laws and regulations generally applicable to businesses in the different jurisdictions in which we operate, including laws and regulations applicable to the handling and disposal of hazardous substances. We do not expect compliance with such laws to have a material effect on our capital expenditures, earnings or competitive position. Although we believe that our procedures for handling and disposing of hazardous materials comply with the standards prescribed by applicable regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, we could be held liable for any damages that result, and any such liability could have a material adverse effect on us.

Our holding company structure makes us dependent on the operations of our subsidiaries.

We were incorporated under Dutch law as a public limited liability company (*naamloze vennootschap*), and we are organized as a holding company. Currently, our material assets are the outstanding shares of our subsidiaries. We are, therefore, dependent upon payments, dividends and distributions from our subsidiaries for funds to pay our operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Common Shares. Dividends or distributions by subsidiaries to us in a currency other than the U.S. dollar may result in a loss upon a subsequent conversion or disposition of such foreign currency, including a subsequent conversion into U.S. dollars.

United States civil liabilities may not be enforceable against us.

We are incorporated under Dutch law and substantial portions of our assets are located outside of the United States. In addition, certain members of our Managing and Supervisory Boards and our officers reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons, or to enforce outside the United States judgments obtained against such persons in U.S. courts, in any action, including actions predicated upon the civil liability provisions of U.S. securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the U.S. securities laws. There is no treaty between the United States and the Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would not be directly enforceable in the Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in the Netherlands, such party may submit to the Dutch court the final judgment which has been rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds

which are internationally acceptable and that proper legal procedures have been observed, the Dutch court will, in principle, give binding effect to the final judgment which has been rendered in the United States unless such judgment contravenes Dutch principles of public policy. Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against us, members of our Managing or Supervisory Boards, or officers who are residents of the Netherlands or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the federal securities laws. In addition, there is doubt as to whether a Dutch court would impose civil liability on us, the members of our Managing or Supervisory Boards, or our officers in an original action predicated solely upon the federal securities laws of the United States brought in a court of competent jurisdiction in the Netherlands against us or such members or officers, respectively.

Our Common Shares may have a volatile public trading price.

The market price of our Common Shares since our initial public offering in September 1996 has increased significantly and been highly volatile. In the last two fiscal years, the price of our Common Shares has ranged from a high of $23.58 to a low of $12.52 on the Nasdaq, and a high of EUR 15.98 to a low of EUR 10.04 on the Frankfurt Stock Exchange. In addition to overall stock market fluctuations, factors which may have a significant impact on the market price of our Common Shares include:

- announcements of technological innovations or the introduction of new products by us or our competitors;
- developments in our relationships with collaborative partners;
- quarterly variations in our operating results or those of companies related to us;
- changes in government regulations or patent laws;
- developments in patent or other proprietary rights;
- developments in government spending for life sciences-related research; and
- general market conditions relating to the diagnostics, applied testing, pharmaceutical and biotechnology industries.

The stock market has from time to time experienced extreme price and trading volume fluctuations that have particularly affected the market for technology-based companies and that have not necessarily been related to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of our Common Shares.

Holders of our Common Shares should not expect to receive dividend income.

We have not paid cash dividends since our inception and do not anticipate paying any cash dividends on our Common Shares for the foreseeable future. Although we do not anticipate paying any cash dividends, any cash dividends paid in a currency other than the U.S. dollar will be subject to the risk of foreign currency transaction losses. Investors should not invest in our Common Shares if they are seeking dividend income; the only return that may be realized through investing in our Common Shares is through the appreciation in value of such shares.

Shareholders who are United States residents could be subject to unfavorable tax treatment.

We may be classified as a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes if certain tests are met. Our treatment as a PFIC could result in a reduction in the after-tax return to the holders of Common Shares and would likely cause a reduction in the value of such shares. If we were determined to be a PFIC for U.S. federal income tax purposes, highly complex rules would apply to our U.S. shareholders. We would be considered a PFIC with respect to a U.S. shareholder if for any taxable year in which the U.S.

shareholder held the Common Shares, either (i) 75% or more of our gross income for the taxable year is passive income; or (ii) the average value of our assets (during the taxable year) which produce or are held for the production of passive income is at least 50% of the average value of all assets for such year. Based on our income, assets and activities, we do not believe that we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2009 and do not expect to be a PFIC for the current taxable year or any future taxable year. No assurances can be made, however, that the Internal Revenue Service will not challenge this position or that we will not subsequently become a PFIC.

Future sales of our Common Shares could adversely affect our stock price.

Future sales of substantial amounts of our Common Shares in the public market, or the perception that such sales may occur, could adversely affect the market price of our Common Shares. Under Dutch law, a company can issue shares up to its authorized share capital provided for in its articles of association. Pursuant to our Articles of Association, our authorized share capital amounts to EUR 9.0 million, divided into 410.0 million Common Shares, 40.0 million financing preference shares and 450.0 million preference shares, with all shares having a EUR 0.01 par value. As of December 31, 2009, we had outstanding approximately 232.1 million Common Shares plus approximately 11.3 million additional shares reserved for issuance upon exercise or release of outstanding stock options and awards, of which 7.4 million were vested. A total of approximately 15.9 million Common Shares are reserved and available for issuances under our stock plans as of December 31, 2009, including those shares subject to outstanding stock options and awards. The majority of our outstanding Common Shares are freely saleable except shares held by our affiliates, which are subject to certain limitations on resale. Additionally, holders of notes issued by QIAGEN Finance (Luxembourg) S.A. and QIAGEN Euro Finance (Luxembourg) S.A. are entitled to convert their notes into approximately 26.5 million Common Shares, subject to adjustments in certain cases.

Provisions of our Articles of Association and Dutch law and an option we have granted may make it difficult to replace or remove management and may inhibit or delay a takeover.

Our Articles of Association, or Articles, provide that our shareholders may only suspend or dismiss our Managing and Supervisory Directors against their wishes with a vote of two-thirds of the votes cast if such votes represent more than 50% of our issued share capital unless the proposal was made by the joint meeting of the Supervisory Board and the Managing Board in which case a simple majority is sufficient. The Articles also provide that if the members of our Supervisory Board and our Managing Board have been nominated by the joint meeting of the Supervisory Board and Managing Board, shareholders may only overrule this nomination with a vote of two-thirds of the votes cast if such votes represent more than 50% of our issued share capital. Certain other provisions of our Articles allow us, under certain circumstances, to prevent a third party from obtaining a majority of the voting control of our Common Shares by issuing preference shares. Pursuant to our Articles and the resolution adopted by our general meeting of shareholders on October 11, 2007, our Supervisory Board is entitled to resolve to issue preference shares in case of an intended take-over of our company by (i) any person who alone or with one or more other persons, directly or indirectly, have acquired or given notice of an intent to acquire (beneficial) ownership of an equity stake which in aggregate equals 20% or more of our share capital then outstanding or (ii) an "adverse person" as determined by the Supervisory Board. If the Supervisory Board opposes an intended take-over and authorizes the issuance of preference shares, the bidder may withdraw its bid or enter into negotiations with the Managing Board and/or Supervisory Board and agree on a higher bid price for our shares.

In 2004, we granted an option to the Stichting Preferente Aandelen QIAGEN, or the Foundation (*Stichting*), subject to the conditions described in the paragraph above, which allows the Foundation to acquire preference shares from us. The option enables the Foundation to acquire such number of preference shares as equals the number of our outstanding Common Shares at the time of the relevant exercise of the right less one share. When exercising the option and exercising its voting rights on such shares, the Foundation must act in our interest and the interests of our stakeholders. The purpose of the Foundation option is to prevent or delay a change of control

that would not be in the best interests of us and our stakeholders. An important restriction on the Foundation's ability to prevent or delay a change of control is that issuing (preference or other) protective shares enabling the Foundation to exercise 30% or more of the voting rights without the obligation to make a mandatory offer for all shares held by the remaining shareholders is only allowed after a public offer has been announced by a third party. In addition, the holding of such a block of shares by the Foundation is restricted to two years and as a consequence, the size of the protective stake will need to be decreased below the 30% voting rights threshold before the two year period lapses.

Item 4. Information on the Company

History and Development of the Company

QIAGEN N.V. is registered under its commercial and legal name QIAGEN N.V. with the trade register (*kamer van koophandel*) of the Dutch region Limburg Noord under file number 12036979. We began operations as a German company in 1986. On April 29, 1996, we were incorporated as QIAGEN N.V., a public limited liability company (*naamloze vennnootschap*) under Dutch law as a holding company. Our legal seat is in Venlo, The Netherlands. Our principal executive office is located at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and our telephone number is +31-77-320-8400. As a holding company, we conduct our business through our subsidiaries located throughout the world, including subsidiaries in Europe, Japan, Australia, North America and East Asia. Further information about QIAGEN can be found at *www.qiagen.com*.

Since 1986, we have developed and marketed a broad range of proprietary products for the academic and industrial research markets as well as for the applied testing and molecular diagnostics markets. Our objective is to expand our leadership position in all markets we serve. We have experienced significant growth in the past, with a five-year compound annual growth through December 31, 2009 of approximately 21% in net sales and 23% in net income, as reported under U.S. GAAP. We have funded our growth through internally generated funds, debt, and private and public sales of equity securities. In recent years, we have made a number of strategic acquisitions and disposals focusing our technology and product offerings. Significant events in the development of our business since the beginning of 2009 include:

- In April, QIAGEN established the QIAGEN*cares* program to support regions in need for effective diagnostic testing solutions and announced the first two programs under this Corporate Social Responsibility program:
  - QIAGEN and the Chittaranjan National Cancer Institute (CNCI) formed a collaboration to establish the first large-scale cervical cancer screening program for women in Kolkata, India. The initiative will be conducted over 5 years and is expected to reach 50,000 women.
  - QIAGEN agreed to donate one million HPV tests over the run of this cancer screening program.
- In May, QIAGEN entered into an agreement to supply molecular sample and assay technologies for a new national, PCR-based blood screening program for HIV and Hepatitis C (HCV) in Brazil. QIAGEN will provide Bio-Manguinhos, the main provider of vaccines and diagnostics to the Brazilian Ministry of Health, with a significant volume of molecular testing solutions – sample and assay technologies, related instrumentation, operational know-how and training. The agreement is expected to run for five years and contains options for subsequent extensions.
- In August, QIAGEN acquired Explera s.r.l., a leading supplier in molecular diagnostics and personalized medicine in Italy. With this acquisition QIAGEN doubled the size of its molecular diagnostics sales channel in Italy and is adding several activities in the area of personalized medicine and access to a suite of CE-IVD pyrosequencing assays.
- In September, QIAGEN acquired DxS Ltd., a developer and manufacturer of companion diagnostic products (CDx) for Personalized Healthcare (PHC) located in Manchester, United Kingdom. With this acquisition, QIAGEN has added to its own activities in CDx and taken a strong leadership position in

the new era of PHC. The Company believes it offers all the required elements to help drive and shape this rapidly emerging trend in healthcare. The acquisition of DxS brings to QIAGEN a portfolio of molecular diagnostic assays and intellectual property, as well as a pipeline of active or planned companion diagnostic partnerships in oncology with several of the leading pharmaceutical companies, including Amgen, Boehringer Ingelheim, Bristol-Myers Squibb, AstraZeneca and others. These assets complement QIAGEN's strong existing portfolio of personalized healthcare diagnostic solutions and are synergistic with QIAGEN's sample and assay technologies.

- In December, QIAGEN acquired SABiosciences, located in Frederick, Maryland. This transaction added to QIAGEN's product offering a leading portfolio of PCR-based, disease and pathway-based panels that play key roles in biomedical research and the development of future drugs and diagnostics. The offerings from SABiosciences have the potential to significantly increase QIAGEN's footprint in the rapidly emerging segment of molecular analysis-based clinical development in pharmaceutical and biomedical research. In addition, the use of these panels and the resulting validation of select biomarkers from these panels by institutions conducting biomedical and pharmaceutical research has the potential to serve as a unique engine to support the expansion of the test menu for QIAGEN's diagnostics platforms, in particular, in the area of PHC but also in prevention and profiling.
- In January 2010, QIAGEN acquired ESE GmbH, a privately held developer and manufacturer of portable, battery operated, "ultra-fast time to result", multiplex UV and fluorescence optical measurement devices located in Germany. ESE's fluorescence detection systems for point of need testing in healthcare and applied testing (e.g. veterinary, food, environmental, biodefense testing) enable low-throughput molecular testing in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required.
- In March 2010, QIAGEN's artus Inf A H1N1 2009 LC RT-PCR Kit has received an Emergency Use Authorization (EUA) for the detection of swine influenza A virus (novel H1N1 2009 flu virus) by the U.S. FDA. The FDA authorizes emergency use of important medical products under certain circumstances in response to the public health emergency on swine flu, which the U.S. Secretary of the Department of Health and Human Services has declared on April 26, 2009.

Business Overview

Description of Our Business

We believe, based on the nature of our products and technologies and on our United States and European market shares as supported by independent market studies, that we are the world's leading provider of innovative sample and assay technologies and products. Our products are considered standards in areas such as pre-analytical sample preparation and assay solutions in research for life sciences, applied testing and molecular diagnostics.

Sample Technologies: Sample technologies are used to collect, stabilize, isolate and purify molecules such as deoxyribonucleic acid (DNA), ribonucleic acid (RNA) and proteins from any biological sample. Our sample technologies provide access to the content of biological samples. These include solutions for the collection, stabilization, purification, handling and storage of any analyte (DNA, RNA, protein) from any sample (blood, bone, tissue, etc.). Our sample technologies ensure that a sample is processed in a reproducible, standardized method with the highest level of quality before entering the subsequent analysis phase, for which the Company provides a broad range of assay technologies, such as reagents and testing solutions.

Assay Technologies: Once the general group of biomolecules or a specific subgroup has been isolated with sample technologies, assay technologies are then used to make specific target biomolecules, such as the DNA of a specific virus, visible for subsequent detection and analysis. Our assay technologies include reagents which enable the detection of such target analytes, e.g. the DNA sequence from a specific virus, from a purified sample. We also provide closed assays, in which such assay technologies have been pre-configured to test for

specific targets such as the influenza virus, hepatitis, HIV, HPV or herpes. We hold unique leadership positions in a wide range of tests including in HPV-testing, one of the largest and most rapidly expanding market segments for sample and assay technologies in molecular diagnostics, and specifically, in women's health testing.

Our Products

We offer more than 500 consumable products and automated solutions and we regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. In 2009 we launched 79 new products in the area of sample & assay technologies. We sell these products to academic research markets, to leading pharmaceutical and biotechnology companies, to molecular diagnostics laboratories as well as to customers in applied testing markets, such as forensics, animal or food testing, and pharmaceutical process control. These products enable our customers to efficiently pursue their research and commercial goals that require the use of nucleic acids.

The main categories of our products include:

- *Consumables:*

  Our consumable products include our sample and assay technologies. Sample technologies are used to collect, stabilize, isolate and purify DNA, RNA and proteins from all biological samples such as blood or tissue. Assay technologies like our amplification consumables or molecular diagnostic assays are used to make such isolated biomolecules visible. We offer most of our sample and assay consumable products, which can account for as much as 90% of our business, in kit form to maximize customer convenience and reduce user error. These kits contain all necessary reagents and buffers, and a technical handbook that includes a detailed protocol and background information. Each kit is sufficient to support a number of applications varying from one to one thousand depending on the kit. Each kit is covered by our quality guarantee.

  Major applications for our consumable products are plasmid, DNA purification; RNA purification and stabilization; genomic and viral nucleic acid purification; nucleic acid transfection; polymerase chain reaction (PCR) amplification; reverse transcription; DNA cleanup after PCR and sequencing; DNA cloning and protein purification. In 2005, we began offering validated PCR assays which allow PCR-based detection of viral, bacterial and parasite, human and animal pathogens as well as pharmacogenomic testing and genotyping. In 2007, we acquired Digene Corporation and began offering the digene HC2 HPV Test, a signal amplified test for the Human Papillomavirus for use in cervical cancer screening programs. The majority of our assays is validated with either manual or automated sample preparation from QIAGEN and CE-labeled according to the IvD-Directive in the EU.

- *Instrumentation:*

  Our instrumentation systems automate the above mentioned consumables in low, medium or high throughput scale as well as reaction set-up, allowing customers to perform reliable low- to high-throughput nucleic acid sample preparation, assay setup and other laboratory tasks.

  Our automated systems offer walk-away automation of sample and assay technologies in low, medium or high throughput scale, as well as reaction set-up and other laboratory tasks. In early 2007, we launched the QIAcube, a novel sample processing platform incorporating novel and proprietary technologies which allow users in research in life sciences, applied testing and molecular diagnostics to fully automate the processing of almost all our consumable sample technology products. The QIAcube received the distinguished New Product Award, or NPA, Designation of the Association for Laboratory Automation, or ALA, in February, 2007 and the QIAsymphony, which was introduced in January 2008, received the ALA NPA in 2008.

Also in early 2008, we released our QIAxcel, an innovative automated system. This system can replace tedious and time-consuming methods of nucleic acid separation in low- to high-throughput laboratories and can be used for the detection of results following the use of assay technologies. QIAxcel, which is designed to take the place of traditional slab-gel analysis, is characterized by an unprecedented sensitivity and time to results.

In 2008, we acquired Corbett, who is best known for having developed the world's first rotary real-time PCR cycler system, the Roto-Gene Q, a system used to detect real-time polymerase chain reaction (PCR) reactions. Real time PCR reactions are assay technologies which make specific sequences of DNA and RNA, targets visible through amplification and quantifiable through real-time measurement of such amplification. The addition of this proprietary PCR detection technology extends QIAGEN's real time PCR molecular testing solution portfolio and enhances QIAGEN's options to offer sample and assay technology solutions spanning from sample to result.

Also in 2008, we acquired the Biosystems Business of Biotage, best known for having pioneered Pyrosequencing®, which has become a fundamental assay technology in next-generation sequencing. Pyrosequencing is a patented assay technology that in special formats can achieve significantly longer runs and can be employed in a massively parallel design to address the needs for applications such as high volume data generation in whole genome sequencing applications. In its widely used standard format, this technology provides the opportunity to read DNA-sequences up to 100 base pairs in real time and at a price per read in the single dollar range.

In January 2010, we acquired ESE GmbH, a privately held developer and manufacturer of portable, battery operated, "ultra-fast time to result", multiplex UV and fluorescence optical measurement devices. These fluorescence detection systems are utilized for point of need testing in healthcare and applied testing markets enabling low-throughput molecular testing in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required.

In addition, key programs currently underway include the further development of our modular, medium throughput QIAsymphony platform and the related sample and assay technologies. This system features specifications such as random access and continuous load capabilities and is designed to ultimately allow fully integrated processing of a wide range of molecular tests – from sample to result. Also, further work is continuing on our next generation high throughput of molecular testing platform, the QIAensemble system. The QIAensemble system will automate most all steps in the workflow for high throughput testing and its menu will also include our new version of our HPV tests.

- *Other:*

  A very small part of our business revenues comes from custom services, such as whole genome amplification services, DNA sequencing, and non-cGMP DNA production on a contract basis. We also sell and/or license technology.

Research and Development

By focusing our resources on our core expertise "Sample & Assay Technologies" and due to the size of the markets for products that utilize this core expertise, we can invest more in research and development on our core application area than we believe is typical in our industry. Approximately 700 employees in research and development, who work in six centers of excellence on three different continents, constantly develop new applications that push the frontiers of science further. Our investment in research and development accounts for more than 10% of our sales. Our total research and development expenses in 2009, 2008 and 2007 were approximately $107.9 million, $97.3 million, and $64.9 million, respectively. We have fast, proven innovation cycles, with approximately five percent of 2009 revenue growth stemming from new products launched in 2009. Our comprehensive intellectual property portfolio spans over 700 granted patents and more than 800 pending applications.

Our product development efforts are focused on expanding our existing products and developing innovative new products in selected areas where we have expertise and have identified substantial unmet market needs. We intend to maintain our technology leadership position through investments in product improvements, product extensions, and innovative new approaches. We believe that improvements in instrumentation will strengthen our leadership position in the automation of sample and assay technology applications and generate an increased demand for our consumable products.

Sales and Marketing

We market our products in more than 40 countries throughout the world. We have established subsidiaries in the markets that we believe have the greatest sales potential in the Americas, Europe, Australia, and throughout Asia. We have established a network of highly experienced marketing personnel and employ a dedicated field sales force of over 1,200 people, who sell our products and provide direct support to customers. A significant number of our marketing and sales staff is experienced scientists with academic degrees in molecular biology or related areas. We also have specialized independent distributors and importers.

Our marketing strategy is focused on providing high-quality products that offer customers unique advantages, coupled with a commitment to technical excellence and customer service. We have developed a range of marketing tools designed to provide customers with direct access to technical support and to inform them of new product offerings, as well as to enhance our reputation for technical excellence, high-quality products, and commitment to customer service. One such tool is our technical service hotline, which allows existing or potential customers to discuss, via phone and e-mail, a wide range of technical questions regarding our products and related molecular biology procedures with Ph.D. and M.Sc. scientists in our technical service group, who provide advice and training. Frequent communication with customers enables us to identify market needs, to gain early insight into new developments and business opportunities, and to respond with new products.

To enhance the knowledge base of clinicians and to provide for physician-directed marketing of our products, we have sales representatives dedicated to educating physicians, nurses and other healthcare professionals about the benefits of HPV testing using our technologies. Additionally, we have implemented direct to consumer (DTC) advertising campaigns designed to educate women about the link between HPV and cervical cancer and the availability of our HPV Test.

We also distribute several publications, including our annual catalog, to existing and potential customers worldwide, providing new product information, product updates, and articles contributed by customers and by our scientists about existing and new applications for our products. In addition, we advertise in leading scientific and clinical journals such as *Science*, and hold numerous scientific seminars, in which our scientists present technical information at leading clinical, academic and industrial research institutes worldwide. We conduct direct mail campaigns to announce new products or offer special sales promotions, and also offer various personalized electronic newsletters for our worldwide customers that provide helpful hints and information for molecular biology applications. Our web site (*www.qiagen.com*) contains a full on-line product catalog and ordering system, as well as a host of support tools, scientific design tools and other resources. Some information is available on our website in French, German and Korean to support these local markets. In addition, we have full Japanese and Chinese language versions of our site. The information contained in, or that can be accessed through, our website is not part of this Annual Report.

In addition to keeping our customers informed of new product offerings, we also offer an inventory consignment program. The QIAcabinet is a storage cabinet owned by us and placed in customer laboratories at their request. The QIAcabinet is stocked with our products, offering customers the convenience of immediate access, thereby reducing product reorder procedures and shipping costs. We monitor cabinet inventory and bill the customers at regular intervals as the products are used. We believe that our QIAcabinet helps us maintain our competitive position while also reducing distribution costs and increasing our visibility in the laboratory.

Principal Markets

From our inception, we have believed that sample and assay technologies for nucleic acids and proteins would play an increasingly important role in cutting-edge molecular biology and that major new commercial uses of nucleic acids would be developed. We have been supplying customers with proprietary products for the processing of nucleic acids since 1986. Customers include major academic institutions and governmental laboratories, such as the NIH, as well as leading pharmaceutical and biotechnology companies. In addition, fundamental developments in recent years have created significant new opportunities for us in the emerging markets of nucleic acid-based molecular diagnostics, such as HPV-testing or personalized healthcare, and applied testing (or the use of molecular diagnostics outside of human healthcare), such as forensics, veterinary diagnostics, testing of genetically modified organism, or GMO, and other food testing, drug discovery and development. In response to these opportunities, we are currently targeting our products and marketing activities to each of these markets.

Research Market

The worldwide research market for nucleic acid and protein separation and purification products is comprised of an estimated 45,000 academic and industrial research laboratories with more than 400,000 researchers from leading academic institutions, diagnostics companies and laboratories, biotechnology companies and pharmaceutical companies. A substantial portion of this market continues to utilize traditional, labor intensive, manual methods for nucleic acid separation and purification, and we estimate that 15 percent of all molecular biology research time is spent on such processes. We recognized the opportunity to replace the traditional methods with reliable, fast, highly reproducible, and high-quality nucleic acid separation and purification technologies and products. We concentrated our product development and marketing efforts on this market and now offer over 500 nucleic acid sample processing products to customers. We also offer a broad and innovative portfolio for the expression, purification and fractionation of proteins. We believe that we are the technology leader in this growing research market and that we are well positioned to increase sales and expand our share of the research market as laboratories continue to convert from traditional methods to newer technologies such as ours. Based on estimates of the number of sample preparations being performed each year, we believe that the potential worldwide research market for our nucleic acid purification products exceeds $1 billion, as the majority of the market currently uses traditional methodology. In addition, we believe that an additional $800 million is spent annually in this market on PCR enzymes and reagents. We have expanded our product base for assay technologies such as PCR amplification and reverse transcription and continue to develop products for the PCR-related market segment. In 2005, we were one of the first companies to enter into a broad licensing agreement with Applied Biosystems Group regarding real-time PCR technology. This agreement enhances our value as a leading supplier of a broad range of real-time PCR technologies. These real-time PCR technologies are optimized for use with our market- and technology-leading preanalytical solutions. Our PCR reagent portfolio is also a critical component for ready-to-use real-time PCR assays which we offer and which are linked to our innovative RNAi assay offering. Finally, during 2008, through our acquisition of Corbett, we acquired the world's first rotary real-time PCR cycler system, the Roto-Gene Q, a system used to detect real-time PCR reactions which make specific sequences of DNA and RNA targets visible through amplification and quantifiable through real-time measurement of such amplification. The addition of this proprietary PCR detection technology extends our molecular testing solution portfolio and enhances our options to offer sample and assay technology solutions spanning from sample to result.

Molecular Diagnostics Market

We believe that the molecular diagnostics market represents a significant market for nucleic acid sample and assay technology products. We believe that the advent of PCR and other amplification technologies has made the prospect of nucleic acid-based molecular diagnostics feasible. Molecular diagnostics have fundamental advantages over traditional diagnostic technologies, such as immunoassays, in potential applications and clinical specificity and sensitivity.

This new generation of molecular diagnostics can be used, for example, to detect or identify micro-organisms, cancer cells, bacteria and viruses by searching for their specific nucleic acid sequences. In order to prove that a disease is present in a patient, the unique sequence of the target nucleic acid causing the disease must be known, and either the sequence in the sample must be amplified (target amplification) or the signal from the DNA must be amplified (signal amplification) to facilitate detection. Potential commercial applications for nucleic acid-based molecular diagnostics include infectious disease diagnostics in bio banks, HLA typing for bone marrow and organ transplantation, genetic testing for predisposition to cancers and other common diseases, and genetic "fingerprinting" of humans, animals and plants.

We believe clinical sensitivity and specificity can be greatly enhanced by using nucleic acid-based information. In many cases, conventional diagnostic tests also lack the clinical sensitivity and specificity to provide definitive diagnoses during the early stages of disease. Clinical sensitivity is typically regarded as the measure of a test's ability to accurately detect the presence of disease. A false negative test result can lead to providing a negative or normal diagnosis to a patient who has the disease. Clinical specificity is typically regarded as the measure of a test's ability to correctly identify the absence of disease when it is not present. A false positive test result can lead to providing a positive or abnormal diagnosis to a patient who does not have disease.

For detection of HPV, we sell our products in the United States primarily for the two FDA-approved indications: adjunctive primary screening with a Pap test for women age 30 and older, and follow-up testing of equivocal Pap test results in women of any age. In Europe and the rest of the world, HPV testing is in varying stages of research and adoption, with most use limited to follow-up for equivocal Pap tests. We are aware of an increasing number of clinical trials being conducted to explore the use of HPV testing for primary screening, both with a Pap test or as a stand-alone primary screen, as well as for proof of clearance or cure after treatment for diagnosed cervical disease or cancer.

The success of molecular diagnostics will depend on the ability to analyze purified nucleic acid samples from a variety of specimens, including blood, tissue, body fluids and stool, and on automation so that hundreds of samples can be handled concurrently. Other key factors will be the convenience, versatility, reliability and standardization of the nucleic acid separation and purification procedures. Our automated systems series has been developed to handle low-, medium-, and high-throughput nucleic acid sample preparation and handling tasks in molecular biology laboratories, clinical laboratories, blood banks, forensic projects, and genomics projects. Nucleic acid samples purified on our instruments are ready for use in the demanding and sensitive downstream assays performed in molecular diagnostic applications. We offer closed and open assay technologies. The open assay technologies, such as real-time PCR or endpoint PCR, contain PCR reagents. Closed assays, diagnostics with predefined targets, include Multiplexing and other pathogen detection assays. In order to broadly address the molecular diagnostics market, in 2005, we acquired artus Gesellschaft fur molekularbiologische Diagnostik und Entwicklung mbH, subsequently renamed QIAGEN Hamburg GmbH, which offers a broad range of real-time PCR assays for viral and bacterial pathogen detection that are complementary to our sample preparation kits. The majority of these assays are validated with either manual QIAamp sample preparation or automated MagAttract sample preparation and CE-labeled according to the EU-IvD-D. Assays are marketed directly to end customers by our sales channels and selected assays are marketed by major diagnostic partners with access to customers complementary to our customers. In addition, we intend to enter into partnerships or other agreements with established companies in the molecular diagnostics market in order to broaden the distribution of our products.

We view the molecular diagnostics market as having 4 key submarkets: Prevention, Profiling, Personalized Healthcare and Point-of-Need. Molecular diagnostics in the Prevention submarket are typically used in disease screening in non-symptomatic patients, such as HPV testing in primary cervical cancer screening. In the Profiling submarket, diagnostics are typically used to screen symptomatic patients for disease, such as the use of our flu testing solutions in patients presenting flu-like symptoms. In Personalized Healthcare, diagnostics are used in order to stratify the population to determine which patients are most likely to respond positively to a particular

therapy, such as KRAS testing in conjunction with anti-body linked chemotherapies for the treatment of colorectal cancer. Finally, the Point-of-Need diagnostics are used in practices, emergency rooms, remote field areas, and other settings where a laboratory infrastructure is not accessible and fast turnaround is required.

We expect molecular diagnostic tests at large to create a fundamental shift in both the practice of medicine and the economics of the diagnostics industry. Molecular-based diagnostic tests are expected to create an increased emphasis on preventative and predictive molecular medicine. In the Personalized Healthcare segment, physicians will be able to use these tests for the early detection of disease and to treat patients on a personalized basis, allowing them to select the most effective therapy with the fewest side effects. In addition, the relatively straight-forward format and significant automation capabilities of our tests allow ease of laboratory use, reducing overall processing costs. Additionally, the relatively straightforward format and fast turnaround time of molecular tests allows for near patient testing in the Point-of-Need diagnostics segment.

Applied Testing Market

We believe that emerging applied testing markets (which we define as the molecular diagnostics market outside of human healthcare), such as forensics, veterinary and food, offer great opportunities for standardized sample preparation and assay solutions. Successes in crime cases due to DNA analyses, public debates about GMO and food safety as well as bioterrorism risks, have increased the value of the use of molecular-based methods. These methods are performed by well trained researchers in fully equipped laboratories as well as by less trained personnel calling for easy-to-use, reproducible and standardized methods. Our manual DNA and RNA purification methods and the automated solutions on QIAsymphony, BioRobot EZ1, BioSprint 15 and 96, as well as our amplification enzymes and quantitative assays address the needs in these markets. We market a range of assays to end users in applied testing markets, such as veterinary diagnostics and biodefense laboratories.

Seasonality

Our business does not experience predictable seasonality. Historically, a significant portion of our sales have been to researchers, universities, government laboratories and private foundations whose funding is dependent upon grants from government agencies, such as the NIH and similar agencies. To the extent that our customers experience increases, decreases or delays in funding arrangements and budget approvals, and to the extent that any of our customers' activities are slowed, such as during vacation periods or due to delays in the approval of governmental budgets, including the U.S. federal government's budget, we may experience fluctuations in sales volumes during the year or delays from one period to the next in the recognition of sales.

Revenue by Geographic Region

The table below sets forth total revenue during each of the past three fiscal years by geographical market, which includes revenue from all of our product and service offerings. It is not practicable to provide a detail of revenues by category of activity. Net sales are attributed to countries based on the location of the subsidiary making the sale as certain subsidiaries have international distribution. See Note 19 to our consolidated financial statements included in "Item 18. Financial Statements" for additional information with respect to operations by geographic region.

Net Sales (in thousands)	2009	2008	2007
Americas*	**$1,060,307**	$ 988,617	$ 465,878
Germany*	**391,312**	331,013	270,173
Switzerland*	**128,627**	77,745	56,615
Asia*	**135,779**	90,047	71,168
All Other*	**241,992**	210,439	148,082
Corporate*	**334**	878	350
Subtotal	**1,958,351**	1,698,739	1,012,266
Intersegment Elimination+	**(948,526)**	(805,764)	(362,492)
Total	**$1,009,825**	$ 892,975	$ 649,774

* Includes net sales to affiliates.

\+ Represents intercompany sales between affiliates, which are accounted for by a formula based on local list prices and eliminated in consolidation.

Intellectual Property, Proprietary Rights and Licenses

We have made and expect to continue to make investments in intellectual property. In the years ended December 31, 2009, 2008 and 2007, our purchases of intangible assets have totaled approximately $17.2 million, $18.5 million, and $24.1 million, respectively. We do not depend solely on any individual patent or technology owned or licensed by us. We are, however, significantly dependent in the aggregate on technology that we own or license. Therefore, we consider the protection of our proprietary technologies and products as one of the major keys to the success of our business. We rely on a combination of patents, licenses and trademarks to establish and protect our proprietary rights in our technologies and products. We currently own 149 issued patents in the United States, 107 issued patents in Germany and 527 issued patents in other major industrialized countries, and have 843 pending patent applications. Our policy is to file patent applications in Western Europe, the United States and Japan. U.S. patents have a term of 17 years from the date of issue for patents issued from applications submitted prior to June 8, 1995, and 20 years from the date of filing of the application in the case of patents issued from applications submitted on or after June 8, 1995. Patents in most other countries have a term of 20 years from the date of filing the patent application. We intend to aggressively prosecute and enforce our patents and otherwise protect our proprietary technologies. We also rely on trade secrets, know-how, continuing technological innovation and licensing opportunities to develop and maintain our competitive position.

Our practice is to require employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of their relationships with us. These agreements provide that all confidential information developed by or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties, subject to a right to publish certain information in scientific literature in certain circumstances and to other specific exceptions. In the case of our employees, the agreements provide that all inventions conceived by the individual in the course of their employment will be our exclusive property.

See "Risk Factors" included in Item 3 above for details regarding risks related to our reliance on patents and proprietary rights.

Partnerships, Alliances and Acquisitions

Our strategy includes the use of strategic alliances to augment our product development efforts with complementary technologies and to leverage our marketing and distribution capabilities with respect to select market opportunities. In order to expand our business, we also intend to continue to pursue strategic investments in our acquisitions of complementary businesses and technologies as the opportunities arise. We currently develop integrated solutions for and together with many manufacturers from pharma and diagnostics.

Competition

We believe that our primary competition in sample technology products involves traditional separation and purification methods, such as phenol extraction, cesium chloride density gradient centrifugation, and precipitation. These methods utilize widely available reagents and other chemicals supplied by companies, such as Sigma-Aldrich Corp. and Roche Diagnostics GmbH (Applied Sciences Division). We compete with such methods through our innovative technologies and products, which offer a comprehensive solution for nucleic acid collection, pre-treatment, separation and purification needs and provide significant advantages over traditional methods with respect to speed, reliability, convenience, reproducibility and ease of use.

We also experience, and expect to continue to experience, competition in different segments of our business from other companies providing sample preparation products in kit form and assay solutions. These competitors include, but are not limited to: Promega Corp., Millipore Corp., Roche Diagnostics, and Macherey-Nagel GmbH for nucleic acid separation and purification; Life Technologies Corp. (created through the merger of Invitrogen Corp. and Applied Biosystems Inc. in 2008) and Promega Corp. for assay solutions; Life Technologies Corp. and Promega Corp. for transfection reagents; and Sigma-Aldrich Corp. and Fisher Scientific for protein fractionation products. We believe that our proprietary technologies and products offer significant advantages over competitors' products with regard to purity, speed, reliability and ease-of-use.

In respect to our HPV franchise, we face competition from well established diagnostic technologies, such as cytology, and from emerging HPV testing approaches, such as signal amplified testing, research-based PCR, other indicators of disease and other traditional testing methods developed by laboratories. Our competitors include companies, such as Roche Diagnostics, Gen-Probe, Inc., and Hologic, Inc. (formerly Third Wave Technologies, Inc.), which are developing and/or marketing FDA approved HPV testing products, and manufacturers of liquid-based Pap tests, such as Hologic, Inc. (formerly Cytyc Corp.) and Beckton Dickinson and Company (formerly TriPath Imaging). These tests, if approved by the FDA or similar non-U.S. regulatory authorities, may offer an alternative to our products and, considering the increasing acceptance of the importance of HPV testing, we expect competition to intensify.

With respect to our other diagnostic test products, the medical diagnostics and biotechnology industries are subject to intense competition. Some of our products, such as our tests for Chlamydia, Gonorrhea, hepatitis B virus, herpes simplex virus and cytomegalovirus, compete against existing screening, monitoring and diagnostic technologies, including tissue culture and antigen-based diagnostic methodologies. Our competitors for gene-based diagnostic probes include Roche Diagnostics, Abbott Laboratories, Siemens and Gen-Probe. We believe the primary competitive factors in the market for gene-based probe diagnostics and other screening devices are clinical validation, performance and reliability, ease of use, standardization, cost, proprietary position, the competitor's share of the existing market, access to distribution channels, regulatory approvals, and availability of reimbursement.

We believe that our competitors do not have the same comprehensive approach to sample and assay technologies and therefore cannot provide the broad range of technologies and depth of products and services that we offer. With our complete range of manual and fully automated solutions, we believe we offer the value of standardization of procedures and therefore more reliable results. We also believe that our integrated strategic approach of sample and assay technologies gives us a competitive advantage. The quality of sample

preparation—a field in which we have a unique market and leadership position—is a key prerequisite for reliable molecular assay solutions which increasingly are being applied in emerging markets, such as applied testing and molecular diagnostics. Regarding our HPV test products, we believe we have a competitive advantage as a multitude of clinical trials, encompassing over one million women, have validated that our HPV test products, when used alone or in conjunction with the Pap test, have demonstrated their ability to enable significant diagnostic capabilities for cervical disease and cancer due to high clinical sensitivity and high negative predictive value. In addition to the industry leading clinical performance of our assay, considering the high volume needs of the HPV testing market, we believe additional competitive factors in the HPV testing market relate to automation, including performance and reliability, ease of use, standardization, cost, proprietary position, and regulatory approvals.

Our existing and potential competitors may be in the process of seeking FDA or foreign regulatory approvals for their respective products. Our continued future success will rely in large part on our ability to maintain our technological advantage over competing products, expand our market presence and preserve customer loyalty. There can be no assurance that we will be able to compete effectively against our past, present or future competitors or that development by others will not render our technologies or products non-competitive.

Suppliers

As part of our quality assessment procedures, we periodically evaluate the performance of our raw material suppliers, potential new alternative sources of such materials, and the risks and benefits of reliance on our existing suppliers. We buy materials for our products from many suppliers, and are not dependent on any one supplier or group of suppliers for our business as a whole. Raw materials generally include chemicals, raw separation media, biologics, plastics and packaging. Raw materials are generally readily available at competitive, stable prices from a number of suppliers. Certain raw materials are produced under our specifications, so we closely monitor stock levels to maintain adequate supplies. We believe we maintain inventories of raw materials at a sufficient level to ensure reasonable customer service levels and to guard against normal volatility in availability.

Government Regulations

We are not subject to direct regulation other than regulation generally applicable to businesses pursuant to various laws and regulations in effect in the different jurisdictions in which we operate, including laws and regulations applicable to environmental matters, such as the handling and disposal of hazardous wastes. Our research and development activities involve the controlled use of small amounts of hazardous materials, chemicals and radioactive compounds. Although we believe that our safety procedures for handling and disposing of such materials comply with the standards prescribed by applicable regulations, such as the United States Occupational Safety and Health Administration's, or OSHA, Hazard Communication and Occupational Exposure to Hazardous Chemicals in Laboratories standards, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, we could be held liable for any damages that result, and any such liability could have a material adverse effect on us.

We also comply with the OSHA Bloodborne Pathogens standard and the Center for Disease Control/ National Institutes of Health Biosafety in Microbiological and Biomedical Laboratories standards for the handling of biological materials and comply with the United States Department of Transportation and International Air Transport Association regulations for the shipping of our kits which contain materials classified as hazardous. There are other federal, state and local laws and regulations applicable to our business, including those of the United States Environmental Protection Agency and the Maryland Department of the Environment. However, we do not expect that compliance with governmental regulations to which we are subject will have a material effect on our capital expenditures, earnings or competitive positions.

International sales of *in vitro* diagnostic (IVD) medical devices are subject to the regulatory requirements of each country or defined economic region, such as the European Union. The regulatory review process varies

from country to country and many countries also impose product standards, packaging requirements, labeling requirements and import restrictions on devices.

In the United States, IVDs are regulated by the FDA as medical devices. Medical devices are classified into one of three classes on the basis of the controls deemed by the FDA to be necessary to reasonably ensure their safety and effectiveness. Class I devices are subject to general controls, including labeling, premarket notification and adherence to FDA's quality system regulations, which are device-specific good manufacturing practices. Class II devices are subject to general controls and special controls, including performance standards and postmarket surveillance. Class III devices are subject to most of the previously identified requirements as well as to premarket approval. Class I devices are exempt from premarket submissions to the FDA; most Class II devices require the submission of a 510(k) premarket notification to the FDA; and Class III devices require submission of a premarket approval application, or PMA. Most in vitro diagnostic kits are regulated as Class I or Class II devices and are either exempt from premarket notification or require a 510(k) submission.

A 510(k) notification must demonstrate that a medical device is substantially equivalent to another legally marketed device, termed a "predicate device", that is legally marketed in the United States and for which a PMA was not required. A device is substantially equivalent to a predicate device if it has the same intended use and technological characteristics as the predicate, or has the same intended use but different technological characteristics, where the information submitted to the FDA does not raise new questions of safety and effectiveness and demonstrates that the device is at least as safe and effective as the legally marketed device. Most 510(k)s do not require clinical data for clearance, but a minority will. The FDA is supposed to issue a decision letter within 90 days of receipt of the 510(k) if it has no additional questions or send a first action letter requesting additional information within 75 days. Requests for additional data, including clinical data, will increase the time necessary to review the notice. If the FDA does not agree that the new device is substantially equivalent to the predicate device, the new medical device is automatically classified as a Class III device for which a PMA will be required. However, the sponsor may petition the FDA to make a risk-based determination that the device does not pose the type of risk associated with Class III devices and down-classify the device to Class I or Class II.

Class III devices, such as our HC2 HPV test, require the submission and approval of a PMA prior to product sale. The PMA process is more complex, costly and time consuming than the 510(k) process. A PMA must be supported by more detailed and comprehensive scientific evidence, including clinical data, to demonstrate the safety and efficacy of the medical device for its intended purpose. If the device is determined to present a "significant risk," the sponsor may not begin a clinical trial until it submits an investigational device exemption, or IDE, to the FDA and obtains approval from the FDA to begin the trial. After the PMA is submitted, the FDA has 45 days to make a threshold determination that the PMA is sufficiently complete to permit a substantive review. If the PMA is complete, the FDA will file the PMA. The FDA is subject to a performance goal review time for a PMA of 180 days from the date of filing, although in practice this review time is longer. Questions from the FDA, requests for additional data and referrals to advisory committees may delay the process considerably. The total process may take several years, and the FDA may also request additional clinical data as a condition of approval or after the PMA is approved. Product changes after approval typically require a supplemental submission with FDA review cycles ranging from 30 to 180 days.

Any products manufactured or distributed by us pursuant to FDA clearances or approvals are subject to pervasive and continuing regulation by the FDA, including record keeping requirements, reporting of adverse experiences with the use of the device and restrictions on the advertising and promotion of our products. Device manufacturers are required to register their establishments and list their devices with the FDA and are subject to periodic inspections by the FDA and certain state agencies. Noncompliance with applicable FDA requirements can result in, among other things, warning letters, fines, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, refusal of the FDA grant 510(k) or PMA approval for devices, withdrawal of 510(k) clearances and/or PMA approvals and criminal prosecution.

Some of our test kits are sold for research use only in the United States. We do not promote these tests for clinical diagnostic use and they are labeled "For Research Use Only" or RUO, as permitted by FDA regulations.

Receipt and maintenance of regulatory authorization to market and sell our products is vital to our future success. In addition to seeking regulatory authorizations for our own products, we work with other companies to seek regulatory clearance or approval for use of their specimen collection products to provide the specimens necessary to perform our diagnostic tests. The time, money and resources required for new product clearances or approvals by the FDA and foreign government authorities is unpredictable and the necessary approvals or clearances may not be granted on a timely basis or at all. Delays or a failure to receive such approvals or clearances could have a material adverse effect on our business, financial condition and results of operations.

Organizational Structure

QIAGEN N.V. is the holding company for more than 50 consolidated subsidiaries, the majority of which have the primary function of the distribution of our products and services on a regional basis. Certain subsidiaries also have research and development or production activities. A listing of our significant subsidiaries, all of which are wholly-owned, and their jurisdiction of incorporation, is included in Exhibit 8.1 to this Annual Report.

Description of Property

Our production and manufacturing facilities for consumables products are located in Germany, the United States and China. Our instrument production facilities are located in Switzerland and Australia. Over the last several years, we have made investments in automated and interchangeable production equipment to increase our production capacity and improve efficiency. Our production and manufacturing operations are highly integrated and benefit from sophisticated inventory control. Our production management personnel are highly qualified and many have advanced degrees in engineering, business and science. We have also installed and continue to expand production-planning systems that are included in our integrated information and control system based on the business software package SAP R/3 from SAP AG. Worldwide, we use SAP software to integrate our material operating subsidiaries. Capital expenditures for property, plant and equipment totaled $52.2 million, $39.4 million and $34.5 million for the years ended December 31, 2009, 2008 and 2007, respectively.

We have an established quality system, including standard manufacturing and documentation procedures, intended to ensure that products are produced and tested in accordance with the FDA's Quality System Regulations, which imposes current Good Manufacturing Practice (cGMP) requirements. For cGMP production, special areas were built in our facilities in Hilden, Germany, and Germantown and Gaithersburg, Maryland. These facilities operate in accordance with cGMP requirements.

The consumable products manufactured at QIAGEN GmbH and QIAGEN Hamburg GmbH, both in Germany, and QIAGEN Sciences, Inc. and QIAGEN Gaithersburg, Inc., both in Maryland, are produced under ISO 9001: 2000, ISO 13485:2003 for Medical Devices, and ISO 13485:2003 CMDCAS, and the EC Directive 98/79/EC for medical devices. QIAGEN Instruments AG in Switzerland, which produces the majority of our instrumentation product line, is also ISO 9001: 2000 and 13485:2003 certified. Our certifications form part of our ongoing commitment to provide our customers high quality, state-of-the-art sample and assay technologies and to the development of our Total Quality Management system.

Our facilities in Hilden, Germany currently occupy a total of approximately 509,000 square feet, some of which is leased pursuant to separate contracts, the last of which expires in 2018. In two separate transactions between July 1997 and February 1998, we purchased a parcel of land directly adjacent to our existing German facilities, measuring approximately 549,000 square feet. During 2003, we completed a 115,000 square foot production facility and a 149,000 square foot administration building on this land. During 2005, we purchased our leased cGMP production facilities in Germany and began the planning for a new logistics center in Hilden.

Construction on the facility began in August 2006 and was completed in 2007. The logistics center comprises approximately 61,000 square feet and cost approximately EUR 9.0 million (approximately $13.1 million).

Our production capacity is increased through our manufacturing and research facilities in the United States. QIAGEN Sciences, Inc. owns a 24-acre site in Germantown, Maryland. The 200,000 square foot Germantown facility consists of several buildings in a campus-like arrangement and is intended to accommodate over 300 employees. There is room for future expansion of up to 400,000 square feet of additional facility space. We lease a facility in Gaithersburg, Maryland, comprising a total of 140,000 square feet for manufacturing, warehousing, distribution and research operations.

In January 2009, we purchased land adjacent to our facility in Hilden, Germany for EUR 2.5 million (approximately $3.2 million) and in August 2009 began construction to further expand our facilities for research and development and production space. In addition, we are planning for expansion at our Germantown, Maryland facility for research, production and administrative space, construction on which is expected to begin in June 2010. These expansion projects are expected to continue into 2012 at an estimated total cost of approximately $93.9 million. We anticipate that we will be able to fund such expansions with cash generated by our operating activities.

Other subsidiaries throughout the world lease smaller amounts of space. Our corporate headquarters are located in leased office space in Venlo, The Netherlands.

We believe that our existing and planned production and distribution facilities can support our anticipated production needs for the next 36 months. Our production and manufacturing operations are subject to various federal, state, and local laws and regulations including environmental regulations. We believe we do not have any material issues relating to these laws and regulations.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

This section contains a number of forward-looking statements. These statements are based on current management expectations, and actual results may differ materially. Among the factors that could cause actual results to differ from management's expectations are those described in "Risk Factors" above, and "Forward-looking and Cautionary Statements" below.

Forward—looking and Cautionary Statements

This report contains forward-looking statements that are subject to certain risks and uncertainties. These statements can be identified by the use of forward-looking terminology, such as "believe," "hope," "plan," "intend," "seek," "may," "will," "could," "should," "would," "expect," "anticipate," "estimate," "continue" or other similar words. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We caution investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: risks associated with our expansion of operations, including the acquisition of new businesses; variability in our operating results from quarter to quarter; management of growth, international operations, and dependence on key personnel; intense competition; technological change; our ability to develop and protect proprietary products and technologies and to enter into collaborative commercial relationships; our future capital requirements; general economic conditions and capital market fluctuations; and uncertainties as to the extent of future government regulation of our business. As a

result, our future success involves a high degree of risk. For further information, refer to the more specific risks and uncertainties discussed under the caption "Risk Factors" in Item 3 and throughout this Annual Report.

Results of Operations

Overview

We believe, based on the nature of our products and technologies and our United States and European market shares, as supported by independent market studies, that we are the world's leading provider of innovative sample and assay technologies and products. Sample technologies are used to isolate DNA, RNA and proteins from any biological sample, such as blood or tissue. Assay technologies are then used to make isolated biomolecules, such as the DNA of a specific virus, visible for subsequent analysis. Our products are considered benchmark standards in areas such as pre-analytical sample preparation and assay solutions in molecular diagnostics, research for life sciences, and applied testing.

We sell our products to molecular diagnostics laboratories, academic researchers, pharmaceutical and biotechnology companies, and applied testing customers for purposes such as forensics, animal or food testing, and pharmaceutical process control. These products enable our customers to efficiently pursue their research and commercial goals that require the use of nucleic acids. We market our products in more than 40 countries throughout the world. We have established subsidiaries in the markets that we believe have the greatest sales potential, including countries throughout Europe, Asia, the Americas and Australia. We also have specialized independent distributors and importers. We employ more than 3,400 people in approximately 30 locations worldwide.

Since 2005, we have had a compound annual growth rate of approximately 21% in net sales and 23% in net income based on reported U.S. GAAP results. We have funded our growth through internally generated funds, debt, and private and public sales of equity securities. In recent years, we have made a number of strategic acquisitions and disposals expanding and focusing our technology and product offerings. These transactions include:

- In December 2009, we acquired SABiosciences Corporation, located in Frederick, Maryland. SABiosciences holds a leading position in the design and commercialization of disease- and pathway-focused real-time PCR-based assay panels (PCR Arrays), which are widely utilized in biomedical research and in the development of future drugs and diagnostics.
- In September 2009, we acquired DxS Ltd., a privately-held developer and manufacturer of companion diagnostic products headquartered in Manchester, United Kingdom. DxS Ltd. is a pioneer in development and marketing of companion diagnostics which enable physicians in oncology to predict patients' responses to certain treatments in order to make cancer therapies more effective. Through this acquisition, we acquired a portfolio of molecular diagnostic assays and related intellectual property as well as a deep pipeline of already signed or planned companion diagnostic partnerships in oncology with leading pharmaceutical companies. With the acquisition, we believe that we can advance to a leading position in personalized healthcare and strengthen our overall strategic position in molecular diagnostics.
- In August 2009, we acquired Explera s.r.l., a leading supplier in molecular diagnostics and personalized medicine in Italy.
- In March 2009, we acquired a molecular diagnostics distribution business in China.
- In October 2008, we acquired all assets of the Biosystems Business from Biotage AB, a publicly-listed developer, manufacturer and distributor of products for genetic analysis and medicinal chemistry headquartered in Uppsala, Sweden. The assets acquired also include the purchase of the remaining 17.5% of the outstanding stock of Corbett Life Science Pte. Ltd. (Corbett).
- In July 2008, we acquired 82.5% of Corbett, a developer, manufacturer, and distributor of life sciences instrumentation headquartered in Sydney, Australia. Corbett is best known for having developed the

world's first rotary real-time PCR cycler system, the Rotor-Gene™, a system used to detect real-time PCR which make specific sequences of DNA and RNA targets visible through amplification and quantifiable through real-time measurement of such amplification. The addition of this proprietary PCR detection technology extends our molecular testing solution portfolio and enhances our options to offer sample and assay technology solutions spanning from sample to result.

- In February 2008, we acquired a business unit from Diagnostic Technology Pty. Ltd., located in Belrose, Australia, which relates to the distribution of products in Australia, New Zealand, Singapore and Malaysia. In May 2008, we established QIAGEN Mexico via the acquisition of certain assets of our former life science distributor Quimica Valaner. In July 2008, we acquired the minority interest of our Brazilian subsidiary, QIAGEN Brasil Biotecnologia Ltda.
- In July 2007, we completed the acquisition of Digene Corporation through a tender offer and subsequent merger of Digene with and into a wholly-owned subsidiary of QIAGEN N.V. Following the completion of the merger, Digene became a subsidiary of QIAGEN and was renamed QIAGEN Gaithersburg, Inc. The merger combines our leading portfolio of sample and assay technologies, including a broad panel of molecular diagnostic tests, with Digene's leadership in HPV-targeted molecular diagnostic testing, creating a global leader in molecular diagnostics outside blood screening and viral load monitoring.
- In July 2007, we completed our acquisition of eGene, Inc., an early-stage company located in Irvine, California that has developed and is commercializing a patented sample separation and analysis technology based on capillary electrophoresis.

In 2009, on a consolidated basis, operating income increased to $180.2 million compared to $145.7 million in 2008. Our operating income was impacted by growth in consumables and instrument product sales, which experienced growth of 10% and 37% in 2009 as compared to 36% and 51% in 2008, respectively. Our financial results include the contributions of our recent acquisitions from the date of their acquisition, as well as the costs related to the acquisitions and integrations. Our results also reflect the benefits of our previous restructuring efforts, which have contributed to improved profitability as we continue to manage our operating costs.

In 2008, on a consolidated basis, operating income increased to $145.7 million compared to $83.1 million in 2007. In 2007 we recorded a $25.9 million charge for in-process research and development primarily in connection with our acquisition of Digene.

Reportable segments are based on the geographic locations of our subsidiaries. Our reportable segments include our production, manufacturing and sales facilities located throughout the world. In addition, the Corporate segment includes our holding company located in The Netherlands, two subsidiaries located in Germany and one in Australia which operate only in a corporate support function. The reportable segments derive revenues from our entire product and service offerings. Our Luxembourg subsidiaries, QIAGEN Finance (Luxembourg) S.A., or QIAGEN Finance, and QIAGEN Euro Finance (Luxembourg) S.A., or Euro Finance, which were established as financing vehicles for the issuance of convertible debt, are not consolidated.

The following table sets forth operating income by segment for the years ended December 31, 2009, 2008 and 2007. Further segment information can be found in Note 19 to the accompanying financial statements.

Operating Income (Loss) (in thousands)	**2009**	**2008**	**2007**
Americas	**$ 84,388**	$ 66,962	$ 14,605
Germany	**91,498**	71,786	63,769
Switzerland	**6,978**	(8,249)	(391)
Asia	**4,930**	905	5,941
All Other	**21,303**	32,683	21,922
Corporate	**(21,792)**	(16,552)	(20,051)
Subtotal	**187,305**	147,535	85,795
Intersegment Elimination	**(7,100)**	(1,873)	(2,662)
Total	**$180,205**	$145,662	$ 83,133

In 2009, operating income in the Americas increased compared to the same period in 2008, primarily due to increased sales. Operating income increased in the Americas in 2008 as compared to 2007 primarily due to the July 2007 acquisitions which contributed for the entire year in 2008 versus a partial year in 2007. Additionally, the third quarter 2007 includes a charge of $25.9 million for purchased in-process research and development. While sales increased during 2009 and 2008 as a result of acquisitions and organic growth, expenses in the Americas, including the amortization of acquired intangibles, were also higher following the acquisitions and ongoing integration efforts.

In Germany, operating income was higher in 2009 and 2008, as compared to 2007, primarily due to increased sales.

The increase in operating income in Switzerland in 2009 as compared to 2008 is primarily the result of increased sales and higher gross margins which were favorably impacted by leverage of capacity and mix of products. The decrease in operating income in 2008, as compared to 2007, was primarily due to an increase in research and development expense, partially offset by an increase in instrumentation sales.

The increase in operating income in Asia in 2009 as compared to 2008 is primarily the result of increased sales, primarily in Japan. The net decrease in operating income in our Asia segment in 2008 compared to 2007 is primarily due to an increase in operating expense in China, as a result of opening our new China sales office, located in Shanghai.

The decrease in operating income in our All Other segment in 2009 as compared to 2008 is primarily due to the September 2009 acquisition of DxS. The increase in operating income in 2008 as compared to 2007 in our All Other segment is primarily due to the July 2008 acquisition of Corbett.

Fiscal Year Ended December 31, 2009 Compared to 2008

Net Sales

In 2009, net sales increased 13% to $1.0 billion compared to $893.0 million in 2008. The increase in total sales includes organic growth (13%) and sales from our recently acquired businesses (4%), partially offset by the negative impact of foreign currency exchange rates (3%) and the third quarter divestiture of our subsidiary in Austria (1%). Our 2009 net sales include the results of operations for the full year of Corbett, which was acquired in July 2008, as well as the acquisitions of DxS Ltd, acquired in September 2009, and SABiosciences, acquired in December 2009.

Net sales are attributed to countries based on the location of the subsidiary recording the sale. In 2009, net sales in Asia increased by 39%, primarily driven by China, Japan and Singapore, net sales in Germany increased by 24%, net sales in the Americas increased by 9% and net sales in all other countries increased by 5%, which includes the results of Corbett and DxS. The increase in sales in each of these regions was the result of an increase in sales of our sample and assay technologies, which represented approximately 86% of total sales, and instruments products, which represented approximately 14% of total sales. Sales of sample and assay technologies, which include consumables and instrumentation, experienced growth rates of 10% and 37%, respectively, in 2009, as compared to 2008. The uncertainties of the current global financial crisis represent a risk for the Company, and while we expect continued growth in our consumables and instrumentation businesses, such future growth may be lower than our historical growth and future growth could be adversely effected.

A significant portion of our revenues is denominated in euros and currencies other than the United States dollar. Changes in exchange rates can affect the growth rate of net sales, potentially to a significant degree. When calculated by translating the local currency, actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period, net sales were negatively impacted by $28.8 million of currency effects for the year ended December 31, 2009, as compared to 2008.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. In 2009, we launched 79 new products in the area of sample & assay technologies including the PAXgene Blood miRNA kit for use in cancer, biomarker and miRNA research and the QIAamp Circulating Nucleic Acid kit for sample preparation in prenatal or other circulating nucleic acid research. In addition, QIAGEN launched a number of assay technologies including two multiplexed, PCR-based CE-marked digene HPV Genotyping Tests, a next generation CE marked mutation profiling KRAS test, as well as a BRAF test for use in cancer treatments and a test for epigenetic methylation analysis based on pyrosequencing technology.

Gross Profit

Gross profit was $667.1 million, or 66% of net sales, in the year ended December 31, 2009 as compared to $599.7 million, or 67% of net sales, in 2008. The absolute dollar increase in 2009 compared to 2008 is attributable to the increase in net sales. Our sample and assay products have a higher gross margin than our instrumentation products, and fluctuations in the sales levels of these products can result in fluctuations in our gross margin during a period when compared to the gross margin of another period.

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. The amortization expense on acquisition-related intangibles within cost of sales increased to $53.6 million in 2009 as compared to $48.7 million in 2008. The increase in amortization expense is the result of an increase in intangibles acquired in our recent business combinations. We expect that our acquisition-related intangible amortization will continue to increase as a result of our acquisitions.

In addition, during 2009 and 2008 a total of $7.4 million and $1.4 million, respectively, was expensed to acquisition-related cost of sales related to the write-off of inventories made obsolete following an acquisition as well as to the write-up of acquired inventory to fair market value as a result of business combinations. In accordance with purchase accounting rules, acquired inventory was written-up to fair market value and subsequently expensed as the inventory was sold. Additionally, in 2009, we recognized a charge of $2.5 million to cost of sales related to the impairment of developed technology, which was triggered by the acquisition of DxS and the discontinuation of certain products.

Research and Development

Research and development expenses increased by 11% to $107.9 million (11% of net sales) in 2009 compared to $97.3 million (11% of net sales) in the same period of 2008. Our business combinations, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to discover, develop and acquire new products and technologies, we will incur additional expense related to research and development facilities, licenses and employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) and EU CE approval of certain assays or instruments. The increase in research and development expense was partially offset by $2.8 million of currency impact in 2009 calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period. We have a strong commitment to research and development and expect to continue to make investments in our research and development efforts. Accordingly, our research and development expenses will continue to increase, perhaps significantly.

Sales and Marketing

Sales and marketing expenses increased by 8% to $244.8 million (24% of net sales) in 2009 from $227.4 million (25% of net sales) in 2008. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses and other promotional

expenses. The increase in sales and marketing expenses in 2009 as compared to 2008, is primarily due to our 2009 acquisitions, as well as the acquisition of Corbett which occurred in July of 2008, and thus is only included for part of 2008. In addition, the sales and marketing expenses include the costs of maintaining separate sales organizations addressing customers in industrial and academic research, applied testing and molecular diagnostics. The increase in sales and marketing expense was partially offset by $6.9 million of currency impact in 2009 when calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period. We anticipate that sales and marketing costs will continue to increase along with new product introductions and continued growth in sales of our products, but we expect sales and marketing costs will, for the most part, grow at a slower rate than our overall revenue growth.

General and Administrative, Integration and Other

General and administrative, business integration, restructuring and related costs increased by 2% to $115.9 million (11% of net sales) in 2009 from $113.9 million (13% of net sales) in 2008. The increase in these expenses in 2009 is partly the result of general and administrative expenses related to our new acquired businesses. Additionally, during 2009, an impairment loss of $1.6 million of goodwill was recognized in connection with our acquisition of DxS Ltd. in September 2009. We have continued to incur integration costs for businesses acquired and such costs totaled approximately $21.5 million in 2009, as compared to $30.9 million in 2008. Included in these costs are $7.5 million in 2009 and $8.1 million in 2008 for legal costs related to litigation assumed in connection with the acquisitions of Digene and Corbett. In connection with the integration of the acquired companies, we aim to improve efficiency in general and administrative operations. Additionally, when calculated by translating the local currency actual results in the current period using the average exchange rates from the previous year's respective period instead of the current period, general and administrative, integration and related costs decreased by $2.1 million due to currency impact in 2009, as compared to 2008.

In October 2009, we started the closure of our facilities and relocation of our activities in Brisbane and Sydney to other locations of the Company, primarily to QIAGEN Instruments AG in Switzerland. These restructurings follow the acquisition of Corbett in 2008 and consolidate our instrument manufacturing activities. The closure and relocation are expected to be completed in the second quarter of 2010 at a total pre-tax cost of approximately $4.0 million to $5.0 million.

As we further integrate the acquired companies, we expect to continue to incur additional business integration costs. We believe that over time the results of the integration activities will continue to result in a decrease in our general and administrative expenses as a percentage of sales.

Acquisition-Related Intangible Amortization

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. Amortization of trademarks, customer base and non-compete agreements, which have been acquired in a business combination, is recorded in operating expense under the caption "acquisition-related intangible amortization." Amortization expenses of intangible assets not acquired in a business combination are recorded within either cost of sales, research and development or sales and marketing line items based on the use of the asset.

During 2009, the amortization expense on acquisition-related intangibles within operating expense increased to $18.2 million compared to $14.4 million in 2008. The increase in expense is the result of an increase in amortized intangibles acquired in our recent business combinations. We expect that our acquisition-related intangible amortization will continue to increase as a result of our acquisitions.

Purchased In-Process Research and Development

Purchased in-process research and development costs represent the value assigned to research and development projects which were commenced but not yet completed at the date of acquisition, whose

technological feasibility has not been established and which have no alternative future use in research and development activities or otherwise. In connection with our 2009 acquisitions, we have capitalized $3.1 million of purchased in-process research and development as an indefinite lived intangible asset. Prior to January 1, 2009, in-process research and development was expensed. In connection with our 2008 acquisition of Corbett, we recorded charges of $985,000 for purchased in-process research and development. Beginning in 2009, purchased in-process research and development costs are capitalized and no longer expensed. For further information, see Note 4 of the Notes to Consolidated Financial Statements included in Item 18.

Other Income (Expense)

Other expense was $7.9 million in 2009, as compared to other expense of $26.4 million in 2008. This decrease in expense was mainly due to lower interest expense, a gain from the sale of a cost-method investment and the impairment of a cost-method investment. During the fourth quarter of 2009, we sold our investment in a privately held company and realized a gain of $10.5 million. During the third quarter of 2008, in connection with the acquisition of Corbett, we recorded a $4.0 million impairment of a cost-method investment based on an assessment of the recoverability of the investment amount. Following the acquisition of Corbett, we anticipated a change in our purchasing pattern of the investee's products, which was expected to negatively impact the forecasted financial condition of the investee. Accordingly, we believe the known impact to the investee's financial condition, absent other evidence indicating a realizable value of the investment, indicated that the recoverability of the asset through future cash flows was not considered likely enough to support the carrying value.

For the year ended December 31, 2009, interest income decreased to $3.5 million from $9.5 million in 2008. The decrease in interest income was primarily due to a decline in interest rates.

Interest expense decreased to $29.6 million in 2009 compared to $37.5 million in 2008. Interest costs primarily relate to our long-term debt discussed in Note 14 in the accompanying notes to the consolidated financial statements. The decrease in interest expense is primarily due to a decrease in the interest expense on our term loan as a result of a decreasing LIBOR rate as well as a $25.0 million decreased debt balance.

Provision for Income Taxes

Our provision for income taxes is based upon the estimated annual effective tax rates. Fluctuations in the distribution of pre-tax income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements. Our operating subsidiaries are exposed to effective tax rates ranging from zero up to approximately 42%.

In 2009 and 2008, our effective tax rates were 20% and 25%, respectively. In 2009, the mix of earnings was more heavily weighted in the lower tax rate jurisdictions versus higher tax rate jurisdictions in 2008. Additionally, a number of discrete events occurred during 2009 which resulted in favorable tax benefits being recognized in the income statement. These discrete events include but are not limited to post-merger internal restructuring initiated to better align our businesses which led to favorable tax benefits; sale of our Austrian business and a cost-method investment on almost an entirely tax free basis; tax planning and reductions in certain purchase-accounting-related deferred tax liabilities due to tax rate changes and step-up in tax basis. Certain of these items are non-recurring in nature and will not have a future tax rate impact.

Fiscal Year Ended December 31, 2008 Compared to 2007

Net Sales

In 2008, net sales increased 37% to $893.0 million compared to $649.8 million in 2007. Our 2008 net sales include the results of operations of Corbett, which was acquired in July 2008, as well as Digene and eGene,

which were acquired in the third quarter of 2007. The increase in total sales includes organic growth (13%), sales from our recently acquired businesses (22%), and the impact of foreign exchange rates (2%). Net sales are attributed to countries based on the location of the subsidiary recording the sale. In 2008, net sales in Germany increased by 25%, net sales in Asia increased by 25%, primarily driven by Singapore, China, and Korea, net sales in the Americas increased by 46% and net sales in all other countries increased by 38%, which includes the results of Corbett. The increase in sales in each of these regions was the result of an increase in sales of our sample and assay technologies, which represented approximately 88% of total sales, and instrumentation products, which represented approximately 11% of total sales. Sales of sample and assay technologies which include consumables and instrumentation experienced growth rates of 36% and 51%, respectively, in 2008 as compared to 2007.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. In 2008, we launched more than 80 new products in the area of sample & assay technologies, including the QIAxcel for fully automated capillary electrophoresis to separate and analyze DNA, RNA and proteins, the QIAsymphonySP, the first system of a novel modular processing platform which can be integrated to automate entire sample and assay technology-related workflows and the EZ1 Advanced, the next generation of our successful EZ1 for the fully automated low throughput sample preparation with prefilled cartridges. In addition, we launched a number of assay technologies including two tests for the applied testing markets to detect bovine viral diarrhea virus (BVD) in cattle and Taylorella equigenitalis in horses, a series of products for analyzing genetic differences and micro RNA (miRNA) analysis as well as a CE-marked test for the detection and quantification of Malaria (P. falciparum, P. vivax, P. ovale and P. malariae), the next generation of multiplex detection of respiratory viral targets (ResPlex II Panel v 2.0) and a molecular diagnostic assay in the EU to type the HLA-B*5701 allele, a genetic variation in the Human Leucocyte Antigen (HLA) system, causing adverse reactions in AIDS patients.

A significant portion of our revenues is denominated in euros and currencies other than the United States dollar. Changes in exchange rates can affect the growth rate of net sales, potentially to a significant degree. For the year ended December 31, 2008, as compared to the same period in 2007, using the 2007 foreign exchange rates for both periods, net sales would have increased approximately by 35% as compared to the reported increases of 37%.

Gross Profit

Gross profit was $599.7 million, or 67% of net sales, in the year ended December 31, 2008 as compared to $433.5 million, or 67% of net sales, in 2007. The absolute dollar increase in 2008 compared to 2007 is attributable to the increase in net sales. Our sample and assay products have a higher gross margin than our instrumentation products, and fluctuations in the sales levels of these products can result in fluctuations in our gross margin during a quarter when compared to the gross margin of another quarter. During 2008 and 2007, sample and assay product sales represented approximately 88% and 89% of our total sales, respectively. The gross margin in 2008 as compared to 2007 reflects an increase in sample and assay sales at a more favorable margin, offset by an increase in amortization of acquisition-related intangible assets.

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. The amortization expense on acquisition-related intangibles within cost of sales increased to $48.7 million in 2008 as compared to $23.6 million in 2007. The increase in amortization expense is the result of an increase in intangibles acquired in our recent business combinations, namely Corbett and Digene which were acquired in July 2008 and 2007, respectively.

In addition, during 2008, a total of $1.4 million was expensed to acquisition-related cost of sales related to the write-up of acquired inventory to fair market value as a result of the 2008 business combinations. In accordance with purchase accounting rules, acquired inventory was written-up to fair market value and subsequently expensed as the inventory was sold. During 2007, a total of $2.8 million was expensed to

acquisition-related cost of sales and included approximately $300,000 of inventory, which was written off as a result of the Digene and eGene acquisitions as well as $2.5 million in cost related to the write-up of acquired inventory to fair market value as a result of the 2007 business combinations.

Research and Development

Research and development expenses increased by 50% to $97.3 million (11% of net sales) in 2008 compared to $64.9 million (10% of net sales) in the same period of 2007. Using identical foreign exchange rates for both years, research and development expenses increased approximately 44%. Our 2007 and 2008 acquisitions, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to discover, develop and acquire new products and technologies, we will incur additional expense related to research and development facilities, licenses and employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) and EU CE approval of certain assays or instruments.

Sales and Marketing

Sales and marketing expenses increased by 38% to $227.4 million (25% of net sales) in 2008 from $164.7 million (25% of net sales) in 2007. Using identical foreign exchange rates for both years, sales and marketing expenses increased 35%. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses and other promotional expenses. The increase in sales and marketing expenses in 2008 as compared to 2007 is primarily due to our acquisitions of Corbett and Digene in July of 2008 and 2007, respectively, through which we acquired over 200 sales and marketing personnel. In addition, the sales and marketing expenses include the costs of maintaining separate sales organizations addressing customers in industrial and academic research, applied testing and molecular diagnostics. We anticipate that sales and marketing costs will continue to increase along with new product introductions and continued growth in sales of our products.

General and Administrative, Integration and Other Costs

General and administrative, business integration, restructuring and related costs increased by 31% to $113.9 million (13% of net sales) in 2008 from $87.2 million (13% of net sales) in 2007. Using identical foreign exchange rates for both years, these expenses increased by approximately 28%. The increase in these expenses in 2008 is partly the result of general and administrative expenses related to our new businesses acquired in 2008, which have expanded our presence in Australia, as well as the full year's expense from our 2007 acquisitions. Further, we have continued to incur integration costs for businesses acquired in 2007 as well as for the new businesses acquired in 2008. General and administrative expenses primarily represent the costs required to support our administrative infrastructure which generally has continued to expand along with our growth. Included in these costs are $8.1 million in 2008 and $7.2 million in 2007 for legal costs related to litigation assumed in connection with the acquisitions of Digene and Corbett. In connection with the integration of the acquired companies, we aim to improve efficiency in general and administrative operations.

Acquisition-Related Intangible Amortization

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in cost of sales. Amortization of trademarks, customer base and non-compete agreements, which have been acquired in a business combination, is recorded in operating expense under the caption "acquisition-related intangible amortization." Amortization expenses of intangible assets not acquired in a business combination are recorded within either cost of sales, research and development or sales and marketing line items based on the use of the asset.

During 2008, the amortization expense on acquisition-related intangibles within operating expense increased to $14.4 million compared to $7.7 million in 2007. The increase in expense is the result of an increase in amortized intangibles acquired in our recent business combinations.

Purchased In-Process Research and Development

Purchased in-process research and development costs represent the value assigned to research and development projects which were commenced but not yet completed at the date of acquisition, technological feasibility for these projects has not been established and they have no alternative future use in research and development activities or otherwise. In connection with our 2008 acquisition of Corbett, we recorded charges of $985,000 for purchased in-process research and development. In connection with acquisitions in 2007, we recorded a charge of $25.9 million for purchased in-process research and development which included $900,000 related to eGene and $25.0 million related to Digene. For further information on the purchased in-process research and development, see Note 4 of the Notes to Consolidated Financial Statements included in Item 18.

Other Income (Expense)

Other expense was $26.4 million in 2008, as compared to other expense of $7.4 million in 2007. This increase in expense was mainly due to higher interest expense, lower interest income and the impairment of a cost-method investment. During the third quarter of 2008, in connection with the acquisition of Corbett, we recorded a $4.0 million impairment of a cost-method investment based on an assessment of the recoverability of the investment amount. Following the acquisition of Corbett, we anticipated a change in our purchasing pattern of the investee's products, which is expected to negatively impact the forecasted financial condition of the investee. Accordingly, we believe the known impact to the investee's financial condition, absent other evidence indicating a realizable value of the investment, indicated that the recoverability of the asset through future cash flows was not considered likely enough to support the carrying value.

For the year ended December 31, 2008, interest income decreased to $9.5 million from $19.5 million in 2007. The decrease in interest income was due to a decrease in the amount of investments along with a decline in interest rates.

Interest expense increased to $37.5 million in 2008 compared to $31.5 million in 2007. Interest costs primarily relate to the $500.0 million term loan obtained in July 2007 in connection with the Digene acquisition and our long-term borrowings from QIAGEN Finance and Euro Finance. The increase in interest expense in 2008 as compared to 2007 is primarily due to the interest expense on the new term loan obtained in July 2007 which is tied to LIBOR plus a margin.

Provision for Income Taxes

Our provision for income taxes is based upon the estimated annual effective tax rates. Fluctuations in the distribution of pre-tax income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements. Our operating subsidiaries are exposed to effective tax rates ranging from zero up to approximately 42%.

In 2008 and 2007, our effective tax rates were 25% and 34%, respectively. The effective tax rates during 2008 and 2007 are impacted as a result of non-recurring acquisition-related charges which were recorded without any related tax benefit. In 2008, an increasing portion of our pre-tax income is attributable to subsidiaries with lower effective tax rates as compared to 2007. In 2008, the German tax rate decreased to 30% as compared to 39% in 2007. Further, the effective tax rates during 2007 are impacted as a result of the $25.9 million purchased in-process research and development charge which was recorded without any related tax benefit.

Foreign Currency

QIAGEN N.V.'s functional currency is the U.S. dollar and our subsidiaries' functional currencies are the local currency of the respective countries in which they are headquartered. All amounts in the financial statements of entities whose functional currency is not the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) assets and liabilities at period-end rates, (2) income statement accounts at average exchange rates for the period, and (3) components of shareholders' equity at historical rates. Translation gains or losses are recorded in shareholders' equity, and transaction gains and losses are reflected in net income. The net gain (loss) on foreign currency transactions in 2009, 2008 and 2007 was $5.6 million, ($0.2) million and $2.0 million, respectively, and is included in other income (expense), net.

Derivatives and Hedging

In the ordinary course of business, we use derivative instruments, including swaps, forwards and/or options, to manage potential losses from foreign currency exposures and variable rate debt. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with global financial and operating activities. We do not utilize derivative or other financial instruments for trading or other speculative purposes. All derivatives are recognized as either assets or liabilities in the balance sheet and are measured at fair value with any change in fair value recognized in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures. In determining fair value, we consider both the counterparty credit risk and our own creditworthiness. To determine our own credit risk we estimated our own credit rating by benchmarking the price of our outstanding debt to publicly-available comparable data from rated companies. Using the estimated rating, we quantified our credit risk by reference to publicly-traded debt with a corresponding rating.

Foreign Currency Derivatives. As a globally active enterprise, we are subject to risks associated with fluctuations in foreign currencies in our ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions. We manage our balance sheet exposure on a group-wide basis primarily using foreign exchange forward contracts.

Interest Rate Derivatives. We use interest rate derivative contracts on certain borrowing transactions to hedge fluctuating interest rates. We have entered into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount.

We make use of 'economic hedges', i.e. derivatives that do not have a formally designated hedging relationship as well as 'accounting hedges'. All derivatives that qualify for hedge accounting are 'cash-flow hedges'. Further details of our derivative and hedging activities can be found in Note 6 to the accompanying consolidated financial statements.

Liquidity and Capital Resources

To date, we have funded our business primarily through internally generated funds, debt and the private and public sales of equity. Our primary use of cash has been to support continuing operations and our capital expenditure requirements including acquisitions. As of December 31, 2009 and 2008, we had cash and cash equivalents of $825.6 million and $333.3 million, respectively. We also had short-term investments of $40.0 million at December 31, 2009. Cash and cash equivalents are primarily held in U.S. dollars, euros and Australian dollars, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At December 31, 2009, cash and cash equivalents had increased by $492.2 million from December 31, 2008 primarily due to cash provided by operating activities of $217.0 million and financing activities of $629.2 million, offset by cash used in investing activities of $341.7 million. As of December 31, 2009 and 2008, we had working capital of $957.9 million and $441.2 million, respectively.

Operating Activities. For the years ended December 31, 2009 and 2008, we generated net cash from operating activities of $217.0 million and $173.0 million, respectively. Cash provided by operating activities increased in 2009 compared to 2008 primarily due to increases in net income, depreciation and amortization, and accrued and other liabilities, partially offset by increases in accounts receivable and inventories. The increase in net income and accounts receivable is primarily attributable to our 2009 sales growth, while the increase in depreciation and amortization is primarily due to our new acquisitions. The increase in accrued and other liabilities reflects higher accruals as a result of our growth, such as accrued payroll and royalties. The increase in inventories in 2009 primarily reflects our new product introductions along with increases related to safety stock in order to minimize potential challenges in abilities to supply. Because we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, longer collection cycles or significant technological advances of competitors would have a negative impact on our liquidity.

Investing Activities. Approximately $341.7 million of cash was used in investing activities during 2009, compared to $210.5 million during 2008. Investing activities during 2009 consisted principally of cash paid for purchases of property and equipment and intangible assets as well as cash paid for acquisitions. During 2009, cash paid for acquisitions, net of cash acquired totaled $234.7 million and includes cash paid for acquisitions made in 2009 as well as milestone payments from previous acquisitions. In September 2009, we acquired DxS Ltd., a privately-held developer and manufacturer of companion diagnostic products headquartered in Manchester, United Kingdom, for an upfront purchase price of $94.5 million in cash and potential future milestone payments. Additionally, in August 2009, we acquired Explera s.r.l., a leading supplier in molecular diagnostics and personalized medicine in Italy. In December 2009, we acquired SABiosciences, located in Frederick, Maryland for $97.6 million in cash subject to customary adjustment. Investing activities during 2008 consisted principally of purchases of property and equipment, intangibles and cash paid for acquisitions as well as a loan to Dx Assay Pte Ltd, our new joint venture in Singapore, partially offset by the sale of marketable securities.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to $106.2 million based on the achievement of certain revenue and operating results milestones as follows: $18.6 million in 2010, $16.5 million in 2011, $16.2 million in 2012 and $54.9 million payable in any 12 month period from now until 2014 if certain criteria are met. Of the $106.2 million total contingent obligation, approximately $40.8 million is accrued as of December 31, 2009.

In January 2009, we purchased land adjacent to our facility in Hilden, Germany for EUR 2.5 million (approximately $3.2 million) and in August 2009 began the construction to further expand the German facilities for research and development and production space. In addition, we are planning for expansions at our Germantown, Maryland facility for production and administrative space, construction on which is expected to begin in June 2010. These expansion projects are expected to continue into 2012 at an estimated total cost of approximately $93.9 million. We anticipate that we will be able to fund such expansions with cash generated by our operating activities.

Financing Activities. Financing activities provided $629.2 million in cash for the year ended December 31, 2009, compared to $12.8 million for 2008. Cash provided during 2009 was primarily due to the sale of 31.625 million common shares, including 4.125 million common shares upon exercise of the underwriters' over-allotment option, in September 2009. After deducting the underwriting discounts, commissions and the offering expenses net of tax, the total net proceeds from the offering were $623.6 million. We intend to use the net proceeds of this offering to fund acquisitions, including our September 2009 acquisition of DxS Ltd. and our December 2009 acquisition of SABiosciences, to strengthen our balance sheet and for general corporate purposes.

We have credit lines totaling $183.7 million at variable interest rates, an insignificant amount of which was utilized as of December 31, 2009. We also have capital lease obligations, including interest, in the aggregate

amount of $38.9 million, and carry $920.0 million of long-term debt, of which $50.0 million is current as of December 31, 2009.

In July 2007, we signed a Syndicated Multi-Currency Term Loan and Revolving Credit Facilities Agreement with Deutsche Bank AG, Deutsche Bank Luxembourg S.A., and the lenders named in the syndication agreement. The lenders made available to us an aggregate amount of $750 million in the form of (1) a $500.0 million term loan, (2) a $100.0 million bridge loan, and (3) a $150.0 million revolving credit facility. Under the agreement, the $500.0 million term loan will mature in July 2012 with an amortization schedule commenced July 2009. The $150.0 million revolving credit facility will also expire in July 2012. The $100.0 million bridge loan was utilized and repaid within the third quarter of 2007. We used the proceeds of the term loan and the bridge loan to pay the cash component of the Digene acquisition consideration and the fees and expenses of the Digene offer and the merger. The revolving credit facility is available for general corporate purposes. The interest due on the $500.0 million term loan and the $150.0 million currently undrawn revolving credit facility is tied to the LIBOR benchmark and therefore variable. A $200.0 million portion of the $500.0 million term loan has been swapped into a fixed interest rate.

We have notes payable, which are the long-term borrowings of the proceeds from the issuances of $150.0 million senior unsubordinated convertible notes, with a 1.5% coupon due in 2024 through QIAGEN Finance (2004 Notes), and of $300.0 million 3.25% senior convertible notes (2006 Notes) due in 2026 through Euro Finance. QIAGEN Finance and Euro Finance are unconsolidated subsidiaries, which were established for this purpose. At December 31, 2009, $145.0 million and $300.0 million are included in long-term debt for the amount of 2004 Notes and 2006 Notes payable to QIAGEN Finance and Euro Finance, respectively. In connection with conversion of $5.0 million of the 2004 Notes, we repaid $5.0 million of the debt to QIAGEN Finance. The 2004 Notes have an effective rate of 2.14%, are due in July 2011 and are convertible into our common shares at a conversion price of $12.6449, subject to adjustment. The 2006 Notes have an effective rate of 3.91%, are due in November 2012 and are convertible into our common shares at a conversion price of $20.00, subject to adjustment. QIAGEN N.V. has guaranteed the 2004 and 2006 Notes and has agreements with QIAGEN Finance and Euro Finance to issue shares to the investors in the event of conversion. These subscription rights, along with the related receivable, are recorded at fair value in the equity of QIAGEN N.V. as paid-in capital. In November 2008, we issued 395,417 common shares upon the exercise of a portion of the subscription rights in connection with the conversion of $5.0 million of the 2004 Notes.

We expect that cash from financing activities will continue to be impacted by issuances of our common shares in connection with our equity compensation plans and that the market performance of our stock will impact the timing and volume of the issuances. Additionally, we may make future acquisitions or investments requiring cash payments or the issuance of additional equity or debt financing.

We believe that funds from operations, existing cash and cash equivalents, together with the proceeds from our public and private sales of equity, and availability of financing facilities, will be sufficient to fund our planned operations and expansion during the coming year. However, the global economic downturn may have a greater impact on our business than currently expected, and we may experience a decrease in the sales of our products, which could impact our ability to generate cash. The availability of debt financing has also been negatively impacted by the global credit crisis. If our future cash flows from operations and other capital resources are not adequate to fund our liquidity needs, we may be required to obtain additional debt or equity financing or reduce or delay our capital expenditures, acquisitions or research and development projects. If we could not obtain financing on a timely basis or at satisfactory terms, or implement timely reductions in our expenditures, our business could be adversely affected.

Off-Balance Sheet Arrangements

Other than our arrangements with QIAGEN Finance and Euro Finance as discussed above and in Notes 10, 14 and 18 to the consolidated financial statements, we did not use special purpose entities and do not have off-balance-sheet financing arrangements as of and during the years ended December 31, 2009, 2008 and 2007.

Contractual Obligations

As of December 31, 2009, our future contractual cash obligations are as follows:

Contractual obligations (in thousands)	Payments Due by Period						
	Total	2010	2011	2012	2013	2014	Thereafter
Long-term debt	$ 920,000	$ 50,000	$220,000	$650,000	$ —	$ —	$ —
Capital lease obligations	38,935	5,275	5,327	5,351	5,281	5,237	12,464
Operating leases	21,358	8,598	6,211	3,971	1,365	669	544
Purchase obligations	52,154	44,383	6,157	231	188	187	1,008
License and royalty payments	3,945	725	692	655	655	655	563
Lease termination	225	182	43	—	—	—	—
Total contractual cash obligations	$1,036,617	$109,163	$238,430	$660,208	$7,489	$6,748	$14,579

In addition to the above and pursuant to purchase agreements for several of our recent acquisitions, we could be required to make additional contingent cash payments totaling up to $106.2 million based on revenue and other milestones in 2010 and beyond.

Liabilities associated with uncertain tax positions, including interest, are currently estimated at $10.8 million and are not included in the table above as we cannot reasonably estimate when, if ever, an amount would be paid to a government agency. Ultimate settlement of these liabilities is dependent on factors outside of our control, such as examinations by each agency and expiration of statutes of limitation for assessment of additional taxes.

Critical Accounting Policies, Judgments and Estimates

The preparation of our financial statements in accordance with accounting principles generally accepted in the United States requires management to make assumptions that affect the reported amounts of assets, liabilities and disclosure of contingencies as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those that require the most complex or subjective judgments often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Thus, to the extent that actual events differ from management's estimates and assumptions, there could be a material impact to the financial statements. In applying our critical accounting policies, at times we used accounting estimates that either required us to make assumptions about matters that were highly uncertain at the time the estimate was made or it is reasonably likely that changes in the accounting estimate may occur from period to period that would have a material impact on the presentation of our results of operations, financial position or cash flows. Our critical accounting policies are those related to revenue recognition, investments, goodwill and other intangible assets, share-based compensation, income taxes and purchase price allocation. We reviewed the development, selection, and disclosure of our critical accounting policies and estimates with the Audit Committee of our Supervisory Board.

Revenue Recognition. We recognize revenue when four basic criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) could require management's judgments regarding the fixed nature of the fee charged for services rendered and products delivered and the collectability of those fees. Should changes in conditions cause management to determine that

these criteria are not met for certain future transactions, revenue recognized for any reporting period could be adversely affected.

Investments. We have equity investments accounted for under the cost method. We periodically review the carrying value of these investments for permanent impairment, considering factors such as the most recent stock transactions, book values from the most recent financial statements, and forecasts and expectations of the investee. Estimating the fair value of these non-marketable equity investments in life science companies is inherently subjective, and if actual events differ from management's assumptions, it could require a write-down of the investment that could materially impact our financial position and results of operations.

In addition, generally accepted accounting principles require different methods of accounting for an investment depending on the level of influence that we exert. Assessing the level of influence involves subjective judgments. If management's assumptions with respect to its level of influence differ in future periods and we therefore have to account for these investments under a method other than the cost method, it could have a material impact to our financial statements.

Goodwill and Other Intangible Assets. We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. We assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. If we determine that the fair values of our reporting units are less than the carrying amount of goodwill recorded, we must recognize an impairment in our financial statements. Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimate.

At December 31, 2009, goodwill and intangible assets totaled $1.3 billion and $752.3 million, respectively, and were included in the following segments:

	Goodwill	Intangibles
Americas	**$1,021,543**	**$469,366**
Germany	**64,330**	**123,335**
Switzerland	**12,492**	**10,662**
Asia	**15,805**	**9,728**
All others	**222,894**	**137,378**
Corporate	**—**	**1,827**
Total	**$1,337,064**	**$752,296**

In the fourth quarter of 2009, we performed our annual impairment assessment of goodwill (using data as of October 1, 2009). In testing for potential impairment, we measured the estimated fair value of our reporting units based upon discounted future operating cash flows using a discount rate reflecting our estimated average cost of funds. Differences in assumptions used in projecting future operating cash flows and cost of funds could have a significant impact on the determination of impairment amounts. In estimating future cash flows, we used our internal budgets. Our budgets were based on recent sales data for existing products, planned timing of new product launches or capital projects, and customer commitments related to new and existing products. These budgets also included assumptions of future production volumes and pricing. We concluded that no impairment existed. Based on the sensitivity analysis performed, we determined that in the event that our estimates of projected future cash flows were too high by 10%, there would still be no impact on the reported value of goodwill at December 31, 2009.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and

reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimates.

Share-Based Compensation. Our stock plan, the QIAGEN N.V. Amended and Restated 2005 Stock Plan (the Plan), allows for the granting of stock rights, incentive stock options, as well as for non-qualified options, stock grants and stock-based awards. We use the Black-Scholes-Merton valuation model for estimating the fair value of our stock option grants. Option valuation models, including Black-Scholes-Merton, require the input of highly subjective assumptions, including the risk-free rate of interest, expected dividend yield, expected volatility, and the expected life of the award. Changes in the assumptions used can materially affect the grant date fair value of an award.

Income Taxes. The calculation of our tax provision is complex due to the international operations and multiple taxing jurisdictions in which we operate. We have significant deferred tax assets due to net operating losses (NOL). The utilization of NOLs is not assured and is dependent on generating sufficient taxable income in the future. Although management believes it is more likely than not that we will generate sufficient taxable income to utilize all NOL carryforwards, evaluating the NOLs related to our newer subsidiaries requires us to make estimates that we believe are reasonable, but may also be highly uncertain given that we do not have direct experience with such subsidiaries or their products, and thus the estimates also may be subject to significant changes from period to period as we gain that experience. To the extent that our estimates of future taxable income are insufficient to utilize all available NOLs, a valuation allowance will be recorded in the provision for income taxes in the period the determination is made, and the deferred tax assets will be reduced by this amount, which could be material. In the event that actual circumstances differ from management's estimates, or to the extent that these estimates are adjusted in the future, any changes to the valuation allowance could materially impact our financial position and results of operations.

Purchase Price Allocation. The purchase price allocation for acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the identifiable tangible and intangible assets acquired, including in-process research and development, and liabilities assumed based on their respective fair values. Additionally, we must determine whether an acquired entity is considered to be a business or a set of net assets, because a portion of the purchase price can only be allocated to goodwill in a business combination.

We have made several acquisitions in recent years. The purchase prices for the acquisitions were allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition dates. We engaged an independent third-party valuation firm to assist us in determining the estimated fair values of in-process research and development and identifiable intangible assets. Such a valuation requires significant estimates and assumptions, including but not limited to, determining the timing and estimated costs to complete the in-process projects, projecting regulatory approvals, estimating future cash flows, and developing appropriate discount rates. We believe the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocations may change during the allowable allocation period, which is up to one year from the acquisition dates, if additional information becomes available.

The above listing is not intended to be a comprehensive list of all our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles in the United States, with limited or no need for management's judgment. There are also areas in which management's judgment in selecting available alternatives may or may not produce a materially different result. See our audited consolidated financial statements and notes thereto in Item 18 of this Annual Report which contain a description of accounting policies and other disclosures required by generally accepted accounting principles in the United States.

Recent Authoritative Pronouncements

For information on recent accounting pronouncements impacting our business, see Note 2 of the Notes to Consolidated Financial Statements included in Item 18.

Item 6. Directors, Senior Management and Employees

Managing Directors and Supervisory Directors are appointed annually for the period beginning on the date following the Annual General Meeting of our shareholders up to and including the date of the Annual General Meeting held in the following fiscal year.

Our Supervisory Directors and Managing Directors, and their ages as of January 25, 2010, are as follows:

Managing Directors:

Name	Age	Position
Peer M. Schatz	44	Managing Director, Chief Executive Officer
Roland Sackers	41	Managing Director, Chief Financial Officer
Dr. Joachim Schorr	49	Managing Director, Senior Vice President, Research and Development
Bernd Uder	52	Managing Director, Senior Vice President, Global Sales and Service Solutions

Supervisory Directors:

Name	Age	Position
Prof. Dr. Detlev H. Riesner	68	Chairman of the Supervisory Board, Supervisory Director and Chairman of the Selection and Appointment Committee
Dr. Werner Brandt	56	Supervisory Director and Chairman of the Audit Committee
Dr. Metin Colpan	54	Supervisory Director
Erik Hornnaess	72	Deputy Chairman of the Supervisory Board, Supervisory Director, Chairman of the Compensation Committee, Member of the Audit Committee and Member of the Selection and Appointment Committee
Prof. Dr. Manfred Karobath	68	Supervisory Director and Member of the Compensation Committee
Heino von Prondzynski	60	Supervisory Director and Member of the Audit Committee

Prof. Dr. jur Carsten P. Claussen was appointed as non-voting Special Advisor to the Supervisory Board and Honorary Chairman in 1999.

The following is a brief summary of the background of each of the Supervisory Directors and Managing Directors. References to "QIAGEN" and the "Company" in relation to periods prior to April 29, 1996 mean QIAGEN GmbH and its consolidated subsidiaries:

Peer M. Schatz, 44, joined the Company in 1993 and has been Chief Executive Officer since January 1, 2004. Between 1993 and 2003 he was Chief Financial Officer and became a member of the Managing Board in 1998. Mr. Schatz was previously a partner in a private management buyout group in Switzerland and worked in finance and systems positions in Sandoz, Ltd. and Computerland AG, as well as in finance, operations, management and sales positions in various start-up companies in the computer and software trading industry in Europe and the United States. Mr. Schatz graduated from the University of St. Gall, Switzerland, with a Master's degree in Finance in 1989 and obtained an M.B.A. in Finance from the University of Chicago Graduate School of

Business in 1991. Until 2008, Mr. Schatz was a member of the Supervisory Board of Evotec AG. He serves as a member of the Managing Board of PMS Asset Management GmbH. Mr. Schatz also serves as a member of the German Corporate Governance Commission.

Roland Sackers, 41, joined the Company in 1999 as Vice President Finance and has been Chief Financial Officer and Deputy Managing Director since 2004. In 2006, Mr. Sackers became a member of the Managing Board. Between 1995 and 1999, he served as an auditor with Arthur Andersen Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. Mr. Sackers graduated from the Westfälische Wilhelms-Universität Münster, Germany with an M.B.A. Until 2006, he was a member of the Supervisory Board and Audit Committee of IBS AG. Until December 2007, Mr. Sackers was also a member of the Board of Directors of Operon Biotechnologies, Inc. Mr. Sackers is QIAGEN's representative observer on the Board of Eurofins Genomics BV and is a Board member of the industry association BIO Deutschland.

Dr. Joachim Schorr, 49, joined the Company in 1992 and has been Senior Vice President Research & Development since January 1, 2004. He became a member of the Managing Board in 2004. Initially, Dr. Schorr served the Company as Project Manager and later had responsibilities as Business Unit Manager. In 1999, Dr. Schorr became Vice President Research & Development with the responsibility for the world-wide QIAGEN R&D activities. Before joining QIAGEN, Dr. Schorr worked for the pharmaceutical company Hoechst AG on the development of oral malaria vaccines and was awarded with the IHK research award in 1991. Dr. Schorr holds a Ph.D. in Molecular Biology and Virology from the University of Cologne. Dr. Schorr is a co-founder of Coley Pharmaceuticals, EnPharma Pharmaceuticals and QBM Cell Sciences and is currently a member of the Supervisory Board of QBM Cell Sciences.

Bernd Uder, 52, joined the Company in 2001 as Vice President Sales & Marketing and became a member of the Managing Board and Senior Vice President Sales & Marketing in 2004. In 2005, Mr. Uder became Senior Vice President Global Sales and Service Solutions. Before joining the Company, Mr. Uder gained wide experience in building up and coordinating world-wide distribution networks as Vice President European Biolab Sales & Marketing with Pharmacia and Vice President global e-business with Amersham Pharmacia Biotech.

Professor Dr. Detlev H. Riesner, 68, is a co-founder of the Company. He has been a member of the Supervisory Board since 1996 and was appointed Chairman of the Supervisory Board in 1999, and in 2005, he was also appointed Chairman of the Selection and Appointment Committee. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980 and retired in 2006. He has held the position of Dean of the Science Faculty (1991-92), Vice President of the University (Research) (1996-99) and Director of Technology (1999-2006). In 2007, he became a member of the University's board of trustees. Prior to that, he was Professor of Biophysical Chemistry at the Darmstadt Institute of Technology and, from 1975 to 1977, Lecturer of Biophysical Chemistry at Hannover Medical School. He has held guest professorships at the Institute of Microbiology, Academia Sinica, Beijing, and the Department of Neurology at the University of California, San Francisco. He received his M.S. in Physics from Hannover Institute of Technology and his Ph.D. from the University of Braunschweig, with post-graduate work at Princeton University. Professor Riesner is either a member of the Supervisory Board or a director of AC Immune S.A., Lausanne, Spinal Cord Therapeutics (former Neuraxo) GmbH, Erkrath, Evocatal GmbH, Düsseldorf and DRK Blutspendedienst West, gGMBH, Hagen. His memberships in the advisory boards of NewLab Bioquality AG and Direvo AG ended when the companies were sold in 2006. Professor Riesner is also a member of the scientific advisory boards of the Friedrich-Loeffler-Institut, Isle of Riems, PrioNet, Canada, and Alberta Prion Research Institute, Canada.

Dr. Werner Brandt, 56, joined the Company's Supervisory Board in 2007. In the same year, he was appointed Chairman of the Audit Committee. Dr. Brandt has been a member of the Executive Board and the Chief Financial Officer of SAP AG since 2001. From 1999 to 2001, he was a member of the Executive Board and Chief Financial Officer of the German-American healthcare company, Fresenius Medical Care AG, where he also served as Labor Relations Director. From 1992 to 1999, Dr. Brandt was a member of the Managing Board of Baxter Deutschland GmbH and Vice President for European Operations. In this capacity, he was responsible for

Baxter's financial operations in Europe. Dr. Brandt began his career in 1981 at the former Price Waterhouse GmbH (now PricewaterhouseCoopers) in Frankfurt. Dr. Brandt completed his Doctorate in business administration from the Technical University of Darmstadt, Germany in 1991, after studying business administration at the University of Nuremberg-Erlangen, Germany from 1976 to 1981. Dr. Brandt is currently a member of the Supervisory Boards of Deutsche Lufthansa AG and Heidelberger Druckmaschinen AG.

Dr. Metin Colpan, 54, is a co-founder of the Company and was Chief Executive Officer and a Managing Director from 1985 through 2003. Dr. Colpan has been a member of the Supervisory Board since 2004. Dr. Colpan obtained his Ph.D. and M.S. in Organic Chemistry and Chemical Engineering from the Darmstadt Institute of Technology in 1983. Prior to founding QIAGEN, Dr. Colpan was an Assistant Investigator at the Institute for Biophysics at the University of Düsseldorf. Dr. Colpan has had wide experience in separation techniques, and in the separation and purification of nucleic acids in particular, and has filed many patents in the field. Dr. Colpan currently serves as a Supervisory Board member of GenPat77 Pharmacogenetics AG, GPC Biotech AG and Morphosys AG, each in Munich, Germany. Until 2006, he was a member of the Supervisory Board of Ingenium Pharmaceuticals AG in Munich, Germany.

Erik Hornnaess, 72, has been a member of the Supervisory Board since 1998. He joined the Audit Committee in 2002, the Compensation Committee in 2005 and the Selection and Appointment Committee in 2007. He was appointed Deputy Chairman of the Supervisory Board in 2007. Mr. Hornnaess worked for Astra Pharmaceuticals, Sweden from 1965 until 1979 in various management positions in Sweden, Australia, and Canada and, for the last three years of this period, as the General Manager for the Benelux region (Belgium, The Netherlands and Luxembourg). In 1979, he joined Abbott Laboratories European Headquarters in Paris, France, and from 1982, he was the Area Vice-President of Abbott Diagnostic Division in Europe, Middle-East and Africa, with headquarters in Wiesbaden, Germany. Mr. Hornnaess retired from Abbott Laboratories on March 1, 1997 and currently serves as non-executive director of AXIS-SHIELDS Group, Scotland. Additionally, Mr. Hornnaess served as the Vice-President of European Diagnostic Manufacturers Association (EDMA), Brussels in the period 1995 through 1997. Mr. Hornnaess graduated from Aarhus Handelshojskole, Denmark with an M.B.A. and obtained a P.M.D. from the Harvard Business School.

Professor Dr. Manfred Karobath, 68, has been a member of the Supervisory Board since 2000 and joined the Compensation Committee in 2005. Prof. Dr. Karobath studied medicine, and from 1967 to 1980, he worked first in the Dept. of Biochemistry of the University of Vienna and, after a stage as postdoctoral fellow, he joined the Dept. of Psychiatry where he became Professor of Biological Psychiatry. In 1980, he joined Sandoz Pharma in Basel, first, in drug discovery, and later, he became Senior Vice President and head of R&D. In 1992, Prof. Dr. Karobath joined Rhone Poulenc Rorer ("RPR") as President of R&D and Executive Vice President, and later, he became a member of the boards of directors of RPR, Pasteur Mérieux Connought, Centeon and Rhone Poulenc Pharma. He has received several scientific awards and has published 92 scientific papers.

Heino von Prondzynski, 60, joined the Company's Supervisory Board as well as the Audit Committee in 2007. Mr. von Prondzynski retired in 2005 from Roche where he served as Chief Executive Officer of Roche Diagnostics and a member of the Executive Committee of the Roche Group. Prior to joining Roche in 2000, Mr. von Prondzynski worked at Chiron, first as General Manager and Chief Executive Officer in Germany and Italy, later as President of the Vaccines Division in Emeryville, USA. Mr. von Prondzynski started his career with Bayer in Germany as a sales representative and later worked in Austria and Brazil as General Manager. He studied mathematics, geography and history at Westfälische Wilhelms University of Münster in Germany. Mr. von Prondzynski is a director of Koninklijke Philips Electronics NV, Epigenomics, CARIDIAN BCT and Hospira, Inc.

Professor Dr. jur. Carsten P. Claussen, 82, was Chairman of the Supervisory Board of the Company from 1988 to June 1999 and was appointed as a Special Advisor and Honorary Chairman in 1999. This position is not required by Dutch law and Professor Claussen is no longer a voting member of the Supervisory Board. For many years he has pursued a career in private banking. Between 1976 and 1987, Professor Claussen was a member of

the executive board of Norddeutsche Landesbank, Hannover, and Chairman of the Hannover Stock Exchange. Since 1987, he has been a lawyer in Düsseldorf and senior advisor to IKB Deutsche Industriekreditbank, Düsseldorf. At present he is a partner in the law firm of Hoffman Liebs Fritsch and Partner and specializes in corporate law and capital market transactions. He is Chairman of the Board of Flossbach & v. Storch Vermögensmanagement AG, Cologne and WAS Worldwide Analytical Systems AG, Kleve and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

Compensation of Directors and Officers

The tables below state the amounts earned on an accrual basis by our directors and officers in 2009. The variable component is based on performance relative to personal goals and corporate goals agreed to by the Supervisory Board.

The compensation granted to the members of the Managing Board in 2009 consisted of a fixed salary and other variable components. Variable compensation includes one-time and annual payments linked to business performance (bonuses), as well as long-term incentives containing risk elements, including, but not limited to, stock options or other equity-based compensation and pension plans. Stock options granted to the Managing Board members must have an exercise price that is higher than the market price at the time of grant. The variable part of the compensation is designed to strengthen the Board members' commitment to QIAGEN and its objectives.

Year ended December 31, 2009	Annual Compensation			
Name	Fixed Salary	Variable Cash Bonus	Other (1)	Total
Managing Board:				
Peer M. Schatz	$1,220,000	$673,000	$ 1,000	$1,894,000
Roland Sackers	$ 520,000	$315,000	$41,000	$ 876,000
Dr. Joachim Schorr	$ 348,000	$184,000	$23,000	$ 555,000
Bernd Uder	$ 348,000	$183,000	$14,000	$ 545,000

(1) Amounts include, among others, inventor bonus and relocation costs. We also occasionally reimburse our Managing Directors' personal expenses related to attending out-of-town meetings but not directly related to their attendance. The value of such reimbursed personal expenses is reported above as "other". Amounts do not include the reimbursement of certain expenses relating to travel incurred at the request of QIAGEN, other reimbursements or payments that in total did not exceed $10,000 or tax amounts paid by the Company to tax authorities in order to avoid double-taxation under multi-tax jurisdiction employment agreements.

Year ended December 31, 2009	Long-Term Compensation		
Name	Defined Contribution Benefit Plan	Stock Options	Restricted Stock Units
Managing Board:			
Peer M. Schatz	$81,000	122,521	393,847
Roland Sackers	$73,000	40,115	128,949
Dr. Joachim Schorr	$26,000	19,088	61,360
Bernd Uder	$48,000	18,168	58,403

The Supervisory Board compensation for 2009 consists of fixed retainer compensation, additional retainer amounts for Chairman and Vice Chairman, and committee membership fees. Annual remuneration of the Supervisory Board members is as follows:

- Fee paid to each member of the Supervisory Board €30,000
- Additional compensation payable to members holding the following positions:
  - Chairman of the Supervisory Board €20,000
  - Vice Chairman of the Supervisory Board € 5,000
  - Chairman of the Audit Committee €15,000
  - Chairman of the Compensation Committee €10,000
  - Fee payable to each member of the Audit Committee € 7,500
  - Fee payable to each member of the Compensation Committee € 5,000

Members of the Supervisory Board also receive €1,000 for attending the Annual General Meeting and €1,000 for attending each meeting of the Supervisory Board.

Members of the Supervisory Board receive €1,000 for attending each meeting of any subcommittees (other than Audit Committee, Compensation Committee and Selection and Appointment Committee).

Supervisory Board members also receive variable compensation, which is determined annually by the Compensation Committee pursuant to a formula based on growth of adjusted Earnings per Share provided that such remuneration will not exceed €5,000 per year. We did not pay any agency or advisory service fees to members of the Supervisory Board other than $0.2 million to Dr. Colpan for his scientific consulting services, including travel reimbursements.

Name	Fixed Remuneration	Chairman/ Vice-Chairman Committee	Committee Membership	Meeting Attendance	Subcommittee Meeting Attendance	Variable Cash Remuneration	Total
Supervisory Board:							
Prof. Dr. Detlev H. Riesner	$42,000	$28,000	—	$8,500	$7,000	$7,000	$92,500
Dr. Werner Brandt	$42,000	$21,000	—	$7,000	—	$7,000	$77,000
Dr. Metin Colpan	$42,000	—	—	$8,500	$7,000	$7,000	$64,500
Erik Hornnaess	$42,000	$21,000	$10,500	$8,500	—	$7,000	$89,000
Prof. Dr. Manfred Karobath	$42,000	—	$ 7,000	$7,000	$7,000	$7,000	$70,000
Heino von Prondzynski . . .	$42,000	—	$10,500	$7,000	$5,500	$7,000	$72,000

Board members also receive a variable component, in the form of share-based compensation. Stock options granted to the Supervisory Board members must have an exercise price that is higher than the market price at the time of grant. During 2009, the following options or other share-based compensation were granted to the members of the Supervisory Board.

Year ended December 31, 2009	Grants	
Name	Stock Options	Restricted Stock Units
Supervisory Board:		
Prof. Dr. Detlev H. Riesner	1,937	5,366
Dr. Werner Brandt	1,937	5,366
Dr. Metin Colpan	1,937	5,366
Erik Hornnaess	1,937	5,366
Prof. Dr. Manfred Karobath	1,937	5,366
Heino von Prondzynski	1,937	5,366

The following table sets forth the vested and unvested options and stock awards of our officers and directors as of January 25, 2010:

Name	Total Vested Options	Total Unvested Options	Expiration Dates	Exercise Prices	Total Unvested Stock Awards
Peer M. Schatz	2,310,614	229,447	3/2011 to 2/2019	$ 4.590 to $22.430	843,430
Roland Sackers	86,231	62,541	3/2011 to 2/2019	$ 16.340 to $22.430	271,706
Dr. Joachim Schorr	111,706	35,451	10/2011 to 2/2019	$ 11.985 to $22.430	129,963
Bernd Uder	36,588	34,070	3/2011 to 2/2019	$ 16.340 to $22.430	125,362
Prof. Dr. Detlev H. Riesner	80,424	3,511	3/2011 to 2/2019	$ 6.018 to $22.430	14,239
Dr. Werner Brandt	463	2,863	4/2018 to 2/2019	$ 16.340 to $22.430	8,852
Dr. Metin Colpan	773,907	3,511	3/2011 to 2/2019	$ 6.018 to $22.430	14,239
Erik Hornnaess	89,757	3,511	3/2011 to 2/2019	$ 6.018 to $22.430	14,239
Prof. Dr. Manfred Karobath	83,757	3,511	3/2011 to 2/2019	$ 6.018 to $22.430	14,239
Heino von Prondzynski	463	2,863	4/2018 to 2/2019	$ 16.340 to $22.430	8,852

Committees of the Supervisory Board

The Supervisory Board has established an Audit Committee, a Compensation Committee and a Selection and Appointment Committee, which are comprised of the following members:

Name of Supervisory Director	Independent	Member of Audit Committee	Member of Compensation Committee	Member of Selection and Appointment Committee
Prof. Dr. Detlev Riesner	✓			✓ (Chairman)
Dr. Werner Brandt	✓	✓ (Chairman)		
Erik Hornnaess	✓	✓	✓ (Chairman)	✓
Prof. Dr. Manfred Karobath	✓		✓	
Heino von Prondzynski	✓	✓		

We believe that all of our Supervisory Directors, except for Dr. Metin Colpan, meet the independence requirements set forth in the Marketplace Rules of the NASDAQ Stock Market. Pursuant to the NASDAQ Rules,

a majority of the Supervisory Directors must qualify as independent, as defined in the Rules. Presently, Dr. Colpan is not considered to be independent due to his former position as our Chief Executive Officer and member of our Managing Board. In addition, Mr. Colpan continues to provide scientific advisory services to the Company. Dr. Colpan does not serve on any committees of the Supervisory Board.

Audit Committee

The Audit Committee operates pursuant to a charter approved by the Supervisory Board and available online at *www.qiagen.com*. The Audit Committee consists of three members, Dr. Brandt (Chairman), Mr. Hornnaess and Mr. von Prondzynski, and meets at least quarterly. The Audit Committee members are appointed by the Supervisory Board and serve for a term of one year. We believe that all members of our Audit Committee meet the independence requirements as set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and the Marketplace Rules of the NASDAQ. The Audit Committee reviews major financial risk exposures, pre-approves related-party transactions, and reviews any legal matter that could have a significant impact on the financial statements. Further, the Audit Committee is responsible to establish complaint procedures, including confidential, anonymous submission by employees of concerns, for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters. The Audit Committee is also responsible together with the Managing Board for the proposal of the independent registered public accounting firm to the Supervisory Board, which proposes the appointment of the independent registered public accounting firm to the General Meeting of shareholders. The independent registered public accounting firm audits the consolidated financial statements and certain local books and records of QIAGEN and its subsidiaries, and the Audit Committee is further responsible for pre-approving the fees for such services. Additionally, the Audit Committee reviews the performance of the independent registered public accounting firm with management, discussing on a quarterly basis the scope and results of the reviews and audits with the independent registered public accounting firm; discusses our financial accounting and reporting principles and policies and the adequacy of our internal accounting, financial and operating controls and procedures with the independent registered public accounting firm and management; considers and approves any recommendations regarding changes to our accounting policies and processes; reviews with management and the independent registered public accounting firm our quarterly earnings reports prior to their release to the press; and reviews the quarterly and annual reports (reported on Forms 6-K and 20-F) to be furnished to or filed with the Securities and Exchange Commission and the Deutsche Boerse. The Board has designated Dr. Brandt as an "audit committee financial expert" as that term is defined in the United States Securities and Exchange Commission rules adopted pursuant to the Sarbanes-Oxley Act of 2002.

Compensation Committee

The Compensation Committee operates pursuant to a charter approved by the Supervisory Board and available online at *www.qiagen.com*. The Compensation Committee consists of two members, Mr. Erik Hornnaess (Chairman) and Professor Karobath. Members are appointed by the Supervisory Board and serve for a term of one year. We believe that all of the members of the Compensation Committee meet the independence requirements set forth in the Marketplace Rules of the NASDAQ. The Compensation Committee reviews and approves all equity-based compensation, reviews and approves the annual salaries, bonuses and other benefits of executive officers, and reviews general policies relating to employee compensation and benefits.

Selection and Appointment Committee

The Selection and Appointment Committee operates pursuant to a charter approved by the Supervisory Board and available online at *www.qiagen.com*. The current members of the Selection and Appointment Committee are Prof. Dr. Detlev H. Riesner (Chairman) and Mr. Erik Hornnaess. Members are appointed by the Supervisory Board and serve for a term of one year. The Selection and Appointment Committee prepares the selection criteria and appointment procedures for members of our Supervisory Board and Managing Board; periodically evaluates the scope and composition of the Managing Board and Supervisory Board and proposes

the profile of the Supervisory Board in relation thereto. Additionally, the Committee periodically evaluates the functioning of individual members of the Managing Board and Supervisory Board and reports the results thereof to the Supervisory Board and proposes the (re-)appointments of members of our Managing Board and Supervisory Board. The Committee prepares and submits to the Supervisory Board on an annual basis a report of its deliberations and findings.

Share Ownership

The following table sets forth certain information as of January 25, 2010 concerning the ownership of Common Shares by our directors and officers. In preparing the following table, we have relied on information furnished by such persons.

Name and Country of Residence	Shares Beneficially Owned (1) Number	Percent Ownership (2)
Peer M. Schatz, Germany	1,550,684(3)	0.7%
Roland Sackers, Germany	0(4)	*
Dr. Joachim Schorr, Germany	0(5)	*
Bernd Uder, Germany	0(6)	*
Prof. Dr. Detlev H. Riesner, Germany	1,752,068(7)	0.8%
Dr. Werner Brandt, Germany	800(8)	*
Dr. Metin Colpan, Germany	4,538,703(9)	2.0%
Erik Hornnaess, Spain	10,000(10)	*
Professor Dr. Manfred Karobath, Austria	0(11)	*
Heino von Prondzynski, Switzerland	0(12)	*

* Indicates that the person beneficially owns less than 0.5% of the Common Shares issued and outstanding as of January 25, 2010.

(1) The number of Common Shares issued and outstanding as of January 25, 2010 was 232,093,276. The persons and entities named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them and have the same voting rights as other shareholders with respect to Common Shares.

(2) Does not include Common Shares subject to options or awards held by such persons at January 25, 2010. See footnotes below for information regarding options now exercisable or that could become exercisable within 60 days of the date of this table.

(3) Does not include 2,424,009 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $4.590 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

(4) Does not include 110,815 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

(5) Does not include 129,091 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $11.985 to $22.430 per share. Options expire in increments during the period between 10/2011 and 2/2019.

(6) Does not include 53,474 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

(7) Does not include 81,069 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019. Prof. Riesner also has the option to purchase 82,302 Common Shares through Thomé Asset Management & Controlling. Includes 1,752,068 shares held by Riesner Verwaltungs GmbH, of which Professor Riesner is the sole stockholder.

(8) Does not include 1,108 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 4/2018 and 2/2019.

(9) Does not include 774,552 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019. Includes 3,738,703 shares held by CC Verwaltungs GmbH, of which Dr. Colpan is the sole stockholder and 800,000 shares held by Colpan GbR. Dr. Colpan also has the option to purchase 80,566 Common Shares through Thomé Asset Management & Controlling.

(10) Does not include 90,402 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

(11) Does not include 84,402 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $6.018 to $22.430 per share. Options expire in increments during the period between 3/2011 and 2/2019.

(12) Does not include 1,108 shares issuable upon the exercise of options now exercisable or that could become exercisable within 60 days from the date of this table having exercise prices ranging from $16.340 to $22.430 per share. Options expire in increments during the period between 4/2018 and 2/2019.

Employees

As of December 31, 2009, we employed 3,495 individuals, 20% of whom worked in research and development, 36% in sales, 24% in production/logistics, 7% in marketing and 13% in administration.

Region	Research & Development	Sales	Production	Marketing	Administration	Total
Americas	185	497	265	64	140	1,151
Europe	464	435	450	128	235	1,712
Asia	29	282	82	38	71	502
Rest of World	20	37	53	3	17	130
December 31, 2009	**698**	**1,251**	**850**	**233**	**463**	**3,495**

At December 31, 2008 and 2007, we employed 3,041 and 2,662 individuals, respectively. None of our employees is represented by a labor union or subject to a collective bargaining agreement. Management believes that its relations with employees are good.

Our success depends, to a significant extent, on key members of our management and our scientific staff. The loss of such employees could have a material adverse effect on QIAGEN. Our ability to recruit and retain qualified skilled personnel to perform future research and development work will also be critical to our success. Due to the intense competition for experienced scientists from numerous pharmaceutical and biotechnology companies and academic and other research institutions, there can be no assurance that we will be able to attract and retain such personnel on acceptable terms. Our planned activities will also require additional personnel, including management, with expertise in areas such as manufacturing and marketing, and the development of such expertise by existing management personnel. The inability to acquire such personnel or develop such expertise could have a material adverse impact on our operations.

Stock Plans

We adopted the QIAGEN N.V. Amended and Restated 2005 Stock Plan (the Plan) which was approved by our shareholders on June 14, 2005. Pursuant to the Plan, stock rights, which include options to purchase our Common Shares, stock grants and stock-based awards, may be granted to employees and consultants of QIAGEN

and its subsidiaries and to Supervisory Directors. An aggregate of 22,000,000 Common Shares have been reserved for issuance pursuant to the Plan, subject to certain antidilution adjustments. Options granted pursuant to the Plan may either be incentive stock options within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the Code), or non-qualified stock options. Options granted to members of the Supervisory Board and the Managing Board must have an exercise price that is higher than the market price at the time of grant. Generally, each of the options has a term of ten years, subject to earlier termination in the event of death, disability or other termination of employment. The vesting and exercisability of certain stock rights will be accelerated in the event of a Change of Control, as defined in the agreements under the Plan.

The Plan is administered by the Compensation Committee of the Supervisory Board, which selects participants from among eligible employees, consultants and directors and determines the number of shares subject to the option, the length of time the option will remain outstanding, the manner and time of the option's exercise, the exercise price per share subject to the option and other terms and conditions of the option consistent with the Plan. The Compensation Committee's decisions are subject to the approval of the Supervisory Board.

In connection with the acquisition of Digene Corporation during the third quarter of 2007, the Company assumed three additional equity incentive plans and exchanged Digene stock options and awards into the Company's common stock. No new grants will be made under these plans.

The Compensation Committee has the power, subject to Supervisory Board approval, to interpret the plans and to adopt such rules and regulations (including the adoption of "sub plans" applicable to participants in specified jurisdictions) as it may deem necessary or appropriate. The Compensation Committee or the Supervisory Board may at any time amend the plans in any respect, subject to Supervisory Board approval, and except that (i) no amendment that would adversely affect the rights of any participant under any option previously granted may be made without such participant's consent and (ii) no amendment shall be effective prior to shareholder approval to the extent such approval is required to ensure favorable tax treatment for incentive stock options or to ensure compliance with Rule 16b-3 under the United States Securities Exchange Act of 1934, as amended (the Exchange Act) at such times as any participants are subject to Section 16 of the Exchange Act.

As of January 25, 2010, there were 8.3 million options outstanding at prices ranging between $1.85 and $49.75 and expiring between January 2010 and November 2019. The exercise price of the options is the fair market value of the Common Shares as of the date of grant or a premium above fair market value. Additionally there were 3.0 million restricted stock unit awards outstanding as of January 25, 2010. These awards will be released between February 2010 and October 2019. As of January 25, 2010, options to purchase 4.0 million Common Shares and 1.4 million restricted stock units were held by the officers and directors of QIAGEN, as a group.

Item 7. Major Shareholders and Related Party Transactions

The following table sets forth certain information as of December 31, 2009, concerning the ownership of Common Shares of each holder of greater than five percent ownership. None of these holders have any different voting rights than other holders of our Common Shares.

Name and Country of Residence	Shares Beneficially Owned Number	Percent Ownership (1)
FMR LLC, United States	29,296,616(2)	12.62%

(1) The percentage ownership was calculated based on 232,074,445 Common Shares issued and outstanding as of December 31, 2009.

(2) Of the 29,296,616 shares attributed to FMR LLC, it has sole voting power over 9,028,362 shares and sole dispositive power over all 29,296,616 shares. Such voting and dispositive power is also attributable to

Edward C. Johnson III by virtue of his position, Chairman, and ownership interests in FMR LLC, and to members of Mr. Johnson's family by virtue of their ownership interests in FMR LLC. This information is based solely on the Schedule 13G filed jointly by FMR LLC, Edward C. Johnson III, and Fidelity Management and Research Company with the Securities and Exchange Commission on February 16, 2010, which reported ownership as of December 31, 2009. FMR Corp. reported that it beneficially owned 23,079,319 shares representing 11.67% of the total Common Shares issued and outstanding at December 31, 2008 and 28,386,926 shares representing 14.53% of the total Common Shares issued and outstanding at December 31, 2007.

Our common stock is traded on the NASDAQ Global Select Market in the United States, and on the Prime Standard Segment of the Frankfurt Stock Exchange in Germany. A significant portion of our shares are held in street name, therefore we generally have no way of determining who our shareholders are, their geographical location or how many shares a particular shareholder owns. As of January 25, 2010, there were 181 shareholders of record of our common shares.

Control of Registrant

To our knowledge, we are not directly or indirectly owned or controlled by another corporation, by any foreign government, or by any other natural or legal person. As of January 25, 2010, the officers and directors of QIAGEN as a group beneficially owned 7,852,255 Common Shares, or 3.38% of the then outstanding Common Shares.

Related Party Transactions

We have a consulting agreement with Dr. Metin Colpan, our former Chief Executive Officer and current Supervisory Board member, pursuant to which Dr. Colpan is paid a fee of EUR 2,750 per day for scientific consulting services, subject to adjustment. During each of the years ended December 31, 2009 and 2008, we paid approximately $0.2 million to Dr. Colpan for scientific consulting services under this agreement.

From time to time, we have transactions with companies in which we hold an interest all of which are individually and in sum immaterial except for certain transactions as discussed below.

We have a 50% interest in a joint venture company, PreAnalytiX GmbH, which is accounted for under the equity method. As of December 31, 2009 and 2008, we had accounts receivable from PreAnalytix of $1.0 million and $0.3 million, and accounts payable to PreAnalytix of $0.3 million, respectively.

During 2007, we made an initial investment of $747,000 in Dx Assays Pte Ltd, a joint venture with Bio*One Capital, which represents a 33.3% interest in Dx Assays Pte Ltd. In 2008, we made a $1.4 million loan to Dx Assays, which bears interest at 15% and is due in March 2013. During the year ended December 31, 2009, we recorded sales of $1.8 million to Dx Assays. As of December 31, 2009, we had accounts receivable from Dx Assays of $2.1 million and accounts payable to Dx Assays of $0.9 million.

We have a 100% interest in QIAGEN Finance (Luxembourg) S.A. (QIAGEN Finance) and QIAGEN Euro Finance (Luxembourg) S.A. (Euro Finance), which were established for the purpose of issuing convertible debt. As discussed in Note 10 of the Notes to the Consolidated Financial Statements, QIAGEN Finance and Euro Finance are variable interest entities with no primary beneficiary, thus they are not consolidated. Accordingly, the convertible debt is not included in the consolidated statements of QIAGEN N.V., though we do report the full obligation of the debt through our liabilities to QIAGEN Finance and Euro Finance. As of December 31, 2009 and 2008, we had a loan payable to QIAGEN Finance of $145.0 million and accrued interest due to QIAGEN Finance of $3.3 million and amounts receivable from QIAGEN Finance of $2.3 million. As of December 31, 2009 and 2008, we had a loan payable to Euro Finance of $300.0 million, accrued interest due to Euro Finance of $3.0 million and amounts receivable from Euro Finance of $1.6 million.

Item 8. Financial Information

See Item 18.

Legal Proceedings

For information on legal proceedings, see Note 16 of the Notes to Condensed Consolidated Financial Statements.

While no assurances can be given regarding the outcome of proceedings described in Note 16, based on information currently available, we believe that the resolution of these matters is unlikely to have a material adverse effect on our financial position or results of future operations for QIAGEN N.V. as a whole. However, because of the nature and inherent uncertainties of litigation, should the outcomes be unfavorable, certain aspects of our business, financial condition, and results of operations and cash flows could be materially adversely affected.

Statement of Dividend Policy

We have not paid any dividends on our Common Shares since our inception and do not intend to pay any dividends on our Common Shares in the foreseeable future. We intend to retain our earnings, if any, for the development of our business.

Item 9. The Listing of QIAGEN's Common Shares

Effective July 3, 2006, our Common Shares began trading on the NASDAQ Global Select Market under the symbol QGEN. Previously, since February 15, 2005, our Common Shares had been quoted on the NASDAQ National Market under the symbol QGEN. Prior to that, since June 27, 1996, our Common Shares had been quoted on the NASDAQ National Market under the symbol QGENF. The following table sets forth the annual high and low sale prices for the last five years, the quarterly high and low sale prices for the last two fiscal years, and the monthly high and low sale prices for the last six months of our Common Shares on the NASDAQ Global Select and NASDAQ National Market, as applicable.

	High ($)	Low ($)
Annual		
2005	13.95	10.45
2006	16.26	11.56
2007	23.83	15.22
2008	23.53	12.52
2009	23.58	14.32

	High ($)	Low ($)
Quarterly 2008:		
First Quarter	23.53	18.17
Second Quarter	22.62	18.49
Third Quarter	21.83	16.26
Fourth Quarter	20.28	12.52

	High ($)	Low ($)
Quarterly 2009:		
First Quarter	18.23	14.32
Second Quarter	18.68	14.79
Third Quarter	23.35	17.20
Fourth Quarter	23.58	20.46
Quarterly 2010:		
First Quarter (through March 15, 2010)	23.71	20.26

	High ($)	Low ($)
Monthly		
September 2009	23.35	20.05
October 2009	21.97	20.46
November 2009	23.58	20.56
December 2009	22.91	21.28
January 2010	23.71	21.76
February 2010	22.16	20.26

Since September 25, 1997, our Common Shares were traded officially on the Frankfurt Stock Exchange, Neuer Markt under the symbol QIA and with the security code number 901626. As of January 1, 2003, the trading of our Common Shares was transferred from the Neuer Markt segment of the Frankfurt Stock Exchange to the Prime Standard Segment of the Frankfurt Stock Exchange. The Neuer Markt segment was discontinued in 2004. The following table sets forth the annual high and low sale prices for the last five years, the quarterly high and low sale prices for the last two fiscal years, and the monthly high and low sale prices for the last six months of our Common Shares on the Prime Standard.

	High (EUR)	Low (EUR)
Annual		
2005	11.74	8.05
2006	13.09	9.52
2007	16.44	11.45
2008	15.77	10.04
2009	15.98	11.12

	High (EUR)	Low (EUR)
Quarterly 2008:		
First Quarter	15.77	11.49
Second Quarter	14.75	11.85
Third Quarter	14.86	11.87
Fourth Quarter	14.29	10.04

	High (EUR)	Low (EUR)
Quarterly 2009:		
First Quarter	14.18	11.12
Second Quarter	13.56	11.12
Third Quarter	15.98	12.36
Fourth Quarter	15.81	13.84
Quarterly 2010:		
First Quarter (through March 15, 2010)	16.71	14.67

	High (EUR)	Low (EUR)
Monthly:		
September 2009	15.98	13.69
October 2009	14.88	13.84
November 2009	15.73	13.87
December 2009	15.81	14.42
January 2010	16.71	15.34
February 2010	16.11	14.67

Item 10. Additional Information

Memorandum and Articles of Association

We are a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law and registered with the Dutch Trade Register under file number 12036979. Set forth below is a summary of certain provisions of our full Articles of Association, as lastly amended on July 2, 2008, or the Articles, and Dutch law, where appropriate. The Dutch Corporate Governance Code, or Code, that was published on December 9, 2003 (and revised on December 10, 2008) contains principles of good corporate governance and best practice provisions. The Code contains the principles and concrete provisions which the persons involved in a listed company (including Managing Board members and Supervisory Board members) and stakeholders should observe in relation to one another. A listed company should either comply with, or if not, explain in its annual report why and to what extent, it does not comply with the best practice provisions of the Code. The Code has been taken into account in the summary below.

This summary does not purport to be complete and is qualified in its entirety by reference to the Articles, Dutch Law and the Code.

Corporate Purpose

Our objects include, without limitation, the performance of activities in the biotechnology industry, as well as incorporating, acquiring, participating in, financing, managing and having any other interest in companies or enterprises of any nature, raising and lending funds and such other acts as may be conducive to our business.

Managing Directors

QIAGEN shall be managed by a Managing Board consisting of one or more Managing Directors under the supervision of the Supervisory Board. The majority view under Dutch law is that in managing QIAGEN, the Managing Directors must take into account our interests and our business and the interests of all stakeholders (which includes but is not limited to our shareholders). Managing Directors shall be appointed by the General Meeting of our shareholders upon the joint meeting of the Supervisory Board and the Managing Board, or Joint Meeting, having made a binding nomination for each vacancy. However, the General Meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents more than half the issued share capital. This is different from the provisions of many American corporate statutes, including the Delaware General Corporation Law, which give the directors of a corporation greater authority in choosing the executive officers of a corporation. Under our Articles, the General Meeting may suspend or dismiss a managing director at any time. The Supervisory Board shall also at all times be entitled to suspend (but not to dismiss) a Managing Director. The Articles provide that the Supervisory Board may adopt management rules governing the internal organization of the Managing Board.

Furthermore, the Supervisory Board shall determine the salary, the bonus, if any, and the other compensation terms and conditions of employment of the Managing Directors within the scope of the

remuneration policy. The remuneration policy of the Managing Board has been adopted in our annual General Meeting on June 14, 2005.

Under Dutch law, in the event that there is a conflict of interest between a Managing Director and us, we are represented by the Supervisory Board. However, the General Meeting should at all times in an event of a conflict of interest be given the opportunity to appoint a person who is authorized to represent QIAGEN in such event. According to the Code, any conflict of interest or apparent conflict of interest between the company and Managing Directors should be avoided. Decisions to enter into transactions under which Managing Directors would have conflicts of interest that are of material significance to the Company and/or to the relevant Managing Director require the approval of the Supervisory Board.

Supervisory Directors

The Supervisory Board shall be responsible for supervising the policy pursued by the Managing Board and our general course of affairs. Under our Articles, the Supervisory Directors are required to serve our interests and our business and the interest of all stakeholders (which includes but is not limited to our shareholders) in fulfilling their duties. The Supervisory Board shall consist of such number of members as the Joint Meeting may from time to time determine, with a minimum of three members. The Supervisory Directors shall be appointed by the General Meeting upon the Joint Meeting having made a binding nomination for each vacancy. If during a financial year a vacancy occurs in the Supervisory Board, the Supervisory Board may appoint a Supervisory Director who will cease to hold office at the next Annual General Meeting. Under Dutch law and the Code, a Supervisory Director must excuse him or herself in the case of any conflict of interest. Decisions to enter into transactions under which a Supervisory Director would have a conflict of interest that are of material significance to QIAGEN and/or to the Supervisory Director concerned, require the approval of the Supervisory Board.

Under Dutch law and the Code, the General Meeting determines the compensation of the Supervisory Directors upon the proposal of the Compensation Committee. Any shares held by a Supervisory Director in the company on whose board he sits should be long-term investments.

Under our Articles, the General Meeting may suspend or dismiss a Supervisory Director at any time. This is different from the provisions of many American corporate statutes, including the Delaware General Corporation Law, which provides that directors may vote to fill vacancies on the board of directors of a corporation.

Liability of Managing Directors and Supervisory Directors

Under Dutch law, as a general rule, Managing Directors and Supervisory Directors are not liable for obligations we incur. Under certain circumstances, however, they may become liable, either towards QIAGEN (internal liability) or to others (external liability), although some exceptions are described below.

Liability Towards QIAGEN

Failure of a Managing or Supervisory Director to perform his or her duties does not automatically lead to liability. Liability is only incurred in the case of a clear, indisputable shortcoming about which no reasonably judging business-person would have any doubt. In addition, the Managing or Supervisory Director must be deemed to have been grossly negligent. Managing Directors are jointly and severally liable for failure of the Managing Board as a whole, but an individual Managing Director will not be held liable if he or she is determined not to have been responsible for the mismanagement and has not been negligent in preventing its consequences. Supervisory Directors are jointly and severally liable for failure of the Supervisory Board as a whole, but an individual Supervisory Director will not be held liable if he or she is determined not to have been responsible for the mismanagement and has not been negligent in preventing its consequences.

Liability for Misrepresentation in Annual Accounts

Managing and Supervisory Directors are also jointly and severally liable to any third party for damages suffered as a result of misrepresentation in the annual accounts, annual report or interim statements of QIAGEN, although a Managing or Supervisory Director will not be held liable if found not to be personally responsible for the misrepresentation. Moreover, a Managing or Supervisory Director may be found to be criminally liable if he or she deliberately publishes false annual accounts or deliberately allows the publication of such false annual accounts.

Tort Liability

Under Dutch law, there can be liability if one has committed a tort (*onrechtmatige daad*) against another person. Although there is no clear definition of "tort" under Dutch law, breach of a duty of care towards a third party is generally considered to be a tort. Therefore, a Dutch corporation may be held liable by any third party under the general rule of Dutch laws regarding tort claims. In exceptional cases, Managing Directors and Supervisory Directors have been found liable on the basis of tort under Dutch common law, but it is generally difficult to hold a Managing or Supervisory Director personally liable for a tort claim. Shareholders cannot base a tort claim on any losses which derive from and coincide with losses we suffered. In such cases, only we can sue the Managing or Supervisory Directors.

Criminal Liability

Under Dutch law, if a legal entity has committed a criminal offence, criminal proceedings may be instituted against the legal entity itself as well as against those who gave order to or were in charge of the forbidden act. As a general rule, it is held that a Managing Director is only criminally liable if he or she played a reasonably active role in the criminal act.

Indemnification

Article 27 of our Articles provide that we shall indemnify every person who is or was a Managing Director or Supervisory Directors against all expenses (including attorneys' fees) judgments, fines and amounts paid in settlement with respect to any threatened pending or completed action, suit or proceeding as well as against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of an action or proceeding, if such person acted in good faith and in a manner he reasonably could believe to be in or not opposed to our best interests. An exception is made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to us.

Classes of Shares

The authorized classes of our shares consist of Common Shares, Financing Preference Shares and Preference Shares. No Financing Preference Shares or Preference Shares have been issued.

Common Shares

Common Shares are issued in registered form only. Common Shares are available either without issue of a share certificate, or Type I shares, or with issue of a share certificate, or Type II shares, in either case in the form of an entry in the share register. At the discretion of the Supervisory Board, Type I shares may be issued and the holders of such Type I shares will be registered in either our shareholders register with American Stock Transfer & Trust Company, or New York Transfer Agent, our transfer agent and registrar in New York, or our shareholder register with TMF FundServices B.V., Westblaak 89, NL-3012 KG Rotterdam, the Netherlands. The Type II shares are registered with our New York Transfer Agent.

The transfer of registered shares requires that we issue a written instrument of transfer and the written acknowledgement of such transfer (or, in the case of Type II shares, the New York Transfer Agent (in our name)), and surrender of the share certificates, if any, to us or (in our name) to the New York Transfer Agent. Upon surrender of a share certificate for the purpose of transfer of the relevant shares, we (or the New York Transfer Agent in our name) acknowledge the transfer by endorsement on the share certificate or by issuance of a new share certificate to the transferee, at the discretion of the Managing Board.

Financing Preference Shares

No Financing Preference Shares are currently issued or outstanding. If issued, Financing Preference Shares will be issued in registered form only. No share certificates are issued for Financing Preference Shares. Financing Preference Shares must be fully paid up upon issue. The preferred dividend rights attached to Financing Preference Shares are described under "Dividends" below. We have no present plans to issue any Financing Preference Shares.

Preference Shares

No Preference Shares are currently issued or outstanding. If issued, Preference Shares will be issued in registered form only. No share certificates are issued for Preference Shares. Only 25% of the nominal value thereof is required to be paid upon subscription for Preference Shares. The obligatory payable part of the nominal amount (or the call) must be equal for each Preference Share. The Managing Board may, subject to the approval of the Supervisory Board, resolve on which day and up to which amount a further call must be paid on Preference Shares which have not yet been paid up in full. The preferred dividend rights attached to Preference Shares are described under "Dividends" below.

Pursuant to our Articles and the resolution adopted by our General Meeting on June 16, 2004, QIAGEN's Supervisory Board is entitled to resolve to issue Preference Shares in case of an intended take-over of our Company by (i) any person who alone or with one or more other persons, directly or indirectly, have acquired or given notice of an intent to acquire (beneficial) ownership of an equity stake which in aggregate equals 20% or more of our share capital then outstanding or (ii) an "adverse person" as determined by the Supervisory Board. For this purpose, an "adverse person" is generally any (legal) person, alone or together with affiliates or associates, with an equity stake in our Company which the Supervisory Board considers to be substantial and where the Supervisory Board is of the opinion that this (legal) person has engaged in an acquisition that is intended to cause or pressure QIAGEN to enter into transactions intended to provide such person with short-term financial gain under circumstances that would not be in the interest of QIAGEN and our shareholders or whose ownership is reasonably likely to cause a material adverse impact on our business prospects.

On August 2, 2004, we entered into an agreement, or Option Agreement, with Stichting Preferente Aandelen QIAGEN, or SPAQ. Pursuant to the Option Agreement, SPAQ was granted an option to acquire such number of Preference Shares as are equal to the total number of all outstanding Common Shares minus one in our share capital at the time of the relevant exercise of the right. The right to acquire Preference Shares is granted subject to the conditions referred to in the previous paragraph. Due to the implementation of the EC Directive on Takeover Bids in Dutch legislation, the exercise of the option to acquire Preference Shares by SPAQ and the subsequent issuance of Preference Shares to SPAQ needs to be done with due observance and in consideration of the restrictions imposed by the Public Offer Rules.

SPAQ was incorporated on August 2, 2004. Its principal office is located at Spoorstraat 50, 5911 KJ Venlo, The Netherlands. Its statutory objectives are to protect our interests and our enterprise and the enterprises of companies which are linked to us. SPAQ shall attempt to accomplish its objectives by way of acquiring Preference Shares in the share capital of QIAGEN and to exercise the voting rights in our interests and the interests of our stakeholders.

The board of SPAQ shall consist of at least two directors. Upon incorporation of SPAQ two members were appointed to the board of SPAQ. Additional board members shall be appointed by the board of SPAQ. Board resolutions will be adopted by unanimity of the votes cast. SPAQ will be represented either by its board or by the chairman of its board.

Pre-emptive Rights

Under our Articles, existing holders of Common Shares will have pre-emptive rights in respect of future issuances of Common Shares in proportion to the number of Common Shares held by them, unless limited or excluded as described below. Holders of Common Shares shall not have pre-emptive rights in respect of future issuances of Financing Preference Shares or Preference Shares. Holders of Financing Preference Shares and Preference Shares shall not have pre-emptive rights in respect of any future issuances of share capital. Pre-emptive rights do not apply with respect to shares issued against contributions other than in cash or shares issued to our employees or one of our group companies. Under our Articles, the Supervisory Board has the power to limit or exclude any pre-emptive rights to which shareholders may be entitled, provided that it has been authorized by the General Meeting to do so. The authority of the Supervisory Board to limit or exclude pre-emptive rights can only be exercised if at that time the authority to issue shares is in full force and effect. The authority to limit or exclude pre-emptive rights may be extended in the same manner as the authority to issue shares. If there is no designation of the Supervisory Board to limit or exclude pre-emptive rights in force, the General Meeting shall have authority to limit or exclude such pre-emptive rights, but only upon the proposal of the Supervisory Board.

Resolutions of the General Meeting (i) to limit or exclude pre-emptive rights or (ii) to designate the Supervisory Board as the corporate body that has authority to limit or exclude pre-emptive rights, require a majority of at least two-thirds of the votes cast in a meeting of shareholders if less than 50% of the issued share capital is present or represented. For these purposes, issuances of shares include the granting of rights to subscribe for shares, such as options and warrants, but not the issue of shares upon exercise of such rights.

On July 20, 2007, the General Meeting resolved to authorize the Supervisory Board to issue Common Shares and Financing Preference Shares or grant rights to subscribe to those shares for a period of 5 years commencing on October 11, 2007 and for a maximum of Common Shares and Financing Preference Shares included in our authorized share capital (as included in our Articles).

The General Meeting of shareholders subsequently resolved to grant the authority to exclude or limit any pre-emptive rights. However, the General Meeting has limited this authority in a way that the Supervisory Board can only exclude or limit the pre-emptive rights in relation to no more than 50% of the aggregate number of Common Shares and Financing Preference Shares available to be issued or rights to subscribe for those shares available to be granted of our authorized but unissued share capital as of October 11, 2007. The authority to exclude or limit pre-emptive rights covers a period of 5 years commencing as of October 11, 2007.

Acquisition of our Own Shares

We may acquire our own shares, subject to certain provisions of Dutch law and our Articles, if (i) shareholders' equity less the payment required to make the acquisition does not fall below the sum of paid-up and called-up capital and any reserves required by Dutch law or the Articles and (ii) we and our subsidiaries would not thereafter hold shares with an aggregate nominal value exceeding half of our issued share capital. Shares that we hold in our own capital or shares held by one of our subsidiaries may not be voted. The Managing Board, subject to the approval of the Supervisory Board, may effect our acquisition of shares in our own capital. Our acquisitions of shares in our own capital may only take place if the General Meeting has granted to the Managing Board the authority to effect such acquisitions. Such authority may apply for a maximum period of 5 years and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired. On June 24, 2009, the General Meeting resolved to

extend the authorization of the Managing Board in such manner that the Managing Board may cause us to acquire shares in our own share capital, up to 10% of the outstanding shares, for an 18-month period from June 24, 2009 until December 24, 2010, without limitation at a price between one Euro cent (Euro 0.01) and one hundred ten percent (110%) of the price for such shares on the NASDAQ Global Select Market for the five trading days prior to the day of purchase, or, with respect to Preference and Finance Preference shares, against a price between one Euro cent (Euro 0.01) and three times the issuance price and in accordance with applicable provisions of Dutch law and our Articles.

Capital Reduction

Subject to the provisions of Dutch law and our Articles, the General Meeting may, upon the proposal of the Supervisory Board, resolve to reduce the issued share capital by (i) canceling shares or (ii) reducing the nominal value of shares through an amendment of our Articles. Cancellation with repayment of shares or partial repayment on shares or release from the obligation to pay up may also be made or given exclusively with respect to Common Shares, Financing Preference Shares or Preference Shares.

Financial Year, Annual Accounts and Independent Registered Public Accounting Firm

Our financial year coincides with the calendar year. Dutch law and our Articles require that within four months after the end of our fiscal year, the Managing Board must make available a report with respect to such fiscal year, including our financial statements for such year prepared under International Financial Reporting Standards and accompanied by a report of an Independent Registered Public Accounting Firm. The annual report is submitted to the annual General Meeting for adoption.

The General Meeting appoints an Independent Registered Public Accounting Firm to audit the financial statements and to issue a report thereon. On June 24, 2009, our shareholders appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to serve as our Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2009.

Dividends and Other Distributions

Subject to certain exceptions, dividends may only be paid out of profits as shown in our annual financial statements as adopted by the General Meeting. Distributions may not be made if the distribution would reduce shareholders' equity below the sum of the paid-up capital and any reserves required by Dutch law or our Articles.

Out of profits, dividends must first be paid on any outstanding Preference Shares (the Preference Share Dividend) in a percentage (the Preference Share Dividend Percentage) of the obligatory call amount paid up on such shares at the beginning of the fiscal year in respect of which the distribution is made. The Preference Share Dividend Percentage is equal to the average main refinancing rates during the financial year for which the distribution is made. Average main refinancing rate shall be understood to mean the average value on each individual day during the financial year for which the distribution is made of the main refinancing rates prevailing on such day. The main refinancing rate shall be understood to mean the rate of the Main Refinancing Operation as determined and published from time to time by the European Central Bank. If and to the extent that profits are not sufficient to pay the Preference Share Dividend in full, the deficit shall be paid out of the reserves, with the exception of any reserve, which was formed as share premium reserve upon the issue of Financing Preference Shares. If in any fiscal year the profit is not sufficient to make the distributions referred to above and if no distribution or only a partial distribution is made from the reserves referred to above, such that the deficit is not fully made good, no further distributions will be made as described below until the deficit has been made good.

Out of profits remaining after payment of any dividends on Preference Shares, the Supervisory Board shall determine such amounts as shall be kept in reserve as determined by the Supervisory Board. Out of any

remaining profits not allocated to reserve, a dividend (the Financing Preference Share Dividend) shall be paid on the Financing Preference Shares equal to a percentage (the Financing Preference Share Dividend Percentage) over the nominal value of the Financing Preference Shares, increased by the amount of share premium that was paid upon the first issue of Financing Preference Shares. The Financing Preference Shares Dividend Percentage which percentage is related to a fixed average effective yield on the prime interest rate on corporate loans in the United States as quoted in the Wall Street Journal as set forth in article 40.4 of our Articles. If and to the extent that the profits are not sufficient to pay the Financing Preference Share Dividend in full, the deficit may be paid out of the reserves if the Managing Board so decides with the approval of the Supervisory Board, with the exception of the reserve which was formed as share premium upon the issue of Financing Preference Shares.

Insofar as the profits have not been distributed or allocated to reserves as specified above, the General Meeting may act to allocate such profits, provided that no further dividends will be distributed on the Preference Shares or the Financing Preference Shares.

The General Meeting may resolve, on the proposal of the Supervisory Board, to distribute dividends or reserves, wholly or partially, in the form of QIAGEN shares.

Distributions as described above are payable as from a date to be determined by the Supervisory Board. The date of payment on Type I shares may differ from the date of payment on Type II shares. Distributions will be made payable at an address or addresses in The Netherlands to be determined by the Supervisory Board, as well as at least one address in each country where the shares are listed or quoted for trading. The Supervisory Board may determine the method of payment of cash distributions, provided that cash distributions in respect of Type II shares will, subject to certain exceptions, be paid in the currency of a country where our shares are listed or quoted for trading, converted at the close of business on a day to be determined for that purpose by the Supervisory Board. Distributions in cash that have not been collected within five years and two days after they have become due and payable shall revert to QIAGEN.

Dutch law provides that the declaration of dividends out of the profits that are at the free disposal of the General Meeting is the exclusive right of the General Meeting. This is different from the corporate law of most jurisdictions in the United States, which permit a corporation's board of directors to declare dividends.

Shareholder Meetings, Voting Rights and Other Shareholder Rights

The annual General Meeting is required to be held within six months after the end of each fiscal year for the purpose of, among other things, adopting the annual accounts and filling of any vacancies on the Managing and Supervisory Boards.

Extraordinary General Meetings are held as often as deemed necessary by the Managing Board or Supervisory Board, or upon the request of one or more shareholders and other persons entitled to attend meetings jointly representing at least 40% of our issued share capital or by one or more shareholders jointly representing at least 10% of our issued share capital as provided for and in accordance with the laws of The Netherlands.

General Meetings are held in Amsterdam, Haarlemmermeer (Schiphol Airport), Arnhem, Maastricht, Rotterdam, Venlo or The Hague. The notice convening a General Meeting must be given to the shareholders by advertisement in at least one national daily newspaper published in The Netherlands no later than the fifteenth day prior to the meeting. The notice will contain the agenda for the meeting or state that the agenda can be obtained at our offices.

The agenda shall contain such subjects to be considered at the General Meeting, as the persons convening or requesting the meeting shall decide. Under Dutch law, holders of shares representing solely or jointly at least one hundredth part of the issued share capital, or representing a value of at least EUR 50,000,000 may request QIAGEN not later than on the sixtieth day prior to the day of the General Meeting, to include certain subjects on

the notice convening a meeting, provided that it is not detrimental to the vital interest of the company. No valid resolutions can be adopted at a General Meeting in respect of subjects which are not mentioned in the agenda.

General Meetings are presided over by the chairman of the Supervisory Board or, in his absence, by any person nominated by the Supervisory Board.

At the General Meeting, each share shall confer the right to cast one vote, unless otherwise provided by law or our Articles. No votes may be cast in respect of shares that we or our subsidiaries hold, or by usufructuaries and pledgees. All shareholders and other persons entitled to vote at General Meetings are entitled to attend General Meetings, to address the meeting and to vote. They must notify the Managing Board in writing of their intention to be present or represented not later than on the third day prior to the day of the meeting, unless the Managing Board permits notification within a shorter period of time prior to any such meeting. Subject to certain exceptions, resolutions may be passed by a simple majority of the votes cast.

Except for resolutions to be adopted by the meeting of holders of Preference Shares, our Articles do not allow the adoption of shareholders resolutions by written consent (or otherwise without holding a meeting).

A resolution of the General Meeting to amend our Articles, dissolve QIAGEN, issue shares or grant rights to subscribe for shares or limit or exclude any pre-emptive rights to which shareholders shall be entitled is valid only if proposed to the General Meeting by the Supervisory Board.

A resolution of the General Meeting to amend our Articles is further only valid if the complete proposal has been made available for inspection by the shareholders and the other persons entitled to attend General Meetings at our offices as from the day of notice convening such meeting until the end of the meeting. A resolution to amend our Articles to change the rights attached to the shares of a specific class requires the approval of the relevant class meeting.

Resolutions of the General Meeting in a meeting that has not been convened by the Managing Board and/or the Supervisory Board, or resolutions included on the agenda for the meeting at the request of shareholders, will be valid only if adopted with a majority of two-thirds of votes cast representing more than half the issued share capital, unless our Articles require a greater majority or quorum. Our Articles do not provide for shareholders to act by written consent outside of a General Meeting.

A resolution of the General Meeting to approve a legal merger or the sale of all or substantially all of our assets is valid only if adopted by a vote of at least two-thirds of the issued share capital, unless proposed by the Supervisory Board, in which case a simple majority of the votes cast shall be sufficient.

A shareholder shall upon request be provided, free of charge, with written evidence of the contents of the share register with regard to the shares registered in its name. Furthermore, any shareholder shall, upon written request, have the right, during normal business hours, to inspect our share register and a list of our shareholders and their addresses and shareholdings, and to make copies or extracts therefrom. Such request must be directed to our Managing Directors at our registered office in the Netherlands or at our principal place of business. Financial records and other company documents (other than those made public) are not available in this manner for shareholder review, but an extract of the minutes of the General Meeting shall be made available.

According to Dutch law and our Articles, certain resolutions of the Managing Board regarding a significant change in the identity or nature of us or our enterprise are subject to the approval of the General Meeting. The following resolutions of the Managing Board acquire the approval of the General Meeting in any event:

(i) the transfer of our enterprise or practically our entire enterprise to a third party;

(ii) the entry into or termination of a long-term cooperation by us or one of our subsidiaries (*dochtermaatschappijen*) with another legal person or partnership or as a fully liable general partner of

a limited partnership or a general partnership, if such cooperation or termination is of a far-reaching significance for us; and

(iii) the acquisition or divestment by us or one of our subsidiaries (*dochtermaatschappijen*) of a participating interest in the capital of a company with a value of at least one-third of the sum of our assets according to our consolidated balance sheet and explanatory notes in our last adopted annual accounts.

No Derivative Actions; Right to Request Independent Inquiry

Dutch law does not afford shareholders the right to institute actions on behalf of us or in our interest. Shareholders holding at least one-tenth of our issued capital, or EUR 225,000, in nominal amount of our shares may inform the Managing Board and the Supervisory Board of their objections as to our policy or the course of our affairs and, within a reasonable time thereafter, may request the Enterprises Division of the Court of Appeal in Amsterdam to order an inquiry into the policy and the course of our affairs by independent investigators. If such an inquiry is ordered and the investigators conclude that there has been mismanagement, the shareholders can request the Division to order certain measures such as a suspension or annulment of resolutions.

Dissolution and Liquidation

The General Meeting may resolve to dissolve QIAGEN. If QIAGEN is dissolved, the liquidation shall be carried out by the person designated for that purpose by the General Meeting, under the supervision of the Supervisory Board. The General Meeting shall upon the proposal of the Supervisory Board determine the remuneration payable to the liquidators and to the person responsible for supervising the liquidation.

During the liquidation process, the provisions of our Articles will remain applicable to the extent possible.

In the event of our dissolution and liquidation, the assets remaining after payment of all debts and liquidation expenses will be distributed among registered holders of Common Shares in proportion to the nominal value of their Common Shares, subject to liquidation preference rights of holders of Preference Shares and Financing Preference Shares, if any.

Restrictions on Transfer of Preference Shares

The Supervisory Board, upon application in writing, must approve each transfer of Preference Shares. If approval is refused, the Supervisory Board will designate prospective purchasers willing and able to purchase the shares, otherwise the transfer will be deemed approved.

Limitations in our Articles on Rights to Own Securities

Other than with respect to usufructuaries and pledgees who have no voting rights, our Articles do not impose limitations on rights to own our securities.

Provisions which may Defer or Prevent a Change in Control

The Option Agreement and our Articles could, under certain circumstances, prevent a third party from obtaining a majority of the voting control of our shares by issuing Preference Shares. Pursuant to the Articles (and pursuant to the resolution adopted by our General Meeting on June 16, 2004), the Supervisory Board is authorized to issue Preference Shares if (i) a person has (directly or indirectly) acquired or has expressed a desire to acquire, more than 20% of our issued capital or (ii) a person holding at least a 10% interest in us has been designated as an "adverse person" by the Supervisory Board. Under the Option Agreement, SPAQ could acquire Preference Shares subject to the provisions mentioned in this paragraph.

If the Supervisory Board opposes an intended take-over and authorizes the issuance of Preference Shares, the bidder may withdraw its bid or enter into negotiations with the Managing Board and/or Supervisory Board and agree on a higher bid price for our shares.

Due to the implementation of the EC Directive or Takeover Bids, or 13th Directive, in Dutch legislation, shareholders who obtain control of a company are obliged to make a mandatory offer to all other shareholders. The threshold for a mandatory offer is set at the ability to exercise 30% of the voting rights at the General Meeting of shareholders in a Dutch public limited company (*naamloze vennootschap*) whose securities are admitted to trading on a regulated market in the EU, such as QIAGEN.

Ownership Threshold Requiring Disclosure

Our Articles do not provide an ownership threshold above which ownership must be disclosed. However there are statutory requirements to disclose share ownership above certain thresholds under Dutch law – see "Obligation of Shareholders to Disclose Major Holdings".

Exchange Controls

There are currently no limitations either under the laws of The Netherlands or in our Articles, to the rights of shareholders from outside The Netherlands to hold or vote Common Shares. Under current foreign exchange regulations in The Netherlands, there are no material limitations on the amount of cash payments that we may remit to residents of foreign countries.

Obligation of Shareholders to Disclose Major Holdings

Certain holders of our shares or rights to acquire shares (which include options and convertible bonds) are subject to notification obligations under Chapter 5.3 of the Dutch Financial Markets Supervision Act, or the FMSA.

Under Chapter 5.3 of the FMSA, any person who, directly or indirectly, acquires or disposes of an interest (including potential interest, such as options and convertible bonds) in our capital or voting rights must immediately notify the Netherlands Authority for the Financial Markets, or AFM, by means of a standard form, if as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in QIAGEN reaches, exceeds or falls below any of the following thresholds: 5% (a bill is being considered that would add a threshold of 3%), 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the voting rights or capital interests in the issued capital of QIAGEN. A notification requirement also applies if a person's capital interest or voting rights reach, exceed or fall below the above mentioned thresholds as a result of a change in our total share capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published our notification as described below. We are required to notify the AFM immediately of the changes to our total share capital or voting rights if our share capital or voting rights changes by 1% or more since our previous notification. We must furthermore quarterly notify the AFM within eight days after the end of the relevant quarter, in the event our share capital or voting rights changed by less than 1% in that relevant quarter since our previous notification.

Furthermore, every holder of 5% (a bill is being considered that would add a threshold of 3%) or more of our share capital or voting rights whose interest at December 31 at midnight differs from a previous notification to the AFM, as a result of certain acts (including but not limited to the exchange of our shares for depository receipts and the exercise of a right to acquire our shares) must notify the AFM within four weeks. Controlled entities, within the meaning of the FMSA, do not have notification obligations under the FMSA, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the FMSA, including an individual. A person who has a 5% (a bill is being considered that would reduce this threshold to 3%) or larger interest in our share capital or voting rights and who ceases to be a controlled entity for

these purposes must immediately notify the AFM. As of the date of that notification, all notification obligations under the FMSA will become applicable to that entity. For the purpose of calculating the percentage of capital interest or voting rights, among other metrics, the following interests must be taken into account: (i) our shares or voting rights on our shares directly held (or acquired or disposed of) by a person, (ii) our shares or voting rights on our shares held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney), and (iii) our shares or voting rights on our shares which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of, including, but not limited to, on the basis of convertible bonds). Special rules apply with respect to the attribution of our shares or voting rights on our shares which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct (*vruchtgebruik*) in respect of our shares can also be subject to the notification obligations of the FMSA, if such person has, or can acquire, the right to vote on our shares or, in the case of depository receipts, our underlying shares. The acquisition of (conditional) voting rights by a pledgee or usufructuary may also trigger the notification obligations as if the pledgee or beneficial owner were the legal holder of our shares or voting rights on our shares.

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the FMSA on its website www.afm.nl. Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

Non-compliance with the notification obligations under the FMSA may lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the shareholding disclosure obligations under the FMSA may lead to civil sanctions, including suspension of the voting rights relating to our shares held by the offender for a period of not more than three years and a prohibition applicable to the offender to acquire any of our shares or voting rights on our shares for a period of up to five years.

Taxation

The following is a general summary of certain material United States federal income and The Netherlands tax consequences to holders of our Common Shares (collectively, "U.S. Holders") who are (i) citizens or residents of the United States, (ii) entities subject to U.S. corporate tax, (iii) certain pension trusts and other retirement or employee benefits organizations established in the United States but generally exempt from U.S. tax, (iv) certain not-for-profit organizations established in the United States but generally exempt from U.S. tax, (v) United States regulated investment companies, United States real estate investment trusts, and United States real estate mortgage conduits, and (vi) partnerships or similar pass-through entities, estates, and trusts to the extent the income of such partnerships, similar entities, estates, or trusts is subject to tax in the United States as income of a resident in its hands or the hands of its partners, beneficiaries, or grantors. This summary does not discuss every aspect of such taxation that may be relevant to U.S. Holders. Therefore, all prospective purchasers of our Common Shares who would be U.S. Holders are advised to consult their own tax advisor with respect to the United States federal, state and local tax consequences, as well as the Netherlands tax consequences, of the ownership of our Common Shares. This summary is based upon the advice of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. with respect to tax consequences for U.S. Holders and Baker & McKenzie with respect to tax consequences under Netherlands law.

The statements of The Netherlands and United States tax laws set out below are based on the laws in force as of the date of this Annual Report on Form 20-F, and as a consequence are subject to any changes in United States or The Netherlands law, or in the double taxation conventions between the United States and The Netherlands, occurring after such date.

Netherlands Tax Considerations

The following describes the material tax consequences under Netherlands law of an investment in our Common Shares. Such description is based on current Netherlands law as interpreted under officially published case law, and is limited to the tax implications for an owner of our Common Shares who is not, or is not deemed to be, a resident of The Netherlands for purposes of the relevant tax codes (a "non-resident Shareholder" or "Shareholder").

Dividend Withholding Tax

General. Upon distribution of dividends, we would be obligated to withhold 15% dividend tax at source and to pay the amount withheld to The Netherlands tax authorities. The term "dividends" means income from shares or other rights participating in profits, as well as income from other corporate rights that is subjected to the same taxation treatment as income from shares by the laws of The Netherlands. Dividends include dividends in cash or in kind, constructive dividends, certain repayments of capital qualified as dividends, interest on loans that are treated as equity for Netherlands corporate income tax purposes and liquidation proceeds in excess of, for Netherlands tax purposes, recognized paid-in capital. Stock dividends are also subject to withholding tax, unless derived from our paid-in share premium which is recognized as equity for Netherlands tax purposes.

No withholding tax applies on the proceeds resulting from the sale or disposition of our Common Shares to persons other than QIAGEN and our affiliates.

A Shareholder can be eligible for a reduction or a refund of Netherlands dividend withholding tax under a tax convention which is in effect between the country of residence of the Shareholder and The Netherlands. The Netherlands has concluded such conventions with, among others, the United States, Canada, Switzerland, Japan and virtually all EU Member States.

U.S. Shareholders. Under the Tax Convention between The Netherlands and the United States (the "Convention"), the regular 15% withholding tax on dividends we pay to a resident of the United States (as defined in the Convention) who is entitled to the benefits of the Convention, may be reduced to 5% (in the case of a corporate U.S. Shareholder that holds 10% or more of the voting power of a Netherlands company) unless such U.S. shareholder has a permanent establishment in The Netherlands with which the shares are effectively connected.

A full exemption from Netherlands withholding tax may apply to certain U.S. corporate shareholders owning at least 80% of QIAGEN voting power for a period of at least twelve months prior to the distribution.

Dividends we pay to U.S. pension funds and U.S. tax exempt organizations may be eligible for an exemption from dividend withholding tax.

Dividend Stripping. A refund, reduction, exemption, or credit of Netherlands dividend withholding tax on the basis of Netherlands tax law or on the basis of a tax treaty between The Netherlands and another state, will only be granted if the dividends are paid to the beneficial owner (*"uiteindelijk gerechtigde"*) of the dividends. A recipient of a dividend is not considered to be the beneficial owner of a dividend in an event of "dividend stripping," in which he has paid a consideration related to the receipt of such dividend. In general terms, "dividend stripping" can be described as the situation in which a foreign or domestic person (usually, but not necessarily, the original shareholder) has transferred his shares or his entitlement to the dividend distributions to a party that has a more favorable right to a refund or reduction of Netherlands dividend withholding tax than the foreign or domestic person. In these situations, the foreign or domestic person (usually the original shareholder) avoids Netherlands dividend withholding tax while retaining his "beneficial" interest in the shares and the dividend distributions, by transferring his shares or his entitlement to the dividend distributions.

Income Tax and Corporate Income Tax

General. A non-resident Shareholder will not be subject to Netherlands income tax with respect to dividends we distribute on our Common Shares or with respect to capital gains derived from the sale or disposition of our Common Shares, provided that:

(a) the non-resident Shareholder has not made an election for the application of the rules of The Netherlands 2001 Income Tax Act as they apply to residents of The Netherlands;

(b) the non-resident Shareholder does not carry on or have an interest in a business in The Netherlands through a permanent establishment or a permanent representative to which or to whom the Common Shares are attributable or deemed to be attributable;

(c) the non-resident Shareholder does not have a direct or indirect substantial or deemed substantial interest (*"aanmerkelijk belang,"* as defined in the Netherlands tax code) in our share capital or, in the event the Shareholder does have such a substantial interest, such interest is a "business asset"; and

(d) the non-resident Shareholder is not entitled to a share in the profits of an enterprise, to which our Common Shares are attributable and that is effectively managed in The Netherlands, other than by way of securities or through an employment contract.

In general terms, a substantial interest (*"aanmerkelijk belang"*) in our share capital does not exist if the Shareholder (individuals as well as corporations), alone or together with his partner, does not own, directly or indirectly, 5% or more of the nominal paid-in capital of, or any class of our shares, does not have the right to acquire 5% or more of the nominal paid-in capital of, or any class of our shares (including a call option) and does not have the right to share in our profit or liquidation revenue amounting to 5% or more of the annual profits or liquidation revenue.

There is no all-encompassing definition of the term "business asset"; whether this determination can be made in general depends on the facts presented and in particular on the activities performed by the Shareholder. If the Shareholder materially conducts a business activity, while the key interest of his investment in our Shares will not be his earnings out of the investment in our Shares but our economic activity, an investment in our Shares will generally be deemed to constitute a business asset, in particular if the Shareholder's involvement in our business will exceed regular monitoring of his investment in our Shares.

U.S. Shareholders. Pursuant to the Convention, the gain derived by a U.S. Shareholder from an alienation of our Common Shares constituting a substantial interest of the Shareholder in QIAGEN, not effectively connected or deemed connected with a permanent establishment or permanent representative of the Shareholder in The Netherlands, is not subject to Netherlands income tax or corporate income tax, provided that the gain from the alienation of our Common Shares is not derived by an individual Shareholder who has, at any time during the five-year period preceding such alienation, been a resident of The Netherlands according to Netherlands tax law and who owns, at the time of the alienation, either alone or together with close relatives, at least 25% of any class of our shares.

Gift and Inheritance Tax

A gift or inheritance of our Common Shares from a non-resident Shareholder will generally not be subject to a Netherlands gift and inheritance tax, provided that the Shareholder does not own a business which is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands to which or to whom our Common Shares are attributable. The Netherlands has concluded a tax convention with the United States based on which double taxation on inheritances may be avoided if the inheritance is subject to Netherlands and/or U.S. inheritance tax and the deceased was a resident of either The Netherlands or the United States.

United States Federal Income Tax Considerations

The following summarizes the material U.S. federal income tax consequences of the ownership of our Common Shares by an investor that purchases such Common Shares and that will hold the Common Shares as capital assets. This summary does not purport to be a complete analysis or listing of all potential tax considerations and does not address holders subject to special treatment under U.S. federal income tax laws (including insurance companies, tax-exempt organizations, regulated investment companies, financial institutions, broker dealers or holders that own, actually or constructively, 10% or more of our voting shares).

As used herein, references to a "U.S. Holder" are to a holder of our Common Shares that is (i) a citizen or resident of the United States, (ii) a corporation organized under the laws of the United States or any political subdivision thereof, or (iii) a person or entity otherwise subject to United States federal income taxation on a net income basis with respect to our Common Shares (including a non-resident alien or foreign corporation that holds, or is deemed to hold, our Common Shares in connection with the conduct of a U.S. trade or business); and references to a "non-U.S. Holder" are to a holder that is not a U.S. person for U.S. federal income tax purposes.

Taxation of Dividends

To the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, distributions, if any, made with respect to our Common Shares will be includable for U.S. federal income tax purposes in the income of a U.S. Holder as ordinary dividend income in an amount equal to the sum of any cash and the fair market value of any property that we distribute, before reduction for Netherlands withholding tax. For tax years beginning before 2011, such dividends will be eligible to be treated by U.S. Holder individuals as "qualified dividend income" subject to a maximum tax rate of 15 percent, if the shareholder receiving the dividend satisfies the holding period requirements, and if we are not treated for our taxable year in which the dividend is paid, or our preceding taxable year, as a passive foreign investment company (see "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Status"). To the extent that such distribution exceeds our current or accumulated earnings and profits, it will be treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in our Common Shares and thereafter as taxable capital gain. Dividends generally will be treated as income from sources outside the United States and generally will be passive income (or, in the case of certain holders, "financial services income") for purposes of the foreign tax credit limitation. Dividends we pay will not be eligible for the dividends received deduction allowed to corporations in certain circumstances under the United States Internal Revenue Code of 1986, as amended (the Code). A U.S. Holder may elect annually to either deduct The Netherlands withholding tax (see "Taxation—Netherlands Tax Considerations—Dividend Withholding Tax") against their income (in which case, the election will apply to all foreign income taxes such U.S. Holder paid in that year) or take the withholding taxes as a credit against their U.S. tax liability, subject to U.S. foreign tax credit limitation rules. If the dividends are qualified for the lower applicable capital gains rate (as discussed in the above paragraph), the amount of the dividend income taken into account for calculating the foreign tax credit limitation will be in general be limited to the gross amount of the dividend, multiplied by the reduced rate, divided by the highest rate of tax normally applicable to dividends. The rules governing the foreign tax credit are complex. We urge you to consult with your own tax advisors regarding the availability of the foreign tax credit in your particular circumstances.

Dividends we pay in a currency other than the U.S. dollar will be included in the income of a U.S. Holder in a U.S. dollar amount based upon the exchange rate in effect on the date of receipt. A U.S. Holder will have a tax basis in such foreign currency for U.S. federal income tax purposes equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent disposition of such foreign currency (including a subsequent conversion into U.S. dollars) will be ordinary income or loss. Such gain or loss will generally be income from sources within the U.S. for foreign tax credit limitation purposes.

A non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on distributions with respect to our Common Shares that are treated as dividend income for U.S. federal income tax

purposes unless such dividends are effectively connected with the conduct of a trade or business within the United States by such non-U.S. Holder, (and are attributable to a permanent establishment maintained in the United States by such non-U.S. Holder, if an applicable income tax treaty so requires as a condition for such non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of income from our Common Shares), in which case the non-U.S. Holder generally will be subject to tax in respect of such dividends in the same manner as a U.S. Holder. Any such effectively connected dividends received by a non-United States corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. A non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on distributions with respect to our Common Shares that are treated as capital gain for U.S. federal income tax purposes unless such holder would be subject to U.S. federal income tax on gain realized on the sale or other disposition of our Common Shares, as discussed below.

Taxation of Capital Gains

Subject to the PFIC rules discussed below, upon the sale or other disposition of our Common Shares, a U.S. Holder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition of our Common Shares and the U.S. Holder's adjusted tax basis in our Common Shares. Such gain or loss generally will be subject to U.S. federal income tax. An individual U.S. Holder is generally subject to a maximum capital gains rate of 15% for our Common Shares held for more than a year. For U.S. federal income tax purposes, capital losses are subject to limitations on deductibility. Gain realized by a U.S. Holder on the sale or other disposition of our Common Shares generally will be treated as income from sources within the United States for purposes of the foreign tax credit limitation.

A non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized on the sale or other disposition of our Common Shares unless (i) the gain is effectively connected with a trade or business of the non-U.S. Holder in the United States (and is attributable to a permanent establishment maintained in the United States by such non-U.S. Holder, if an applicable income tax treaty so requires as a condition for such non-U.S. Holder to be subject to U.S. taxation on a net income basis in respect of gain from the sale or other disposition of our Common Shares) or (ii) such holder is an individual who is present in the United States for 183 days or more in the taxable year of the sale, and certain other conditions are met. Effectively connected gains realized by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Passive Foreign Investment Company Status

We may be classified as a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes if certain tests are met. We will be a PFIC with respect to a U.S. Holder if for any taxable year in which the U.S. Holder held our Common Shares, either (i) 75% or more of our gross income for the taxable year is passive income; or (ii) the average value of our assets (during the taxable year) which produce or are held for the production of passive income is at least 50% of the average value of all assets for such year. Passive income means, in general, dividends, interest, royalties, rents (other than rents and royalties derived in the active conduct of a trade or business and not derived from a related person), annuities, and gains from assets which would produce such income other than sales of inventory. For the purpose of the PFIC tests, if a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated as owning its proportionate share of the assets of the other corporation, and as if it had received directly its proportionate share of the income of such other corporation. The effect of this special provision with respect to QIAGEN and our ownership of our subsidiaries is that we, for purposes of the income and assets tests described above, will be treated as owning directly our proportionate share of the assets of our subsidiaries and of receiving directly our proportionate share of each of those companies' income, if any, so long as we own, directly or indirectly, at least 25% by value of the particular company's stock. Active business income of our subsidiaries will be treated as our active business income, rather than as passive income. Based on our current income, assets and activities, we do not believe that we are currently a PFIC. No assurances can be made, however, that the IRS will not challenge

this position or that we will not subsequently become a PFIC. Following the close of any tax year, we intend to promptly send a notice to all shareholders of record at any time during such year, if we determine that we are a PFIC.

Prospective purchasers of our Common Shares are urged to consult their tax advisors regarding the PFIC rules and their effect on an investment in our Common Shares, with particular regard to (i) the advisability of making the qualified election in the event that we notify the shareholders that we have become a PFIC in any taxable year, or (ii) the advisability of making the mark-to-market election provided in the tax law.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, paid within the United States or through certain U.S.-related financial intermediaries on our Common Shares will be subject to information reporting requirements and backup withholding tax at the rate of 28% for a non-corporate United States person and, who also:

- fails to provide an accurate taxpayer identification number;
- is notified by the Internal Revenue Service that the individual has failed to report all interest or dividends required to be shown on the Federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Certain corporations and persons that are not United States persons may be required to establish their exemption from information reporting and backup withholding by certifying their status on Internal Revenue Service Form W-8 or W-9.

If a United States person sells our Common Shares to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the individual can certify that they are a non-U.S. person, under penalties of perjury, or they otherwise establish an exemption. If a United States person sells our Common Shares through a non-U.S. office of a non-U.S. broker and the sale proceeds are paid to the person outside the United States then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to the United States person outside the United States, if the person sells our Common Shares through a non-U.S. office of a broker that is a U.S. person or has certain other contacts with the United States.

A Holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed such holder's income tax liability by filing a refund claim with the United States Internal Revenue Service.

Foreign Currency Issues

If dividends are paid in euros, the amount of the dividend distribution included in the income of a U.S. Holder will be the U.S. dollar value of the payments made in euros, determined at a spot, euro/U.S. dollar rate applicable to the date such dividend is includible in the income of the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars. Generally, gain or loss (if any) resulting from currency exchange fluctuations during the period from the date the dividend is paid to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss. We have never paid cash dividends on our share capital and do not intend to do so for the foreseeable future.

Documents on Display

Documents referred to in this Annual Report may be inspected at our principal executive office located at Spoorstraat 50, 5911 KJ Venlo, The Netherlands.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Our market risk relates primarily to interest rate exposures on cash, marketable securities and borrowings and foreign currency exposures. Financial risk is centrally managed and is regulated by internal guidelines which require a continuous internal risk analysis. The overall objective of our risk management is to reduce the potential negative earnings effects from changes in interest and foreign exchange rates. Exposures are managed through operational methods and financial instruments relating to interest rate and foreign exchange risks. In the ordinary course of business, we use derivative instruments, including swaps, forwards and/or options, to manage potential losses from foreign currency exposures and variable rate debt. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with global financial and operating activities. We do not utilize derivative or other financial instruments for trading or other speculative purposes. All derivatives are recognized as either assets or liabilities in the balance sheet and are measured at fair value with any change in fair value recognized in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures. In determining fair value, we consider both the counterparty credit risk and our own creditworthiness.

Foreign Currency Derivatives. As a globally active enterprise, we are subject to risks associated with fluctuations in foreign currencies in our ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions. We manage our balance sheet exposure on a group-wide basis primarily using foreign exchange forward contracts and cross-currency swaps.

Interest Rate Derivatives. We use interest rate derivative contracts on certain borrowing transactions to hedge fluctuating interest rates. We have entered into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount.

We make use of ‘economic hedges’, i.e. derivatives that do not have a formally designated hedging relationship as well as ‘accounting hedges’. All derivatives that qualify for hedge accounting are ‘cash-flow hedges’. Further details of our derivative and hedging activities can be found in Note 6 to the accompanying consolidated financial statements.

Interest Rate Risk

At December 31, 2009, we had $825.6 million in cash and cash equivalents as well as $40.0 million in short-term investments at December 31, 2009. Interest income earned on our cash investments is affected by changes in the relative levels of market interest rates. We only invest in high-grade investment instruments. A hypothetical adverse 10% movement in market interest rates would decrease 2009 earnings by approximately $0.3 million.

Borrowings against lines of credit are at variable interest rates. We had insignificant amounts outstanding against our lines of credit at December 31, 2009. A hypothetical adverse 10% movement in market interest rates would not have materially impacted our financial statements.

At December 31, 2009, we had $920.0 million in long-term debt, of which $275.0 million was, taking existing cash flow hedges into considerations, effectively at a variable rate. A hypothetical adverse 10% movement in market interest rates would decrease 2009 earnings by approximately $0.3 million, based on the period-end interest rate.

Foreign Currency Exchange Rate Risk

As a global enterprise, we are subject to risks associated with fluctuations in foreign currencies with regard to our ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions as well as future cash flows resulting from anticipated transactions including intra-group transactions.

A significant portion of our revenues and expenses are earned and incurred in currencies other than the U.S. dollar. The euro is the most significant such currency, with others including the British pound, Japanese yen, Swiss franc, and Canadian and Australian dollars. Fluctuations in the value of the currencies in which we conduct our business relative to the U.S. dollar have caused and will continue to cause U.S. dollar translations of such currencies to vary from one period to another. Due to the number of currencies involved, the constantly changing currency exposures, and the potential substantial volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon future operating results. In general terms, depreciation of the U.S. dollar against our other foreign currencies will increase reported net sales. However, this effect is, at least partially, offset by the fact, that we also incur substantial expenses in foreign currencies.

We have significant production and manufacturing facilities located in Germany and Switzerland, and intercompany sales of inventory also expose us to foreign currency exchange rate risk. Intercompany sales of inventory are generally denominated in the local currency of the subsidiary purchasing the inventory in order to centralize foreign currency risk with the manufacturing subsidiary. Payment for intercompany purchases of inventory is required within 30 days from invoice date. The delay between the date the manufacturing subsidiaries record revenue and the date when the payment is received from the purchasing subsidiaries exposes us to foreign exchange risk. To the extent practicable, such exposures are offset by operational measures, which include intercompany factoring transactions. We have entered into in the past, and may enter into in the future, foreign exchange derivatives, including forward contracts and options, to manage the remaining foreign exchange risk.

Item 12. Description of Securities Other than Equity Securities

Not Applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

Our Managing Directors, with the assistance of other members of management, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as that term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, within 90 days of the date of this report. Based on that evaluation, they concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Managing Directors, as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, no matter how well designed, such as the possibility of human error and the circumvention or overriding of the controls and procedures. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance of achieving their control objectives. In addition, any determination of effectiveness of controls is not a projection of any effectiveness of those controls to future periods, as those controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate.

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13(a)-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934, as amended. The Company's system of internal controls over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on our assessment under the COSO Internal Control-Integrated Framework, management believes that, as of December 31, 2009, our internal control over financial reporting is effective**.** Securities and Exchange Commission guidelines permit companies to exclude acquisitions from their assessment of internal control over financial reporting during the first year following an acquisition.

Attestation Report of the Registered Public Accounting Firm

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft the independent registered public accounting firm that audited our consolidated financial statements for the year ended December 31, 2009, has issued an attestation report on management's assessment of our internal control over financial reporting, which is included in this Annual Report on Form 20-F. This report appears on page F-2.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

The Supervisory Board has designated Dr. Werner Brandt as an "audit committee financial expert" as that term is defined in the SEC rules adopted pursuant to the Sarbanes-Oxley Act. Dr. Brandt is "independent" as defined in the Marketplace Rules of the NASDAQ as applicable to Audit Committees.

Item 16B. Code of Ethics

QIAGEN has in place a Code of Conduct which qualifies as a code of ethics, as required by SEC and NASDAQ Marketplace Rules. The Code of Conduct applies to all of QIAGEN's employees, including our principal executive officer, principal financial officer, principal accounting officer or controller and other persons performing similar functions. The full text of the Code of Conduct is available on our website at *www.qiagen.com.*

Item 16C. Principal Accountant Fees and Services

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted a pre-approval policy that requires the pre-approval of all services performed for us by our independent registered public accounting firm. Additionally, the Audit Committee has delegated to the Committee Chairman full authority to approve any management request for pre-approval, provided the Chairman presents any approval given at its next scheduled meeting. All audit-related services, tax services and other services rendered by our independent registered public accounting firm or their affiliates were pre-approved by the Audit Committee and are compatible with maintaining the auditor's independence.

At our 2009 Annual General Meeting of Shareholders held on June 24, 2009, our shareholders appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to serve as our auditors for the fiscal year ended December 31, 2009. Set forth below are the total fees billed (or expected to be billed), on a consolidated basis, by Ernst & Young GmbH and affiliates for providing audit and other professional services in each of the last two fiscal years:

(in thousands)	2009	2008
Audit fees	**$1,905**	$1,971
Audit related fees	**607**	499
Tax fees	**66**	51
All other fees	**120**	—
Total	**$2,698**	$2,521

Audit fees consist of fees and expenses billed for the annual audit and quarterly review of QIAGEN's consolidated financial statements. They also include fees billed for other audit services, which are those services

that only the statutory auditor can provide, and include the review of documents filed with the Securities Exchange Commission.

Audit-related fees consist of fees and expenses billed for assurance and related services that are related to the performance of the audit or review of QIAGEN's financial statements and include consultations concerning financial accounting and reporting standards and review of the opening balance sheets of newly acquired companies.

Tax fees include fees and expenses billed for tax compliance services, including assistance on the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, transfer pricing, and requests for rulings or technical advice from taxing authorities; tax planning services; and expatriate tax compliance, consultation and planning services.

All other fees include fees and expenses billed for services such as information technology projects, transaction due diligence and cost segregation studies as allowed by the Sarbanes-Oxley Act of 2002.

Item 16D. Exemptions From the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Our corporate governance practices generally derive from the provisions of the Dutch Civil Code and the Dutch Corporate Governance Code. Further, due to our listing at the German Stock Exchange in Frankfurt, the Managing Board and the Supervisory Board of QIAGEN N.V. declared their intention to disclose in QIAGEN's Annual Reports the Company's compliance with the German Corporate Governance Code adopted by the Government Commission on the German Corporate Governance Code pursuant to §161 of the German Stock Corporation Law or state the deviations recorded in the period. These standards differ in some respects from the corporate governance practices followed by U.S. companies under the NASDAQ listing standards. A brief summary of the principal differences follows.

Two-Tier Board

QIAGEN is a 'Naamloze Vennootschap,' or N.V., a Dutch limited liability company similar to a corporation in the United States. QIAGEN has a two-tier board structure. QIAGEN is managed by a Managing Board consisting of executive management acting under the supervision of a Supervisory Board (non executives), similar to a Board of Directors in a U.S. corporation. The Managing Board manages QIAGEN and is responsible for defining and achieving QIAGEN's aims, strategy, policies and results. The Managing Board is also responsible for complying with all relevant legislation and regulations as well as for managing the risks associated with the business activities and the financing of QIAGEN. It reports related developments to and discusses the internal risk management and control systems with the Supervisory Board. The Managing Board is accountable for the performance of its duties to the Supervisory Board and the General Meeting of Shareholders (General Meeting). The Managing Board consists of one or more members as determined by the Supervisory

Board. The members of the Managing Board are appointed by the General Meeting upon the joint meeting of the Supervisory Board and the Managing Board having made a binding nomination for each vacancy. However, the General Meeting may at all times overrule the binding nature of such a nomination by a resolution adopted by at least a two-thirds majority of the votes cast, if such majority represents more than half the issued share capital. Managing Directors are appointed annually for the period beginning on the date following the General Meeting up to and including the date of the General Meeting held in the following fiscal year. The remuneration of management is determined in accordance with a remuneration policy which has been approved by QIAGEN's shareholders at the General Meeting on June 14, 2005. The remuneration of the members of the Managing Board will, with due observance of the remuneration policy, be determined by the Supervisory Board based on a proposal by its Compensation Committee.

The Supervisory Board supervises the policies of the Managing Board, the general course of QIAGEN's affairs and the business enterprises which it operates. The Supervisory Board assists the Managing Board by providing advice relating to the business activities of QIAGEN. In discharging its duties, the Supervisory Board takes into account the interests of QIAGEN, its enterprise and all parties involved in QIAGEN, including shareholders and other stakeholders.

Members of the Supervisory Board are appointed annually for the period beginning on the date following the General Meeting up to and including the date of the General Meeting held in the following fiscal year. Members of the Supervisory Board may be suspended and dismissed by the General Meeting by a resolution adopted by a two-thirds majority of the votes cast, if such majority represents more than half of the issued share capital, unless the proposal was made by the Managing Board and the Supervisory Board in which case a simple majority of votes cast is sufficient. Pursuant to our Articles, members of the Supervisory Board cannot be involved in the day-to-day management of our business. Our Supervisory Board has specified matters requiring its approval, including decisions and actions which would fundamentally change the company's assets, financial position or results of operations. The Supervisory Board has appointed an Audit Committee, a Compensation Committee and a Selection and Appointment (Nomination) Committee from among its members and can appoint other committees as deemed beneficial. The Supervisory Board has approved charters pursuant to which each of the committees operates.

Independence

Unlike the NASDAQ listing standards which require a majority of the Supervisory Board members to be independent, the Dutch Corporate Governance Code recommends that all Supervisory Board members, with the exception of not more than one person, shall be independent within the meaning of its "best practice" provision. In some cases the Dutch independence requirement is more stringent, such as by requiring a longer "look back" period (five years) for former executive directors. In other cases, the NASDAQ rules are more stringent, such as a broader definition of disqualifying affiliations. Currently, a majority of our Supervisory Board are "independent" under both the NASDAQ and Dutch definitions.

Independent Auditors

In contrast to rules applicable to U.S. companies, which require that external auditors be appointed by the Audit Committee, Dutch law requires that external auditors be appointed by the General Meeting. In accordance with the requirements of Dutch law, the appointment and removal of our independent registered public auditor must be approved by the General Meeting. The Supervisory Board nominates a candidate for the appointment as external auditor, for which purpose both the Audit Committee and the Managing Board advise the Supervisory Board. The remuneration of the external auditor, and instructions to the external auditor to provide non-audit services, shall be approved by the Supervisory Board on the recommendation of the Audit Committee and after consultation with the Managing Board. At least once every four years, the Supervisory Board and the Audit Committee shall conduct a thorough assessment of the functioning of the external auditor. The main conclusions

of this assessment shall be communicated to the General Meeting for the purposes of assessing the nomination for the appointment of the external auditor.

Exemptions

Exemptions from the NASDAQ corporate governance standards are available to foreign private issuers, such as QIAGEN when those standards are contrary to a law, rule or regulation of any public authority exercising jurisdiction over such issuer or contrary to generally accepted business practices in the issuer's country of domicile. In connection with QIAGEN's initial public offering, NASDAQ granted QIAGEN exemptions from certain corporate governance standards that are contrary to the laws, rules, regulations or generally accepted business practices of The Netherlands. These exemptions and the practices followed by QIAGEN are described below:

- QIAGEN is exempt from NASDAQ's quorum requirements applicable to meetings of ordinary shareholders. In keeping with the law of The Netherlands and generally accepted business practices in The Netherlands, QIAGEN's Articles of Association provide that there are no quorum requirements generally applicable to meetings of the General Meeting.
- QIAGEN is exempt from NASDAQ's requirements regarding the solicitation of proxies and provision of proxy statements for meetings of the General Meeting. QIAGEN does furnish proxy statements and solicit proxies for meetings of shareholders. However, the laws of The Netherlands do not provide for a "record date" to be fixed in advance of a General Meeting. As a result, the holder of the shares on the day of the meeting may vote the shares at the meeting. QIAGEN's transfer agent has implemented procedures to check votes by proxy for validity on the day of the meeting.
- QIAGEN is exempt from NASDAQ's requirements that shareholder approval be obtained prior to the establishment of, or material amendments to, stock option or purchase plans and other equity compensation arrangements pursuant to which options or stock may be acquired by directors, officers, employees or consultants. QIAGEN is also exempt from NASDAQ's requirements that shareholder approval be obtained prior to certain issuances of stock resulting in a change of control, occurring in connection with acquisitions of stock or assets of another company or issued at a price less than the greater of book or market value other than in a public offering. QIAGEN's Articles of Association do not require approval of the General Meeting prior to the establishment of a stock plan. The Articles of Association also permit the General Meeting to grant the Supervisory Board general authority to issue shares without further approval of the General Meeting. QIAGEN's General Meeting has granted the Supervisory Board general authority to issue up to a maximum of our authorized capital without further approval of the General Meeting. QIAGEN plans to seek approval of the General Meetings for stock plans and stock issuances only where required under the law of The Netherlands or under QIAGEN's Articles of Association.

Further Information

For additional information regarding our Boards, including the Audit and other Committees of our Supervisory Board, please refer to the discussion in Item 6 above.

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

See pages F-1 through F-45 included herein.

(A) The following financial statements, together with the reports of Ernst & Young thereon, are filed as part of this annual report:

Item 19. Exhibits

1.1	Articles of Association as confirmed by notorial deed as of July 2, 2008 (English translation) (8)
2.3	Indenture between QIAGEN Finance (Luxembourg) S.A., QIAGEN N.V., Deutsche Trustee Company Limited, Deutsche Bank AG and Deutsche Bank Luxembourg S.A. dated August 18, 2004 (3)
2.4	Agreement In Connection With The Delivery Of Ordinary Shares In The Share Capital Of QIAGEN N.V. Pursuant To Convertible Notes Due 2024 Issued By QIAGEN Finance (Luxembourg) S.A. dated August 18, 2004 (3)
2.5	Amendment to Agreement In Connection With The Delivery Of Ordinary Shares In The Share Capital Of QIAGEN N.V. Pursuant To Convertible Notes Due 2024 Issued By QIAGEN Finance (Luxembourg) S.A. dated July 1, 2006 (5)
2.6	Indenture between QIAGEN Euro Finance (Luxembourg) S.A., QIAGEN N.V., Deutsche Trustee Company Limited, Deutsche Bank AG and Deutsche Bank Luxembourg S.A. dated May 16, 2006 (5)
2.7	Agreement In Connection With The Delivery Of Ordinary Shares In The Share Capital Of QIAGEN N.V. Pursuant To Convertible Notes Due 2026 Issued By QIAGEN Euro Finance (Luxembourg) S.A. dated May 8, 2006 (5)
2.8	Amendment to Agreement In Connection With The Delivery Of Ordinary Shares In The Share Capital Of QIAGEN N.V. Pursuant To Convertible Notes Due 2026 Issued By QIAGEN Euro Finance (Luxembourg) S.A. dated July 1, 2006 (5)
2.9	Term Loan and Revolving Credit Facilities Agreement, dated July 13, 2007, between QIAGEN N.V. and Deutsche Bank AG (filed as Exhibit (b)) (6)
2.10	Syndication and Amendment Agreement, dated September 25, 2007, between QIAGEN N.V. and Deutsche Bank AG (7)
4.1	Lease Between QIAGEN GmbH and Gisantus Grundstuecksverwaltungsgesellschaft mbH, dated January 13, 1997 (the "Max-Volmer-Strasse 4 Lease") (Filed as Exhibit 10.3) (1)

4.2	The "Max-Volmer-Strasse 4 Lease" Summary (Filed as Exhibit 10.3(a)) (1)
4.3	Lease, dated as of March 2, 1998, by and between Digene and ARE-Metropolitan Grove I, LLC (7)
4.4	Fourth Amendment to Lease, dated November 15, 2005, between ARE-Metropolitan Grove I, LLC and Digene Corporation (7)
4.5	Consultancy Agreement between QIAGEN GmbH and Dr. Metin Colpan dated December 4, 2003 (Filed as Exhibit 4.23) (3)
4.6	Amendment No. 1 to the Consultancy Agreement between QIAGEN GmbH and Dr. Metin Colpan dated February 11, 2004 (4)
*4.7	Amendment No. 2 to the Consultancy Agreement between QIAGEN GmbH and Dr. Metin Colpan dated March 23, 2009
4.8	QIAGEN N.V. Amended and Restated 2005 Stock Plan (Filed as Exhibit 99.4) (2)
4.9	Digene Corporation Amended and Restated Stock Option Plan (Filed as Exhibit 99.3) (2)
*8.1	List of Subsidiaries
*12.1	Certifications under Section 302; Peer M. Schatz, Managing Director and Chief Executive Officer
*12.2	Certifications under Section 302; Roland Sackers, Managing Director and Chief Financial Officer
*13.1	Certifications under Section 906; Peer M. Schatz, Managing Director and Chief Executive Officer and Roland Sackers, Managing Director and Chief Financial Officer
*15.1	Consent of Independent Registered Public Accounting Firm

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* Filed herewith.

(1) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on March 31, 2000.

(2) Incorporated by reference to Registration Statement of QIAGEN N.V. on Form S-8 filed with the Securities and Exchange Commission on August 7, 2007.

(3) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on April 19, 2005.

(4) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on April 3, 2006.

(5) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on April 2, 2007.

(6) Incorporated by reference to Amendment No. 2 to Schedule TO of QIAGEN N.V. filed with the Securities and Exchange Commission on July 18, 2007.

(7) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on March 20, 2008.

(8) Incorporated by reference to Form 20-F Annual Report of QIAGEN N.V. filed with the Securities and Exchange Commission on March 25, 2009.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

QIAGEN N.V.

Dated: March 16, 2010

By: /s/ Peer M. Schatz
Peer M. Schatz, Chief Executive Officer

/s/ Roland Sackers
Roland Sackers, Chief Financial Officer

QIAGEN N.V. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Supervisory Board and Shareholders of QIAGEN N.V. and Subsidiaries

We have audited the accompanying consolidated balance sheets of QIAGEN N.V. and Subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 18A. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of QIAGEN N.V. and Subsidiaries at December 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), QIAGEN N.V. and Subsidiaries' internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 16, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

March 16, 2010
Mannheim, Germany

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Supervisory Board and Shareholders of QIAGEN N.V. and Subsidiaries

We have audited QIAGEN N.V. and Subsidiaries' internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). QIAGEN N.V. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, QIAGEN N.V. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of QIAGEN N.V. and Subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 2009 of QIAGEN N.V. and Subsidiaries and our report dated March 16, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

March 16, 2010
Mannheim, Germany

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

(dollars in thousands)	As of December 31, 2009	2008
Assets		
Current Assets:		
Cash and cash equivalents	**$ 825,557**	$ 333,313
Short-term investments, stated at market value	**40,000**	—
Accounts receivable, net of allowance for doubtful accounts of $3,402 and $3,070 in 2009 and 2008, respectively	**193,737**	158,440
Income taxes receivable	**12,907**	14,441
Inventories, net	**130,851**	108,563
Prepaid expenses and other	**96,893**	61,424
Deferred income taxes	**33,525**	27,374
Total current assets	**1,333,470**	703,555
Long-Term Assets:		
Property, plant and equipment, net	**317,467**	289,672
Goodwill	**1,337,064**	1,152,105
Intangible assets, net of accumulated amortization of $219,731 and $132,570 in 2009 and 2008, respectively	**752,296**	640,309
Deferred income taxes	**26,387**	73,766
Other assets	**29,780**	25,916
Total long-term assets	**2,462,994**	2,181,768
Total assets	**$3,796,464**	$2,885,323

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

(dollars and shares in thousands)	As of December 31, 2009	2008
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	**$ 43,775**	$ 48,836
Accrued and other liabilities (of which $6,296 and $6,358 due to related parties in 2009 and 2008, respectively, see Note 18)	**248,699**	163,513
Income taxes payable	**10,727**	14,288
Current portion of long-term debt	**50,000**	25,000
Current portion of capital lease obligations	**3,417**	2,984
Deferred income taxes	**18,912**	7,754
Total current liabilities	**375,530**	262,375
Long-Term Liabilities:		
Long-term debt, net of current portion (of which $445,000 in 2009 and 2008 due to related parties, see Note 18)	**870,000**	920,000
Capital lease obligations, net of current portion	**27,554**	29,718
Deferred income taxes	**212,690**	212,589
Other (of which $1,391 due to related party in 2009 and 2008, respectively, see Note 18)	**19,521**	6,797
Total long-term liabilities	**1,129,765**	1,169,104
Commitments and Contingencies (Note 16)		
Shareholders' Equity:		
Preference shares, 0.01 EUR par value, authorized—450,000 shares, no shares issued and outstanding	**—**	—
Financing preference shares, 0.01 EUR par value, authorized—40,000 shares, no shares issued and outstanding	**—**	—
Common Shares, 0.01 EUR par value, authorized—410,000 shares, issued and outstanding—232,074 and 197,839 shares at December 31, 2009 and 2008, respectively	**2,711**	2,212
Additional paid-in capital	**1,622,733**	958,665
Retained earnings	**615,579**	477,812
Accumulated other comprehensive income	**50,146**	15,155
Total shareholders' equity	**2,291,169**	1,453,844
Total liabilities and shareholders' equity	**$3,796,464**	$2,885,323

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	Years ended December 31, 2009	2008	2007
Net sales	**$1,009,825**	$892,975	$649,774
Cost of sales	**342,752**	293,285	216,227
Gross profit	**667,073**	599,690	433,547
Operating Expenses:			
Research and development	**107,900**	97,331	64,935
Sales and marketing	**244,814**	227,408	164,690
General and administrative, integration and other	**115,933**	113,936	87,178
Acquisition-related intangible amortization	**18,221**	14,368	7,711
Purchased in-process research and development	**—**	985	25,900
Total operating expenses	**486,868**	454,028	350,414
Income from operations	**180,205**	145,662	83,133
Other Income (Expense):			
Interest income	**3,522**	9,511	19,509
Interest expense	**(29,641)**	(37,527)	(31,455)
Other income, net	**18,244**	1,640	4,539
Total other expense	**(7,875)**	(26,376)	(7,407)
Income before provision for income taxes and noncontrolling interest	**172,330**	119,286	75,726
Provision for income taxes	**34,563**	29,762	25,555
Net income	**$ 137,767**	$ 89,524	$ 50,171
Less: Noncontrolling interest	**—**	491	49
Net income attributable to the owners of QIAGEN N.V.	**$ 137,767**	$ 89,033	$ 50,122
Basic net income per common share attributable to the owners of QIAGEN N.V.	**$ 0.67**	$ 0.45	$ 0.30
Diluted net income per common share attributable to the owners of QIAGEN N.V.	**$ 0.64**	$ 0.44	$ 0.28
Shares used in computing basic net income per common share	**206,928**	196,804	168,457
Shares used in computing diluted net income per common share	**213,612**	204,259	175,959

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(in thousands)	Common Shares		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount				
BALANCE AT DECEMBER 31, 2006	150,168	$1,535	$ 178,656	$344,739	$ 41,235	$ 566,165
Net income	—	—	—	50,122	—	50,122
Unrealized gain, net on hedging contracts	—	—	—	—	903	903
Realized loss, net on hedging contracts	—	—	—	—	611	611
Unrealized loss, net on short-term investments	—	—	—	—	(504)	(504)
Realized gain, net on short-term investments	—	—	—	—	(1)	(1)
Unrealized gain, net on pension	—	—	—	—	47	47
Translation adjustment	—	—	—	—	32,733	32,733
Comprehensive income	—	—	—	—	—	83,911
Cumulative effect due to the adoption of uncertain tax positions	—	—	—	(6,082)	—	(6,082)
Stock issued for the acquisition of eGene Inc.	870	12	15,598	—	—	15,610
Stock issued for the acquisition of Digene Corporation.	39,618	563	635,388	—	—	635,951
Equity awards issued in connection with the Digene acquisition	—	—	33,212	—	—	33,212
Common stock issuances under employee stock plans	4,679	65	42,217	—	—	42,282
Tax benefit of employee stock plans	—	—	9,944	—	—	9,944
Share-based compensation	—	—	8,982	—	—	8,982
Proceeds from subscription receivables	—	—	1,600	—	—	1,600
BALANCE AT DECEMBER 31, 2007	195,335	$2,175	$ 925,597	$388,779	$ 75,024	$1,391,575
Net income	—	—	—	89,033	—	89,033
Unrealized loss, net on hedging contracts	—	—	—	—	(3,920)	(3,920)
Realized gain, net on hedging contracts	—	—	—	—	533	533
Realized loss, net on short-term investments	—	—	—	—	(780)	(780)
Unrealized gain, net on pension	—	—	—	—	65	65
Translation adjustment	—	—	—	—	(55,767)	(55,767)
Comprehensive income	—	—	—	—	—	29,164
Stock issued for the acquisition of eGene Inc.	17	1	301	—	—	302
Stock issued for the acquisition of Corbett.	219	3	4,231	—	—	4,234
Common stock issuances from conversion of warrants	395	5	4,995	—	—	5,000
Common stock issuances under employee stock plans	1,873	28	13,427	—	—	13,455
Tax benefit of employee stock plans	—	—	(662)	—	—	(662)
Share-based compensation	—	—	9,791	—	—	9,791
Proceeds from subscription receivables	—	—	985	—	—	985
BALANCE AT DECEMBER 31, 2008	197,839	$2,212	$ 958,665	$477,812	$ 15,155	$1,453,844
Net income	—	—	—	137,767	—	137,767
Unrealized loss, net on hedging contracts	—	—	—	—	(9,005)	(9,005)
Realized gain, net on hedging contracts	—	—	—	—	5,841	5,841
Unrealized gain, net on pension	—	—	—	—	210	210
Translation adjustment	—	—	—	—	37,945	37,945
Comprehensive income	—	—	—	—	—	172,758
Common stock issuance from public offering.	31,625	462	623,109	—	—	623,571
Common stock issuances from conversion of warrants	—	—	1	—	—	1
Common stock issuances under employee stock plans	2,610	37	26,883	—	—	26,920
Tax benefit of employee stock plans	—	—	3,363	—	—	3,363
Share-based compensation	—	—	9,747	—	—	9,747
Proceeds from subscription receivables	—	—	965	—	—	965
BALANCE AT DECEMBER 31, 2009	**232,074**	**$2,711**	**$1,622,733**	**$615,579**	**$ 50,146**	**$2,291,169**

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Years ended December 31, 2009	2008	2007
Cash Flows From Operating Activities:			
Net income	**$ 137,767**	$ 89,033	$ 50,122
Adjustments to reconcile net income to net cash provided by operating activities, net of effects of businesses acquired:			
Depreciation and amortization	**48,575**	42,618	31,257
Amortization of purchased intangible assets	**71,819**	63,086	31,326
Purchased in-process research and development	**—**	985	25,900
Non-cash acquisition related costs	**10,030**	5,869	2,839
Share-based compensation:			
Share-based compensation expense	**9,747**	9,791	8,982
Excess tax benefits from share-based compensation	**(5,942)**	(1,775)	(9,944)
Deferred income taxes	**(10,610)**	(17,694)	(1,654)
Gain on sale of investments	**(11,501)**	—	—
Other	**1,907**	(843)	1,809
Net changes in operating assets and liabilities:			
Accounts receivable	**(25,213)**	(19,078)	(21,378)
Inventories	**(21,534)**	(30,371)	(8,738)
Prepaid expenses and other	**(9,364)**	(396)	(4,604)
Other assets	**(8,213)**	4,975	(887)
Accounts payable	**(9,076)**	5,753	956
Accrued and other liabilities	**23,859**	19,081	(23,539)
Income taxes	**12,473**	1,595	(64)
Other	**2,271**	369	2,428
Net cash provided by operating activities	**216,995**	172,998	84,811
Cash Flows From Investing Activities:			
Purchases of property, plant and equipment	**(52,179)**	(39,448)	(34,492)
Proceeds from sale of equipment	**869**	1,233	715
Purchases of intangible assets	**(17,178)**	(18,469)	(24,122)
Proceeds from sale/(purchases) of investments	**1,476**	(4,175)	(747)
Collections of note receivable in connection with disposed synthetic DNA business unit	**—**	—	5,106
Purchases of short-term investments	**(40,000)**	—	(45,444)
Sales of short-term investments	**—**	2,313	299,005
Cash paid for acquisitions, net of cash acquired	**(234,732)**	(150,531)	(859,692)
Loan to related party	**—**	(1,441)	—
Net cash used in investing activities	**(341,744)**	(210,518)	(659,671)

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)

(in thousands)	Years ended December 31, 2009	2008	2007
Cash Flows From Financing Activities:			
Proceeds from debt	**—**	—	780,018
Repayment of debt	**(25,000)**	(5,000)	(337,811)
Principal payments on capital leases	**(2,991)**	(2,995)	(1,979)
Proceeds from subscription receivables	**965**	985	1,600
Excess tax benefits from share based compensation	**5,942**	1,775	9,944
Issuance of common shares	**650,492**	18,455	42,282
Other financing activities	**(210)**	(451)	—
Net cash provided by financing activities	**629,198**	12,769	494,054
Effect of exchange rate changes on cash and cash equivalents	**(12,205)**	10,744	(2,231)
Net increase (decrease) in cash and cash equivalents	**492,244**	(14,007)	(83,037)
Cash and cash equivalents, beginning of year	**333,313**	347,320	430,357
Cash and cash equivalents, end of year	**$825,557**	$333,313	$ 347,320
Supplemental Cash Flow Disclosures:			
Cash paid for interest	**$ 27,662**	$ 36,460	$ 30,531
Cash paid for income taxes	**$ 36,003**	$ 39,475	$ 14,234
Supplemental Disclosure of Non-cash Investing and Financing Activities:			
Equipment purchased through capital lease	**$ 376**	$ 141	$ 59
Issuance of common shares in connection with acquisitions	**$ —**	$ 4,536	$ 651,561

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business

QIAGEN N.V., a Netherlands holding company, and subsidiaries (the Company) is a leading provider of innovative technologies and products for preanalytical sample preparation and linked molecular assay solutions. The Company has developed a comprehensive portfolio of more than 500 proprietary, consumable products and automated solutions for sample collection, and nucleic acid and protein handling, separation, and purification as well as open and target-specific assays. The Company also supplies diagnostic kits, tests, and assays for human and veterinary molecular diagnostics. Products are sold to academic research markets, to leading pharmaceutical and biotechnology companies, to applied testing customers (such as in forensics, veterinary, biodefense and industrial applications) as well as to molecular diagnostics laboratories. In addition, the Company sells and/or licenses technologies to others. The Company's products are subject to rapid technological change. Because of these technological changes, the Company needs to continuously expend resources toward research and development. Products are sold through a dedicated sales force and a global network of distributors in more than 40 countries.

Certain reclassifications of prior year amounts have been made to conform to the current year presentation, including reclassifications related to the Company's adoption of the provisions of Accounting Standards Codification Topic 810, (formerly Statement of Financial Accounting Standards (SFAS) No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51").

On September 30, 2009, the Company completed an offering pursuant to which QIAGEN N.V. sold an aggregate of 31.625 million common shares, including 4.125 million common shares upon exercise of the underwriters' over-allotment option, at an offering price of $20.25/EUR 13.82 per common share for aggregate gross proceeds of approximately $640.4 million. The Company received net proceeds from the offering of $623.6 million, after deducting $12.8 million of underwriting commissions and $4.0 million of offering expenses, net of related tax benefits.

During 2009, the Company acquired DxS Ltd and SABiosciences Corporation. During 2008, the Company acquired Corbett Life Science Pty. Ltd. and the assets related to the Biosystems Business from Biotage AB, as discussed more fully in Note 4. These acquisitions have been accounted for using the purchase method of accounting, and the acquired companies' results have been included in the accompanying financial statements from their respective dates of acquisition.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP) and include the accounts of the Company and its wholly owned subsidiaries other than those that are considered variable interest entities for which the Company is not the primary beneficiary. All significant intercompany accounts and transactions have been eliminated. All amounts are presented in U.S. dollars, unless otherwise indicated. Investments in companies where the Company exercises significant influence over the operations, and which the Company has determined that it is not the primary beneficiary, are accounted for using the equity method. All other investments are accounted for under the cost method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Risk

The Company buys materials for products from many suppliers, and is not dependent on any one supplier or group of suppliers for the business as a whole. However, key components of certain products, including certain instrumentation components and chemicals, are available only from a single source. If supplies from these vendors were delayed or interrupted for any reason, the Company may not be able to obtain these materials timely or in sufficient quantities in order to produce certain products and sales levels could be negatively affected. Additionally, the Company's customers include researchers at pharmaceutical and biotechnology companies, academic institutions and government and private laboratories. Fluctuations in the research and development budgets of these researchers and their organizations for applications in which the Company's products are used could have a significant effect on the demand for our products.

The financial instruments used in managing the Company's foreign currency and interest rate exposures have an element of risk in that the counterparties may be unable to meet the terms of the agreements. The Company attempts to minimize this risk by limiting the counterparties to a diverse group of highly-rated international financial institutions. The carrying values of the Company's financial instruments incorporate the non-performance risk by using market pricing for credit risk. However, the Company has no reason to believe that any counterparties will default on their obligations and therefore does not expect to record any losses as a result of counterparty default. In order to minimize the Company's exposure with any single counterparty, the Company has entered into master agreements which allow it to manage the exposure with the respective counterparty on a net basis. In connection with such agreements, the Company does not require and is not required to pledge collateral for derivative transactions.

Other financial instruments that potentially subject the Company to concentrations of credit risk are cash and cash equivalents, short-term investments, and accounts receivable. The Company attempts to minimize the risks related to cash and cash equivalents and short-term investments by using highly-rated financial institutions that invest in a broad and diverse range of financial instruments. The Company has established guidelines related to credit ratings and maturities of investments intended to maintain safety and liquidity. Concentration of credit risk with respect to accounts receivable is limited due to a large and diverse customer base, which is dispersed over different geographic areas. Allowances are maintained for potential credit losses and such losses have historically been within expected ranges.

Fair Value of Financial Instruments

The carrying value of the Company's cash and cash equivalents, notes receivable, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of the short maturities of those instruments. The carrying value of the Company's variable rate debt and capital leases approximate their fair values because of the short maturities and/or interest rates which are comparable to those available to the Company on similar terms. The fair values of the notes payable to QIAGEN Finance and Euro Finance, further discussed in Note 14, were estimated by using available over-the-counter market information on the convertible bonds which were issued by QIAGEN Finance and Euro Finance, the values of which correlate to the fair value

of the loan arrangements the Company has with QIAGEN Finance and Euro Finance which includes the notes payable, the guarantee and the warrant agreement (further discussed in Note 10).

Cash and Cash Equivalents and Short-Term Investments

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on deposit in banks and other cash invested temporarily in various instruments that are short-term and highly liquid, and having an original maturity of less than 90 days at the date of purchase.

Short-Term Investments: Short-term investments are classified as "available for sale" and stated at fair value in the accompanying balance sheet. Interest income is accrued when earned and changes in market values are reflected as unrealized gains and losses, calculated on the specific identification method, as a component of accumulated other comprehensive income. A decline in fair value that is judged to be other-than-temporary is accounted for as a realized loss and the write-down is included in the consolidated statements of income. Realized gains and losses, determined on a specific identification basis, on the sale of short-term investments are included in income.

Accounts Receivable

The Company's accounts receivable are unsecured and the Company is at risk to the extent such amounts become uncollectible. The Company continually monitors accounts receivable balances, and provides for an allowance for doubtful accounts at the time collection becomes questionable based on payment history or age of the receivable. For the years ended December 31, 2009, 2008 and 2007, write-offs of accounts receivable totaled $0.6 million, $0.7 million and $1.1 million while provisions for doubtful accounts which were charged to expense totaled $1.7 million, $0.8 million and $1.8 million, respectively. For all years presented, no single customer represented more than ten percent of accounts receivable or consolidated net sales.

Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market and include material, capitalized labor and overhead costs. Inventories consist of the following as of December 31, 2009 and 2008:

(in thousands)	As of December 31, 2009	2008
Raw materials	**$ 33,172**	$ 34,820
Work in process	**39,856**	36,305
Finished goods	**57,823**	37,438
Total inventories	**$130,851**	$108,563

Property, Plant and Equipment

Property, plant and equipment, including equipment acquired under capital lease obligations, are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (one to 40 years). Amortization of leasehold improvements is computed on a straight-line basis over the lesser of the remaining life of the lease or the estimated useful life. The Company has a policy of capitalizing expenditures that materially increase assets' useful lives and charging ordinary maintenance and repairs to operations as

incurred. When property or equipment is disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in other income (expense).

Acquired Intangibles and Goodwill

Acquired intangibles are carried at cost less accumulated amortization and consist of licenses to technology held by third parties and other intangible assets acquired by the Company. Amortization is computed over the estimated useful life of the underlying patents, which has historically ranged from one to twenty years. Purchased intangible assets other than goodwill are amortized over their estimated useful lives unless these lives are determined to be indefinite. Intangibles are assessed for recoverability considering the contract life and the period of time over which the intangible will contribute to future cash flow. The unamortized cost of intangible assets is evaluated periodically and adjusted, if necessary, if events and circumstances indicate that a permanent decline in value below the carrying amount has occurred.

Amortization expense related to developed technology and patent and license rights which have been acquired in a business combination is included in cost of sales. Amortization of trademarks, customer base and non-compete agreements which have been acquired in a business combination is recorded in operating expense under the caption 'acquisition-related intangible amortization.' Amortization expenses of intangible assets not acquired in a business combination are recorded within either the cost of sales, research and development or sales and marketing line items based on the use of the asset.

Goodwill represents the difference between the purchase price and the estimated fair value of the net assets acquired arising from business combinations. Goodwill is subject to impairment tests annually or earlier if indicators of potential impairment exist, using a fair-value-based approach. The Company has elected to perform its annual test for indications of impairment as of October 1st of each year. Goodwill is potentially impaired when, in the first step, the net book value of a reporting unit exceeds its estimated fair value. Our reporting units are our subsidiaries. If impairment is indicated, then the second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. In testing for potential impairment, the estimated fair value of reporting units is based upon discounted future operating cash flows using a discount rate reflecting the estimated average cost of funds. Future cash flows are based on recent sales data for existing products, planned timing of new product launches or capital projects, and customer commitments related to new and existing products. These budgets also included assumptions of future production volumes and pricing. Following the annual impairment tests for the years ended December 31, 2009, 2008 and 2007, goodwill has not been impaired.

Investments

The Company has investments in non-marketable securities issued by privately held companies. These investments are included in other long-term assets in the accompanying consolidated balance sheets and are accounted for using the equity or cost method of accounting.

Investments are evaluated at least quarterly, or sooner if impairment indicators are noted, to determine if declines in value are other-than-temporary. In making that determination, the Company considers all available evidence relating to the realizable value of a security. This evidence includes, but is not limited to, the following:

- adverse financial conditions of a specific issuer, segment, industry, region or other variables;
- the length of time and the extent to which the fair value has been less than cost; and
- the financial condition and near-term prospects of the issuer.

The fair values of any of the Company's equity method investments have declined below their carrying value whenever adverse events or changes in circumstances indicate that recorded values may not be recoverable. If any such decline is considered to be other than temporary (based on various factors, including historical financial results, product development activities and the overall health of the affiliate's industry), then a write-down of the investment would be recorded to its estimated fair value.

Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or a group of assets may not be recoverable. The Company considers a history of operating losses or a change in expected sales levels to be indicators of potential impairment. Assets are grouped and evaluated for impairment at the lowest level for which there are identified cash flows that are largely independent of the cash flows of other groups of assets. The Company deems an asset to be impaired if a forecast of undiscounted projected future operating cash flows directly related to the asset, including disposal value, if any, is less than its carrying amount. If an asset is determined to be impaired, the loss is measured as the amount by which the carrying amount of the asset exceeds fair value. The Company generally measures fair value by discounting projected future cash flows. Considerable judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could differ from such estimates.

Revenue Recognition

The Company's revenues are reported net of sales and value added taxes, discounts and sales allowances, and are derived primarily from the sale of consumable and instrumentation products, and to a much lesser extent, from the sale of services and technology. The Company recognizes revenue when four basic criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed and determinable; and (4) collectability is reasonably assured.

Consumable Products: Revenue from consumable product sales is generally recognized upon transfer of title consistent with the shipping terms. Per the Company's usual shipping terms, title and risk of loss pass to the customer upon delivery of product to the shipping location. The Company maintains a small amount of consignment inventory at certain customer locations. Revenues for the consumable products which are consigned in this manner are recognized upon consumption. The Company generally allows returns of consumable products if the product is returned in a timely manner and in good condition. Allowances for returns are provided for based upon the historical pattern of returns and Management's evaluation of specific factors that impact the risk of returns.

Instrumentation: Revenue from instrumentation includes the instrumentation equipment, installation, training and other instrumentation services, such as extended warranty services or product maintenance contracts. Revenue from instrumentation equipment is generally recognized when title passes to the customer, upon either shipment or written customer acceptance after satisfying any installation and training requirements. For instrumentation equipment sales that contain other obligations, such as providing consumables, advanced training, separately-priced extended warranty services or separately-priced extended maintenance contracts, revenue is first allocated to separately-priced extended warranty or maintenance contracts based on the stated contract price, then the remaining contract value is allocated to the remaining elements based on objective, verifiable evidence of the fair value of the individual components. The price charged when the element is sold separately generally determines its fair value. Revenues for extended warranty services or extended product maintenance contracts are deferred and recognized on a straight-line basis over the contract period.

Other: Other revenue includes license fees, royalties and milestone payments. License fees from research collaborations include payments for technology transfer and access rights. Non-refundable, up-front payments received in connection with collaborative research and development agreements are generally deferred and recognized on a straight-line basis over the contract period during which there is any continuing obligation. Payments for milestones, generally based on the achievement of substantive and at-risk performance criteria, are recognized in full at such time as the specified milestone has been achieved according to the terms of the agreement. Royalties from licensees are based on reported sales of licensed products and revenues are calculated based on contract terms when reported sales are reliably measurable, fees are fixed and determinable and collectability is reasonably assured.

Research and Development

Research and product development costs are expensed as incurred. Research and development expenses consist primarily of salaries and related expenses, facility costs and amounts paid to contract research organizations, and laboratories for the provision of services and materials.

Shipping and Handling Income and Costs

Shipping and handling costs charged to customers are recorded as revenue in the period that the related product sale revenue is recorded. Associated costs of shipping and handling are included in sales and marketing expenses. For the years ended December 31, 2009, 2008 and 2007, shipping and handling costs totaled $17.5 million, $17.1 million and $17.1 million, respectively.

Advertising Costs

The costs of advertising are expensed as incurred. Advertising costs for the years ended December 31, 2009, 2008 and 2007 were $10.6 million, $21.5 million and $5.0 million, respectively.

General and Administrative, Integration and Other

General and administrative expenses primarily represent the costs required to support administrative infrastructure. In addition, the Company incurs indirect acquisition and business integration costs in connection with its purchase business combinations. These costs represent incremental costs that the Company believes would not have been incurred absent the business combinations. Major components of these costs include payroll and related costs for employees remaining with the Company on a transitional basis; public relations, advertising and media costs for re-branding of the combined organization; and, consulting and related fees incurred to integrate or restructure the acquired operations. Other costs include relocation and restructuring costs incurred in connection with a restructuring which was not contemplated at the time of acquisition. These costs are expensed as incurred.

Warranty

The Company warrants its products against defects in materials and workmanship generally for a period of one year. A provision for estimated future warranty costs is recorded at the time product revenue is recognized.

The Company's product warranty obligations are included in accrued and other liabilities in the accompanying consolidated balance sheets. The changes in the carrying amount of warranty obligations are as follows:

(in thousands)	
BALANCE AT DECEMBER 31, 2007	$1,621
Provision charged to income	1,884
Usage	(622)
Adjustments to previously provided warranties, net	(32)
Currency translation	(127)
BALANCE AT DECEMBER 31, 2008	$2,724
Provision charged to income	1,347
Usage	(759)
Adjustments to previously provided warranties, net	(93)
Currency translation	249
BALANCE AT DECEMBER 31, 2009	$3,468

Income Taxes

The Company accounts for income taxes under the liability method. Under this method, total income tax expense is the amount of income taxes expected to be payable for the current year plus the change from the beginning of the year for deferred income tax assets and liabilities established for the expected further tax consequences resulting from differences in the financial reporting and tax basis of assets and liabilities. Deferred tax assets and/or liabilities are determined by multiplying the differences between the financial reporting and tax reporting bases for assets and liabilities by the enacted tax rates expected to be in effect when such differences are recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Tax benefits are initially recognized in the financial statements when it is more likely than not that the position will be sustained upon examination by the tax authorities. Such tax positions are initially and subsequently measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming full knowledge of the position and all relevant facts.

Foreign Currency Translation

The Company's functional currency is the U.S. dollar and subsidiaries' functional currencies are the local currency of the respective countries in which they are headquartered. All amounts in the financial statements of entities whose functional currency is not the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) assets and liabilities at period-end rates, (2) income statement accounts at average exchange rates for the period, and (3) components of shareholders' equity at historical rates. Translation gains or losses are recorded in shareholders' equity, and transaction gains and losses are reflected in net income. Realized gains or losses on the value of financial contracts entered into to hedge the exchange rate exposure of receivables and payables are also included in net income. The net gain (loss) on foreign currency transactions in 2009, 2008 and 2007 was $5.6 million, ($0.2 million), and $2.0 million, respectively, and is included in other income, net.

Derivative Instruments

The Company enters into derivative financial instrument contracts only for hedging purposes. The purpose of the derivative instruments is to minimize the variability of cash flows or income statement impact associated

with the anticipated transactions being hedged or to hedge fluctuating interest rates. As changes in foreign currency or interest rate impact the value of anticipated transactions, the fair value of the forward or swap contracts also changes, offsetting foreign currency or interest rate fluctuations. Derivative instruments are recorded on the balance sheet at fair value. Changes in fair value of derivatives are recorded in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction.

Share-Based Payments

Compensation cost for all share-based payments is recorded based on the grant date fair value.

Stock Options: The Company utilizes the Black-Scholes-Merton valuation model for estimating the fair value of its stock options granted. Option valuation models, including Black-Scholes-Merton, require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility, and the expected life of the award.

Risk-Free Interest Rate—This is the average U.S. Treasury rate (having a term that most closely resembles the expected life of the option) at the date the option was granted.

Dividend Yield—The Company has never declared or paid dividends on its common stock and does not anticipate declaring or paying any dividends in the foreseeable future.

Expected Volatility—Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company uses a combination of the historical volatility of its stock price and the implied volatility of market-traded options of the Company's stock to estimate the expected volatility assumption input to the Black-Scholes-Merton model. The Company's decision to use a combination of historical and implied volatility is based upon the availability of actively traded options of its stock and its assessment that such a combination is more representative of future expected stock price trends.

Expected Life of the Option—This is the period of time that the options granted are expected to remain outstanding. The Company estimated the expected life by considering the historical exercise behavior. The Company uses an even exercise methodology, which assumes that all vested, outstanding options are exercised uniformly over the balance of their contractual life.

Forfeiture Rate—This is the estimated percentage of options granted that are expected to be forfeited or cancelled on an annual basis before becoming fully vested. The Company estimated the forfeiture rate based on historical forfeiture experience.

Restricted Stock Units: Restricted stock units represent rights to receive Common Shares at a future date. The fair market value is determined based on the number of restricted stock units granted and the market value of the Company's shares on the grant date. The fair market value at the time of the grant, less an estimate for pre-vesting forfeitures, is amortized to expense ratably over the vesting period.

Recent Authoritative Pronouncements

Adoption of New Accounting Standards

On September 30, 2009, the Company adopted the Financial Accounting Standards Board (FASB) Codification as outlined in Statement of Financial Accounting Standard (SFAS) 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles" (FASB ASC). The

Codification is now the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants, as well as SEC Staff Accounting Bulletins. Effective for interim and annual periods ending after September 15, 2009, the Codification supersedes all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. FASB ASC Topic 105-10-65 "Transition and Open Effective Date Information" identifies exceptions for FASB Statement Nos. 164 through 168, which will remain authoritative until these standards are incorporated into the Codification.

On June 30, 2009, the Company adopted SFAS 165 "Subsequent Events." This standard provides general standards of accounting and disclosure to determine the period of time after the balance sheet date in which events and transactions should be evaluated for disclosure, the circumstances under which events and transactions which occur after the balance sheet date should be recognized in the financial statements and disclosure guidance on these events and transactions that occur after the balance sheet date.

On January 1, 2009, the Company adopted the new provisions of FASB ASC Topic 805-20—Business Combinations—Identifiable Assets and Liabilities, and Any Noncontrolling Interest (formerly SFAS 141R and SFAS 160). These provisions impacted the Company primarily in five areas: (1) acquired in-process research and development is now accounted for as an indefinite lived intangible asset until approval or discontinuation rather than as an expense; (2) acquisition costs are now expensed rather than added to the cost of an acquisition; (3) restructuring costs in connection with an acquisition are now expensed rather than added to the cost of an acquisition; (4) the fair value of contingent consideration at the date of an acquisition is now included in the cost of an acquisition; and (5) the fair value of contingent liabilities that are more likely than not to occur are now recorded at the date of an acquisition. The effects of these changes were applicable to acquisitions on or after January 1, 2009. The Noncontrolling Interest provisions have been applied prospectively as of January 1, 2009, except for the presentation and disclosure requirements, which have been applied retrospectively for prior periods presented. Prior to the adoption of the new provisions in FASB ASC Topic 805-20, the noncontrolling interests' share of net income was included in minority interest in income (expense) in the consolidated statement of income, and the noncontrolling interests' equity was included outside of equity in the consolidated balance sheet.

On January 1, 2009, the Company adopted the new disclosure provisions in FASB ASC Topic 815-10-50—Derivatives and Hedging—Disclosure (formerly SFAS 161). FASB ASC Topic 815-10-50 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand the effects of derivative instruments and hedging activities on an entity's financial condition, financial performance and cash flows. FASB ASC Topic 815-10-50 impacts disclosures only.

On January 1, 2009, the Company adopted the new provisions of FASB ASC Topic 808—Collaborative Arrangements (specifically the provisions included in the former EITF Issue No. 07-1) that discuss how parties to a collaborative arrangement (which does not establish a legal entity within such arrangement) should account for various activities. The provisions indicate that costs incurred and revenues generated from transactions with third parties (i.e., parties outside of the collaborative arrangement) should be reported by the collaborators on the respective line items in their income statements pursuant to FASB ASC Topic 605-45—Revenue Recognition — Principle Agent Considerations (formerly under EITF Issue No. 99-19). Additionally, the provisions of FASB ASC Topic 808 provide that income statement characterization of payments between the participants in a collaborative arrangement should be based upon existing authoritative guidance; analogy to such pronouncements if not within their scope; or a reasonable, rational, and consistently applied accounting policy

election. These provisions shall be applied retrospectively to all prior periods presented for all collaborative arrangements existing as of the effective date. The adoption of these provisions did not result in a change to the Company's historical consolidated financial statements.

In 2009, there was an update to FASB ASC Topic 320—Investments—Debt and Equity Securities (formerly FSP FAS 115-2 and FAS 124-2), which provides additional guidance for the accounting for and presentation of impairment losses on securities. The Company adopted these updates in the second quarter of 2009 without any impact.

In 2009, the FASB updated ASC Topic 820—Fair Value Measurements and Disclosures (formerly FSP FAS 157-4). This update emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability, fair value is still determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The Company adopted these updates in the second quarter of 2009 without any impact.

In 2009, the FASB updated ASC Topic 825—Financial Instruments (formerly FSP FAS 107-1 and APB 28-1). This update amends ASC Topic 825 to require disclosures about fair value of financial instruments for interim reporting periods of publicly-traded companies as well as in annual financial statements. This update also amends ASC Topic 270—Interim Reporting (formerly APB Opinion No. 28) to require these disclosures in summarized financial information at interim reporting periods. The Company adopted these updates in the second quarter of 2009.

Recently Issued Accounting Standards

In October 2009, the FASB issued new authoritative guidance regarding *"Revenue Recognition—Multiple Deliverable Revenue Arrangements."* This update provides amendments for separating consideration in multiple deliverable arrangements and removes the objective-and-reliable-evidence-of-fair-value criterion from the separation criteria used to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, replaces references to "fair value" with "selling price" to distinguish from the fair value measurements required under the "*Fair Value Measurements and Disclosures"* guidance, provides a hierarchy that entities must use to estimate the selling price, eliminates the use of the residual method for allocation, and expands the ongoing disclosure requirements. This update is effective for the Company beginning January 1, 2011. The Company is evaluating the effect that adoption of this update will have, if any, on the consolidated financial position and results of operations.

In June 2009, the FASB issued SFAS 167, "Amendments to FASB Interpretation No. 46(R)." This standard amends older guidance in ASC Topic 810—Consolidation (formerly FIN 46(R)) by eliminating the quantitative-based risks and rewards calculation for determining which enterprise, if any, has a controlling financial interest in a variable interest entity. The standard instead applies a qualitative approach that identifies which enterprise has the most significant impact on the variable interest entity's economic performance and which has (1) the obligation to absorb losses of the entity or (2) the right to receive benefits from the entity. The standard also requires an additional reconsideration event when the equity holders of the entity, as a group, lose the power from voting rights or similar rights to direct the activities of the entity that most significantly impact the entity's economic performance. Ongoing assessments of whether an enterprise is the primary beneficiary of a variable interest entity and expanded disclosures about an enterprise's involvement in variable interest entities will also be required. This standard is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. The Company adopted this standard on January 1, 2010 without any impact.

3. Net Income per Common Share

The following schedule summarizes the information used to compute earnings per Common Share:

(in thousands)	Years ended December 31, 2009	2008	2007
Weighted average number of Common Shares used to compute basic net income per Common Share	**206,928**	196,804	168,457
Dilutive effect of stock options and restrictive stock units	**2,717**	3,122	3,716
Dilutive effect of outstanding warrant shares	**3,967**	4,333	3,786
Weighted average number of Common Shares used to compute diluted net income per Common Share	**213,612**	204,259	175,959
Outstanding stock options and restrictive stock units having no dilutive effect, not included in above calculation	**2,627**	2,149	2,207
Outstanding warrants having no dilutive effect, not included in above calculation	**30,000**	22,430	23,166

4. Acquisitions, Divestiture and Restructuring

Significant 2009 Acquisitions

DxS Ltd. Acquisition

On September 21, 2009, the Company acquired 100% of the outstanding shares of DxS Ltd. (DxS), a privately-held developer and manufacturer of companion diagnostic products headquartered in Manchester, United Kingdom. With this acquisition, the Company believes that it has taken a strong leadership position in personalized healthcare (PHC). The transaction is valued at $94.5 million in cash, plus up to an additional $35.0 million in contingent consideration. The acquisition date fair value of the total consideration was $112.1 million, which consisted of $94.5 million in cash and $17.6 million for the acquisition date fair value of the contingent consideration. The Company has deposited $9.1 million of the consideration in an escrow account with a paying agent to cover any claims for breach of any of representations, warranties, covenants or indemnities or failure to satisfy certain conditions. This amount is included in prepaid expenses and other in the accompanying Consolidated Balance Sheet. Correspondingly, the Company has recorded preacquisition contingencies of $9.1 million which are included in accrued and other liabilities in the accompanying Consolidated Balance Sheet.

The contingent consideration of $35.0 million relates to specific commercial and other milestones, which, if met will be paid as follows: $10.0 million in 2010, $10.0 million in 2011, $2.5 million until November 30, 2011, $5.0 million until May 31, 2012, $5.0 million until September 21, 2012 and $2.5 million until November 30, 2012. The preliminary total fair value of milestones is approximately $17.6 million which, as of the acquisition date, has been recognized as purchase price. The fair value of the milestone payments was determined using a discount rate of 3.25% and a probability regarding the accomplishment of the milestones of 90 to 95%.

SABiosciences Acquisition

On December 14, 2009, the Company acquired 100% of the outstanding shares of SABiosciences Corporation, located in Frederick, Maryland (USA). SABiosciences holds a leading position in the design and commercialization of disease- and pathway-focused real-time PCR-based assay panels, which are widely utilized in biomedical research and in the development of future drugs and diagnostics. At closing, the purchase price was

$97.6 million in cash. The Company has deposited $15.0 million of the consideration in an escrow account with a paying agent to cover any claims for breach of any of representations, warranties, covenants or indemnities or failure to satisfy certain conditions. This amount is included in prepaid expenses and other in the accompanying Consolidated Balance Sheet. Correspondingly, the Company has recorded preacquisition contingencies of $15.0 million which are included in accrued and other liabilities in the accompanying Consolidated Balance Sheet.

The preliminary purchase price allocations are as follows:

(in thousands)	DxS Acquisition	SABiosciences Acquisition	Total
Purchase Price:			
Cash	$ 94,520	$ 97,586	$192,106
Preliminary Fair Value of Milestones	17,599	—	17,599
	$112,119	$ 97,586	$209,705
Preliminary Allocation:			
Working capital	$ 3,396	$ 9,490	$ 12,886
Fixed and other long-term assets	2,199	2,215	4,414
Product technology and know how	16,400	26,400	42,800
Purchased in-process research and development	1,400	1,700	3,100
Customer relationships	54,900	8,400	63,300
Tradename	4,100	1,900	6,000
Goodwill	53,499	62,841	116,340
Deferred tax liability on fair value of identifiable intangible assets acquired	(23,040)	(15,360)	(38,400)
Liabilities assumed	(735)	—	(735)
	$112,119	$ 97,586	$209,705

The weighted-average amortization period for the intangible assets acquired with DxS is 15 years and with SABiosciences is 10 years. The goodwill acquired in these acquisitions is not deductible for tax purposes.

Pro forma results

The following unaudited pro forma information assumes that the above acquisitions occurred at the beginning of the periods presented. For the years ended December 31, 2009 and 2008, pro forma net sales would have been $1,049.1 million and $922.0 million, pro forma net income would have been $138.0 million and $87.6 million, and pro forma diluted net income per common share would have been $0.65 and $0.43, respectively. These unaudited pro forma results are intended for informational purposes only and are not necessarily indicative of the results of operations that would have occurred had the acquisitions been in effect at the beginning of the periods presented, or of future results of the combined operations.

Other 2009 Acquisitions

On August 6, 2009, the Company acquired Explera s.r.l., a leading supplier in molecular diagnostics and personalized medicine in Italy. The transaction is valued at $7.5 million, with a fixed purchase price of $5.0 million and milestone payments of $2.5 million, which are expected to be realized. With this acquisition, the Company is expanding the size of its molecular diagnostics sales channel in Italy and is adding several activities in the area of personalized medicine and access to a suite of CE-IVD pyrosequencing assays.

On November 12, 2009, the Company acquired 100% of the outstanding shares of a privately-held developer, producer and distributor of PCR-based technologies for forensics, kinship and paternity analysis, and other human identity testing applications located in Germany. Upon closing of the transaction, an upfront payment of $23.3 million was paid to the sellers, less an amount of $13.1 million which is retained in an escrow account to cover any claims for breach of any of representations, warranties or indemnities. Another $1.5 million was paid to the sellers in the beginning of January 2010.

The Company's acquisitions have historically been made at prices above the fair value of the acquired net assets, resulting in goodwill, due to expectations of synergies of combining the businesses. These synergies include use of the Company's existing infrastructure, such as sales force, distribution channels and customer relations, to expand sales of the acquired businesses' products; use of the infrastructure of the acquired businesses to cost-effectively expand sales of Company products; and elimination of duplicative facilities, functions and staffing.

These acquisitions have been accounted for using the purchase method of accounting, and the acquired companies' results have been included in the accompanying statements of operations from their respective dates of acquisition. The allocation of the purchase price is preliminary and is based upon information that was available to management at the time the financial statements were prepared. Accordingly, the allocation may change. The Company has gathered no information that indicates the final purchase price allocations will differ materially from the preliminary estimates other than for the final determination of the intangible assets acquired with the acquisition of DxS and SABiosciences. Acquisition-related costs are expensed when incurred and are included in general, administrative, integration and other in the accompanying consolidated statements of income.

2008 Acquisitions

On July 1, 2008, the Company acquired an 82.5% interest in Corbett Life Science Pty. Ltd. (Corbett), a privately-held developer, manufacturer, and distributor of life sciences instrumentation headquartered in Sydney, Australia, with an option to acquire the minority interest. On October 1, 2008, the Company acquired all assets related to the Biosystems Business from Biotage AB, a publicly listed developer, manufacturer and distributor of products for genetic analysis and medicinal chemistry headquartered in Uppsala, Sweden. This business division contains Pyrosequencing systems for genetic analysis, PyroMark products for methylation, sequence and mutation analysis and Pyro Gold reagents. Additionally, the transaction included the acquisition of Biotage's 17.5% shareholding in Corbett.

Final Allocations of 2008 Acquisitions

Following the finalization of the fair-value of acquired pre-acquisition contingencies, deferred taxes, and certain milestone payments, the final allocations of the purchase price and transaction costs for the acquisitions of Corbett Life Science Pty. Ltd. (Corbett) and the Biosystems Business from Biotage AB as of December 31, 2009, is as follows:

(in thousands)	Corbett Acquisition	Biosystems Business Acquisition	Total
Purchase Price:			
Issuance of restricted shares	$ 4,234	$ —	$ 4,234
Cash, including transaction costs	130,318	52,024	182,342
Cash acquired	(7,075)	—	(7,075)
Cash for 17.5% interest in Corbett	21,071	(21,071)	—
	$148,548	$ 30,953	$179,501
Allocation:			
Working capital	$ 8,537	$ 3,030	$ 11,567
Fixed and other long-term assets	4,204	234	4,438
Developed IP	35,000	12,600	47,600
Customer Relationships	17,400	1,800	19,200
Tradename	3,600	900	4,500
Goodwill	96,214	14,662	110,876
Purchased in-process research and development expense	1,000	—	1,000
Deferred tax liability on fair value of identifiable intangible assets acquired	(16,433)	—	(16,433)
Liabilities assumed	(974)	(2,273)	(3,247)
	$148,548	$ 30,953	$179,501

The weighted-average amortization period for all intangible assets acquired in 2008 is 10 years. The goodwill acquired in these acquisitions is not deductible for tax purposes.

Other 2008 Acquisitions

In 2008, the Company acquired a business unit from Diagnostic Technology Pty. Ltd., located in Belrose, Australia, which relates to the distribution of products in Australia, New Zealand, Singapore and Malaysia. The purchase price consisted of an upfront payment in the amount of Australian dollars (AUD) 0.9 million and a milestone payment amounting to AUD 0.4 million, which was paid in 2009. Additionally in 2008, the Company established QIAGEN Mexico via the acquisition of certain assets of the Company's former life science distributor Quimica Valaner. The Company also acquired the minority interest in its Brazilian sub, QIAGEN Brasil Biotecnologia Ltda., for $3.2 million in cash in 2008. The establishment of QIAGEN Mexico, as well as the acquisition of the minority interest in its Brazilian subsidiary, represents the Company's commitment to expanding its presence in Latin America. The Company does not consider these acquisitions to be material.

2009 Divestiture

In July 2009, through the sale of the Company's subsidiary in Austria, the Company sold the Olerup SSP® product line and related assets to Olerup International AB, a subsidiary of LinkMed, a Swedish venture capital

company specializing in life sciences. The Olerup SSP® product line includes molecular transplantation testing products used for DNA human leukocyte antigen (HLA) typing. The Company retained rights to all Olerup SSP® assays for applications outside transplantation testing, such as in personalized medicine. The transaction does not affect the Company's presence in new sequencing-based typing assays in the area of transplantation. The Company recorded a net gain of approximately $1.2 million on the sale of the business, which is recorded in other income, net in 2009.

2009 Restructuring of Acquired Business

In October 2009, the Company started the closure of its facilities and relocation of its activities in Brisbane and Sydney to other locations of the Company, primarily to QIAGEN Instruments AG in Switzerland. These restructurings follow the acquisition of Corbett in 2008 and consolidate the Company's instrument manufacturing activities. The closure and relocation are expected to be completed in the second quarter of 2010 at a total pre-tax cost of approximately $4.0 million to $5.0 million. During 2009, the Company had incurred approximately $2.3 million of restructuring costs, of which $1.6 million was accrued as of December 31, 2009.

5. Accumulated Other Comprehensive Income

Comprehensive income is the total of net income and all other non-owner changes in equity. The components of the Company's comprehensive income or loss as presented in the Consolidated Statements of Shareholders' Equity include net income, unrealized gains and losses from foreign currency translation, hedging contracts and pension liabilities. The following table is a summary of the components of accumulated other comprehensive income:

(in thousands)	2009	2008
Net unrealized loss on hedging contracts, net of tax of $2.7 million and $1.5 million in 2009 and 2008, respectively	**$ (5,326)**	$ (2,162)
Net unrealized gain (loss) on pension, net of tax of $50,000 and $40,000 in 2009 and 2008, respectively	**118**	(92)
Foreign currency translation adjustments, net of tax of $1.9 million and $6.0 million in 2009 and 2008, respectively	**55,354**	17,409
Accumulated other comprehensive income	**$50,146**	$15,155

6. Derivatives and Hedging and Fair Value Measurements

Derivatives and Hedging

In the ordinary course of business, the Company uses derivative instruments, including swaps, forwards and/or options, to manage potential losses from foreign currency exposures and variable rate debt. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with global financial and operating activities. The Company does not utilize derivative or other financial instruments for trading or other speculative purposes. The Company recognizes all derivatives as either assets or liabilities on the balance sheet, measures those instruments at fair value and recognizes the change in fair value in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures.

As of December 31, 2009, all derivatives that qualify for hedge accounting are cash-flow hedges. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in

the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. In 2009, the Company did not record any hedge ineffectiveness related to any cash-flow hedges in income (expense) and did not discontinue any cash-flow hedges. There are no expected transactions which would result in a reclassification of amounts in other comprehensive income into earnings in the next 12 months. Derivatives, including those that are not designated as hedges, are classified in the operating section of the consolidated statements of cash flows, in the same category as the related consolidated balance sheet account.

Foreign Currency Derivatives

As a globally active enterprise, the Company is subject to risks associated with fluctuations in foreign currencies in its ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions. The Company manages balance sheet exposure on a group-wide basis primarily using foreign exchange forward contracts and cross-currency swaps.

The Company has foreign currency forward contracts with an aggregate notional amount of $44.0 million, which have been entered into in connection with the notes payable to QIAGEN Finance (see Note 14) and which qualify for hedge accounting as cash-flow hedges. The Company has determined that no ineffectiveness exists related to these derivatives. However, the differences between spot and forward rates were excluded from the assessment of hedge effectiveness and included in interest income as it effectively constitutes the difference in the interest rates of the respective currency pairs. The contracts mature in July 2011 and had fair market values at December 31, 2009 and 2008 of approximately $5.7 million and $3.1 million, respectively, which are included in other long-term liabilities in the accompanying consolidated balance sheets.

In addition, the Company was party to cross-currency swaps which have been entered into in connection with the notes payable to Euro Finance (see Note 14) and which qualified as cash-flow hedges with a notional amount of $120.0 million and $60.0 million as of December 31, 2009 and 2008, respectively, which mature in November 2012 and had fair market values of $16.7 million and $4.9 million at December 31, 2009 and 2008, respectively, which are included in other long-term liabilities in the accompanying consolidated balance sheets.

Undesignated Derivative Instruments

The Company is party to various foreign exchange forward and swap arrangements which had, at December 31, 2009, an aggregate notional value of approximately $200.1 million and fair values of $0.9 million and $7.7 million, which are included in other assets and other liabilities, respectively, and which expire at various dates through March 2010. The transactions have been entered into to offset the effects from short-term balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements have been recognized in other income, net.

The Company was party to various foreign exchange forward and swap arrangements which had, at December 31, 2008, an aggregate notional value of approximately $163.3 million and fair values of $0.3 million and $10.9 million, which are included in other assets and other liabilities, respectively, and which expired at various dates through March 2009. The transactions have been used to offset the effects from short-term balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements have been recognized in other income, net.

Interest Rate Derivatives

The Company uses interest rate derivative contracts on certain borrowing transactions to hedge fluctuating interest rates. The Company has entered into interest rate swaps in which it agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. During 2008, the Company entered into interest rate swaps, which effectively fix the variable interest rates on $200.0 million of the Company's variable rate debt and qualify for hedge accounting as cash-flow hedges. The Company has determined that no ineffectiveness exists related to these swaps. The swaps mature in October 2010 and 2011, and as of December 31, 2009 had an aggregate fair value of $6.3 million, of which $2.1 million is recorded in accrued and other liabilities and $4.2 million is recorded in other long-term liabilities in the accompanying consolidated balance sheet. As of December 31, 2008 these swaps had an aggregate fair value of $6.8 million recorded in other long-term liabilities in the accompanying consolidated balance sheet.

Fair Values of Derivative Instruments

The following table summarizes the fair value amounts of derivative instruments reported in the consolidated balance sheets as of December 31, 2009 and 2008:

	Derivatives in Asset Positions Fair value		Derivatives in Liability Positions Fair value	
(in thousands)	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Derivative instruments designated as hedges				
Interest rate contracts	$—	$—	**$ (6,274)**	$ (6,811)
Foreign exchange contracts	—	—	**(22,495)**	(8,028)
Total derivative instruments designated as hedges	$—	$—	**$(28,769)**	$(14,839)
Undesignated derivative instruments				
Foreign exchange contracts	**$947**	$344	**$ (7,690)**	$(10,891)
Total derivative instruments	**$947**	$344	**$(36,459)**	$(25,730)

Gains and Losses on Derivative Instruments

The following tables summarize the locations and gains on the Company's derivative instruments for the year ended December 31, 2009:

(in thousands)	Gain/(loss) recognized in AOCI	Location of (gain) loss in income statement	(Gain) loss reclassified from AOCI into income	Loss recognized in income
Cash-flow hedges				
Interest rate contracts	**$ 537**	Interest expense	**$ —**	**n/a**
Foreign exchange contracts	**(13,277)**	Other income, net	**8,367**	**n/a**
Total	**$(12,740)**		**$8,367**	**n/a**
Undesignated derivative instruments				
Foreign exchange contracts	**n/a**	Other income, net	**n/a**	**$(2,333)**

The amounts noted in the table above for accumulated other comprehensive income (AOCI) do not include any adjustment for the impact of deferred income taxes.

Fair Value Measurements

The Company's assets and liabilities are measured at fair value according to a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs, such as quoted prices in active markets;

Level 2. Inputs, other than the quoted price in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's assets and liabilities measured at fair value on a recurring basis consist of short-term investments, which are classified in Level 1 of the fair value hierarchy, and derivative contracts used to hedge currency and interest rate risk, which are classified in Level 2 of the fair value hierarchy and are shown in the table above. In determining fair value, both the counterparty credit risk and the Company's creditworthiness are considered. To determine the Company's credit risk we estimated the Company's credit rating by benchmarking the price of outstanding debt to publicly-available comparable data from rated companies. Using the estimated rating, the Company's credit risk was quantified by reference to publicly-traded debt with a corresponding rating.

The following table presents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2009:

(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Short-term investments	**$40,000**	**$ —**	**$—**	**$40,000**
Foreign exchange contracts	**—**	**947**	**—**	**947**
	$40,000	**$ 947**	**$—**	**$40,947**
Liabilities:				
Foreign exchange contracts	**$ —**	**$30,185**	**$—**	**$30,185**
Interest rate contracts	**—**	**6,274**	**—**	**6,274**
	$ —	**$36,459**	**$—**	**$36,459**

There were no fair value adjustments in the quarter ended December 31, 2009 for nonfinancial assets or liabilities required to be measured at fair value on a nonrecurring basis.

7. Short-term Investments

At December 31, 2009, the Company had short-term investments which had a fair market value and cost of approximately $40.0 million.

At December 31, 2008, the Company had no short-term investments.

At December 31, 2007, the Company held 289,096 shares in Coley Pharmaceutical Group (CPG) with a fair market value of $2.3 million and a cost of $1.4 million. In December 2007, CPG was acquired in a tender offer and as a result the Company tendered its shares in exchange for $8 per share. Upon the exchange in January 2008, the Company received $2.3 million in cash and recognized a gain of approximately $780,000.

For the years ended December 31, 2008 and 2007, proceeds from sales of available-for-sale securities totaled $2.3 million and $299.0 million, respectively. There were no realized gains or losses during 2007.

8. Prepaid Expenses and Other

Prepaid expenses and other current assets are summarized as follows as of December 31, 2009 and 2008:

(in thousands)	2009	2008
Prepaid expenses	**$29,109**	$19,418
Amounts held in escrow in connection with acquisitions	**37,094**	25,139
Value Added Tax	**7,865**	10,427
Other receivables	**22,825**	6,440
	$96,893	$61,424

9. Property, Plant and Equipment

Property, plant and equipment, including equipment acquired under capital lease obligations, are summarized as follows as of December 31, 2009 and 2008:

(in thousands)	Estimated useful life (in years)	2009	2008
Land	—	**$ 19,194**	**$ 13,357**
Buildings and improvements	1-40	**234,398**	**225,284**
Machinery and equipment	1-10	**135,540**	**131,118**
Computer software	1-10	**53,038**	**44,268**
Furniture and office equipment	1-10	**69,310**	**58,783**
Construction in progress	—	**16,788**	**10,932**
		528,268	**483,742**
Less: Accumulated depreciation and amortization		**(210,801)**	**(194,070)**
Property, plant and equipment, net		**$ 317,467**	**$ 289,672**

Amortization of assets acquired under capital lease obligations is included within accumulated depreciation and amortization above for the years ended December 31, 2009 and 2008, respectively. For the years ended December 31, 2009, 2008 and 2007 depreciation and amortization expense totaled $42.0 million, $36.2 million and $26.1 million, respectively. Repairs and maintenance expense was $10.9 million, $9.7 million and $7.4 million in fiscal years 2009, 2008 and 2007, respectively. For the years ended December 31, 2009, 2008 and 2007, interest capitalized in connection with construction projects was not significant.

10. Investments

The Company has made strategic investments in certain companies that are accounted for using the equity or cost method of accounting. The method of accounting for an investment depends on the level of the Company's influence. The Company monitors changes in circumstances that may require a reassessment of the level of influence. The Company periodically reviews the carrying value of these investments for impairment, considering factors such as the most recent stock transactions and book values from the recent financial

statements. The fair value of cost-method investments is estimated when there are identified events or changes in circumstances that may have an impact on the fair value of the investment.

A summary of these investments, which are included in other assets, is as follows:

Company (in thousands)	Ownership Percentage	Equity Investments As of December 31, 2009	Equity Investments As of December 31, 2008	Share of income (loss) For the years ended December 31, 2009	Share of income (loss) For the years ended December 31, 2008	Share of income (loss) For the years ended December 31, 2007
PreAnalytiX GmbH	50.00%	**$10,894**	$7,008	**$2,887**	$1,459	$1,318
QBM Cell Science	19.50%	**$ 394**	$ 443	**$ (49)**	$ (61)	$ (42)
QIAGEN Finance	100.00%	**$ 818**	$ 703	**$ 115**	$ 426	$ 86
QIAGEN Euro Finance	100.00%	**$ 1,033**	$ 733	**$ 300**	$ 257	$ 250
Dx Assays Pte Ltd	33.30%	**$ —**	$ 316	**$ (316)**	$ (408)	$ —

During 2009, the Company sold it's investment in a privately-held company which had been accounted for under the cost-method of accounting, and realized a gain of $10.5 million. The proceeds were received in January 2010.

During 2008, in connection with the acquisition of Corbett, the Company impaired its $4.0 million investment in a privately-held company which had been accounted for under the cost-method of accounting. Following the acquisition of Corbett, management anticipated a change in the Company's purchasing pattern of the investee's products, which negatively impacted the forecasted financial condition of the investee. Accordingly, the known impact to the investee's financial condition, absent other evidence indicating a realizable value of the investment, indicates that the Company's investment was worthless and that recoverability of the asset through future cash flows was not considered likely enough to support the current carrying value. The Company had no contractual obligation to provide any additional investment or other financing beyond its present investment in the investee. The impairment is included in other income, net in the accompanying consolidated statements of income.

At December 31, 2009 and 2008, the Company had a loan receivable of $1.4 million included in other long-term assets, due from Dx Assays, which bears interest at 15% and is due in March 2013. As of December 31, 2009 and 2008, total assets of Dx Assays totaled $5.0 million and $4.9 million, respectively, and shareholders' equity amounted to $0.3 million and $0.2 million, respectively. In 2009 and 2008, Dx Assays recorded revenues of $2.2 million and $0.1 million, respectively.

As of December 31, 2009 and 2008, total assets of QBM Cell Science totaled $0.4 million and $0.2 million, respectively, and shareholders' equity amounted to $0.4 million, and $0.2 million, respectively. In 2009 and 2008, QBM Cell Science recorded revenues of $0.4 million and $0.3 million respectively. In 2009, QBM Cell Science recorded net income of $19,000 and in 2008 recorded a net loss of $0.3 million.

The Company has a 50% interest in a joint venture company, PreAnalytiX GmbH, for which the Company is not the primary beneficiary. Thus, the investment is accounted for under the equity method. PreAnalytiX was formed to develop, manufacture and market integrated systems for the collection, stabilization and purification of nucleic acids for molecular diagnostic testing. At present, the Company's maximum exposure to loss as a result of its involvement with PreAnalytiX is limited to the Company's share of losses from the equity method investment itself. Total assets of PreAnalytiX amounted to $20.8 million and $16.4 million as of December 31, 2009 and 2008, respectively. The shareholders' equity for PreAnalytiX amounted to $19.6 million and $15.9 million as of December 31, 2009 and 2008, respectively. PreAnalytiX revenues totaled $10.7 million and $10.2

million in 2009 and 2008, respectively. PreAnalytiX net income was $5.1 million and $3.9 million in 2009 and 2008, respectively.

The Company has a 100% interest in QIAGEN Finance (Luxembourg) S.A. (QIAGEN Finance) and QIAGEN Euro Finance (Luxembourg) S.A. (Euro Finance), companies established for the purpose of issuing convertible debt in 2004 and 2006, respectively. In August 2004, the Company issued $150.0 million of 1.5% Senior Convertible Notes (2004 Notes) due in 2024 through QIAGEN Finance. In May 2006, the Company completed the offering of $300.0 million of 3.25% Senior Convertible Notes (2006 Notes) due in 2026 through Euro Finance. The proceeds of the 2004 and 2006 Notes were loaned to subsidiaries within the consolidated QIAGEN N.V. group. QIAGEN N.V. has guaranteed all of these Notes, and has agreements with each of QIAGEN Finance and Euro Finance to issue common shares to the investors in the event of conversion of any of the Notes. QIAGEN Finance and Euro Finance are variable interest entities. The Company is not the primary beneficiary, therefore neither is consolidated. Accordingly, the 2004 and 2006 convertible debt is not included in the consolidated statements of QIAGEN N.V., though QIAGEN N.V. does report the full obligation of the debt through its liabilities to QIAGEN Finance and Euro Finance. QIAGEN N.V. accounts for its investments in QIAGEN Finance and Euro Finance as equity investments and accordingly records 100% of the profit or loss of QIAGEN Finance and Euro Finance in the gain or loss from equity method investees. At present, the Company's maximum exposure to loss as a result of its involvement with QIAGEN Finance and Euro Finance is limited to the Company's share of losses from the equity method investments.

11. Intangible Assets

The following sets forth the acquired intangible assets by major asset class as of December 31, 2009 and December 31, 2008:

(in thousands)	Weighted Average Life	2009 Gross Carrying Amount	2009 Accumulated Amortization	2008 Gross Carrying Amount	2008 Accumulated Amortization
Amortized Intangible Assets:					
Patent and license rights	11 years	**$ 246,535**	**$ (69,380)**	$ 233,083	$ (43,399)
Developed technology	10 years	**461,507**	**(108,374)**	379,763	(65,456)
Customer base, trademarks, in-process R&D and non-compete agreements	11 years	**263,985**	**(41,977)**	160,033	(23,715)
		$ 972,027	**$(219,731)**	$ 772,879	$(132,570)
Unamortized Intangible Assets:					
Goodwill		**$1,337,064**		$1,152,105	

In connection with the acquisitions as more fully discussed in Note 4, approximately $3.1 million of purchase price was allocated to purchased in-process research and development and capitalized in 2009. Prior to January 1, 2009, purchased in-process research and development costs were expensed. During the years ended December 31, 2008 and 2007 approximately $1.0 million and $25.9 million, respectively, of purchase price was allocated to purchased in-process research and development and expensed.

Amortization expense on intangible assets totaled approximately $78.4 million, $69.4 million and $36.4 million, respectively, for the years ended December 31, 2009, 2008 and 2007. During 2009, additional amortization of $5.0 million was recorded in cost of sales related to the impairment of developed technology, which was triggered by the acquisition of DxS and SAB. Amortization of intangibles for the next five years is expected to be approximately:

	Amortization
Years ended December 31:	
2010	**$ 89,950**
2011	**$ 89,815**
2012	**$ 85,535**
2013	**$ 83,073**
2014	**$ 78,884**

The changes in the carrying amount of goodwill, by segment, for the years ended December 31, 2009 and 2008, are as follows:

(in thousands)	Germany	Americas	Asia	Switzerland	Other Countries	Total
BALANCE AT DECEMBER 31, 2007	$60,488	$ 998,339	$14,844	$ —	$ 34,211	$1,107,882
Goodwill acquired during the year	4,017	1,422	—	10,645	63,858	79,942
Intersegment goodwill transfer	6,067	(37,779)	—	(2,507)	34,219	—
Earn-out and milestone payments	363	—	—	137	904	1,404
Purchase adjustments	—	(5,745)	—	(97)	(1,409)	(7,251)
Effect of foreign currency translation	(3,220)	(2,019)	850	1,596	(27,079)	(29,872)
BALANCE AT DECEMBER 31, 2008	$67,715	$ 954,218	$15,694	$ 9,774	$104,704	$1,152,105
Goodwill (impaired) acquired during the year	(1,631)	62,841	—	—	53,499	114,709
Intersegment goodwill transfer	(4,622)	4,622	—	—	—	—
Earn-out and milestone payments	577	—	—	2,354	26,015	28,946
Purchase adjustments	20	(1,514)	—	—	15,223	13,729
Effect of foreign currency translation	2,271	1,376	111	364	23,453	27,575
BALANCE AT DECEMBER 31, 2009	**$64,330**	**$1,021,543**	**$15,805**	**$12,492**	**$222,894**	**$1,337,064**

The changes in the carrying amount of goodwill during the year ended December 31, 2009 resulted from the 2009 acquisitions, foreign currency translation and purchase price adjustments primarily related to tax matters in connection with prior year acquisitions. During 2009, following the corporate restructuring of subsidiaries acquired in connection with the Digene acquisition in 2007, goodwill was allocated to the remaining operating subsidiaries. Additionally, during 2009, an impairment loss of $1.6 million of goodwill from a previous acquisition was recognized following the Company's acquisition of DxS Ltd. in September 2009. The goodwill impairment loss is related to the Germany segment and is recorded in general and administrative, integration and other expenses in the accompanying consolidated statements of income.

12. Income Taxes

Income before income taxes for the year ended December 31, 2009, 2008 and 2007 consisted of:

(in thousands)	2009	2008	2007
Pretax income in The Netherlands	**$ 72,190**	$ 53,032	$38,396
Pretax income from foreign operations	**100,140**	66,254	37,330
	$172,330	$119,286	$75,726

The provisions for income taxes for the years ended December 31, 2009, 2008 and 2007 are as follows:

(in thousands)	2009	2008	2007
Current—The Netherlands	**$ 12,633**	$ 8,999	$ 3,590
—Foreign	**32,539**	23,326	18,880
	45,172	32,325	22,470
Deferred—The Netherlands	**—**	—	1,257
—Foreign	**(10,609)**	(2,563)	1,828
	(10,609)	(2,563)	3,085
Total provision for income taxes	**$ 34,563**	$29,762	$25,555

The Netherlands statutory income tax rate for the years ended December 31, 2009, 2008 and 2007 was 25.5%. The principal items comprising the differences between income taxes computed at The Netherlands statutory rate and the effective tax rate for the years ended December 31, 2009, 2008 and 2007 are as follows:

	2009		2008		2007	
(in thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Income taxes at The Netherlands statutory rate	**$ 43,944**	**25.5%**	$30,418	25.5%	$19,310	25.5%
Earnings of subsidiaries taxed at different rates	**4,710**	**2.7**	1,432	1.2	4,894	6.5
Tax impact from permanent items	**—**	**—**	(3,064)	(2.6)	(3,825)	(5.1)
Tax impact from tax exempt income	**(11,039)**	**(6.4)**	—	—	—	—
Purchased in-process research & development	**—**	**—**	300	0.3	9,803	12.9
Tax contingencies, net	**1,774**	**1.0**	(1,665)	(1.4)	(3,806)	(5.0)
Taxes due to changes in tax rates	**(3,671)**	**(2.0)**	2,429	2.0	(1,123)	(1.5)
Other items, net	**(1,155)**	**(0.7)**	(88)	(0.1)	302	0.4
Total provision for income taxes	**$ 34,563**	**20.1%**	$29,762	24.9%	$25,555	33.7%

The Company conducts business globally and, as a result, files numerous consolidated and separate income tax returns in The Netherlands, Germany, Switzerland and the U.S. federal jurisdiction, as well as in various other state and foreign jurisdictions. The Company has one tax holiday which expires in 2011. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world. The Company's tax years since 2002 are open for income tax examinations by tax authorities. Its subsidiaries, with few exceptions, are no longer subject to income tax examinations by tax authorities for years before 2004.

On January 1, 2007, the Company adopted FASB Accounting Standards Codification (ASC) 740, *Income Taxes* (formerly referenced as FASB Financial Interpretation No. 48, *Accounting for Uncertainty in Income*

Taxes, an interpretation of FASB Statement No. 109). This interpretation requires the Company to recognize in the consolidated financial statements those tax positions determined to be more likely than not to be sustained upon examination, based on the technical merits of the position. Upon adoption, the Company derecognized $6.1 million tax benefits for positions previously recognized through a debit to retained earnings. After considering the impact of adopting ASC 740, the Company had an approximate $12.6 million reserve for uncertain tax positions as of January 1, 2007. The reserve for uncertain income tax positions is included in taxes payable in the consolidated balance sheets.

The Company does not currently anticipate that its existing reserves related to uncertain tax positions as of December 31, 2009 will significantly increase or decrease during the twelve-month period ending December 31, 2010; however, various events could cause the Company's current expectations to change in the future. The majority of these uncertain tax positions, if ever recognized in the financial statements, would be recorded in the statement of operations as part of the income tax provision.

Changes in the gross amount of unrecognized tax benefits are as follows:

(in thousands)	Unrecognized Tax Benefits
Balance at December 31, 2007	$10,494
Additions based on tax positions related to the current year	897
Additions for tax positions of prior years	1,590
Settlements with taxing authorities	(1,547)
Reductions due to lapse of statute of limitations	(2,605)
Decrease from currency translation	(520)
Balance at December 31, 2008	$ 8,309
Additions based on tax positions related to the current year	616
Additions for tax positions of prior years	1,399
Settlements with taxing authorities	(241)
Increase from currency translation	255
Balance at December 31, 2009	**$10,338**

At December 31, 2009 and December 31, 2008, the Company's net unrecognized tax benefits totaled approximately $9.6 million and $7.7 million, respectively. At December 31, 2009, $9.6 million, if recognized, would favorably affect the Company's effective tax rate in any future period. It is possible that approximately $0.7 million of the unrecognized tax benefits may be released during the next 12 months due to lapse of statute of limitations or settlements with tax authorities.

The Company's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties within tax provision expense. At December 31, 2009, the Company has $0.5 million of accrued interest included in accrued and other liabilities in the accompanying consolidated balance sheet. During 2009, the amount of accrued interest increased by $0.1 million with approximately $30,000 of interest income and $0.2 million of interest expense recognized during 2009.

The Company has recorded net deferred tax liabilities of $171.7 million and $119.2 million at December 31, 2009 and December 31, 2008, respectively which are reflected on the Company's consolidated balance sheets at December 31, 2009 and December 31, 2008 as follows:

(in thousands)	2009	2008
Current deferred tax asset	**$ 33,525**	$ 27,374
Current deferred tax liabilities	**(18,912)**	(7,754)
Non-current deferred tax asset	**26,387**	73,766
Non-current deferred tax liabilities	**(212,690)**	(212,589)
Net deferred tax liabilities	**$(171,690)**	$(119,203)

The components of the net deferred tax liability at December 31, 2009 and December 31, 2008 are as follows:

	2009		2008	
(in thousands)	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability
Net operating loss carry forwards	**$ 32,794**	**$ —**	$ 54,906	$ —
Accrued and other liabilities	**19,503**	**(838)**	23,973	(231)
Inventories	**4,321**	**(1,634)**	7,333	(1,886)
Allowance for bad debts	**840**	**(432)**	1,404	(56)
Currency Revaluation	**—**	**(2,257)**	—	(2,810)
Depreciation and amortization	**1,644**	**(12,828)**	1,603	(4,513)
Tax credits and state income taxes	**8,707**	**(7,023)**	6,266	—
Capital leases	**15**	**—**	659	(620)
Intangibles	**462**	**(212,072)**	787	(191,754)
Equity Awards	**4,117**	**—**	—	—
Other	**12,435**	**(3,859)**	6,511	(3,483)
Valuation allowance	**(15,585)**	**—**	(17,292)	—
	$ 69,253	**$(240,943)**	$ 86,150	$(205,353)
Net deferred tax liabilities		**$(171,690)**		$(119,203)

At December 31, 2009, the Company had $66.0 million of U.S. federal net operating loss (NOL) carryforwards. These amounts include $9.4 million related to deductions for equity awards. These NOLs have, for the most part, been acquired in recent acquisitions and a portion of these NOLs are subject to limitations under Section 382 of the Internal Revenue Code. As of December 31, 2009 and 2008, the Company had other foreign carryforwards totaling approximately $45.6 million and $36.4 million, respectively. These NOLs were primarily generated from acquisitions and operating losses from the Company's subsidiaries. A portion of these NOLs, approximately $34.3 million at December 31, 2009, expire in various years through 2021. The balance does not expire. Our foreign NOL's are predominately reduced by a full valuation allowance. The valuation allowance amounts to $15.6 million and $17.3 million for the years ended December 31, 2009 and 2008, respectively. The valuation allowance decreased by $1.7 million during 2009 and $2.2 million of that decrease was triggered by an intercompany sale of assets with the gain and related tax affects eliminated in consolidation. Thus, $0.8 million was recognized as tax expense in 2009.

The Company has undistributed earnings in foreign subsidiaries. Upon repatriation of those earnings, in the form of dividends or otherwise, in some jurisdictions, the Company would be subject to withholding taxes

payable to the foreign countries or the receipts would be subject to tax. For those subsidiaries where the earnings are considered to be permanently reinvested, no provision for taxes has been provided. At December 31, 2009 and 2008, the Company had deferred income tax liabilities of approximately $0.9 million and $0.6 million, respectively, for taxes that would be payable on the unremitted earnings of certain subsidiaries of the Company. Determination of the amount of unrecognized deferred tax liability on those unremitted earnings is not practicable because of the complexities associated with this hypothetical calculation.

There are no income tax consequences for the Company regarding payment of dividends to the shareholders of the Company. To date, the Company has never paid dividends.

13. Accrued and Other Liabilities

Accrued and other liabilities at December 31, 2009 and 2008 consist of the following:

(in thousands)	2009	2008
Accrued expenses	**$ 64,000**	$ 46,958
Payroll and related accruals	**49,388**	32,271
Preacquistion contingencies assumed in acquisition	**40,828**	25,139
Accrued earn-outs and milestone payments	**27,273**	1,404
Swaps and forwards	**26,658**	22,652
Royalties	**18,313**	16,610
Deferred revenue	**15,943**	12,049
Accrued interest on long-term debt	**6,296**	6,430
Total accrued liabilities	**$248,699**	$163,513

14. Lines of Credit and Debt

The Company has eleven separate lines of credit amounting to $183.7 million in the aggregate with variable interest rates, $0.9 million of which was utilized at December 31, 2009. There were no significant short-term borrowings as of December 31, 2009 and 2008.

At December 31, 2009, total debt was approximately $920.0 million, $50.0 million of which is current. Total debt consists of the following:

(in thousands)	2009	2008
$500.0 million term loan paying interest at LIBOR plus a variable margin ranging from 0.631% to 1.068%, and 1.011% to 5.545% at December 31, 2009 and 2008, respectively, due on July 12, 2012, with payments beginning in 2009	**$475,000**	$500,000
Notes payable to QIAGEN Euro Finance bearing interest at an effective rate of 3.91% due in November 2012	**300,000**	300,000
Notes payable to QIAGEN Finance bearing interest at an effective rate of 2.14% due in July 2011	**145,000**	145,000
Total long-term debt	**920,000**	945,000
Less current portion	**50,000**	25,000
Long-term portion	**$870,000**	$920,000

Future principal maturities of long-term debt as of December 31, 2009 are as follows:

Year ending December 31,	(in thousands)
2010	$ 50,000
2011	220,000
2012	650,000
	$920,000

Interest expense on long-term debt was $26.7 million, $33.7 million and $29.7 million for the years ended December 31, 2009, 2008 and 2007, respectively.

During 2007, the Company signed a Syndicated Multi-Currency Term Loan and Revolving Credit Facilities Agreement with Deutsche Bank AG, Deutsche Bank Luxembourg S.A., and the lenders named in the agreement. The lenders made available to the Company an aggregate amount of $750 million in the form of a $500 million term loan, a $100 million bridge loan, and a $150 million revolving credit facility. Under the agreement, the $500 million term loan will mature in July 2012 with an amortization schedule commencing July 2009. In July 2009, $25.0 million was repaid. The $100 million bridge loan was utilized and repaid within the third quarter of 2007. The $150 million revolving credit facility will expire in July 2012. The proceeds of the debt were loaned to a subsidiary of QIAGEN N.V., and QIAGEN N.V. has guaranteed the debt. The loan agreements contain certain financial and non-financial covenants, including but not limited to, restrictions on the encumbrance of land, restrictions on the transfer of any patents to third parties and the maintenance of certain financial ratios. The Company was in compliance with these covenants at December 31, 2009.

In May 2006, the Company completed the offering of the 2006 Notes due in 2026 through a new unconsolidated subsidiary, Euro Finance. The net proceeds of the 2006 Notes were loaned by Euro Finance to consolidated subsidiaries of the Company. At December 31, 2009 and 2008, $300.0 million is included in long-term debt for the amount of 2006 Note proceeds payable to Euro Finance. These long-term notes payable to Euro Finance have an effective fixed interest rate of 3.91% and are due in November 2012. Interest on the 2006 Notes is payable semi-annually in May and November. The 2006 Notes were issued at 100% of principal value, and are convertible into 15.0 million common shares at the option of the holders upon the occurrence of certain events, at a price of $20.00 per share, subject to adjustment. QIAGEN N.V. has an agreement with Euro Finance to issue shares to the investors in the event of conversion. This subscription right, along with the related receivable, is recorded at fair value in the equity of QIAGEN N.V. as paid-in capital. The 2006 Notes cannot be called for the first 7 years and are callable thereafter subject to a provisional call trigger of 130% of the conversion price. In addition, the holders of the 2006 Notes may require QIAGEN to repurchase all or a portion of the outstanding Notes for 100% of the principal amount, plus accrued interest, on May 16, 2013, 2017 and 2022. Based on an estimation using available over-the-counter market information on the convertible bond issued by QIAGEN Euro Finance, the fair value of the Notes at December 31, 2009 was approximately $387.3 million. The Company has reserved 15.0 million common shares for issuance in the event of conversion.

In August 2004, the Company completed the sale of the 2004 Notes, through its unconsolidated subsidiary QIAGEN Finance. The net proceeds of the 2004 Notes were loaned by QIAGEN Finance to consolidated subsidiaries in the U.S. and Switzerland. At December 31, 2009 and 2008, $145.0 million is included in long-term debt for the amount of 2004 Note proceeds payable to QIAGEN Finance. In November 2008, $5.0 million was repaid in connection with the conversion of a portion of the 2004 Notes issued by QIAGEN Finance. These long-term notes payable to QIAGEN Finance have an effective fixed interest rate of 2.14% and are due in July 2011. Interest on the 2004 Notes is payable semi-annually in February and August. The 2004 Notes were issued

at 100% of principal value, and are convertible into 11.5 million common shares at the option of the holders upon the occurrence of certain events at a price of $12.6449 per share, subject to adjustment. QIAGEN N.V. has an agreement with QIAGEN Finance to issue shares to the investors in the event of conversion. This subscription right, along with the related receivable, is recorded at fair value in the equity of QIAGEN N.V. as paid-in capital. In November 2008, the Company issued 395,417 common shares upon the exercise of a portion of the subscription rights in connection the conversion of $5.0 million of the 2004 Notes. The 2004 Notes may be redeemed, in whole or in part, at QIAGEN's option on or after August 18, 2011, at 100% of the principal amount, provided that the actual trading price of the Company's common stock exceeds 120% of the conversion price for twenty consecutive trading days. In addition, the holders of the 2004 Notes may require QIAGEN to repurchase all or a portion of the outstanding 2004 Notes for 100% of the principal amount, plus accrued interest, on August 18, 2011, 2014 and 2019. Based on an estimation using available over-the-counter market information on the convertible bond issued by QIAGEN Finance, the fair value of the Notes at December 31, 2009 was approximately $262.5 million. The Company has reserved 11.5 million common shares for issuance in the event of conversion.

15. Share-Based Compensation

The Company adopted the QIAGEN N.V. Amended and Restated 2005 Stock Plan (the Plan) in 2005. The Plan allows for the granting of stock rights and incentive stock options, as well as non-qualified options, stock grants and stock-based awards, generally with terms of up to 10 years, subject to earlier termination in certain situations. Generally, options vest over a three-year period. The vesting and exercisability of certain stock rights will be accelerated in the event of a Change of Control, as defined in the Plan. To date, all option grants have been at the market value on the grant date or at a premium above the closing market price on the grant date. The Company issues new common shares to satisfy option exercises and had approximately 15.5 million common shares reserved and available for issuance under this plan at December 31, 2009.

In connection with the acquisition of Digene Corporation during the third quarter of 2007, the Company assumed three additional equity incentive plans. No new grants will be made under these plans. The Company had approximately 0.4 million common shares reserved and available for issuance under these plans at December 31, 2009.

Stock Options

During the years ended December 31, 2009 and 2008, the Company granted 491,714 and 432,725 stock options, respectively. Following are the weighted-average assumptions used in valuing the stock options granted to employees for the years ended December 31:

	2009	2008	2007
Stock price volatility	**40%**	38%	38%
Risk-free interest rate	**2.13%**	2.91%	4.27%
Expected life (in years)	**5.01**	5.27	5.47
Dividend rate	**0%**	0%	0%
Forfeiture rate	**7.7%**	8.5%	5.0%

A summary of the status of the Company's employee stock options as of December 31, 2009 and changes during the year then ended is presented below:

All Employee Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2009	**10,274,996**	**$14.261**		
Granted	**491,714**	**$16.935**		
Exercised	**(2,241,848)**	**$12.006**		
Forfeited and cancelled	**(243,303)**	**$24.064**		
Outstanding at December 31, 2009	**8,281,559**	**$14.743**	**4.07**	**$72,185**
Exercisable at December 31, 2009	**7,448,952**	**$14.356**	**3.55**	**$68,732**
Vested and expected to vest at December 31, 2009	**8,226,536**	**$14.721**	**4.04**	**$71,946**

Generally, stock option grants are valued as a single award with a single average expected term and are amortized over the vesting period. The weighted-average grant-date fair value of options granted during the years ended December 31, 2009, 2008 and 2007 was $6.33, $7.80 and $6.97, respectively. The total intrinsic value of options exercised during the years ended December 31, 2009 and 2008 was $16.7 million and $14.9 million, respectively. At December 31, 2009, the unrecognized share-based compensation expense related to employee stock option awards is approximately $3.3 million and will be recognized over a weighted average period of approximately 1.74 years.

At December 31, 2009, 2008 and 2007, options were exercisable with respect to 7.4 million, 9.6 million and 10.9 million Common Shares at a weighted average price of $14.36, $13.91 and $13.49 per share, respectively. The options outstanding at December 31, 2009 expire in various years through 2019.

Restricted Stock Units

Restricted stock units represent rights to receive Common Shares at a future date. There is no exercise price and the fair market value at the time of the grant is recognized ratably over the requisite vesting period, generally 10 years. The fair market value is determined based on the number of restricted stock units granted and the market value of the Company's shares on the grant date. Pre-vesting forfeitures were estimated to be approximately 6.3%. At December 31, 2009, there was $36.9 million remaining in unrecognized compensation cost related to these awards, which is expected to be recognized over a weighted average period of 8.6 years. The weighted average grant date fair value of restricted stock units granted during the year ended December 31, 2009 was $16.96. The total fair value of restricted stock units released during the years ended December 31, 2009 and 2008 was $6.9 million and $10.3 million, respectively.

A summary of the Company's restricted stock units as of December 31, 2009 and changes during the year are presented below:

Restricted Stock Units	Restricted Stock Units	Weighted Average Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2009	**1,908,161**		
Granted	**1,601,504**		
Vested	**(368,277)**		
Forfeited and cancelled	**(102,231)**		
Outstanding at December 31, 2009	**3,039,157**	**3.43**	**$67,864**
Vested and expected to vest at December 31, 2009	**2,509,591**	**3.36**	**$56,039**

Compensation Expense

Share-based compensation expense for the years ended December 31, 2009, 2008 and 2007 totaled approximately $9.7 million, $9.8 and $9.0 million, respectively, as shown in the table below. No share-based compensation cost was capitalized in inventory in 2009, 2008 or 2007 as the amounts were not material. The actual tax benefit realized for the tax deductions of the share-based payment arrangements totaled $5.9 million, $1.8 million and $9.9 million, respectively, for the years ended December 31, 2009, 2008 and 2007.

Compensation Expense (in thousands)	2009	2008	2007
Cost of sales	**$ 799**	$ 968	$ 362
Research and development	**1,826**	1,818	1,267
Sales and marketing	**1,936**	2,999	1,758
General and administrative	**5,186**	3,620	2,432
Acquisition and integration related	**—**	386	3,163
Share-based compensation expense before taxes	**9,747**	9,791	8,982
Income tax benefit	**2,913**	3,025	3,252
Net share-based compensation expense	**$6,834**	$6,766	$5,730

16. Commitments and Contingencies

Lease Commitments

The Company leases facilities and equipment under operating lease arrangements expiring in various years through 2016. Certain rental commitments provide for escalating rental payments or have renewal options extending through various years. Certain facility and equipment leases constitute capital leases expiring in various years through 2018. The accompanying consolidated financial statements include the assets and liabilities arising from these capital lease obligations. Rent expense under operating lease agreements was $13.0 million, $11.2 million and $9.8 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Minimum future obligations under capital and operating leases at December 31, 2009 are as follows:

(in thousands)	Capital Leases	Operating Leases
2010	$ 5,275	$ 8,598
2011	5,327	6,211
2012	5,351	3,971
2013	5,281	1,365
2014	5,237	669
Thereafter	12,464	544
	38,935	$21,358
Less: Amount representing interest	(7,964)	
	30,971	
Less: Current portion	(3,417)	
Long-term portion	$27,554	

Licensing and Purchase Commitments

The Company has licensing agreements with companies, universities and individuals, some of which require certain up-front payments. Royalty payments are required on net product sales ranging from one to 25 percent of covered products or based on quantities sold. Several of these agreements have minimum royalty requirements. The accompanying consolidated financial statements include accrued royalties relating to these agreements in the amount of $18.3 million and $16.6 million at December 31, 2009 and 2008, respectively. Royalty expense relating to these agreements amounted to $47.2 million, $45.6 million, and $37.1 million for the years ended December 31, 2009, 2008 and 2007, respectively. Royalty expense is primarily recorded in cost of sales, with a small portion recorded as research and development expense depending on the use of the technology under license. Some of these agreements also have minimum raw material purchase requirements and requirements to perform specific types of research.

At December 31, 2009, the Company had commitments to purchase goods or services, and for future minimum guaranteed royalties. They are as follows:

(in thousands)	Purchase Commitments	License & Royalty Commitments
2010	$44,383	$ 725
2011	6,157	692
2012	231	655
2013	188	655
2014	187	655
Thereafter	1,008	563
	$52,154	$3,945

Contingent Consideration Commitments

Pursuant to the purchase agreements for certain acquisitions, as discussed more fully in Note 4, the Company could be required to make additional contingent cash payments totaling up to $106.2 million based on

the achievement of certain revenue and operating results milestones as follows: $18.6 million in 2010, $16.5 million in 2011, $16.2 million in 2012 and $54.9 million payable in any 12 month period from now until 2014 if certain criteria are met. Of the $106.2 million total contingent obligation, approximately $40.8 million is accrued as of December 31, 2009.

Employment Agreements

Certain of our employment contracts contain provisions which guarantee the payments of certain amounts in the event of a change in control, as defined in the agreements, or if the executive is terminated for reasons other than cause, as defined in the agreements. At December 31, 2009, the commitment under these agreements totaled $18.9 million.

Contingencies

In the ordinary course of business, the Company warrants to customers that its products are free of defect and will conform to published specifications. Generally, the applicable product warranty period is one year from the date of delivery of the product to the customer or of site acceptance, if required. Additionally, the Company typically provides limited warranties with respect to its services. From time to time, the Company also makes other warranties to customers, including warranties that its products are manufactured in accordance with applicable laws and not in violation of third-party rights. The Company provides for estimated warranty costs at the time of the product sale. The Company believes its warranty reserves as of December 31, 2009 and 2008 appropriately reflect the estimated cost of such warranty obligations.

Preacquistion Contingencies

In connection with the 2009 and 2008 acquisitions, amounts were paid into escrow accounts to cover preacquistion contingencies assumed in the acquisitions. The escrow amounts expected to be claimed by QIAGEN are recorded as an asset in prepaid and other expenses and amount to $37.1 million and $25.1 million as of December 31, 2009 and 2008, respectively. In addition, the Company has recorded $40.8 million and $25.1 million for preacquistion contingencies as a liability under accrued and other liabilities as of December 31, 2009 and 2008, respectively.

Litigation

From time to time, QIAGEN may be party to legal proceedings incidental to its business. As of December 31, 2009, certain claims, suits or legal proceedings arising out of the normal course of business have been filed or were pending against QIAGEN or its subsidiaries. These matters have arisen in the ordinary course and conduct of business, as well as through acquisition. As a result of the third quarter 2007 acquisition of Digene and the third quarter 2008 acquisition of Corbett, QIAGEN is now involved in various claims and legal proceedings, including those related to protection of its owned and licensed intellectual property. Although it is not possible to predict the outcome of such litigation, based on the facts known to QIAGEN and after consultation with legal counsel, management believes that such litigation will not have a material adverse effect on QIAGEN's financial position or results of operations.

Digene Corporation v. F. Hoffmann-LaRoche Ltd. and Roche Molecular Systems, Inc.

In December 2006, Digene filed for arbitration with the International Centre for Dispute Resolution of the American Arbitration Association in New York against F. Hoffmann-LaRoche Ltd. and Roche Molecular

Systems, Inc. (collectively Roche) for breach of contract of a 1990 Cross License Agreement between Digene and Roche for rights to certain HPV patents. Digene alleged that Roche had breached this license agreement by entering into a Supply and Purchase Agreement with Gen-Probe, Inc. (Gen-Probe) in violation of the terms of the Cross License Agreement. On July 13, 2007, the arbitration panel granted Gen-Probe's request to intervene as a respondent in the arbitration. On April 1, 2009, the arbitration panel granted an interim award denying QIAGEN's breach of contract claims and consequently also the damages. On April 15, 2009, Roche and Gen-Probe filed motions for reimbursement of attorneys' fees. On August 12, 2009, the arbitration panel issued a total award of $6.3 million, including administrative and arbitrator fees and on August 13, 2009, the Company filed a petition in the Supreme Court of the State of New York to vacate or modify the award of the arbitrators. On August 20, 2009, Roche and Gen-Probe filed a joint petition to confirm the award, and on September 23, 2009, the Court set the briefing/hearing schedule. On December 18, 2009, the District Court heard oral arguments on the petitions to vacate and confirm the arbitration award. The Court's ruling in currently pending. QIAGEN will vigorously pursue this matter.

Corbett v. Montreal Biotechnologies, Inc.

On February 19, 2009, M.H. Montreal Biotechnologies, Inc. (MBI) sued QIAGEN, Inc. and Corbett in the Circuit Court for Montgomery County, Maryland, seeking monetary damages. MBI claims that QIAGEN, Inc. intentionally interfered with MBI's contractual relations with Corbett, intentionally interfered with MBI's contractual and business relations with its customers, and engaged in unfair competition. Separately, MBI contends that Corbett breached its contract with MBI, breached the implied covenant of good faith and fair dealing, and also engaged in unfair competition. In a court hearing on October 14, 2009, the court dismissed the case against Corbett. MBI amended its complain on November 16, 2009, adding QIAGEN N.V. and QIAGEN GmbH as new defendants and changing certain contentions against QIAGEN. QIAGEN will remain a defendant in these proceedings and will vigorously defend the matter.

QIAGEN Sciences, Inc. v. Operon Biotechnologies, Inc.

On July 2, 2009, Operon Biotechnologies, Inc. (Operon) commenced arbitration against QIAGEN Sciences, Inc. asserting a breach of a supply agreement between the parties and is seeking monetary damages. Operon asserts that QIAGEN failed to comply with the preferred supplier provisions of the agreement and that this breach has caused damages, including lost profits. QIAGEN is in the process of responding to this claim and will vigorously defend against the claim.

QIAGEN Gaithersburg, Inc. v. Abbott GmbH & Co. KG.

On November 4, 2009, QIAGEN Gaithersburg, Inc. filed a patent infringement lawsuit against Abbott GmbH & Co. KG (Abbott) in the Dusseldorf District Court in Germany moving for injunctive relief as well as declaratory judgment on damages with respect to patent infringement. On January 19, 2010, a case management conference took place before the Dusseldorf District Court during which Abbott moved for dismissal of the complaint, and the Court set a due date of May 18, 2010 for Abbott's statement of defense, with the Company's reply due by September 21, 2010, and Abbott's rejoinder due December 27, 2010. The hearing date is set for January 18, 2011. In reaction to the Dusseldorf lawsuit, Abbott has filed a motion to compel arbitration, including an anti-suit injunction against QIAGEN before the Northern District Court of Illinois. QIAGEN filed its opposition on March 8, 2010. An oral hearing is scheduled for April 20, 2010. QIAGEN will vigorously pursue this matter.

17. Employee Benefit Plans

The Company maintains various benefit plans, including defined contribution and defined benefit plans. The Company's U.S. defined contribution plan is qualified under Section 401(k) of the Internal Revenue Code, and covers substantially all U.S. employees. Participants may contribute a portion of their compensation not exceeding a limit set annually by the Internal Revenue Service. This plan includes a provision for the Company to match a portion of employee contributions. Total expense under the 401(k) plans, including the plans acquired via business acquisitions, was $2.0 million, $2.2 million and $1.4 million for the years ended December 31, 2009, 2008 and 2007, respectively. The Company also has a defined contribution plan which covers certain executives. The Company makes matching contributions up to an established maximum. Matching contributions to the plan totaled approximately $0.4 million in each year ended December 31, 2009, 2008 and 2007.

The Company has four defined benefit, non-contributory retirement or termination plans that cover certain employees in Germany, France, Japan and Italy. These defined benefit plans provide benefits to covered individuals satisfying certain age and service requirements. For certain plans, the Company calculates the vested benefits to which employees are entitled if they separate immediately. The benefits accrued on a pro-rata basis during the employees' employment period are based on the individuals' salaries, adjusted for inflation. The liability under the defined benefit plans was $2.1 million at December 31, 2009 and $2.9 million at December 31, 2008.

18. Related Party Transactions

The Company has a consulting agreement with Dr. Metin Colpan, the Company's former Chief Executive Officer and current Supervisory Board member, pursuant to which Dr. Colpan is paid a fee of EUR 2,750 per day for consulting services, subject to adjustment. The Company paid approximately $0.2 million to Dr. Colpan for scientific consulting services under this agreement during each of the years ended December 31, 2009 and 2008.

From time to time, the Company has transactions with companies in which the Company holds an interest all of which are individually and in the aggregate immaterial except for certain transactions with the joint venture PreAnalytiX, Dx Assays Pte. Ltd., QIAGEN Finance and QIAGEN Euro Finance.

The Company has a 50% interest in a joint venture company, PreAnalytiX GmbH, which is accounted for under the equity method. The Company had accounts receivable from PreAnalytix of $1.0 million and $0.3 million, and accounts payable to PreAnalytix of $0.3 million, as of December 31, 2009 and 2008, respectively.

During 2007, the Company made an initial investment of $747,000 in Dx Assays Pte Ltd, a joint venture with Bio*One Capital. The Company's investment represents a 33.3% interest in Dx Assays Pte Ltd. In 2008, the Company made a $1.4 million loan to Dx Assays, which bears interest at 15% and is due in March 2013. During the year ended December 31, 2009, the Company recorded sales of $1.8 million to Dx Assays. As of December 31, 2009, the Company had accounts receivable from Dx Assays of $2.1 million and accounts payable to Dx Assays of $0.9 million.

The Company has a 100% interest in QIAGEN Finance (Luxembourg) S.A. (QIAGEN Finance) and QIAGEN Euro Finance (Luxembourg) S.A. (Euro Finance), which were established for the purpose of issuing convertible debt. As discussed in Note 10, QIAGEN Finance and Euro Finance are variable interest entities with no primary beneficiary, thus they are not consolidated. Accordingly, the convertible debt is not included in the consolidated statements of QIAGEN N.V., though QIAGEN N.V. does report the full obligation of the debt through its liabilities to QIAGEN Finance and Euro Finance. As of December 31, 2009 and 2008, the Company had loans payable to QIAGEN Finance of $145.0 million and accrued interest due to QIAGEN Finance of $3.3

million and amounts receivable from QIAGEN Finance of $2.3 million. As of December 31, 2009 and 2008, the Company has a loan payable to Euro Finance of $300.0 million, accrued interest due to Euro Finance of $3.0 million and amounts receivable from Euro Finance of $1.6 million. The amounts receivables are related to subscription rights which are recorded net in the equity of QIAGEN N.V. as paid-in capital.

19. Segment and Related Information

Reportable segments are based on the geographic locations of the subsidiaries. The Company's reportable segments include the Company's production, manufacturing and sales facilities located throughout the world. In addition, the Company's corporate segment includes its holding company located in The Netherlands and two subsidiaries located in Germany which operate only in a corporate support function. The reportable segments derive revenues from the Company's entire product and service offerings. It is not practicable to provide a detail of revenues for each group of similar products and services offered by the Company. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2 of the Notes to Consolidated Financial Statements. Summarized financial information concerning the Company's reportable segments is shown in the tables below.

Net sales are attributed to countries based on the location of the Company's subsidiary generating the sale. QIAGEN operates manufacturing facilities in Germany, Switzerland, China, Australia, the United Kingdom and the United States that supply products to other countries. The sales from these manufacturing operations to other countries are included in the Net Sales of the countries in which the manufacturing locations are based. The intercompany portions of such net sales of a reportable segment are excluded through the intersegment elimination to derive consolidated net sales. No single customer represents more than ten percent of consolidated net sales.

(in thousands)	2009	2008	2007
Net Sales			
Americas	**$1,060,307**	$ 988,617	$ 465,878
Germany	**391,312**	331,013	270,173
Switzerland	**128,627**	77,745	56,615
Asia	**135,779**	90,047	71,168
All other	**241,992**	210,439	148,082
Corporate	**334**	878	350
Subtotal	**1,958,351**	1,698,739	1,012,266
Intersegment Elimination	**(948,526)**	(805,764)	(362,492)
Total	**$1,009,825**	$ 892,975	$ 649,774

All intersegment sales are accounted for by a formula based on local list prices and manufacturing costs and eliminated in consolidation.

(in thousands)	2009	2008	2007
Intersegment Sales			
Americas	**$(566,161)**	$(535,199)	$(155,052)
Germany	**(223,978)**	(195,561)	(162,149)
Switzerland	**(114,787)**	(63,401)	(42,637)
Asia	**(15,690)**	(3,778)	(1,876)
All other	**(27,910)**	(7,825)	(778)
Total	**$(948,526)**	$(805,764)	$(362,492)

The Company evaluates performance based on several factors, of which the primary financial measure is operating income. The Corporate segment operating loss is primarily general and administrative expenses, including share-based compensation costs. The intersegment elimination represents primarily the elimination of intercompany profit.

(in thousands)	2009	2008	2007
Operating Income (Loss)			
Americas	**$ 84,388**	$ 66,962	$ 14,605
Germany	**91,498**	71,786	63,769
Switzerland	**6,978**	(8,249)	(391)
Asia	**4,930**	905	5,941
All other	**21,303**	32,683	21,922
Corporate	**(21,792)**	(16,552)	(20,051)
Subtotal	**187,305**	147,535	85,795
Intersegment Elimination	**(7,100)**	(1,873)	(2,662)
Total	**$180,205**	$145,662	$ 83,133

Assets of Corporate include cash and cash equivalents, investments, prepaid assets and certain intangibles. The intersegment elimination represents intercompany investments and advances.

(in thousands)	2009	2008
Assets		
Americas	**$ 3,628,630**	$ 2,927,088
Germany	**560,929**	459,428
Switzerland	**151,843**	127,677
Asia	**129,509**	97,822
All other	**588,722**	284,229
Corporate	**1,651,318**	914,336
Subtotal	**6,710,951**	4,810,580
Intersegment Elimination	**(2,914,487)**	(1,925,257)
Total	**$ 3,796,464**	$ 2,885,323

(in thousands)	2009	2008
Long-Lived Assets		
Americas	**$1,601,893**	$1,549,132
Germany	**372,627**	317,431
Switzerland	**42,644**	37,264
Asia	**33,930**	32,959
All other	**377,886**	162,873
Corporate	**7,627**	8,343
Total	**$2,436,607**	$2,108,002

At December 31, 2009 and 2008, for Switzerland, the net investment in equity method investees was $10.9 million and $7.0 million, respectively. The Netherlands had a net investment in equity method investees of $2.2 million as of December 31, 2009 and 2008, respectively.

(in thousands)	2009	2008	2007
Capital Expenditures			
Americas	**$10,613**	$11,220	$ 6,381
Germany	**28,298**	18,174	19,938
Switzerland	**4,402**	5,675	3,445
Asia	**2,510**	1,567	2,875
All other	**6,345**	2,780	1,822
Corporate	**11**	32	31
Total	**$52,179**	$39,448	$34,492

(in thousands)	2009	2008	2007
Depreciation and Amortization			
Americas	**$ 69,473**	$ 68,089	$34,274
Germany	**28,126**	23,761	20,186
Switzerland	**5,485**	3,897	2,653
Asia	**4,496**	3,672	2,512
All other	**12,237**	5,576	2,373
Corporate	**577**	709	585
Total	**$120,394**	$105,704	$62,583

20. Subsequent Events

Based on the Company's review, no events or transactions have occurred subsequent to December 31, 2009 that would have a material impact on the financial statements as presented.

On February 11, 2010, Roche Molecular Systems filed a lawsuit against DxS in the federal court for the Southern District of New York. In its lawsuit, Roche alleges that DxS is preparing to terminate the parties' Distributor Agreement without good cause and that DxS' termination of the Agreement would cause Roche to suffer irreparable harm in the form of lost business opportunities and goodwill and damage to Roche's reputation. In connection with its lawsuit, Roche has also filed a motion for preliminary injunction in which it asks the court to issue an order prohibiting DxS from terminating the Agreement and requiring DxS to perform its obligations under the Agreement pending the final resolution of the lawsuit. DxS filed its opposition to Roche's motion on March 5, 2010, and the hearing on the motion is scheduled for March 22, 2010. Given the early stage of this litigation, QIAGEN cannot predict the likely outcome and intends to vigorously pursue this matter.

SCHEDULE II

QIAGEN N.V. AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

(in thousands)	Balance at Beginning of Year	Provision Charged to Expense	Write-Offs	Foreign Exchange and Other	Balance at End of Year
Year Ended December 31, 2007:					
Allowance for doubtful accounts	$2,608	$1,807	$(1,062)	$ (9)	$3,344
Year Ended December 31, 2008:					
Allowance for doubtful accounts	$3,344	$ 827	$ (703)	$(398)	$3,070
Year Ended December 31, 2009:					
Allowance for doubtful accounts	$3,070	$1,705	$ (562)	$(811)	$3,402


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