

QIAGEN NV
Form 6-K
June 20, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

For the month of June, 2008

Commission File Number 0-28564

QIAGEN N.V.

(Translation of registrant's name into English)

Spoorstraat 50

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5911 KJ Venlo

The Netherlands

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If ☐ Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

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Item

Print Announcement in the NCR Handelsblad, Amsterdam, The Netherlands, on May 26, 2008

Invitation to attend the Annual General Meeting of Shareholders of QIAGEN N.V.

Notice of Annual General Meeting of Shareholders

QIAGEN N.V. Proxy Statement 2008

Attendance Form for Annual General Meeting of Shareholders

Proxy for Annual General Meeting of Shareholders

QIAGEN N.V. Annual Report 2007

QIAGEN N.V. IFRS Financial Reports 2007

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 26, 2008

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the Annual General Meeting) of QIAGEN N.V. (the Company), a public limited liability company organized and existing under the laws of The Netherlands, will be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands.

The agenda of the Annual General Meeting of the Company, containing proposals of the Managing Board and the Supervisory Board of the Company, reads as follows:

1. Opening;
2. Managing Board Report for the year ended December 31, 2007 (Fiscal Year 2007);
3. Supervisory Board Report on the Company s Annual Accounts (the Annual Accounts) for Fiscal Year 2007;
4. Adoption of the Annual Accounts for Fiscal Year 2007;
5. Reservation and dividend policy;
6. Approval of the performance of the Managing Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007;
7. Approval of the performance of the Supervisory Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007;
8. Reappointment of six Supervisory Directors of the Company for a term ending on the date of the Annual General Meeting in 2009;
9. Reappointment of four Managing Directors of the Company for a term ending on the date of the Annual General Meeting in 2009;
10. Cash remuneration of the Supervisory Board;
11. Reappointment of Ernst & Young Accountants as auditors of the Company for the fiscal year ending December 31, 2008;
12. Authorization of the Managing Board, until December 26, 2009, to acquire shares in the Company s own share capital;

13. Approval of an amendment to the Company's Articles of Association;

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14. Questions;

15. Closing.

Copies of the Annual Accounts for Fiscal Year 2007, the reports of the Supervisory Board and the Managing Board, the list of binding nominees for reappointment to the Supervisory Board and the Managing Board, the complete text of the proposed amendment to the Articles of Association and the information referred to under 2:142 paragraph 3 Dutch Civil Code can be obtained free of charge by shareholders and other persons entitled to attend the Annual General Meeting at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting and through the website of the Company.

A proxy statement, together with an attendance form and form of proxy, has been mailed to registered shareholders on or about May 26, 2008. Registered shareholders wishing to exercise their shareholder rights in person are obliged to complete, sign and send the attendance form, such that the attendance form will be received by no later than close of business (New York time) on June 19, 2008 at the offices of American Stock Transfer and Trust Company, 6201 15th Avenue, Brooklyn, New York 11219, United States of America.

Registered shareholders wishing to exercise their shareholder rights by proxy, are obliged to complete, sign and send the proxy card, such that the proxy card will be received by no later than close of business (New York time) on June 23, 2008 at the offices of American Stock Transfer and Trust Company, 6201 15th Avenue, Brooklyn, New York 11219, United States of America. Registered shareholders may only exercise their shareholders rights for the shares registered in their name on the day of the meeting.

Registered holders of type II shares, as referred to in article 8.3 (ii) of the Articles of Association, are requested to state the serial number of the share certificates on the attendance form or proxy card.

The Company will send a card of admission to registered shareholders that have properly notified the Company of their intention to attend the Annual Meeting.

As in prior years the official language of the Annual General Meeting shall be the English language.

The Managing Board

Venlo, The Netherlands

May 26, 2008

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DEAR SHAREHOLDER:

You are cordially invited to attend the Annual General Meeting of Shareholders of QIAGEN N.V. (the Company) to be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands.

We have attached a Notice of Annual General Meeting, including the agenda and Explanatory Notes thereto, and an attendance form and proxy card for use in connection with the meeting.

The Company's 2007 Annual Report is also enclosed and provides additional information regarding the financial results of the Company in 2007.

We hope that you will be able to attend the Annual General Meeting. If you plan to do so, please complete and sign the enclosed attendance form and return it to American Stock Transfer and Trust Company, as specified thereon. We will then add your name to the admission list for the meeting and forward to you an entrance-ticket for the meeting. *The signed attendance form must be returned no later than the close of business on June 19, 2008 in order for you to attend the meeting.*

Whether or not you plan to attend the Annual General Meeting, it is important that your shares are represented. Therefore, please complete, sign, date and return the enclosed proxy card promptly in the enclosed envelope, which requires no postage if mailed in the United States. *The proxy card must be received no later than the close of business on June 23, 2008 for your vote to count.* This will ensure your proper representation at the Annual General Meeting. If you attend the Annual General Meeting, you may vote in person if you wish, even if you have previously returned your proxy.

Sincerely,

/s/ Peer M. Schatz

PEER M. SCHATZ

Managing Director

Venlo, The Netherlands

May 26, 2008

YOUR VOTE IS IMPORTANT.

PLEASE RETURN YOUR ATTENDANCE FORM OR PROXY CARD PROMPTLY.

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QIAGEN N.V.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 26, 2008

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the Annual General Meeting) of QIAGEN N.V. (the Company), a public limited liability company organized and existing under the laws of The Netherlands, will be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands.

The agenda of the Annual General Meeting of the Company, containing proposals of the Managing Board and the Supervisory Board of the Company, reads as follows:

1. Opening;
2. Managing Board Report for the year ended December 31, 2007 (Fiscal Year 2007);
3. Supervisory Board Report on the Company s Annual Accounts (the Annual Accounts) for Fiscal Year 2007;
4. Adoption of the Annual Accounts for Fiscal Year 2007;
5. Reservation and dividend policy;
6. Approval of the performance of the Managing Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007;
7. Approval of the performance of the Supervisory Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007;
8. Reappointment of six Supervisory Directors of the Company for a term ending on the date of the Annual General Meeting in 2009;

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9. Reappointment of four Managing Directors of the Company for a term ending on the date of the Annual General Meeting in 2009;
10. Cash remuneration of the Supervisory Board;
11. Reappointment of Ernst & Young Accountants as auditors of the Company for the fiscal year ending December 31, 2008;
12. Authorization of the Managing Board, until December 26, 2009, to acquire shares in the Company's own share capital;
13. Approval of an amendment to the Company's Articles of Association;
14. Questions;
15. Closing.

Under the Articles of Association of the Company and Dutch law, copies of the Annual Accounts for Fiscal Year 2007, the reports of the Supervisory Board and the Managing Board, the list and biographies of binding nominees for election to the Supervisory Board and the Managing Board, the complete text of the proposed amendment to the Articles of Association and the information sent to the holders of registered shares can be obtained free of charge by shareholders and other persons entitled to attend the Annual General Meeting at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting.

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The Supervisory Board has fixed the close of business on Tuesday, May 13, 2008 as the notional record date for the determination of shareholders entitled to notice of the Annual General Meeting. *However, in accordance with Dutch law, only holders of record of the Common Shares on the date of the Annual General Meeting are entitled to vote at the meeting or by proxy.*

All shareholders are cordially invited to attend the Annual General Meeting. If you plan to do so, please complete and sign the enclosed attendance form and return it as specified thereon. We will then add your name to the admission list for the meeting and forward to you an entrance-ticket for the meeting.

Whether you plan to attend the Annual General Meeting or not, you are requested to complete, sign, date and return the enclosed proxy card as soon as possible in accordance with the instructions on the card. A pre-addressed, postage prepaid return envelope is enclosed for your convenience.

By Order of the Managing Board

/s/ Peer M. Schatz

PEER M. SCHATZ

Managing Director

Venlo, The Netherlands

May 26, 2008

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QIAGEN N.V.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

EXPLANATORY NOTES TO AGENDA

I. General

The enclosed proxy card and the accompanying Notice of Annual General Meeting of Shareholders and agenda are being mailed to shareholders of QIAGEN N.V. (the Company) in connection with the solicitation by the Company of proxies for use at the Annual General Meeting of Shareholders of the Company to be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands.

These proxy solicitation materials were mailed on or about May 26, 2008 to all holders of record of registered shares as of Tuesday, May 13, 2008. The Company's 2007 Annual Report is also enclosed and provides additional information regarding the financial results of the Company in 2007.

Under the Articles of Association of the Company and Dutch law, copies of the Annual Accounts for the year ended December 31, 2007 (Fiscal Year 2007), the reports of the Supervisory Board and the Managing Board, the list and biographies of binding nominees for election to the Supervisory Board and the Managing Board and the complete text of the proposed amendment to the Articles of Association can be obtained free of charge by shareholders and other persons entitled to attend the Annual General Meeting at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting.

The reasonable cost of soliciting proxies, including expenses in connection with preparing and mailing the proxy solicitation materials, will be borne by the Company. In addition, the Company will reimburse brokerage firms and other persons representing beneficial owners of Common Shares for their expenses in forwarding proxy materials to such beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, telegram, telex and personal solicitation by directors, officers or employees of the Company. No additional compensation will be paid for such solicitation.

The Company is not subject to the proxy solicitation rules contained in Regulation 14A promulgated under the United States Securities Exchange Act of 1934, as amended.

II. Voting and Solicitation

In order to attend, address and vote at the Annual General Meeting, or vote by proxy, holders of record of registered shares are requested to advise the Company in writing in accordance with the procedures set forth in the Notice of Annual General Meeting of Shareholders. *In accordance with Dutch law, only holders of record of the Common Shares on the date of the Annual General Meeting are entitled to vote at the meeting or by proxy.*

As of May 13, 2008, there were 196,410,510 Common Shares outstanding. Shareholders are entitled to one vote for each Common Share held. Proposals presented to the shareholders at the Annual General Meeting shall be validly adopted if adopted by a simple majority of the votes cast at the Annual General Meeting.

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Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivery to the Company of a written notice of revocation or a duly executed proxy bearing a later date. Any shareholder who has executed a proxy but is present at the Annual General Meeting, and who wishes to vote in person, may do so by revoking his or her proxy as described in the preceding sentence. Mere attendance at the Annual General Meeting will not serve to revoke a proxy. Shares represented by valid proxies received in time

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for use at the Annual General Meeting and not revoked at or prior to the Annual General Meeting, will be voted at the Annual General Meeting.

III. Explanatory Notes to Agenda Items

Explanatory Note to Items 2, 3, 4, 6 and 7 Adoption of the Annual Accounts

The shareholders of the Company are being asked to adopt the Annual Accounts for Fiscal Year 2007. The Annual Report and the Annual Accounts have been prepared by the Managing Board and approved by the Supervisory Board of the Company. As described at the Annual General Meeting held in 2004, on December 9, 2003 the Dutch Corporate Governance Committee published the Dutch Corporate Governance Code (the Code) containing the principles of good corporate governance and best practice provisions. The Code includes general principles and specific best practice provisions to be observed by Dutch listed companies, including their managing board members and supervisory board members, and their shareholders in relation to one another. In accordance with the Code, a listed company has to state in its Annual Report for Fiscal Year 2007 any best practice provisions of the Code with which it does not fully comply and to explain why and to what extent it does not comply with such provisions. Please see the Corporate Governance section of our Annual Report for further information.

Additionally, the shareholders of the Company are being asked to approve the performance of the Managing Board and the Supervisory Board, including a discharge from liability with respect to the exercise of their duties, for Fiscal Year 2007.

Under the Articles of Association of the Company and Dutch law, copies of the Annual Accounts for Fiscal Year 2007 and the reports of the Supervisory Board and the Managing Board can be obtained free of charge by shareholders and other persons entitled to attend the Annual General Meeting at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting.

THE SUPERVISORY BOARD AND THE MANAGING BOARD UNANIMOUSLY RECOMMEND A VOTE FOR THESE ITEMS. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

Explanatory Note to Item 5 Reservation and Dividend Policy

The Company's reservation and dividend policy is to retain the profits by way of reserve, as is common among fast growing companies with significant future expansion potential in rapidly developing fields. Consequently, the Company will not pay a dividend to the shareholders out of the Fiscal Year 2007 profits. This policy benefits our shareholders by increasing share value, and the Company believes that this policy is aligned with shareholders' taxation preferences.

Explanatory Note to Items 8 and 9 Reappointment of the Supervisory Directors and the Managing Directors

The Supervisory Board and the Managing Board acting together at a joint meeting (the Joint Meeting) resolved to make a binding nomination for the reelection of all current members of the Supervisory Board and all current members of the Managing Board.

The Supervisory Board consists of such number of members, with a minimum of three members, as the Joint Meeting thereof may determine. The Supervisory Board presently consists of six members. The Supervisory Directors are elected by vote of the shareholders of the Company at the Annual General Meeting,

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subject to the authority of the Supervisory Board to appoint up to one-third of its members if vacancies occur during a fiscal year. The Managing Board has one or more members as determined by the Supervisory Board. The Managing Board presently consists of four members. Managing Directors are appointed by vote of the shareholders of the Company at the Annual General Meeting. The Supervisory Board and the Managing Board at the Joint Meeting may make a binding nomination to fill each vacancy on the Supervisory Board and Managing Board. At the Annual General Meeting, the shareholders may overrule the binding nature of a nomination by resolution adopted with a majority of at least two-thirds of the votes cast, if such majority represents more than half the issued share capital.

Supervisory Directors and 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.

By unanimous written consent dated as of April 29, 2008, the Joint Meeting resolved to make a binding nomination for six members of the Supervisory Board and four members of the Managing Board. The six binding nominees for election to the Supervisory Board positions are as follows, each nominee listed under a below has been proposed for reelection:

Nominations for position no. 1: a. Dr. Werner Brandt and b. Dr. Metin Colpan;

Nominations for position no. 2: a. Dr. Metin Colpan and b. Mr. Erik Hornnaess;

Nominations for position no. 3: a. Mr. Erik Hornnaess and b. Prof. Dr. Manfred Karobath;

Nominations for position no. 4: a. Prof. Dr. Manfred Karobath and b. Mr. Heino von Prondzynski;

Nominations for position no. 5: a. Mr. Heino von Prondzynski and b. Prof. Dr. Detlev H. Riesner; and

Nominations for position no. 6: a. Prof. Dr. Detlev H. Riesner and b. Prof. Dr. Carsten P. Claussen.

The Supervisory Board believes that these nominees meet the criteria for Supervisory Board positions, as approved by a resolution adopted by the Supervisory Board on May 3, 2006 and set forth on the Company's website, and that they will make significant contributions to the Supervisory Board.

The binding nominations for each of the four Managing Board positions are as follows, each nominee listed under a below has been proposed for reelection:

Nominations for position no. 1: a. Mr. Peer M. Schatz and b. Dr. Joachim Schorr;

Nominations for position no. 2: a. Dr. Joachim Schorr and b. Mr. Bernd Uder;

Nominations for position no. 3: a. Mr. Bernd Uder and b. Mr. Roland Sackers; and

Nominations for position no. 4: a. Mr. Roland Sackers and b. Ms. Birgit Bergfried.

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

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Peer M. Schatz, 42, 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 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 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. Mr. Schatz also serves in the capacities of Supervisory Director, Vice Chairman and Audit Committee

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Chairman of Evotec AG and acted as a member of the Advisory Board (Börsenrat) of the Frankfurt Stock Exchange through 2004, and also serves as a member of the German Corporate Governance Commission.

Roland Sackers, 39, 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 Managing Director. 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 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 2008, Mr. Sackers has served as QIAGEN's representative observer of the board of Eurofins Genomics BV.

Dr. Joachim Schorr, 47, joined the Company in 1992 and has been Senior Vice President Research & Development since January 1, 2004. He became a Managing Director 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, 50, joined the Company 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 the Company'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 world-wide distribution networks as Vice President European Biolab Sales & Marketing with Pharmacia and Vice President global e.business with Amersham Pharmacia Biotech. Today, Mr. Uder is responsible for the extension and the improvement of efficiencies of the Company's global distribution network.

Professor Dr. Detlev H. Riesner, 66, is a co-founder of the Company. He has been on the Company's Supervisory Board since 1984, was appointed Chairman of the Supervisory Board in 1999 and joined the Selection and Appointment Committee in 2005. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980 and retired in 2007. In 1996, he was also appointed to the position of Vice President of Research, and from 1999 until 2007, he was Director of Technology at the University of Düsseldorf. 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 New Lab Bioquality AG, Erkrath, AC Immune S.A., Lausanne, Neuraxo GmbH, Düsseldorf and Direvo AG, Köln. Professor Riesner is also a member of the scientific advisory boards of the Friedrich-Loeffler-Institut, Isle of Riems and PrioNet, Canada.

Dr. Werner Brandt, 54, joined the Company's Supervisory Board in 2007 and was appointed Audit Committee Chairman. 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

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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 LSG Lufthansa Service Holding AG, Neu-Isenburg, Germany.

Dr. Metin Colpan, 53, is a co-founder of the Company and was Chief Executive Officer and a Managing Director from 1985 through 2003. Dr. Colpan obtained his Ph.D. and M.Sc. 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, 70, has been a member of the Supervisory Board since 1998, 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 Handelshøjskole, Denmark with an M.B.A. and obtained a P.M.D. from the Harvard Business School.

Professor Dr. Manfred Karobath, 67, 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 Connaught, Centeon and Rhone Poulenc Pharma. He has received several scientific awards and has published 92 scientific papers.

Heino von Prondzynski, 58, joined the Company's Supervisory Board as well as the Audit Committee in 2007. Mr. von Prondzynski retired in 2005 from Roche (SWX: RO) where he served as Chief Executive Officer of Roche Diagnostics and a member of the Executive Committee of the Roche Group. He brings to QIAGEN a wealth of experience as a leader in the diagnostics industry and has played key roles in building the molecular diagnostics industry. 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 BBMedtech, Koninklijke Philips Electronics NV and Epigenomics.

Professor Dr. jur. Carsten P. Claussen, 80, 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

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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 Industriebank, Düsseldorf. At present, he is a partner in the law firm of Hoffmann 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, Cleve and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

Birgit Bergfried, 42, joined the Company in 1997 as Managing Administrator. Ms. Bergfried holds a degree in Economics from the University of Applied Sciences in Aachen.

Information concerning the ownership of Common Shares of each nominee to the Supervisory Board can be obtained free of charge by shareholders and other persons entitled to attend the Annual General Meeting at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting.

THE SUPERVISORY BOARD AND THE MANAGING BOARD ACTING TOGETHER AT THE JOINT MEETING UNANIMOUSLY RECOMMEND THE REAPPOINTMENT OF EACH PROPOSED NOMINEE TO THE SUPERVISORY BOARD AND THE MANAGING BOARD. EACH NOMINEE LISTED UNDER A IN THE NOMINATIONS ABOVE HAS BEEN PROPOSED FOR REAPPOINTMENT. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

Explanatory Note to Item 10 Cash Remuneration of the Supervisory Board

QIAGEN's Articles of Association stipulate that the shareholders at the Annual General Meeting, upon the non-binding proposal of the Compensation Committee, determine the remuneration of the members of the Supervisory Board. The shareholders of the Company are hereby being asked to adopt the cash remuneration of the members of the Supervisory Board. The Compensation Committee proposes the following cash remuneration.

Cash remuneration of members of the Supervisory Board:

The objective of QIAGEN's remuneration policy for Supervisory Board members is to achieve a total remuneration level, both short-term and long-term, that is comparable with levels provided by other European and U. S. companies of similar size and complexity in a similar industry. Independent external compensation surveys have been taken into account in determining the appropriate remuneration levels for the members of the Supervisory Board. Based on its review of multiple compensation surveys, the Compensation Committee recommends that the remuneration of our Supervisory Board members be increased beginning in fiscal 2008 to align such remuneration with that paid to directors by other companies comparable to QIAGEN. Between 2005 and 2007, QIAGEN has grown considerably, while the Supervisory Board members' cash compensation has not changed. In particular, according to the U.S. company director compensation surveys, the compensation of directors of U.S. companies comparable to QIAGEN as well as the compensation paid by companies with which QIAGEN competes for Supervisory Board members is significantly higher than that of QIAGEN's Supervisory Board members. The Compensation Committee believes that this information is of particular significance because of QIAGEN's substantial share of operations, revenues and number of employees in the United States. Furthermore, QIAGEN's revenues have doubled since the last significant increase in remuneration of the Supervisory Board members in 2002, and QIAGEN expects to continue its growth over the next five to seven years. In addition, the responsibilities, workload and liabilities of our Supervisory Board members have continued to increase following the restructuring of their cash remuneration in 2005. In light of the above, the Compensation Committee and the Supervisory Board believe that an increase in remuneration of the Supervisory Board members is necessary to retain the current Supervisory Board members and to attract new, experienced Supervisory Board members in the future.

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The members of the Supervisory Board shall receive fixed as well as performance-related compensation in the form of stock options or other equity-based compensation. The level of equity-based compensation of our Supervisory Board members will remain consistent with the equity-based compensation approved by our shareholders at the 2005 Annual General Meeting. Individual compensation will take into account the scope of responsibilities of each member of the Supervisory Board, as well as the economic situation and performance of the Company. In determining individual compensation, the Supervisory Board will also consider positions of Chair and Deputy Chair, as well as the chair and membership positions on the committees held by the members of the Supervisory Board. Compensation for each member of the Supervisory Board individually and for all members of the Supervisory Board in the aggregate shall be reported and explained in the Notes to our Consolidated Financial Statements and the Corporate Governance Report and subdivided into appropriate categories.

Annual cash remuneration of the Supervisory Board members shall be as follows:

Fee payable 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
Fee payable to member of the Audit Committee	EUR 7,500
Fee payable to Chairman of the Audit Committee	EUR 15,000
Fee payable to member of the Compensation Committee	EUR 5,000
Fee payable to Chairman of the Compensation Committee	EUR 10,000

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

Members of the Supervisory Board receive 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.

In addition to the fixed compensation described above, Supervisory Directors shall receive variable compensation to be determined annually by the Compensation Committee if the following target is met by the Company with respect to Earnings Per Share, excluding acquisition, integration, restructuring and related costs, acquisition-related amortization, and compensation cost due to equity-based compensation in accordance with the Statement of Financial Accounting Standards No. 123 (Revised) (EPS) over the next three fiscal years, beginning in 2008:

Each Supervisory Director shall receive annually EUR 1,500 for each 100 basis points by which the compound annual growth rate of the EPS over this three-year period, as compared to the EPS reported for the Fiscal Year 2007, exceeds 15%, provided that such remuneration shall not exceed EUR 5,000 per year.

Supervisory Directors shall continue to receive variable compensation outlined above beyond the next three fiscal years, in 2011 and following years.

THE SUPERVISORY BOARD AND THE MANAGING BOARD UNANIMOUSLY RECOMMEND A VOTE *FOR* THIS ITEM. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

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Explanatory Note to Item 11 Reappointment of Auditors

On April 29, 2008, the Supervisory Board approved a resolution to propose to the shareholders of the Company at the Annual General Meeting, and hereby does so propose, the reappointment of Ernst & Young Accountants to audit the financial statements of the Company for the fiscal year ending December 31, 2008. Ernst & Young Accountants audited the Company's financial statements for Fiscal Year 2007.

THE SUPERVISORY BOARD AND THE MANAGING BOARD UNANIMOUSLY RECOMMEND A VOTE FOR THIS ITEM. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

Explanatory Note to Item 12 Extension of Certain Powers of the Managing Board

Pursuant to Article 6 of the Articles of Association, the Managing Board shall have the power to acquire shares in the Company's own share capital, if and in so far as the Managing Board has been designated by a general meeting of shareholders for this purpose.

On June 20, 2007, the Managing Board was authorized at the Annual General Meeting to exercise the powers set forth in the above paragraph, without limitation against a price between one Euro cent (Euro 0.01) and one hundred and ten percent (110%) of the average closing price of the Common 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. This authorization is valid up to and including December 20, 2008.

At the Annual General Meeting, the shareholders are being asked to authorize the Managing Board to acquire shares in the Company's own share capital, subject to approval of the Supervisory Board, against a price between one Euro cent (Euro 0.01) and one hundred and ten percent (110%) of the average closing price of the Common 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. This authorization shall be valid for a period of no more than eighteen months, up to and including December 26, 2009. Subject to the effectiveness of the amendment to the Articles of Association being presented to the Company's shareholders for approval at the Annual General Meeting, as described below under Explanatory Note to Item 13, and in accordance with any applicable legislation and the provisions of the Articles of Association, the maximum number of shares in the Company's own share capital that the Company, together with its affiliate companies, may acquire pursuant to this authorization is limited to 20% of the issued share capital of the Company at the time of the acquisition.

THE SUPERVISORY BOARD AND THE MANAGING BOARD UNANIMOUSLY RECOMMEND A VOTE FOR THIS ITEM. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

Explanatory Note to Item 13 Amendment to the Company's Articles of Association

The Supervisory Board has proposed that the shareholders of the Company adopt an amendment to the Company's Articles of Association, substantially in the form attached hereto as Appendix I, at the Annual General Meeting. The Supervisory Board also proposed to authorize all lawyers of De Brauw Blackstone Westbroek, Dutch counsel to the Company, and each of them acting individually, to cause such amendment to the Articles of Association to become effective and to apply for Dutch regularly approval. This amendment to the Articles of Association is being proposed in response to Dutch (corporate law) legislation, which became effective in 1998 and 2004 (see proposed changes to article 44.5 and article 31.2 of the Articles of Association, respectively) and the proposed changes to Dutch (corporate law) legislation (see proposed changes to article 6 of the Articles of Association), as well as in response to the implementation of the Transparency Directive (see proposed changes to article 38.6 of the Articles of Association), which is expected to take effect in 2008.

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A complete text of the proposed amendment to the Articles of Association and explanatory notes thereto is available at the offices of the Company at Spoorstraat 50, 5911 KJ Venlo, The Netherlands, and at the offices of American Stock Transfer and Trust Company at 6201 15th Avenue, Brooklyn, New York 11219, United States of America, until the close of the Annual General Meeting.

THE SUPERVISORY BOARD AND THE MANAGING BOARD UNANIMOUSLY RECOMMEND A VOTE *FOR* THIS ITEM. THE ACCOMPANYING PROXY WILL BE VOTED IN FAVOR THEREOF UNLESS INSTRUCTIONS ARE OTHERWISE PROVIDED.

Table of Contents**COMMITTEES OF THE SUPERVISORY BOARD, MEETINGS AND SHAREHOLDER****COMMUNICATIONS TO THE BOARD**

Meeting Attendance. During Fiscal Year 2007, there were five (5) meetings of the Supervisory Board, and the various committees of the Supervisory Board met a total of nineteen (19) times. No supervisory director attended fewer than 75% of the total number of meetings of the Supervisory Board and of committees of the Supervisory Board on which he served during Fiscal Year 2007. The Board has adopted a policy under which the Chairman of the Supervisory Board and all members of the Managing Board attend each Annual General Meeting of shareholders, and all other members of the Supervisory Board attend each Annual General Meeting if possible.

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	ü			ü (Chairman)
Dr. Werner Brandt	ü	ü (Chairman)		
Prof. Dr. Manfred Karobath	ü		ü	
Heino von Prondzynski	ü	ü		
Erik Hornnaess	ü	ü	ü	ü (Chairman)

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 Code, no more than one Supervisory Director could fail to qualify as independent, as defined in the Code. Presently, Dr. Colpan is not considered independent due to his former position as our Chief Executive Officer and member of our Managing Board. Dr. Colpan does not serve on any committees of the Supervisory Board.

Audit Committee. The Audit Committee, which met six (6) times in Fiscal Year 2007, 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 the Sarbanes-Oxley Act of 2002 and the Marketplace Rules of the NASDAQ. The Audit Committee is 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 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

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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 and the Code.

Compensation Committee. The Compensation Committee, which met thirteen (13) times in Fiscal Year 2007, 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, approves and proposes to the Supervisory Board and/or the general meeting of shareholders, as applicable, all equity-based compensation, reviews and approves the annual salaries, bonuses and other benefits of executive officers, Managing Board members and Supervisory Board members and reviews general policies relating to employee compensation and benefits.

Selection and Appointment Committee. The Selection and Appointment Committee, which did not meet in Fiscal Year 2007, 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 the 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 to the Joint Meeting 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.

Shareholder Communications to the Board. Generally, shareholders who have questions or concerns should contact our Investor Relations department at +49-2103-29-11709. However, any shareholders who wish to address questions regarding our business directly with the Supervisory Board, or any individual Supervisory director, should direct questions in writing to the Chairman of the Board, Prof. Dr. Detlev Riesner, at QIAGEN N.V., Spoorstraat 50, 5911 KJ Venlo, The Netherlands.

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ADDITIONAL INFORMATION REGARDING COMPENSATION OF MANAGING DIRECTORS

The objective of QIAGEN's remuneration policy is to achieve a total remuneration level, both short-term and long-term, that is comparable with levels provided by other European and United States companies of similar size and complexity in a similar industry. The level and structure of remuneration was determined in light of, among other things, the business and financial results, strategic position, share price performance and other developments relevant to QIAGEN. Independent external compensation surveys have been taken into account in determining the appropriate remuneration levels for the members of the Managing Board.

Compensation of the members of the Managing Board was within the compensation ranges set forth in the remuneration policy adopted by the General Meeting in 2005 and consisted of a fixed salary and other variable components. Variable compensation included 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 variable part of the compensation was designed to strengthen the Managing Board members' commitment to QIAGEN's objectives.

To ensure overall competitiveness of the remuneration provided to the Managing Board, the Compensation Committee assessed the remuneration levels of the Managing Board members against those at other companies of similar size and complexity in similar industries (biotechnology, life sciences supplies, diagnostics and pharmaceuticals) in Europe and the United States, and German companies listed on the MDAX and TecDAX.

Each annual bonus was determined in accordance with QIAGEN's global bonus scheme, which is applicable to management and certain employees of QIAGEN and its affiliates. The bonus was based on overall financial goals of QIAGEN, the individual performance of each Managing Board member and the performance of the department the respective Managing Board member is responsible for. Financial targets were based on net sales and operating income, adjusted for the impact of transactions, such as acquisitions. These targets were agreed upon by the Supervisory Board. Due to commercial and competitive considerations, QIAGEN does not publish the agreed upon targets. Bonus payments made to the members of the Managing Board are set forth in the first table below.

Members of the Managing Board are eligible to participate in a defined contribution benefit plan. They may also benefit from other non-cash compensation or benefit in kind. A typical example of such non-cash compensation is the use of a Company-owned car.

All members of the Managing Board participated in the defined contribution benefit plan, which is financed by conversion of the Managing Directors' salaries and the employer's contribution. Generally, each plan participant is entitled to a one-time pension payment upon retirement after his 65th birthday. In the event of death prior to the age of 65, the invested funds are disbursed to the Managing Director's heirs. In the event that the Managing Director's service is terminated prior to his 65th birthday, the employee-financed part of the pension expectancy is paid out to the employee, and the employer-financed part is due to the employee only if the termination occurs after the fifth anniversary of the Managing Director's participation in the defined contribution benefit plan. The amount of the 2007 contribution to the defined contribution benefit plan for each Managing Director is set forth in the second table below.

Equity-based compensation for each Managing Director is detailed in the second and third tables below. In addition to non-qualified stock options, our Amended and Restated 2005 Stock Plan provides for grants of other equity-based awards, including incentive stock options, stock grants and restricted stock units. In 2007, members of the Managing Board were granted stock options to purchase 183,895 Common Shares and 510,801 restricted stock units, in the aggregate. Awards to each Managing Director are set forth in the second table below.

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The employment agreements between the Company and the Managing Board members have an indefinite term, but can be terminated by the Company with six months' notice and by the Managing Directors with three months' notice. All members of the Managing Board have additional employment agreements with QIAGEN affiliates with terms of employment ranging from 24 to 36 months. There are no arrangements for early retirement of the Managing Board members. In the event of a sale of the Company or a 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, each member of the Managing Board shall be entitled to receive a change of control bonus payment commensurate to a multiple of his then-current annual salary, including annual bonus, paid by the Company and QIAGEN affiliates in accordance with applicable employment agreements.

Year ended December 31, 2007

Year ended December 31, 2007		Annual Compensation		
Name	Fixed Salary	Variable Cash Bonus	Other (1)	Total
Managing Board:				
Peer M. Schatz	\$ 1,059,000	\$ 437,000	\$ 11,000	\$ 1,507,000
Roland Sackers	\$ 452,000	\$ 162,000	\$ 53,000	\$ 667,000
Dr. Joachim Schorr	\$ 291,000	\$ 122,000	\$ 27,000	\$ 440,000
Bernd Uder	\$ 311,000	\$ 121,000	\$ 20,000	\$ 452,000

- (1) Amounts include, among others, inventor bonus and relocation costs. The Company also occasionally reimburses its 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 or other reimbursements or payments that in total did not exceed the lesser of \$50,000 or 10% of the total salary and bonus reported in 2007 for the officer.

Managing Board members also receive a variable component, in the form of equity-based compensation. Stock options granted to the Managing Board members must have an exercise price that is higher than the market price of the Company's Common Shares at the time of grant. During 2007, members of the Managing Board were granted stock options to purchase 183,895 Common Shares and 510,801 restricted stock units, in the aggregate.

Year ended December 31, 2007

Year ended December 31, 2007	Long-Term Compensation		
	Defined Contribution Benefit Plan	Stock Options	Restricted Stock Units
Name			
Managing Board:			
Peer M. Schatz	\$ 80,000	114,551	318,175
Roland Sackers	\$ 72,000	35,019	97,285
Dr. Joachim Schorr	\$ 25,000	17,049	47,355
Bernd Uder	\$ 47,000	17,276	47,986

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The following table sets forth the vested and unvested stock options of our Managing Directors as of January 25, 2008:

Name	Total Vested Options	Total Unvested Options	Expiration Dates	Exercise Prices	Total Unvested Stock Awards
Peer M. Schatz	2,359,876	114,551	5/2009 to 2/2017	\$ 4.590 to \$20.563	318,175
Roland Sackers	347,598	23,346	9/2009 to 2/2017	\$ 10.610 to \$20.563	97,285
Dr. Joachim Schorr	201,444	17,049	10/2011 to 2/2017	\$ 8.940 to \$17.900	47,355
Bernd Uder	120,000	17,276	3/2011 to 2/2017	\$ 11.985 to \$20.563	47,986

- (1) During 2005 and 2004, the vesting of certain stock options was accelerated. A sales restriction was imposed on the accelerated stock options, such that any shares obtained upon exercise of an accelerated option could not be sold prior to the original vesting date of such option.

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Appendix I

DRAFT

DEED OF AMENDMENT OF THE ARTICLES OF ASSOCIATION

QIAGEN N.V.

On ** two thousand and eight appears before me, **, notaris (civil-law notary) practising in Amsterdam:

**

The person appearing declares that on ** two thousand and eight the general meeting of shareholders of **QIAGEN N.V.**, a public limited company, with corporate seat in Venlo, the Netherlands, and address at: 5911 KJ Venlo, Spoorstraat 50, resolved to amend the articles of association of this company and to authorise the person appearing to execute this deed.

Pursuant to those resolutions the person appearing declares that he amends the company's articles of association as follows:

I. Article 6 paragraph 1 shall read as follows:

6.1. Subject to authorisation by the general meeting and with due observance of the other provisions of Section 2:98 Civil Code, the managing board may cause the company to acquire for consideration fully paid up shares in its own share capital.

(Explanation: The amendments to this article are made in connection with the implementation of the EU directive 2006/68/EG.

This amendment will contain, amongst others, an extension in the possibility of the repurchase of shares.

The margin for the repurchase of shares (currently, an N.V. can only repurchase shares up to 10% of the issued share capital) shall be abolished.

Due to the amendment of the articles of association by with due observance of the other provisions of Section 2:98 Civil Code, the articles of association will anticipate on the contemplated changes in the Dutch Civil Code and will not be in breach with the law.

Furthermore the amendment of the Dutch Civil Code contains an extension of the 18 months period of which the board can be authorized by the general meeting to repurchase shares, to a period of maximum 5 years. Anticipating on this amendment, the 18 months period is removed from the articles of association.)

II. Article 31 paragraph 2 shall read as follows:

31.2. The agenda shall contain such subjects to be considered at the meeting as the person(s) convening the meeting or requesting the meeting pursuant to article 29, paragraph 1 shall decide.

Furthermore the agenda shall contain such business as one or more shareholders, who are entitled thereto pursuant to the law, have requested the supervisory board and the managing board in writing to place on the agenda, at least sixty days before the date of the meeting, unless there is a compelling reason for the company for not placing such business on the agenda.

The agenda shall further specify that resolutions regarding such subjects can only be validly adopted in accordance with article 43, paragraph 1. No valid resolutions can be adopted at a general meeting of shareholders in respect of subjects which are not mentioned in the agenda.

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(Explanation: The current statutory threshold for shareholders to put items on the agenda for a general meeting has been abolished with the introduction of the Wet aanpassing structuurregeling on 1 October 2004. By making a reference to the Dutch Civil Code, the articles of association are once again in line with the relevant provisions of the Dutch Civil Code.)

III. Article 38 paragraph 6 shall read as follows:

38.6. The managing board shall, within the provisions of the law, make available: the annual accounts, the annual report, the accountant(s) declaration and all other documents pursuant to the law.

(Explanation: The amendment to the articles of association is associated with the contemplated changes to the law due to the implementation of the Transparency directive 2001/34/EG. The terminology of this amendment is in line with the Directive. This wording shall enhance flexibility with regards to any required applicable legislation following the implementation of this directive and applicable stock rules.)

IV. Article 44 paragraph 5 shall read as follows:

44.5. After the company has ceased to exist, the books and records of the company shall remain in the custody of the person designated for that purpose by the liquidators during a seven-year period.

(Explanation: Due to the changes to the Dutch Civil Code on 1 June 1998, the ten-year custody period for books and records of the Company after it has ceased to exist has been changed into a seven-year period.)

The required ministerial declaration of no-objection was granted on ** two thousand and eight, number N.V. **. .

The ministerial declaration of no-objection and a document in evidence of the resolutions, referred to in the head of this deed, are attached to this deed.

In witness whereof the original of this deed which will be retained by me, notaris, is executed in Amsterdam, on the date first mentioned in the head of this deed.

Having conveyed the substance of the deed and given an explanation thereto and following the statement of the person appearing that he has taken note of the contents of the deed and agrees with the partial reading thereof, this deed is signed, immediately after reading those parts of the deed which the law requires to be read, by the person appearing, who is known to me, notaris, and by myself, notaris.

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ATTENDANCEFORM TO: QIAGEN N.V.
c/o American Stock Transfer and Trust Company

6201 15th Avenue

Brooklyn, New York 11219

QIAGEN N.V.

Annual General Meeting of Shareholders

June 26, 2008

The undersigned, holder of _____ registered shares (with share certificate number _____ through _____) of QIAGEN N.V. (the Company), hereby notifies the Company that he/she/it wishes to attend and to exercise his/her/its shareholder rights at the Annual General Meeting of Shareholders of the Company to be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands, and requests that the Company add his/her/its name to the admission list for the Annual General Meeting.

The undersigned registered shareholder realizes that he/she/it can only exercise his/her/its shareholder rights for the shares registered in his/her/its name on the day of the Annual General Meeting of Shareholders.

In witness whereof the undersigned has duly executed this form/caused this form to be duly executed by its authorized officers at _____ this _____ day of _____, 2008.

(Signature of registered shareholder)

(Signature of registered shareholder)

(Print full name of registered shareholder(s))

If the shares are held jointly, each registered holder must sign. *Notification should be received no later than 5 p.m. (New York time) on June 19, 2008 at the offices of American Stock Transfer and Trust Company, 6201 15th Avenue, Brooklyn, New York 11219, United States of America.*

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QIAGEN N.V.

Proxy for Annual General Meeting of Shareholders

to be held June 26, 2008

THIS PROXY IS SOLICITED ON BEHALF OF

THE MANAGING BOARD AND SUPERVISORY BOARD

THE UNDERSIGNED hereby appoints Mr. Peer M. Schatz, Dr. Joachim Schorr, Mr. Bernd Uder and Mr. Roland Sackers, or either of them individually and each of them with full power of substitution, as proxies to vote for and on behalf of the undersigned at the Annual General Meeting of Shareholders of QIAGEN N.V. (the Company) to be held on Thursday, June 26, 2008 at 10:30 a.m., local time, at Maaspoort, Oude Markt 30, 5911 HH Venlo, The Netherlands, upon and with respect to all of the Common Shares of the Company to which the undersigned would be entitled to vote and act if personally present. The undersigned hereby directs Mr. Peer M. Schatz, Dr. Joachim Schorr, Mr. Bernd Uder and Mr. Roland Sackers, to vote in accordance with their judgment on any matters which may properly come before the meeting, all as indicated in the Notice of the meeting, receipt of which is hereby acknowledged, and to act on the following matters set forth in such Notice as specified by the undersigned.

If no direction is given, this proxy will be voted FOR election of the Managing Directors and Supervisory Directors and FOR Proposals 1, 2, 3, 6, 7, 8 and 9.

(Continued and to be signed on the reverse side.)

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ANNUAL GENERAL MEETING OF SHAREHOLDERS OF

QIAGEN N.V.

June 26, 2008

Please mark, sign, date

and mail your proxy card in the

envelope provided as soon

as possible.

i Please detach along perforated line and mail in the envelope provided.i

n 0003303030333300000 4

062608

PLEASE MARK, SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR AND IN FAVOR OF THE PROPOSALS SET FORTH HEREIN UNLESS A CONTRARY SPECIFICATION IS MADE.

	FOR	AGAINST	ABSTAIN
1. Proposal to adopt the Annual Accounts for the year ended December 31, 2007 (Fiscal Year 2007).
2. Proposal to approve the performance of the Managing Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007.
3. Proposal to approve the performance of the Supervisory Board during Fiscal Year 2007, including a discharge from liability with respect to the exercise of their duties during Fiscal Year 2007.
4. Proposal to reappoint six Supervisory Directors of the Company for a term ending on the date of the Annual General Meeting in 2009.
5. Proposal to reappoint four Managing Directors of the Company for a term ending on the date of the Annual General Meeting in 2009.
6. Proposal to approve the cash remuneration of the Supervisory Board.
7. Proposal to reappoint Ernst & Young Accountants as auditors of the Company for the fiscal year ending December 31, 2008.
8. Proposal to authorize the Managing Board, until December 26, 2009, to acquire shares in the Company s own share capital.
9. Proposal to approve an amendment to the Company s Articles of Association.

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To change the address on your account, please check the box at right ☐ and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the person named on the stock certificate has died, please submit evidence of your authority. If the signer is a corporation, please sign full corporate name by a duly authorized officer, giving full title as such. If the signer is a partnership, please sign in partnership name by an authorized person.

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1,000 US\$	2007	2006	2005	2004	2003
Net sales	649,774	465,778	398,395	380,629	351,404
Cost of sales	189,773	139,122	122,755	125,658	118,786
Cost of sales acquisition and restructuring related	2,839	2,046	439	1,454	3,618
Cost of sales acquisition related intangible amortization	23,615	6,135	3,319	1,416	1,096
Gross profit	433,547	318,475	271,882	252,101	227,904
Operating expenses					
Research and development	64,935	41,560	35,780	34,351	31,068
Sales and marketing	164,690	115,942	94,312	87,506	83,005
General and administrative	71,932	48,574	40,123	41,715	41,894
Purchased in-process research and development	25,900	2,200	3,239		
Acquisition, integration and related costs	14,708	6,061	3,213	572	
Acquisition related intangible amortization	7,711	2,085	378		
Relocation and restructuring costs	538	1,452		3,817	3,048
Total operating expenses	350,414	217,874	177,045	167,961	159,015
Income from operations	83,133	100,601	94,837	84,140	68,889
Other income (expense), net	(7,407)	5,467	2,427	(11,453)	(1,634)
Income before provision for income taxes and minority interest	75,726	106,068	97,264	72,687	67,255
Provision for income taxes	25,555	35,529	35,039	23,982	24,405
Minority interest	49				
Net income	50,122	70,539	62,225	48,705	42,850
US \$ per share					
Basic net income per Common Share ¹	0.30	0.47	0.42	0.33	0.29
Diluted net income per Common Share ¹	0.28	0.46	0.41	0.33	0.29
Number of shares					
Weighted average number of common shares used to compute basic net income per Common Share	168,457	149,504	147,837	146,658	145,832
Weighted average number of common shares used to compute diluted net income per Common Share	175,959	153,517	150,172	148,519	147,173

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**

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1,000 US\$	2007	2006	2005	2004	2003
Cash and cash equivalents	347,320	430,357	191,700	196,375	98,993
Working capital	482,215	566,660	278,586	299,029	163,583
Total assets	2,775,174	1,212,012	765,298	714,599	551,930
Total long-term liabilities, including current portion	1,220,084	536,738	230,086	234,138	131,095
Total shareholders' equity	1,391,575	566,165	450,457	400,376	334,786
Number of shares					
Shares outstanding	195,335	150,168	148,456	147,020	146,218

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		DILUTED EARNINGS
NET SALES	NET INCOME, ADJUSTED	PER SHARE, ADJUSTED
Net sales including the synthetic DNA business unit, sold in Q2 2004	Excluding acquisition, integration and restructuring related charges as well as amortization of acquired IP and equity- based compensation (SFAS 123R) of US\$ 3.6 million in 2003, US\$ 9.8 million in 2004, US\$ 7.0 million in 2005, US\$ 14.8 million in 2006 and US\$ 61.3 million in 2007.	Excluding acquisition, integration and restructuring related charges as well as amortization of acquired IP and equity- based compensation (SFAS 123R) of US\$ 0.03 per share in 2003, US\$ 0.06 in 2004, US\$ 0.05 per share in 2005, US\$ 0.10 in 2006 and US\$ 0.35 per share in 2007.
1,000 US\$	1,000 US\$	US\$ per share

CAGR = compound annual growth rate

FINANCIAL HIGHLIGHTS**CONSOLIDATED STATEMENTS OF CASH FLOWS DATA****Years ended December 31**

1,000 US\$	2007	2006	2005	2004	2003
Net income	50,122	70,539	62,225	48,705	42,850
Net Cash provided by operations	84,811	101,479	91,237	53,798	64,060
Net Cash used in investing activities	(659,671)	(165,472)	(98,501)	(51,149)	(14,057)
Net Cash provided by (used in) financing activities	494,054	303,160	2,955	95,623	(1,884)
Cash and Cash equivalents beginning of the year	430,357	191,700	196,375	98,993	44,893
Cash and Cash equivalents end of year	347,320	430,357	191,700	196,375	98,993
Depreciation and amortization	62,583	30,038	24,955	22,961	25,788
Purchases of property, plant and equipment	34,492	28,995	13,728	12,621	19,558
US\$ per share					
Cash EPS (operating CF/diluted shares)	0.48	0.66	0.61	0.36	0.44
1,000 US\$					
Free Cash flow					
(Net Cash provided by operations less capital expenditures)	50,319	72,484	77,509	41,177	44,502

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Sample & Assay Technologies

QIAGEN is the world's leading provider of sample and assay technologies – tools that enable the extraction of DNA, RNA and proteins and the subsequent analysis of nucleic acids to reveal the information hidden within. QIAGEN is uniquely focused on what is one of the most exciting segments in the industrial revolution created by molecular biology.

QIAGEN's products set standards in molecular diagnostics, applied testing, life science research and the pharmaceutical industry. Ranging from universities where new exciting ideas are born and industry laboratories transforming these ideas into tangible applications, up to the medical practice where health professionals benefit from new diagnostics, facilitating the detection of diseases and the development of personalized treatments – QIAGEN disseminates the application of molecular biology into daily life for the benefit of individual patients and our society as a whole.

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 the markets and risks 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 other than equity securities, and information about controls and procedures.

If the Form 20-F 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.

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Dear Shareholder,

2007 was a very exciting year for our company. We have taken a great step forward to expand our leadership in sample and assay technologies and have not only further strengthened our position in life sciences, applied testing markets and the pharmaceutical industry, but have also become the top player in molecular diagnostics, which today accounts for almost 50% of our revenues.

We were pleased to report many successes in 2007, including new products, partnerships, acquisitions and expansions. All of these events added momentum to our growth by significantly increasing our capabilities to deliver outstanding innovations – to science and to people.

We are also proud that the consistent and focused execution of our strategy has resulted in industry-leading financial performance. We achieved consolidated net sales of US\$650 million for the year ending December 31, 2007 – a 40% increase in net sales compared to 2006. Our innovation engine continues to deliver impressive performance and contributed

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already 4% to our organic revenue growth rate of 12%. Including charges, mainly related to the acquisition of Digene Corporation in July 2007, reported net income in 2007 decreased 29% to US\$ 50.1million from US\$70.5million and diluted earnings per share decreased to US\$0.28 from US\$0.46 in 2006. However, excluding these charges ¹, adjusted net income increased 31% to US\$111.5 million from US\$85.3 million and diluted earnings per share increased 13% to US\$0.63 per share from US\$0.56 per share in 2006.

Our financial performance is a testimony to our dedicated work leveraging our strengths and capabilities in sample and assay technologies across all customer segments, ranging from research laboratories in academia, biotechnology companies and the pharmaceutical industry to the applied testing markets and human molecular diagnostics. Through our presence in all of these markets, QIAGEN's products play a vital role in the entire process of bringing innovations from laboratories to medical practice and in transforming ingenious ideas to practical applications which improve our lives and increase our safety.

QIAGEN spans the continuum from invention to healthcare, from science to people. Today, we are also closer to the patient than we ever were. Our strategic acquisition of Digene Corporation in 2007, which was the largest transaction in the history of QIAGEN, was a tremendously important step towards this end and a paradigm of our strategy of achieving market leadership in all customer segments for sample and assay technologies. This acquisition brought together two exciting positions in molecular diagnostics, QIAGEN's and Digene's. The two companies' global sales into molecular diagnostics were about the same size and ranked in about fourth and third position in their market, respectively. By combining these two franchises, we have built a fast-growing global leader in the extremely exciting area of molecular diagnostics.

Our value proposition for diagnostic laboratories, hospitals, physicians and patients is unique and very powerful. We market more than 100 molecular diagnostic tests, helping to detect and to fight a wide range of diseases and pathogens such as tuberculosis, human immunodeficiency virus (HIV) and, following the acquisition of Digene, also human papillomavirus (HPV). We continuously strive to further widen our panel and scope by developing new products and seeking regulatory approval from health authorities.

As a leader, we are taking a very active role in educating health professionals and individual patients about the benefits of molecular diagnostics. One such example is our test for high-risk strains of HPV, the primary cause of cervical cancer, a terrible disease to which approximately 300,000 women succumb every year. QIAGEN offers the only broadly validated HPV test approved by the US Food and Drug Administration (FDA), and currently we are developing a version of this test which is specially designed to allow women in areas with scarce healthcare resources to benefit from the advanced technology of HPV testing. We are actively marketing the benefits of this test through advocacy efforts, direct to consumer advertising and through our marketing and sales channels to health care professionals including doctors, laboratories and hospitals.

¹ Charges in fiscal 2007 included acquisition, integration and related expenses of US\$17.6 million (US\$11.3 million net of tax), purchased in-process research and development of US\$25.9 million (US\$25.9 million net of tax), relocation and restructuring charges of US\$0.6 million (US\$0.4 million net of tax), amortization on acquisition-related intangibles of US\$31.1 million (US\$20.0 million net of tax) as well as equity-based compensation cost according to SFAS 123R of US\$5.8 million (US\$3.8 million net of tax). Charges in fiscal 2006 included acquisition, integration and related costs of US\$8.1 million (US\$6.1 million net of tax), purchased in-process research and development of US\$2.2 million (US\$2.2 million net of tax), relocation and restructuring costs of US\$1.5 million (US\$1.0 million net of tax), amortization on acquisition-related intangibles of US\$8.2 million (US\$5.3 million net of tax), as well as equity-based compensation cost according to SFAS 123R of US\$325,000 (US\$213,000 net of tax).

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QIAGEN also continues to play a major role in the development of treatments of diseases. We supply our sample and assay technologies to all phases of drug discovery, development and post-launch marketing. Increasingly, sample and assay technologies are used in combination with the development or use of drugs, in order to select or monitor patients, increasing safety and at the same time enabling personalized medicine. Being able to interact and deliver at any stage of the drug development process, QIAGEN has an unrivalled value proposition for customers in the pharmaceutical industry. Today, even with personalized medicine still in its early stages, almost all major drug development programs are incorporating molecular sample and assay technologies. In 2007, we started to significantly expand our targeted efforts in this area and focused on solutions such as biological sample collection, storage and sample management systems, automation, development-targeted assays, the promotion of our pharmacogenomic assay portfolio and tailored service partnerships.

Likewise, significant improvements have been achieved in the area of applied testing. As a key driver of standardization in molecular biology, QIAGEN advanced the dissemination of its products into many application areas such as veterinary medicine, forensics, food testing and bio security. Today, QIAGEN's products are used to screen and eradicate veterinary diseases, give access to evidence in criminal cases and trials, and test for biowarfare agents or the quality and safety of food or water.

Our presence in academic research is extremely important for all the above and we continue to focus on this market. While other customer segments might be growing more rapidly, this segment is still of high relevance for QIAGEN. It continuously challenges us to deliver state-of-the-art and the most reliable solutions in sample and assay technologies, forming the foundation for ongoing invention and innovation in all markets we serve.

Overall, once again a blend of innovation-driven organic growth, active partnering and highly synergistic acquisitions has proven to be a winning formula to achieve our growth targets and to outperform our industry. In 2007, QIAGEN launched 72 new products, entered into six collaborations and acquired two companies Digene and eGene.

These acquisitions were highly synergistic. The acquisition of Digene significantly expanded QIAGEN's leadership position in molecular diagnostics and women's health. The joint franchises link virology with oncology, thereby creating an exceptional platform to add next-generation and high-value molecular diagnostic products and strategically position the company for future growth. eGene has developed a multi-channel sample preparation and analysis technology for nucleic acids based on capillary electrophoresis including an affordable and robust instrument designed for applications in the molecular diagnostic and research markets. This expertise was very attractive as an expansion of our sample and assay technologies. The instrument incorporates many capabilities into one convenient platform, integrating automatic sample loading, separation and data analysis. We expect such instruments to generate significant growth, as our customers increasingly demand automated solutions that replace tedious lab work, enable highly efficient workflows and reduce the risks for errors.

In 2007, QIAGEN further extended its automated solutions portfolio by introducing the QIAcube a revolutionary platform allowing for the automated processing of virtually all our spin-column based sample technologies. Recognized with prestigious industry accolades such as the Association for Laboratory Automation (ALA) Best New Product and the Red Dot Design Awards, the QIAcube enjoys highest success among customers in low- to medium-throughput laboratories and has established itself as our best selling instrument ever. In January of 2008, the Company also announced the launch of QIASymphony, the result of one of the largest R&D programs ever undertaken at QIAGEN.

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QIASymphony is a novel, modular automated platform designed to cover entire laboratory workflows from sample to result. The QIASymphony platform offers

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a new level of flexibility, convenience and safety in automated processing of molecular sample and assay technologies in a broad spectrum of throughput settings. Its first module for sample preparation, QIASymphony SP, was successfully launched and also won the ALA Innovation Award within days of being introduced.

As a global innovation and market leader in sample and assay technologies, QIAGEN is well positioned to fully capitalize on the tremendous growth and profit opportunities which continue to distinguish us from our industry. In 2008, we will increase our investments in talent, infrastructure and presence to further enhance our record of innovation and superior service that define our company. Currently, more than 450 QIAGEN scientists work in research and development on over 220 different projects, which will add to our product portfolio and help to secure future growth.

We will also continue to expand our business into new geographic areas such as Asia, which is still one of the fastest growing regions for QIAGEN. In this effort, we not only strive to provide first-class service for our customers, but also to capitalize on the excellent research opportunities which abound in these markets. In late 2007 we entered a partnership with the investment management company Bio*One Capital to establish Dx Assays – one of the first Singapore based centers for assay development focusing on molecular diagnostics for infectious and genetic diseases. This state-of-the-art research facility employs more than 30 scientists and is already fully operational. Overall, our business in Asia contributes approximately 11% to QIAGEN's total sales and is growing very rapidly.

I would like to thank you, our shareholders, for the continuous support and trust you have given QIAGEN in the past. I am pleased to report that we have very attractive value and growth opportunities in the future. The foundation of our success has been the dedicated work of our almost 2,700 employees in 18 different countries. Their ideas, passion and knowledge help QIAGEN to build on its leading position and to address future growth opportunities in a rapidly evolving industry.

I would also like to express my gratitude and respect for what each member of QIAGEN has accomplished this past year, and see it as one of our main tasks at QIAGEN to provide each person with the best possible working conditions in the industry. We take pride in being awarded the designation as one of the Best Companies to Work For in a number of contests.

However, the biggest reward for QIAGEN and our employees remains the good confidence that we can provide to people who know that everything possible has been done to ensure safety and health as a result of our work – Delivering Innovation to Science and to People.

For us at QIAGEN this is a mission, an obligation and the basis for a great future!

Yours Sincerely,

/s/ Peer M. Schatz
Peer M. Schatz, Chief Executive Officer

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

Roland Sackers

Chief Financial Officer

Member of the Managing Board

Peer M. Schatz

Chief Executive Officer

Member of the Managing Board

Dr. Ulrich Schriek

Vice President

Corporate Business Development

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Douglas Liu

Vice President

Global Operations

Dr. Michael Collasius

Vice President

Automated Systems

Dr. Joachim Schorr

Senior Vice President Global

Research & Development

Member of the Managing Board

Bernd Uder

Senior Vice President

Global Sales

Member of the Managing Board

Dr. Thomas Schweins

Vice President

Marketing & Strategy

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The Executive Committee Resumes

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 being with QIAGEN Dr. Collasius 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 Dr. rer. nat in Chemistry from the Max-Planck-Institute of Biochemistry in Martinsried, Germany.

DOUGLAS LIU

Vice President Global Operations, joined the Company in 2005 as Vice President Global Operations. Mr. Liu has an M.B.A. from Boston University and Science degree from the University of Illinois. 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.

ROLAND SACKERS

Managing Director, Chief Financial Officer, 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 Managing Director. Between 1995 and 1999, he was 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 2008, Mr. Sackers serves as QIAGEN's representative observer of the board of Eurofins Genomics BV.

PEER M. SCHATZ

Managing Director, Chief Executive Officer, 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 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 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. Mr. Schatz also serves in the capacities of Supervisory Director, Vice Chairman and Audit Committee Chairman of Evotec AG and also serves as a member of the German Corporate Governance Commission.

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DR. JOACHIM SCHORR

Managing Director, Senior Vice President Research and Development, joined the Company in 1992 and has been Senior Vice President Research & Development since January 1, 2004. He became a Managing Director 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 worldwide QIAGEN R & D activities. 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. ULRICH SCHRIEK

Vice President Corporate Business Development, joined QIAGEN in 1997 and has been Vice President Corporate Business Development since 2000. Prior to joining QIAGEN, Dr. Schriek held several sales and marketing positions at Pharmacia Biotech, where he left as Global Marketing Director. Dr. Schriek graduated with a Master's degree in science and obtained his Ph.D. in biochemistry from the Ruhruniversität Bochum in Germany.

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 organisation 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, LA where he studied Business Administration and Chemistry.

BERND UDER

Managing Director, Senior Vice President Global Sales, joined the Company 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 the Company'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.

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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
Segment

Ticker
ISIN

NASDAQ
NASDAQ Global
Select Market
QGEN
NL0000240000

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 QIAGEN s common shares (Global Share Program).

German Stock Exchange
Market

Segment
Ticker
WKN

Frankfurt Stock
Exchange
Prime Standard
QIA
901626

TRADING INFORMATION

With a daily average trading volume of approximately 1.7 million shares during 2007 (more than 750,000 shares being traded on the NASDAQ, more than 850,000 shares in the Prime Standard segment of the Frankfurt Stock Exchange and approximately 50,000 shares on other German markets) QIAGEN common shares offered high liquidity. As of December 31, 2007, the free float, affecting the weighting of QIAGEN s common shares in various indexes, was approximately 83.0%. Members of the Managing Board and the Supervisory Board hold approximately 5.0% of the outstanding shares. We believe that the majority of QIAGEN s common shares are held by institutional investors in Europe and in

the United States.

Capitalization (Dec. 31, 2007)

Market capitalization	US\$4,112 million
Shares outstanding	195,335,076
Free float	approx. 83%

At the end of July 2007, QIAGEN closed the acquisition of Digene Corporation. The transaction was effected as an exchange offer, followed by a merger of Digene into a subsidiary of QIAGEN. The acquisition consideration consisted of 55% cash and 45% QIAGEN common shares. QIAGEN issued approximately 39.6 million shares in the Digene acquisition.

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QIAGEN's common shares are registered and traded on the Frankfurt Stock Exchange in Germany, one of the world's largest trading centers for securities and on the NASDAQ Global Select Market, the world's first electronic stock market and with approximately 3,200 listed companies today, the largest stock exchange in the United States.

PERFORMANCE INFORMATION

In 2007 QIAGEN stock continued its positive trend and showed an overall performance of approximately 36%. This made it one of the top performers on NASDAQ which rose approximately 9% in the same period.

This strong performance was primarily fueled by QIAGEN's strong operational and financial results and news flow.

In Germany, the TecDAX index, in which QIAGEN is a major component, stayed very solid in 2007 despite the turbulent market environment. Apart from a brief dip in February 2007 – caused by weak U.S. economic data and fears that the Chinese equity market could be overheating – the TecDAX rose 22% in the first half of the year to around 932 points. In the summer, the subprime crisis in the United States unsettled investors and caused share prices to drop in Germany as well. However, the TecDAX subsequently rallied in response to the generally favorable business climate and good corporate results, finishing the year at 974 points, up 28% from the end of 2006.

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In early 2008, the effects of the subprime and banking crises and its effects on the equity markets also impacted QIAGEN's share performance. Between January 1 and January 23, our shares lost approximately 14% in value as the TecDAX declined by 33% in the same period.

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. During 2007, QIAGEN's management presented at 23 national and international institutional conferences. Additional meetings during these conferences, more than 45 roadshows and in-house visits in Europe and the United States provided the opportunity for more than 600 direct discussions with investors and analysts. In 2007, QIAGEN shares were followed by more than 20 analysts from most major institutions and were recommended with a predominantly positive rating on the shares during the year.

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An Exciting Idea

Exciting ideas are the roots of scientific breakthroughs. Every day researchers in academic, biomedical, pharmaceutical and biotechnological laboratories around the world are expanding the frontiers of science by finding the answers to elementary questions of life. To translate unique ideas into scientific breakthroughs, researchers need flexible and reliable solutions and state-of-the-art technologies which provide the greatest freedom in devising and conducting scientific experiments. QIAGEN is the world leader in developing and commercializing standard-setting sample and assay technologies for the life science research markets to enable researchers to transform exciting ideas into improvements for people's lives.

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Today, many of the great achievements in the history of mankind are often taken for granted. Inventions like telephones, airplanes and computers have spread rapidly and forever altered the way we live, work and see the world. All of these great innovations started with an idea – a vision to improve the quality of life, a search to find solutions for pestering problems or simply a quest to push the boundaries of human knowledge.

FROM VISION TO REALITY

One of the next frontiers for innovation is molecular biology. Although the discovery of DNA dates back to 1953, only recently did researchers start to fully understand such areas as the processes that determine the expression of genes, the vast variations within the genome, or the molecular causes of disease. Every day progress is made in key disciplines in vast and interdisciplinary fields all linked to molecular biology.

These advancements are enabled by new technologies which allow researchers to obtain exciting insights into the fundamental principles of life. With its sample and assay technologies, QIAGEN plays a vital role in this process and helped spark the generation of some of the most exciting ideas.

For example, in what led to the 2006 Nobel Prize in Physiology or Medicine, Craig Mello and Andrew Z. Fire used QIAGEN's products in their discovery of RNA interference (RNAi), a natural mechanism for switching genes on and off and thus also known as gene silencing. Likewise, the work of 2007 Nobel laureates Mario R. Capecchi, Sir Martin J. Evans and Oliver Smithies would have been impossible without the incorporation of molecular sample and assay technologies. The team used stem cells to introduce gene modification in organisms and created the first ever knockout mouse – an animal model in which individual target genes have been switched off to study their function.

WHAT IS RNAi ?

RNAi is one of the most exciting areas of research that has emerged in recent years. Also known as gene silencing, the technique prevents the normal action of genes. Its initial discovery paved the way for further research showing that the mechanism widely occurs in plants, animals and humans. RNAi is now widely used in research to determine the function of genes and identify potential drug targets.

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With more than 400,000 researchers in an estimated 45,000 research laboratories worldwide, ranging from leading academic institutions, diagnostics companies to biotechnology companies, the discovery of new scientific innovations is just a question of time. Each year, private and public institutions worldwide spend more than US\$ 100 billion to advance our understanding of the molecular basis of life. QIAGEN is a trusted partner in this work. So far, over one billion samples in labs around the world have been prepared using QIAGEN technologies.

Now that most individual components of biological systems and their principal function have been identified, scientists are shifting their focus to the complex interactions among molecules such as DNA, RNA, and proteins. This discipline is often called Systems Biology. Researchers have discovered that single variables within biological systems, for example genes or proteins, hardly ever determine the entire function or behavior in question. Also, both the function and the influence of individual molecules change under different conditions, for example in various tissue types or in the case of disease. Systems biology aims to understand the underlying principles of these phenomena.

About 26,000 human genes express to more than 80,000 different proteins.

In this context, proteomics – the study of protein structure and functions – is a central area of research. As the functional equivalent of genes, proteins participate in virtually every process within the body. Yet in contrast to the comparatively constant genome, protein molecules continuously change as the result of interaction with their environment and other molecules such as RNA or other proteins – therefore altering their function. Scientists estimate that about 26,000 human genes express to more than 80,000 different proteins before post-translational modification. Thus, one of the most thrilling questions for proteomics is how proteins interact and change within the organism under specific conditions. In this area, particular attention is paid to both metabolic and physiological pathways, such as the series of chemical reactions within cells to process, for example, active agents or nutrients.

Since the discovery of DNA, one major area of interest for researchers has been to link variations in the genetic makeup to observable differences between cells, organisms or populations, a field of research known as epigenetics. Lately scientists have observed that many phenomena which can be linked to the genome do not result from variations in or mutations of the DNA. A key variable identified by epigenetics is DNA methylation, a natural phenomenon where one of the DNA's bases, cytosine, exists in a normal and a chemically modified, methylated state, acting like an on and off switch for genes. As different cells shut off different genes, each and every cell type has its unique DNA methylation fingerprint which changes in various normal biological processes or as a reaction to environmental conditions.

It is hard to overestimate the impact these areas will have and already have had on our daily life. The countless stimulating ideas these research disciplines have given birth to, will not only advance our understanding of the underlying principles of life, but also will lead to the development of new applications and technologies.

One major application is the diagnosis of diseases. By analyzing the human genome, its expression and the interaction among DNA, RNA, and proteins, scientists are not only capable of tracking

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the emergence of complex diseases, but also of identifying specific characteristics or biomarkers of diseases on a molecular level. Once these biomarkers are found, molecular assays can be developed to detect the biomarkers in samples with unmatched sensitivity and specificity enabling early treatment tailored to the specific characteristics of each individual patient. Here a significant contribution is made by epigenetics. As every cell has its specific DNA methylation pattern, this mechanism provides a rich source for highly specific biomarkers for organ-specific disease diagnosis, classification and also the prediction of response to therapeutic intervention. For example, highly sensitive detection methods allow the early diagnosis of cancer through the detection of tumor derived cancer-specific DNA methylation patterns from body fluids such as blood or urine. Currently, several such early detection tests for cancer, based on DNA methylation, are under development.

WHAT ARE BIOMARKERS?

Biomarkers are unique molecular, nucleic acid or protein signatures associated with specific physical conditions. Examples of biomarkers are proteins or DNA methylation patterns. Biomarkers can provide indication of patient profiles, disease or disease processes, and play a major role in modern drug development.

Taking this principle one step further, scientists can also predict the risk for certain illnesses even before the symptoms associated with that illness present themselves. Patients showing a certain genetic profile or risk factor can thus be monitored more closely or even treated with a targeted medication which eliminates the risk factor. One example is QIAGEN's digene HPV test, which helps to identify cancer causing high-risk strains of human papillomavirus (HPV) in women before the infected cells become cancerous, offering the exciting potential of eliminating cervical cancer through early, predictive detection of the cause of the cancer.

Likewise, scientists or clinicians can use novel molecular tools to identify patients most likely to respond to a new treatment and tailor drugs exactly to their needs. This is not only beneficial for patients, but also for pharmaceutical companies, which may be able to profit from safer, faster and less expensive clinical trials. Indeed, health authorities in the United States and Europe have already approved some drugs that work only in specific groups of patients.

There are numerous examples of valuable contributions these areas have already made to life science research, molecular diagnostics, applied testing and the pharmaceutical industry and the most exciting years are still to come. Fueled by further standardization, automation and simplification of tools for application in molecular biology, the future will see the advent of many new groundbreaking ideas uncovering answers to the questions that persist today.

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SAMPLE TECHNOLOGIES

High-quality sample preparation is crucial for any research area in molecular biology. Before scientists can start working with DNA, RNA and proteins, they have to collect, stabilize and extract the molecules from biological samples and then purify and again stabilize the analytes. The outcome of this very first step directly influences any further downstream applications and thus the scientific results. Not surprisingly, various fields of research have specific demands on sample preparation, often making this initial step the most challenging one in the entire research process.

Today QIAGEN sample technologies are standard in all areas of life sciences: academic research, molecular diagnostics, applied testing and the pharmaceutical industry.

As the world's leading provider of sample and assay technologies, QIAGEN continuously aims to be at the forefront of scientific progress. Rooted in academic research, QIAGEN developed and significantly advanced tools that enable the handling, preparation, processing and analysis of any biological sample on a molecular level. Today, these tools are used not only in life science research, but are also the standard in molecular diagnostics, applied testing and the pharmaceutical industry.

In systems biology, researchers need to simultaneously prepare several analytes such as DNA, RNA, and proteins from the same – often very scarce and thus precious – sample, while preserving the *in vivo* characteristics of the sample. QIAGEN addresses these needs with its Allprotect and Allprep kits, an innovation introduced in 2007. The Allprotect Reagents immediately stabilize DNA, RNA and proteins in tissue preserving their *in vivo* profile and allowing for the long-term storage of the prepared samples without freezing. The Allprep kits allow the simultaneous purification of any of these analytes from a single sample. In contrast to conventional methods, this technology guarantees maximal recovery of DNA, RNA and protein, delivering optimal performance in all downstream applications.

The QIAGEN AllPrep DNA /RNA /Protein Mini Kit allows simultaneous purification of DNA, RNA, and protein from the same precious sample.

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Similar challenges are faced by scientists in epigenetics, where sample preparation for DNA methylation analysis once used to be extremely demanding, inhibiting advancements in this key science. Here, it is imperative to preserve the natural status of DNA methylation. With the EpiTect Bisulfite Kit jointly developed with Epigenomics AG, QIAGEN finally gave researchers the first complete sample preparation tool to overcome these key challenges. Since 2007, both companies have been working to develop a complete and validated in vitro diagnostic preanalytical sample technology portfolio for molecular diagnostic tests based on DNA methylation. QIAGEN believes that this product portfolio will be of the highest value for our customers and partners in clinical research and molecular diagnostics.

Biological banks often store formalin-fixed paraffin embedded (FFPE) tissue samples from clinical patients with a well-documented medical history. These – Biobanks – enable new exciting research strategies, and tissue samples stored in biobanks are incorporated into drug and biomarker development, research of diseases and many other applications. Here, QIAGEN offers a wide range of products that help to overcome specific difficulties related to the storage of FFPE tissues. An example is QIAGEN – s miRNease FFPE kit that was launched last year – a tool to purify miRNA from FFPE tissue sections including laser capture microscopy samples. Unlike many other solutions, this technology reverses crosslinking of formalin-fixed RNA molecules which usually block downstream applications and thus QIAGEN – s miRNease FFPE kit efficiently releases RNA from tissue sections avoiding further degradation of the molecules.

QIAGEN sample and assay technologies are routinely used in more than 40,000 laboratories throughout the world.

QIAGEN has also recognized the growing need for simpler, more efficient and more standardized sample technology solutions. Launched in early 2007, an answer to these demands is QIAcube, a revolutionary automated sample processing platform for low- to medium-throughput applications. The QIAcube allows users to fully automate the processing of almost all QIAGEN consumable products that are used manually in over 40,000 laboratories throughout the world. Thus the QIAcube creates a new dimension of utility and opportunities to free up time, reduce costs and increase performance in sample preparation. Already, this innovative product has received

QIAxcel – Multi channel sample separation and analysis technology based on capillary electrophoresis.

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several prestigious industry awards such as the Association for Laboratory Automation (ALA) New Product Award or the Red Dot Design Award and is extraordinarily popular with customers in laboratories in research, applied testing and molecular diagnostics.

During 2007, QIAGEN launched 72 new sample and assay solutions.

With 72 new sample and assay solutions launched during 2007 and with a total of more than 500 products, QIAGEN has remained focused on the further advancement, standardization and improvement of sample technologies for molecular biology applications. Employing more than 450 scientists, QIAGEN groups its R&D activities in several competence centers which focus on specific application areas. For example, our portfolio teams are working on new, partially automated solutions for research in DNA applications, gene function including gene silencing and gene expression and proteins. Collaborations with external partners further broaden our product pipeline.

To address the needs of biotechnology and pharmaceutical industries in biomarker development, QIAGEN entered into a partnership with Pathway Diagnostics. We believe that combining QIAGEN's broad portfolio of sample and assay technologies for biomarker development with Pathway's clinical development and testing service capabilities will help customers in the pharmaceutical industry to establish the clinical utility of new biomarkers through comprehensive assay development, sample-to-result qualification and clinical validation of different biomarkers in their drug development programs.

Likewise, announced in May of 2007, a license and marketing agreement with Biomatrix Inc. significantly expanded QIAGEN's ability to provide complete solutions for biological sample storage and sample management systems. By forming a protective seal around biomolecules, Biomatrix's SampleMatrix technology simplifies collection, processing and storage of biological samples at room temperature. The protective seal can be dissolved within minutes allowing total recovery of the biological material for use in any downstream application in genomic research, forensics, biobanking, pharmacogenomics and molecular testing without purification. In addition, the product offering includes affordable sample management software, offering scalable solutions for customers in low and high-throughput laboratories and biobanking databases.

At the same time, QIAGEN is further developing its portfolio of automated solutions for sample preparation. Our automation business saw a revenue growth rate of 40% in 2007, and we believe that the growing need for standardization of processes, as well as for faster, easier and more cost-efficient solutions, which can be operated by less experienced lab personnel, will further increase demand for lab automation. With last summer's acquisition of eGene, which developed a multichannel sample separation and analysis technology for nucleic acids based on capillary electrophoresis, QIAGEN further strengthened its automation pipeline. Next generation products will most likely include an expanded menu of products targeting use in research, applied testing and molecular diagnostics and may be combined with QIAGEN's latest QIAplex technology.

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ASSAY TECHNOLOGIES

Once biological samples have been prepared and the analytes of interest have been isolated, assay technologies are used to make information contained in the isolated molecules visible. QIAGEN provides a broad portfolio of different assay technologies enabling the analysis of all kind of molecules from virtually any biological sample. And again, various areas of research need different assay solutions that enable progress and the development of new ideas.

In many cases, scientists need to amplify DNA and RNA obtained from scarce biological samples to prepare it for further downstream analysis. This challenge is often encountered in the analysis of gene expression. QIAGEN's technologies for the amplification of the whole genome and the whole transcriptome, meaning all genes transcribed into RNA, solve this problem by providing high yields of DNA and RNA even from small samples, while guaranteeing minimal bias in the amplified sequence.

siRNA synthetic molecules to reliably knock out individual genes to study their functions.

Another challenge encountered by researchers occupied with the analysis of gene expression and regulation is the reliable knockout of individual genes in order to study their function. Here, QIAGEN offers comprehensive sets of so called siRNAs synthetic molecules capable of inhibiting gene expression. In 2007, we further expanded this portfolio with a set of siRNAs for the knockdown of about 6,000 rat genes which correspond to human genes of potential therapeutic value. QIAGEN was the first company which fully disclosed the sequence of the siRNAs that have a guaranteed gene knockdown efficiency of at least 70% and thus enable scientists to focus on their main task.

A related area of research is the study of RNA interference related to miRNAs, which have been found to play a major role in this process. Usually, researchers trying to detect miRNA molecules did so by creating a copy of DNA (cDNA) based upon the RNA molecules, which then could be used for further tests. As this cDNA had to be created for each target miRNA molecule, this process was not only very time-consuming, but also led to inconsistent results and often a waste of scarce samples, such as cancer and tissue cells. In contrast, QIAGEN's miRNA assay technology that was launched in 2007 allows for the sensitive, specific and simultaneous detection of hundreds of different miRNAs as well as other RNAs from only one cDNA reaction.

WHAT IS miRNA ?

miRNAs are a newly discovered class of RNA molecules which have been found to play a significant role in the regulation of gene expression. Recent discoveries indicate that miRNAs can correlate with cancer and other diseases, sparking significant interest in today's life science and molecular diagnostics research. siRNA are the synthetic cousin molecules of miRNA. siRNA molecules act to silence specific genes in research of gene functions.

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Polymerase Chain Reaction (PCR) one of the most widely used technologies in molecular biology.

Major improvements have also been achieved in polymerase chain reaction (PCR), which is one of the most widely used technologies in molecular biology, incorporating the detection and quantification of DNA and RNA targets. Of importance to researchers is the ability to achieve accurate real-time PCR with the minimum of time and effort. Last year, QIAGEN introduced several products incorporating the principles of PCR technology, yet taking them to a new level of efficiency. Using our QuantiFast kits, researchers can speed up assay applications on existing hardware by up to 60%. Additionally, the kits enable the accurate quantification of even low numbers of copy material. Assays based upon QIAGEN's QIAplex PCR multiplex technology are capable of the highly sensitive detection of multiple molecular targets in one test. Compared to single-target assays, this technology allows for the testing of up to 20 multiple pathogens or disease markers in only one test using the same sample.

From 2005 to 2007, QIAGEN launched 170 new products, which already contribute approximately 17% its revenues.

The next years will bring further improvements in assay technologies, enabling the development of new, exciting ideas. Working closely with our customers, we are able to anticipate and address future trends, endowing us with a competitive edge and fueling our innovation engine. From 2005 to 2007, we launched 170 new products, which already contribute approximately 17% to our revenues. Currently, our R&D teams are working on more than 220 different projects which will continue to add to our extensive IP and technology portfolio.

The latest examples of QIAGEN's innovative strength are the QIASymphony and the QIAxcel. QIASymphony is a novel modular platform for the automated processing of a broad range of molecular sample and assay applications. The result of the largest development program ever undertaken at QIAGEN, the QIASymphony offers laboratories a new level of flexibility, convenience and safety. The first module, QIASymphony SP, allows users to load samples in many formats and of many types and to isolate, purify and prepare target analytes for further analysis. Further modules for downstream applications are to follow.

The simultaneously introduced QIAxcel replaces tedious and time-consuming methods of nucleic acid separation in low- to high-throughput laboratories. The system is designed to take the place of traditional agarose gel electrophoresis, which is widely used either for quality control or as an analytical tool, in such applications as the determination of the size of DNA fragments or obtaining more information on an organism's genetic composition. QIAxcel overcomes the bottlenecks of manual gel preparation, making nucleic acid separation easier and faster than ever.

Providing the right tools for even the most sophisticated research applications, these innovations will help to achieve new breakthroughs improving our understanding of life and thus enabling a wide range of highly beneficial and in many cases yet unforeseeable applications. However, while technology can enable the development of new ideas, it cannot replace the ingenious researcher. That's why the needs and requirements of individual scientists will remain QIAGEN's foremost directive for the development of future sample and assay technologies.

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A Reliable System

Molecular diagnostic and applied testing laboratories often perform thousands of different tests every day – and usually from a broad menu. Reliable systems spanning entire workflows from sample preparation to result are essential for all commercial test services. QIAGEN's portfolio of integrated diagnostic and test solutions, encompassing standardized preanalytical solutions, optimized assays and dedicated automated platforms, addresses the essential needs in speed, reliability and highest sensitivity of nucleic acid testing in molecular diagnostics and applied testing markets.

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Gene-based molecular diagnostics are changing the way we approach health and science and will continue to do so for the foreseeable future. Significant opportunities abound in human and veterinary molecular diagnostic testing, tissue typing, identity testing, forensic testing, biosecurity, food and environmental testing.

QIAGEN is considered the global market and technology leader in sample and assay technologies for molecular diagnostics, providing customers with complete solutions and reliable systems. QIAGEN's products serve the needs of two distinct markets within the commercial use of molecular sample and assay technologies – human molecular diagnostics (MDx) and applied testing. The first market includes all molecular testing for human healthcare, such as infectious disease diagnosis, predisposition, disease monitoring (such as viral load monitoring), protein or gene expression profiling. The latter encompasses areas which are not related to human healthcare, such as veterinary testing, forensic testing, bio security, food quality control and environmental testing.

Despite the differences between these two markets, both share many common features. First and foremost, users in both markets need to have complete confidence in the reliability and reproducibility of their systems from samples to results. These users demand systems offering rapid turn around times as well as sensitive and specific assays. Applications in both markets start with complex sample preparation, often looking to isolate the same type of molecules or analytes. Further, both markets use the same assay technologies to analyze samples, and they both require solutions with high-throughput capabilities, automated instruments and significant ease of use, systems which can produce specific, sensitive results in a rapid manner.

Today, the molecular diagnostics markets are estimated to be about US\$3.0 billion.

Compared to the total market for in vitro diagnostic products, which today is estimated to be around US \$35 billion, the approximately US\$3.0 billion market for molecular diagnostic products is still relatively small. However, with a growth rate of 15% - 20%, this segment is growing faster than any other in vitro diagnostic area. This growth can be attributed to the fact that more and more physicians are demanding faster and more reliable methods for the detection and identification of diseases. While in the past, large reference laboratories and academic teaching hospitals were the driving force for molecular diagnostics, today, the customer base is increasingly made up of smaller diagnostic labs and clinics.

With today approximately 50% of sales generated from molecular diagnostics markets, QIAGEN is one of the world's leading players in this field, leveraging its core technologies and capabilities throughout the entire value chain: from sample collection to diagnostic result.

The most common molecular assay technology used in medical and biological research labs today is Polymerase Chain Reaction (PCR) and real-time PCR which is based on the detection of

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Compared to the total market for in vitro diagnostic products, which today is estimated to be around US\$35 billion, the approximately US\$3.0 billion market for molecular diagnostics products is still relatively small but shows highest growth rates of estimated 15% - 20%.

DNA or RNA by amplification. As such, PCR has many fundamental advantages over traditional diagnostic technologies such as immunoassays and cytology, providing higher sensitivity with the ability to detect minute amounts of pathogens in a sample and providing higher specificity to eliminate false negative or positive results. These benefits over traditional technologies avoid uncertainties or ambiguities in decisions about the best course of therapy needed. In addition molecular diagnostic technologies provide faster delivery of results and ensure consistent predictive diagnosis and earliest treatment of diseases.

Molecular diagnostics continue to yield an abundance of new opportunities for potential test applications. By searching for specific DNA or RNA sequences, molecular diagnostic technologies today are routinely used throughout healthcare in such areas as viral and non-viral infectious disease diagnosis, human leucocyte antigen (HLA) typing for bone marrow and organ transplantation or in genetic testing for predisposition to cancers.

With the QIAGEN digene HPV test, laboratories and physicians can test for the viral cause of cervical cancer, the human papillomavirus (HPV).

For example, the traditional Pap test has been an icon in the diagnostic industry, but this test identifies the cellular manifestation of cervical cancer, meaning it identifies women with cancer today. With the QIAGEN digene HPV test, laboratories and physicians can test for the viral cause of cervical cancer, the human papillomavirus (HPV). Therefore, HPV testing identifies not only women showing the disease today, but also women at risk for developing this disease in the future.

Similarly, molecular diagnostics enable the potential to test even unborn babies for their risk of the development of a number of severe diseases just by drawing a blood sample from a pregnant mother. Molecular sample technologies enable the isolation, purification and amplification

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of the baby's nucleic acid fragments usually found in maternal blood. Assay technologies then help researchers to perform non-invasive tests for already existent diseases or existing predispositions.

As a result, molecular diagnostics are creating a fundamental shift in both the practice of medicine and the economics of the healthcare and diagnostic industries at large. Molecular-based diagnostic tests are further expected to increase emphasis on preventative and predictive molecular medicine. In the foreseeable future, physicians will be able to use these tests for the early detection of disease and to treat patients on a personalized basis, allowing the physician to select the most effective therapy with the fewest side effects for the patient. In addition, the relatively straight-forward format and significant automation capabilities of QIAGEN's tests allow ease of laboratory use, reducing overall processing costs.

Beyond the multitude of prospects in the human molecular diagnostics markets, the applied testing market, which includes forensics, biodefense, veterinary testing in livestock and quality control testing in food production, also offers significant opportunities for the implementation of standardized sample preparation and assay solutions. Successes in crime cases due to DNA analyses, outbreaks of diseases threatening the poultry livestock industries such as avian flu, bluetongue disease and bovine viral diarrhea (BVD), public debates about genetically modified organisms (GMO) and food safety as well as bioterrorism risks, have vastly increased the value of molecular-based methods. These methods are performed by well-trained researchers in fully-equipped laboratories as well as by personnel working in the field, with both groups calling for easy-to-use, reproducible and standardized methods and systems.

SAMPLE TECHNOLOGIES IN MOLECULAR DIAGNOSTICS

In the molecular diagnostics markets, customers demand the highest possible accuracy and reliability of results. This process starts with sample preparation, the quality which directly influences the quality any downstream applications. Only if the target information hidden in the sample is isolated, purified and stabilized in a correct manner, can the subsequent assay applications produce reliable and accurate results. In this respect, QIAGEN's solutions are the cornerstone of molecular diagnostics and personalized medicine, as they set the industry standards for sample preparation.

QIAGEN provides an unparalleled range of integrated sample technologies which are standard in the molecular diagnostics industry.

QIAGEN provides an unparalleled range of integrated sample technologies which are used as standards in the molecular diagnostics industry to ensure that a sample is processed and the target analyte isolated to the highest quality and accuracy before entering the analysis phase. Our products are used, for instance, to prepare bacterial or viral DNA from a wide range of clinical samples or to stabilize RNA in freshly-drawn blood or fresh tissue samples to stop these rare analytes from degrading before they can be tested.

As an Original Equipment Manufacturer (OEM) partner, we also develop integrated solutions for and together with leading partners in the diagnostics industry such as Roche Molecular Diagnostics and Abbott, who both incorporate our sample and / or assay technologies into the products they market. Additionally, QIAGEN enters into collaborations with external partners; as such partnerships are an important means for QIAGEN to move into emerging areas with new applications for its technologies.

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WHAT IS DNA ENRICHMENT?

Fetal DNA enrichment is accomplished by increasing the concentration of fetal DNA relative to maternal DNA from blood plasma or serum obtained from a simple blood draw from a pregnant woman. While robust enrichment of fetal DNA is not necessary for many non-invasive prenatal nucleic acid tests, such as tests for Rhesus D incompatibility, it is required for quantitative genomic tests such as tests for Down syndrome, cystic fibrosis, and other phenotypes, conditions, or disease states.

In early 2007, QIAGEN announced a cooperation with Sequenom Inc., combining QIAGEN's world-class expertise in sample preparation technologies for life sciences and molecular diagnostics with Sequenom's capabilities in genetic analysis technology. The primary goal of this collaboration is to develop products to increase the concentration of fetal DNA in maternal samples such as blood or serum. This enrichment process is crucial for many non-invasive prenatal molecular diagnostic tests, such as for Down syndrome, cystic fibrosis, and other conditions or disease states.

QIAGEN expects DNA methylation technologies to play an important role in key segments of molecular diagnostics markets such as cancer screening.

In May of 2007, QIAGEN further expanded an existing strategic partnership with Epigenomics AG, providing QIAGEN with the exclusive worldwide rights to Epigenomics' DNA methylation sample technologies. QIAGEN expects DNA methylation technologies to play an important role in key segments of the fast growing molecular diagnostics markets such as cancer screening and will now be able to offer a complete portfolio of standardized technologies and solutions for epigenetic testing including sample and assay technologies.

At the same time, QIAGEN continues to expand its portfolio of automated instruments for molecular diagnostics. With EZ1 Advanced DSP and BioRobot MDx DSP QIAGEN already offers reliable systems for the automated purification of nucleic acids for in vitro diagnostic purposes. Both systems fully comply with the in vitro diagnostics directive of the European Union and are CE-marked. In early 2008, QIAGEN has further advanced this market through the launch of QIA Symphony SP as the first system of a novel modular automation platform intended to cover the entire workflow from sample to result. Currently, the system is designed to meet users' needs in the areas of applied testing, pharmaceutical and life science research. As the next step, QIAGEN will further expand the use of the platform into the molecular diagnostics markets following the validations and filings required in the respective countries.

ASSAY TECHNOLOGIES IN MOLECULAR DIAGNOSTICS

QIAGEN complements its sample technology by offering the broadest portfolio of assays in the molecular diagnostics industry. In addition to a broad range of open PCR reagent kits, QIAGEN provides over 100 closed kits, or molecular tests with predefined target analytes. This portfolio includes a growing number of assays approved by health authorities in the United States, European Union and China.

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BREADTH AND DEPTH IN MOLECULAR DIAGNOSTICS

	INFECTIOUS DISEASE		GENETIC	ONCOLOGY	BLOOD
	Viral	Non-Viral	TESTING		SCREENING
Sample technologies					
Open assay technologies					
Closed assays			HLA, PGx	inkl. HPV	Asia direct, rest of the world distributed by partners

QIAGEN's assays cover an unmatched spectrum of real-time PCR tests for major bacteria and viral detection, including products for the quantitative detection of Hepatitis A (HepA) and Hepatitis B virus (HepB), Herpes Simplex virus (HSV), and human immunodeficiency virus (HIV). They also comprise molecular tests for niche pathogens such as the Epstein-Barr-virus (EBV), the Parvovirus and the Varicella Zoster virus (VZV). Few companies offer this breadth of assays and in some cases QIAGEN is the only market source.

Multiplexed molecular tests simultaneously probe a panel of up to 20 different pathogens.

Multiplexing is another increasingly relevant molecular diagnostic technology where QIAGEN is able to offer market leading solutions. In June 2007 QIAGEN launched the first assays based on its breakthrough QIAplex PCR multiplex technology. The multiplexing approach allows screening for several different targets in one single test. Multiplex assays are typically applied in situations in which one or more of several pathogens or disease markers could be present in one sample. This technology addresses the growing need for rapid, cost-effective solutions.

QIAplex-based multiplexing has significant advantages compared with single-target assays, since up to 20 targets can be detected in a single test using the same sample. Multiplexed molecular tests are widely adopted in genetic and HLA testing, which assess donor/recipient compatibility in transplantations. Newer applications include testing for viral and bacterial panels, hospital-acquired infections and bacterial-drug-resistant mutations.

QIAGEN's digene HPV test, the only FDA approved and CE marked test today which screens for the presence of high-risk HPV viruses that cause cervical cancer.

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During 2007, QIAGEN significantly increased its presence in the global molecular diagnostics markets through its acquisition of Digene, providing QIAGEN with a molecular diagnostics portfolio which included the QIAGEN digene HPV test, the only US Food and Drug Administration (FDA) approved and CE marked test which screens for the presence of high-risk HPV viruses that cause cervical cancer.

While about 70% of all women become infected with HPV over the course of their lifetime, the vast majority of these women will clear the virus naturally through their immune system. However,

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a subset of the women infected with HPV will not clear the virus, instead remaining persistently HPV positive, and at a significant risk of developing cervical cancer. With the use of HPV testing in cervical cancer screening programs, no woman should die from cervical cancer.

HPV testing is one of the fastest growing segments in molecular diagnostics with a potential market of over \$1 billion worldwide.

As such, HPV testing is one of the fastest growing segments in molecular diagnostics with a potential market of over US\$1 billion worldwide. QIAGEN is the global leader in HPV testing with the QIAGEN digene HPV test, the gold standard in HPV testing. In the United States, currently routine HPV testing in combination with a Pap test is recommended for routine cervical cancer screening for women age 30 and older by many major preeminent physician guidelines including the American College of Obstetricians and Gynecologists, the American Society of Colposcopy and Cervical Pathology, and the American Cancer Society. In other countries such as the Netherlands, HPV testing is soon anticipated to be approved for use as the primary tool for cervical cancer screening.

The QIAGEN digene HPV test is based upon QIAGEN's Hybrid Capture signal amplification assay technology, creating a superior test with high-throughput capabilities. Further, laboratories using the HPV test have the flexibility to run the assay manually, or use our Rapid Capture System to automate the processing of HPV tests for high volume testing.

QIAGEN continues to revolutionize the HPV testing market, with the introduction of our next generation HPV testing system, providing complete automation in various, scalable throughput versions. In its ultra high-throughput format, our new systems process specimens from sample to result with the capability of running up to 2,000 samples in a single eight hour lab shift. This is about 5 times faster than the fastest existing systems. Further, this system screens for a broader mix of HPV subtypes and requires less sample input volume than the current QIAGEN digene HPV test. The Ensemble system leverages the strengths of the current assay to produce unprecedented levels of throughput, setting the stage for continued HPV market leadership and laying the foundation for QIAGEN to build a broad based menu driven women's health testing franchise.

In addition, to extend our leadership in the HPV screening business, QIAGEN is developing two genotyping tests to be used to validate positive HPV screening results to the correct follow-up algorithm. The QIAplex HPV genotyping test will offer full HPV genotyping following a positive HPV screening result. The second genotyping test, the Ensemble probe set, will run seamlessly on the Ensemble system, bringing full automation from sample to result for HPV screening and genotyping.

Also, QIAGEN is working on an additional HPV testing system, called Fast HPV, addressing the unique needs of cervical cancer screening in developing countries. This product leverages the strengths of the QIAGEN digene HPV test, and is uniquely tailored for environments where running water or even electricity may not be available. Even under these extreme conditions, QIAGEN continues to provide reliable systems, with all necessary reagents including water and a battery powered instrument to run the assay.

In addition, QIAGEN has initiated or expanded a number of other programs in this important field of diagnostic testing and is committed to significantly expand its product portfolio, capabilities and presence.

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QIAGEN currently employs a large and very experienced team of assay developers in three sites worldwide. To further broaden its large assay portfolio, QIAGEN entered into a joint venture with the biomedical investment management company Bio*One Capital in late 2007 to establish a center for the development of molecular diagnostics for infectious and genetic diseases. Located in Singapore and equipped with state-of-the-art technology, the new center is already fully operational and employs more than 30 scientists.

With the establishment of the Singapore competence center, QIAGEN now has four molecular diagnostic competence centers, spanning three continents: Gaithersburg, Maryland USA; Hamburg, Germany; and Shenzhen, China. These centers serve as incubators for new ideas focused on the development of new assays for QIAGEN.

Throughout the R&D process we ensure that all of our assays are developed to the highest international regulatory standards. Our customers expect the highest quality product and look for validation that comes with the seal of regulatory approval. We are in the process of completing clinical studies so that 510(k) applications to the FDA can be submitted for the artus CMV and EBV assays, as well as for our HLA solutions. Submission of Ensemble HPV tests and associated systems are planned in late 2009. Throughout 2008 and 2009, we will be seeking CE marking for a number of infectious disease panels.

QIAGEN has extensive experience in processing complex samples, an urgent need within the applied testing market.

SAMPLE TECHNOLOGIES IN APPLIED TESTING

Whether a drop of blood from a crime scene, a piece of spinach in a food processing plant or a swab taken from livestock, complex sample collection and processing are critical steps in the analysis process for applied testing. QIAGEN has extensive experience in processing complex samples, a requirement in meeting the needs of the varied sectors within the applied testing market. Building on our leadership position in sample technologies for applied testing, in May of 2007 QIAGEN announced a distribution agreement with Whatman, a global leader in separation and life science enabling technologies. Whatman's FTA technology has created a standard in the field of collection, storage and release of DNA and has a wide range of potential applied testing applications including forensics and DNA databanking.

Whatman's FTA technology is highly synergistic with QIAGEN's sample preparation product portfolio. The addition of FTA has the potential to broaden QIAGEN's value proposition for our customers in key markets. Nucleic acids stored on FTA and purified with QIAGEN's sample preparation products are well suited for most downstream applications in applied testing and also in the molecular diagnostics business.

Similar to the molecular diagnostics markets, QIAGEN sees a growing demand for automated solutions in the applied testing market and early on started developing and marketing appropriate instruments. Introduced in 2003, QIAGEN's BioRobot EZ1 has been a success story from the start. The EZ1 developed the low throughput automation market, becoming a role model for ease of use, and is now the accepted standard in human DNA identification.

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QIAasymphony a modular automated platform, designed to cover entire laboratory workflows from sample to result.

The EZ1 Advanced, launched in January 2008, builds on and extends the functionality of the well-established and highly successful BioRobot®EZ1. The improved workstation provides the convenience and reliability laboratories worldwide have come to depend on together with a new design and new functions ensuring effortless data management and improved safety. The new instrument uses proven EZ1 Kits enabling purification of highly pure nucleic acids from a wide range of samples relevant for genetic identity testing, forensics, biomedical research, and gene expression analysis. In addition, the EZ1 Advanced adds ultraviolet decontamination for a safe working environment.

The self-contained EZ1 Advanced ensures optimal ease of use and walkaway automation. All processing steps are performed by the workstation from piercing reagent cartridges to elution of pure nucleic acids. No separate computer is required to operate the EZ1 Advanced, and EZ1 Kits include all reagents and accessories required to process samples. EZ1 Kits provide pre-filled, foil-sealed reagent cartridges that remain sealed until the instrument door is closed and the protocol run started, reducing the risk of contamination during workstation setup.

ASSAY TECHNOLOGIES IN APPLIED TESTING

Success in crime cases due to DNA analyses, public debates about GMO and food safety as well as bioterrorism risks, have increased the value of molecular based analyses in applied testing. These analyses are performed by a range of researchers and personnel with varying degrees of expertise and training, calling for easy-to-use, reproducible and standardized methods. Many assays in applied testing are the results of the strong collaboration QIAGEN has with industry as well as government entities.

Bovine Viral Diarrhea (BVD) is a pest virus that affects cattle leading to infertility and congenital defects in calves, costing the US and EU approximately \$200 million annually.

A clear example demonstrating the core capabilities of QIAGEN to develop sample and assay technologies is the discovery and commercialization of QIAGEN's Bovine Viral Diarrhea (BVD) product offerings. BVD is a pest virus that affects cattle leading to infertility and congenital defects in calves, costing the US and EU approximately US\$200 million annually. QIAGEN sample technologies serve as the front end to QIAGEN's BVD Assay, offering a complete solution from sample to result, enabling the potential eradication of this troublesome virus.

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A Proven Concept

Physicians in clinics, medical centers or doctors' practices need a proven concept of reliable diagnostic tools to detect their patients' diseases, decide on most efficient therapies and reduce medical risks through preventive medical checkups. QIAGEN's assay technologies include what is considered to be the broadest panel of molecular diagnostic tests available worldwide. This portfolio also provides numerous certified tests fulfilling requirements in safety and reliability of different regulatory authorities including the only FDA-approved test for the human papillomavirus (HPV), the primary cause of cervical cancer.

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Diseases have been with us since the dawn of mankind – and with disease came the art of healing, making the search for cures one of the first sciences to evolve. Ancient cultures developed different approaches to alleviate the symptoms of common maladies, often based upon natural resources available such as plants or animals. Over the years, these methods were continuously refined and eventually scientists discovered new therapeutic cures, which not only treated the symptoms of disease, but actually cured the disease, helping to save millions of lives. Finally, medicine has become the hightech science it is today by incorporating the latest findings from several pinnacle areas of research such as biology, chemistry, physics and information technology.

Diagnostics have always been at the core of the advancement of medicine. Enabling physicians to correctly identify a condition and then match the condition with the appropriate treatment, diagnostics are an indispensable part of medicine, and heavily influence the potential success of treatments. Some estimate that 80% of all treatment decisions are made following a diagnostic procedure. A physician will only be able to make the right therapeutic choice, if his or her diagnosis of illness is correct. Thus, the development of new diagnostic methods brings medicine to a new level of efficiency.

Modern diagnostics have gone far beyond the mere confirmation of the presence of a particular disease in an organism. New methods in molecular diagnostics not only enable the identification of certain conditions with the highest possible sensitivity and specificity, but also aid in the discovery of risks and of the actual causes of disease. Diagnostics, and in particular molecular diagnostics which can analyze genetic information, now also allow for the identification of persons who are at risk of a specific disease before it manifests within the organism and help determine the most suitable therapy for an individual person. As a result, molecular diagnostics empower physicians to adapt new, effective strategies to fight even some of the most severe conditions.

THE MOLECULAR REVOLUTION

Indeed, the introduction of molecular biology methods to the in vitro diagnostic industry signaled the start of a revolution. Compared to traditional methods such as cytology or immunological assays, molecular diagnostics make the detection and identification of diseases faster, more reliable and more accurate.

A clear example of the potential of molecular diagnostics is the story of Tuberculosis. Each year, about eight million people develop the disease and two to three million die from it, making Tuberculosis the most deadly, yet curable infectious disease in the world. The fast and

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reliable diagnosis of the mycobacteria that cause Tuberculosis is the necessary first step for a successful treatment, because if the disease is left untreated, patients are at a significant risk of developing forms of the disease that are resistant to treatment.

Leveraging core competencies into all areas of life sciences.

However, for a long time, the two most common methods of Tuberculosis detection were time consuming bacterial cultures or relatively insensitive sputum microscopy examinations. While the cultures show sensitivities close to 100% and are able to detect even a few bacteria, it takes up to ten weeks to produce a definitive diagnosis. In contrast, sputum microscopy examinations produce almost immediate results. However, the sensitivity of this method is rather low, meaning that the sample has to contain several thousand bacteria to produce positive results. In the end, many cases of Tuberculosis remain untreated because patients either do not return for the final diagnosis or the illness simply remains unrecognized, leading to further infections.

Molecular diagnostics methods combine the advantages of both testing methods and provide both high sensitivity and rapid results. Molecular diagnostics only need a small amount of bacteria to produce highly specific, positive results in just two to five hours allowing efficient patient management and immediate treatment. As a global leader in molecular diagnostics, QIAGEN continues to revolutionize the diagnostic paradigm by offering multiplex assays, screening not only for the presence of a single type of mycobacteria, but also for several additional, different pathogens, which often occur in weakened Tuberculosis patients.

Likewise, molecular diagnostics may even enable the detection and identification of diseases before the symptoms of disease manifest themselves. With QIAGEN's digene HPV test, for example,

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gynecologists can identify women who are at risk of developing cervical cancer, and with early treatment and careful monitoring, physicians may prevent these women from ever developing the cancer.

Every single day many similar molecular assays are developed, as researchers around the globe work on the identification of highly specific biomarkers signaling the imminent emergence of many diseases.

KEY TO PERSONALIZED MEDICINE

Molecular diagnostics are not only of great value for the initial detection of a disease or the corresponding risk, but molecular assay technologies also enable the detailed profiling of detected diseases, thereby laying the foundation for personalized medicine.

In personalized medicine, physicians use molecular diagnostics to determine the exact onset and type of a particular disease and examine the patient's unique genetic make-up. This knowledge allows doctors to develop individualized approaches for the most effective treatment with the fewest adverse effects.

An important application of personalized medicine is in the treatment of cancer. At the initial phase of the treatment, molecular diagnostics enable physicians to examine the character of the tumor, yielding important clues about the expected course of the disease and the most effective treatment. For example, researchers just recently discovered a gene controlling the creation of

Today, QIAGEN generates approximately 50% of its revenues in molecular diagnostics.

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metastases in patients afflicted with breast cancer. By examining the expression of this gene, doctors can now make predictions of the likely progression of the disease. Subsequently, molecular diagnostics can also be used to choose the most effective therapy. A prominent example is the drug Herceptin targeting HER2, a protein found in about 20% to 25% of women suffering from breast cancer. Only in women with the HER2 protein, does Herceptin have the potential to increase the survival rate by 40% as compared to traditional treatment methods.

Similarly, molecular assays can make the treatment of patients suffering from acquired immune deficiency syndrome (AIDS) more effective. AIDS results from infections with the human immunodeficiency virus (HIV), which has a very high mutation rate and therefore genetic variability. For the more dangerous HIV-1 species alone, researchers have identified three different virus types each further divided into several clades. By determining the species, type and clade of the virus persistent in a patient, a physician can align the medication to achieve the best possible results.

It is estimated that the most frequently prescribed drugs in the United States have effect in less than 60 percent of patients.

A further step in personalized medicine is the choice of the proper medication depending on the genetic make-up of an individual patient, a process known as pharmacogenomics. Physicians have known for years that patients show different reactions to drugs independent of typical influencing factors such as age or weight. A highly effective treatment for one particular group of patients could have almost no effect in another group, or could even cause adverse reactions. It is estimated that the most frequently prescribed drugs in the United States have effect in less than 60% of patients. Additionally, every year more than two million patients in U.S. hospitals experience serious adverse drug reactions. And in Germany alone, estimates suggest that up to 58,000 deaths annually are caused by incorrect drugs. Ironically, this doesn't mean that these drugs are deficient – in most cases, they are simply applied to the wrong patients.

Again, molecular diagnostics can provide a solution to this problem as well. By testing for genetic components influencing the metabolism of particular drugs, physicians are able to predict the effectiveness and safety of the drugs. A prominent example is Warfarin, a blood clotting inhibitor. The efficiency of Warfarin not only varies in patients with differing genetic make-ups, but in some cases, the drug itself may cause severe, life-threatening adverse effects. Here, molecular assays enable physicians to decide whether Warfarin should be applied at all and to determine the dose best suited for an individual patient.

In the future, experts predict the number of drugs targeted at specific sub-populations will dramatically increase, as molecular assays make the development of such drugs not only more effective but also less expensive due to minimized risks in clinical trials. One day, even the self-testing for specific genetic characteristics before drug intake to determine the individual dosage may become as common as taking one's temperature.

Molecular diagnostics already play a critical role in tissue transplants such as bone marrow or solid organs. Using a method called human leucocyte antigen (HLA) typing – which aims at the classification of the HLA system that influences important characteristics of the cell surface – physicians can link donors to the best recipients according to the closest genetic match, reducing the risk of adverse immune response to the transplants.

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For the worldwide health market, the savings potential for personalized medicine in conjunction with molecular diagnostics is estimated to exceed US\$380 billion.

Overall, molecular diagnostics as the basis for personalized medicine bear enormous potential for the further improvement of health services and the reduction of associated costs. From the physician's and patient's point of view, molecular diagnostics promise better treatment results at lower risk: diseases can be identified faster and more precisely, and the subsequent therapy can be tailored to the individual physiology of the patient. From an economic point of view, molecular diagnostics promise a significant reduction in healthcare costs: less money is spent on ineffective drugs and patients are more likely to recover from serious diseases. For the worldwide health market, the consultant group Booz Allen Hamilton estimates the savings potential for personalized medicine to exceed US\$380 billion.

QIAGEN SAMPLE AND ASSAY TECHNOLOGIES

As the global leader in sample and assay technologies, QIAGEN has a strong footprint in molecular diagnostics. Everyday, our products are used to help physicians correctly detect and identify diseases and to make the right therapeutic choices for the benefit of the patient. In 2007 alone, QIAGEN sold about 15 million diagnostic assays and on an annualized basis, generated almost 50% of its sales in the molecular diagnostics markets.

In 2007, QIAGEN sold about 15 million diagnostic assays, generating almost 50% of its sales in the molecular diagnostics markets.

With our extensive diagnostic portfolio, doctors are able to identify several infectious diseases, prevent cervical cancer, match appropriate donors and recipients in transplantations and determine the best possible medication for their patients. By reliably providing fast answers to questions determining the possible success of medical treatments, QIAGEN products have increasingly established themselves as standards in molecular diagnostics. For physicians, proof of safety stems not only from the availability of the vast clinical data for our assays, but also from official approvals from health regulatory bodies in the United States, European Union and China.

When a patient presents symptoms of a disease, the first task for a physician is to determine the underlying condition and to isolate the condition from other possible diseases. The physician's diagnosis not only has to be fast, but at the same time very reliable. In fact, the immediate initiation of the wrong therapy because of an incorrect diagnosis, can sometimes pose an even bigger threat to the patient than to perform additional tests to back-up the doctor's initial assumptions. However, in the case of many diseases such as cancer neither patients nor physicians have the luxury of time, putting a premium on solutions that guarantee both fast and reliable results.

Every year, worldwide over 500,000 women develop cervical cancer and more than 300,000 die because of it.

An example of a molecular diagnostic solution meeting such demands is QIAGEN's digene HPV test. The test screens for high-risk types of the human papillomavirus, the primary cause of cervical cancer. Every year, worldwide over 500,000 women develop cervical cancer and more than 300,000 die because of it. This molecular assay is the only FDA approved and CE-marked test for HPV and enables the highly specific and sensitive identification of women who are likely to develop or who already suffer from cervical cancer.

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A striking feature of QIAGEN's digene HPV test is its exceptional high clinical sensitivity in contrast to mere analytical sensitivity. When testing for viral diseases, high analytical sensitivity

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Most of the women who come into contact with HPV in their 20s, in fact 80 percent, spontaneously clear the infection over two years. Only women with long-term, persistent HPV are at risk for significant precancerous conditions that may progress to cervical cancer. While cervical cancer does occasionally occur in women younger than age 30, it is much more frequent in women aged thirty and over.

means that a test reliably detects the presence of the virus which causes the particular disease. However, the clinical endpoint of HPV testing is not the detection of the virus itself but cervical cancer detection. Detecting cervical cancer at its preliminary stages, not just the presence of HPV, early and accurately translates directly into lives saved.

The QIAGEN digene HPV test clinical relevance proven in more than 100 studies published in peer-reviewed journals and clinical trials involving more than 350,000 women.

For an HPV test to be clinically relevant, it must use HPV infection as a proxy for cervical cancer detection. In fact, absolute analytic sensitivity is not a desirable result in HPV testing, since many patients, especially those under 30, have HPV infections that are detectable by molecular analyses but in whom no clinical evidence of disease can ever be demonstrated. The QIAGEN digene HPV test has demonstrated clinical detection of cervical disease and cancer in more than 100 studies published in peer-reviewed journals and clinical trials involving more than 350,000 women. This body of validation is of greatest value for QIAGEN's HPV franchise.

The test is already marketed in several countries and helps doctors accurately identify women at risk of developing cervical cancer. In order to fully utilize the potential benefits of HPV testing for patients, QIAGEN has also established a strong, clinical sales force, who educates physicians and nurses in the United States about the significant benefits of HPV screening.

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Cervical cancer is currently the number two cancer in women and according to the WHO approximately 500,000 new cases are diagnosed each year globally, with 80% of these occurring in developing nations and resulting in about 275,000 deaths. Experts estimate that by 2050 there may be one million new cases a year.

Also, QIAGEN and the organization PATH (Program for Appropriate Technologies in Health) are working on the development of a new, low-resource version of the test for usage in developing countries.

Galvanizing our work on this low-resource HPV test, in November 2007 an economic modeling analysis found that in developing countries the test could reduce the incidence of cervical cancer by as much as 56% if given just three times over a woman's life and combined with appropriate treatment. In addition, a clinical research study conducted by PATH concluded that the low-resource test version produces rapid, accurate results, yet is also simple to run, requires minimal infrastructure and can be affordable for public-health programs in those countries – thus bringing a new level of safety to women and physicians fighting cervical cancer.

QIAGEN also offers several tests for the detection of infectious diseases such as Tuberculosis, AIDS and SARS. Based upon our multiplexing technology, physicians can even search for multiple pathogens in one single test, thus further reducing the time to diagnosis.

However, QIAGEN is not only a reliable partner for health professionals when it comes to the detection of diseases. QIAGEN's product portfolio for molecular diagnostics encompassing a total of more than 200 products also helps doctors choose the best possible treatment once a disease has been detected and identified. Examples are QIAGEN's pharmacogenomic tests for cancer treatment. By testing the patients for certain variations in their DNA, these assays allow doctors to assess the potential benefits and the risk of side-effects induced by drugs such as Mercaptopurine, which is often used to treat Leukemia.

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Another case requiring the highest possible accuracy, reliability and speed of results is in transplantations. The main challenge in any transplantation is to avoid an immune response, which occurs when the recipient's antigens fight the transplant, often a matter of life and death. The main reason for immune reactions is that individuals have unique cell surfaces, due to different genetic make-ups. In this context, a genetic test of the HLA system determining major characteristics of the cell surface has proven to deliver reliable results enabling physicians to safely and rapidly match recipients and donors. QIAGEN provides a range of CE-marked products for HLA-typing based on PCR, giving doctors a safe solution for successful transplantations.

The possibilities molecular diagnostics provide for modern medicine to treat patients and to improve therapies are vast and growing every day. In the future, we expect molecular diagnostics to further disseminate and make the treatment of patients even safer. With standardized and automated methods requiring less expert knowledge, molecular diagnostics are also likely to disseminate to the point-of-care, producing almost immediate results.

As a global leader in molecular diagnostics, QIAGEN will continue to drive this development through the invention and introduction of cutting-edge automated molecular sample and assay technologies, which patients and physicians can rely on. Benefiting from a close link to academic research, QIAGEN will continue to transfer the latest scientific breakthroughs from the academic bench to medical practice giving physicians the right tools to effectively prevent, detect, identify and treat diseases and thus making improvements in life possible.

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A Good Confidence

As a global market and technology leader, QIAGEN will continue to drive developments through cutting-edge sample and assay technologies and enable scientific breakthroughs from academic and pharmaceutical research benches to be transformed into routine practice. By delivering physicians the right tools to effectively prevent, detect, identify and treat diseases and providing applied testing laboratories with sample and assay technologies for highest standards in quality control testing in food, environmental and home safety, QIAGEN makes improvements in life possible and contributes to a good confidence.

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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. Sample technologies are used to collect, stabilize, isolate and purify deoxyribonucleic acid (DNA), ribonucleic acid (RNA) and proteins from any biological sample. 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 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.

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.). They 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 reagents and testing solutions.

Our assay technologies include reagents which enable the detection of such purified target analytes. We also provide closed assays, which have been pre-configured to test for specific targets such as the influenza virus, hepatitis, HIV or herpes. QIAGEN holds a unique leadership position in HPV-testing, one of the largest and most rapidly expanding market segments in both women's health testing and molecular diagnostics. The Company provides the only FDA approved and CE marked test which screens for the presence of high-risk HPV viruses that cause cervical cancer. QIAGEN plans to market the test worldwide through its dedicated sales force and to offer accompanying tests for Gonorrhea, Chlamydia, and other pathogens, which are expected to form the core of our new women's health products portfolio.

OUR PRODUCTS

We have developed more than 500 consumable products and automated solutions. 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

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molecular diagnostic assays are used to make such isolated biomolecules visible. We offer most of our sample and assay consumable products, which account for about 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; DNA testing for HPV, RNA stabilization and purification; 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 genotyping. In 2007, we acquired Digene Corporation and began offering the HC2 HPV test, a signal amplified test for the human papillomavirus for use in cervical cancer screening programs. The majority of assays are validated with either manual QIAamp sample preparation or automated MagAttract sample preparation from QIAGEN and CE-labeled according to the IvD-Directive in EU.

INSTRUMENTATION: Our automated systems perform automated nucleic acid preparation of 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. We also sell instruments

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to our OEM partners. 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 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.

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. In 2007, we launched 72 new products, including sample and assay technologies for research in the areas of epigenetics, gene expression, micro RNA, proteomics, RNAi, applied testing and molecular diagnostics as well as platform solutions such as the very successful QIAcube.

RESEARCH AND DEVELOPMENT

By focusing our resources on our core expertise Sample & Assay Technologies, we can invest more in research and development than we believe is typical in our industry. Over 460 employees in research and development, who work in five centers of excellence on three different continents, constantly develop new applications that push the frontiers of science further. Rapid, proven innovation cycles promise fast introductions of new technologies which meet the needs of today's labs. Our investment in research and development accounts for more than 10% of our sales. Our total research and development expenses in 2007, 2006 and 2005 were approximately \$64.9 million, \$41.6 million, and \$35.8 million, respectively. We have fast, proven innovation cycles, with four percent of 2007 revenue growth stemming from new products launched in 2007. Our comprehensive intellectual property portfolio spans over 630 granted patents and more than 600 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 pre-analytical processing 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 including but not limited to the United States, Germany, the United Kingdom, Switzerland, France, Japan, Australia, Canada, Italy, and throughout Asia. We have established a network of highly experienced marketing personnel and employ a dedicated field sales force of over 900 people, who sell our products and provide direct support to customers. A significant number of our marketing and sales staff are 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 this 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 hybrid capture 2, or HC2, technology. 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 HC2 HPV test. We plan to continue the DTC campaign during 2008.

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

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and by our scientists about existing and new applications for our products. In addition, we advertise in leading scientific journals such as Science, and hold numerous scientific seminars, in which our scientists present technical information at leading 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 website (www.qiagen.com) contains a full online product catalog and online ordering system, various support tools and resources. Some information is available on our website in French and German to support these local markets. We also have a Japanese language site (www.qiagen.co.jp). 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 nucleic acids and proteins would play an increasingly important role in 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 United States National Institutes of Health, or 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, and applied testing, such as forensics, veterinary diagnostics, testing of genetically modified organisms, or GMOs, 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 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, 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 home-brew 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 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.

MOLECULAR DIAGNOSTICS MARKET

We believe that the molecular diagnostics market represents a significant market for nucleic acid sample technology products. We believe that the advent of PCR and other amplification technologies has made the prospect of nucleic acid-based molecular diagnostics feasible.

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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 (including HIV) by searching for their 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 the sequence in the sample must be amplified to facilitate detection. Potential commercial applications for nucleic acid-based molecular diagnostics include infectious disease diagnostics in biobanks, 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 the 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 initial test, 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, and reliability 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 platforms, such as real-time PCR or endpoint PCR, contain PCR reagents. Closed platforms, diagnostics with predefined targets, include Multiplexing and other pathogen detection assays. In order to broadly address the molecular diagnostics market, in May 2005 we acquired artus Gesellschaft für molekular-biologische 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 expect molecular diagnostic tests 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. 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.

APPLIED TESTING MARKET

We believe that emerging applied testing markets 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

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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 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 U.S. NIH and similar domestic and international agencies. To the extent that our academic customers experience increases, decreases or delays in funding arrangements, 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. Additional information regarding 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 may continue to make investments in intellectual property. In the years ended December 31, 2007, 2006 and 2005, our purchases of intangible assets have totaled approximately \$24.1 million, \$6.4 million, and \$15.3 million, respectively. We do not depend solely on any individual patent or technologies 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 the key 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 109 issued patents in the United States, 70 issued patents in Germany and 434 issued patents in other major industrialized countries, and have 619 pending patent applications. Worldwide, we own 613 granted patents. 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

REVENUE BY GEOGRAPHIC REGION

Net Sales

US\$	2007	2006	2005
North America ¹	465,878,000	318,865,000	285,242,000
Germany ¹	270,173,000	220,325,000	187,381,000
Switzerland ¹	56,615,000	40,044,000	36,957,000
Asia ¹	71,168,000	49,875,000	35,266,000
Rest of World ¹	148,082,000	109,025,000	88,924,000
Corporate ¹	350,000	525,000	985,000
Subtotal	1,012,266,000	738,659,000	634,755,000
Intersegment elimination ²	(362,492,000)	(272,881,000)	(236,360,000)
Total	649,774,000	465,778,000	398,395,000

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.

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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.

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, 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: Promega Corp., Invitrogen Corp., Millipore Corp., Roche Diagnostics, and Macherey-Nagel GmbH for nucleic acid separation and purification; Applied Biosystems, Invitrogen Corp. and Promega Corp. for assay solutions; Invitrogen 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.

We also face competition from well established diagnostic technologies, such as cytology and, particularly in Europe, from emerging alternative HPV testing approaches, such as research-based PCR, other indicators of disease and other "home-brew" testing methods developed by laboratories. With the increasing acceptance of the importance of HPV testing, we expect such competition will intensify. Our competitors include molecular diagnostic companies, such as Roche Diagnostics, Third Wave Technologies, Inc. and Gen-Probe, Inc., which are developing or marketing HPV products that have not been approved by the FDA, and manufacturers of liquid-based Pap tests, such as Hologic, Inc. (formerly Cytoc Corp.) and Beckton Dickinson and Company (formerly TriPath Imaging).

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 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

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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 because our HPV test products are FDA-approved for two indications and because, as clinical studies have shown, our HPV test products, used in conjunction with the Pap test, have demonstrated their ability to enable significant diagnostic capabilities due to high clinical sensitivity and high negative predictive value.

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, 2007 COMPARED TO 2006

NET SALES

In 2007, net sales increased 40% to \$649.8 million compared to \$465.8 million in 2006. In 2007 compared to 2006, net sales in Germany increased 19%, net sales in Asia increased 41%, primarily driven by Singapore, China, and Korea, net sales in North America increased 53%, primarily due to the acquisition of Digene, and net sales in Rest of World increased 35%. The increase in sales in each of these regions was the result of an increase in our consumable and instrumentation products, which both experienced overall growth rates of 40% in 2007 as compared to 2006. The increase in consumable sales includes organic growth (12%), sales from our recently acquired businesses (22%), and the impact of foreign exchange rates (6%). During 2007, sales from our instrumentation products increased primarily due to the launch of our new QIAcube system. Sales of our other offerings, primarily services, which represented 1% of our 2007 net sales, increased 30% in 2007 as compared to 2006.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. During 2007, we introduced 72 new products, including innovative sample and assay technologies for research in the areas of epigenetics, gene

expression, micro RNA, proteomics, RNAi, applied testing and molecular diagnostics as well as innovative platform solutions such as the QIAcube.

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. For the year ended December 31, 2007 as compared to 2006, using the 2006 foreign exchange rates for both periods, net sales would have increased approximately 34% as compared to the reported increase of 40%. Additional information regarding currency impacts can be found under Item 11 Quantitative and Qualitative Disclosures About Market Risk which is included in our Form 20-F enclosed with this Annual Report.

GROSS PROFIT

Gross profit was \$433.5 million, or 67% of net sales, in the year ended December 31, 2007 as compared to \$318.5 million, or 68% of net sales, in 2006. The absolute dollar increase in 2007 compared to 2006 is attributable to the increase in net sales. The gross margin of 67% in 2007 as compared to the gross margin of 68% in 2006 reflects the impact of an increase in acquisition related costs and instrumentation sales, partially offset by the increase in consumable product sales.

During 2007, a total of \$2.8 million was expensed to acquisition-related costs within cost of sales. Included within this amount is approximately \$300,000 of inventory which has been written off as a result of the acquisitions as well as \$2.5 million related to the write-up of acquired inventory to fair market value as a result of a business combination. In accordance with purchase accounting rules, acquired inventory was recorded at fair market value and subsequently expensed as the inventory was sold.

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In connection with our 2006 acquisitions, during the year ended December 31, 2006, we recorded a charge of \$2.0 million related to inventory which needed to be replaced with products suitable to the newly acquired technologies.

Further, 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 \$23.6 million in 2007 as compared to \$6.1 million in 2006. 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.

We experienced increased instrument sales in 2007, including sales of our new QIAcube instrument which began shipping in April 2007. Our instrumentation products have a lower gross margin than our consumable products, and fluctuations in the sales levels of these products can result in fluctuation in our gross margin when compared to the gross margin of another period. During both 2007 and 2006, instrumentation sales represented approximately 10% of our total sales.

Our consumable sales in 2007 represent approximately 90% of our total sales and increased 40% over sales in 2006. In 2007, the gross margin on our consumable products increased primarily as a result of product sales from our recently acquired businesses.

RESEARCH AND DEVELOPMENT

Research and development expenses increased 56% to \$64.9 million (10% of net sales) in 2007 compared to \$41.6 million (9% of net sales) in the same period of 2006. Using identical foreign exchange rates for both years, research and development expenses increased approximately 47%. Our recent acquisitions of Digene and eGene, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to expand our research activities and product development capabilities, additional expense will be incurred related to research and development facility costs and the employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as we incur costs in connection with obtaining 510 (k) and CE approval of our assays. We have a strong commitment to research and development and anticipate that research and development expenses will continue to increase, perhaps significantly.

SALES AND MARKETING

Sales and marketing expenses increased 42% to \$164.7 million (25% of net sales) in 2007 from \$115.9 million (25% of net sales) in 2006. Using identical foreign exchange rates for both years, sales and marketing expenses increased 37%. 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 2007 as compared to 2006 is primarily due to our third quarter acquisition of Digene through which we acquired an additional 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

General and administrative expenses increased 48% to \$71.9 million (11% of net sales) in 2007 from \$48.6 million (10% of net sales) in 2006. Using identical foreign exchange rates for both years, general and administrative expenses increased approximately 42%. General and administrative expenses primarily represent the costs required to support our administrative infrastructure which, except for the period following our restructuring, has continued to expand along with our growth. The increase in general and administrative expenses in 2007 is primarily the result of expenses related to our newly acquired subsidiaries in North America, Digene and eGene. In connection with the integration of the acquired companies, we aim to improve efficiency in general and administrative operations. We believe that over time the results of the integration activities will result in a decrease in our general and administrative expenses as a percentage of sales.

PURCHASED IN-PROCESS RESEARCH AND DEVELOPMENT

In connection with our acquisitions in 2007, we recorded a charge of \$25.9 million for purchased in-process research and development. This amount represents \$900,000 related to the acquisition of eGene, and \$25.0 million related to the acquisition of Digene Corporation and represents 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. Additional information

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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.

ACQUISITION, INTEGRATION AND RELATED COSTS

During 2007, we recorded costs of \$14.7 million, related to the integration of recently acquired subsidiaries in North America and Asia. These expenses relate primarily to the severance and other costs associated with the integrations. During 2007, a total of \$2.8 million was expensed to acquisition-related costs within cost of sales. As we further integrate the acquired companies, we expect to continue to incur acquisition, integration and related costs in 2008.

Costs related to acquisition and integration activities during 2006 totaled \$6.1 million, including \$1.0 million in severance and employee-related costs, \$2.5 million of costs related to acquisition integrations and \$2.6 million for the impairment of assets.

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 the cost of sales, research and development or sales and marketing line items based on the use of the asset.

During 2007, the amortization expense on acquisition-related intangibles within operating expense increased to \$7.7 million compared to \$2.1 million in 2006. 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.

RELOCATION AND RESTRUCTURING COSTS

Relocation and restructuring costs recorded in 2007 and 2006 are related to the restructuring of acquired businesses located in Norway and North America for which a restructuring was not contemplated at the time of acquisition. The restructuring was completed in 2007 at total cost of approximately \$2.0 million, of which approximately \$500,000 was recorded in 2007 and \$1.5 million in 2006. In 2007, we commenced the restructuring of the Huntsville, Alabama facility. The restructuring is expected to be completed during 2008 at an estimated cost of \$400,000.

OTHER INCOME (EXPENSE)

Other expense was \$7.4 million in 2007 compared to other income of \$5.5 million in 2006. This increase in expense was mainly due to higher interest expense.

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For the year ended December 31, 2007, interest income increased to \$19.5 million from \$16.4 million in 2006. The increase in interest income was primarily the result of an increase in interest rates. At December 31, 2007, we had \$347.3 million in cash and cash equivalents compared to \$430.4 million at December 31, 2006. The decrease in cash and cash equivalents is primarily due to the use of cash to acquire eGene and Digene during the third quarter of 2007.

Interest expense increased to \$31.5 million in 2007 compared to \$11.9 million in 2006. Interest costs 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 2007 as compared to 2006 is primarily due to the interest expense on the new term loan obtained in July 2007.

In 2007, research and development grant income from European, as well as German, state and federal government grants increased to \$1.8 million from \$795,000 in 2006. We conduct significant research and development activities in Germany, and expect to continue to apply for such research and development grants in the future.

We recorded a gain from foreign currency transactions of \$2.0 million in 2007 as compared to a loss of \$660,000 in 2006. The gain or loss from foreign currency transactions reflects net effects from conducting business in different currencies. Additional information regarding currency impacts can be found under Item 11 Quantitative and Qualitative Disclosures About Market Risk which is included in our Form 20-F enclosed with this Annual Report.

In 2007, we recorded a net gain from equity method investees of \$1.6 million compared to \$1.3 million in 2006. The gain primarily represents our share of profits from our equity investment in PreAnalytiX. As previously disclosed, we intend to continue to make strategic investments

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in complementary businesses as the opportunities arise. During 2007, we entered into a joint venture with BioOne*Capital to establish Dx Assay Pte Ltd, one of the first centers in Singapore for assay development in which molecular diagnostics for infectious and genetic diseases will be developed. Accordingly, we may record losses on equity investments based on our ownership interest in such companies.

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 2007 and 2006, our effective tax rate was 34%. The effective tax rates during 2007 and 2006 are impacted as a result of non-recurring acquisition related charges which were recorded without any related tax benefit. Further, effective January 1, 2007, The Netherlands corporate tax rate decreased to 25.5% from 29.6%. In addition, our newer subsidiaries in Asia, including Singapore and Korea which joined the consolidated group in the later half of 2006, have lower tax rates of 18% and 27%, respectively. Thus, in 2007, an increasing portion of our pre-tax income is attributable to subsidiaries with lower effective tax rates as compared to 2006. In addition, due to the expiration of the statute of limitations, \$2.2 million of tax benefits have been recognized during 2007. In future periods, we expect that the adoption of FIN 48 may result in greater volatility in the effective tax rate. In 2008, the German tax rate decreased to 30% from 39% which will positively impact our 2008 consolidated effective tax rate.

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, in accordance with Statement of Financial Accounting Standard No. 52, Foreign Currency Translation. 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 2007, 2006 and 2005 was \$2.0 million, (\$660,000), and (\$157,000), 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, 2007 and 2006, we had cash and cash equivalents of \$347.3 million and \$430.4 million, respectively, and investments in current marketable securities of \$2.3 million and \$52.8 million, respectively. Cash and cash equivalents are primarily held in euros and U.S. dollars, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At December 31, 2007, cash and cash equivalents had decreased by \$83.0 million over December 31, 2006 primarily due to cash provided by operating activities of \$84.8 million and financing activities of \$494.1 million, offset by cash used in investing activities of \$659.7 million. As of December 31, 2007 and 2006, we had working capital of \$482.2 million and \$566.7 million, respectively.

OPERATING ACTIVITIES

For the years ended December 31, 2007 and 2006, we generated net cash from operating activities of \$84.8 million and \$101.5 million, respectively. Cash provided by operating activities decreased in 2007 compared to 2006 primarily due to decreases in net income, accrued liabilities and an increase in accounts receivable. The decrease in net income is primarily due to \$25.9 million in purchased in-process research and development and increased amortization on purchased intangible assets as a result of our 2007 acquisitions. The decrease in accrued liabilities in 2007 primarily reflects payment of liabilities assumed in connection with the acquisitions, while the increase in accounts receivable reflects our increasing sales. Since we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, or significant technological advances of competitors would have a negative impact on our liquidity.

INVESTING ACTIVITIES

Approximately \$659.7 million of cash was used in investing activities during 2007, compared to \$165.5 million during 2006. Investing activities during 2007 consisted principally of cash paid for the acquisitions of Digene and eGene, during the third quarter of 2007 along

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with purchases of property and equipment, partially offset by proceeds from the sale and purchases of marketable securities. In addition, during 2007 we invested in a joint venture with BioOne*Capital in Singapore to establish Dx Assay Pte Ltd for the development of infectious and genetic disease assays.

In the third quarter of 2006, we began construction of a new logistics center located in Germany. The new facility opened during 2007, and consists of approximately 61,000 square feet and cost approximately EUR 9.0 million. The new logistics facility along with future expansions and acquisitions may result in increased investing activities compared to prior periods.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to \$27.1 million based on the achievement of certain revenue and operating results milestones as follows: \$10.1 million in 2008, \$4.0 million in 2009, and \$12.0 million payable in any 12 month period from now until 2010 if revenues exceed a certain amount and \$1.0 million payable upon the grant of certain patent rights. If paid, these contingent payments will be accounted for as additional cash paid for acquisitions.

FINANCING ACTIVITIES

Financing activities provided \$494.1 million in cash for the year ended December 31, 2007, compared to \$303.2 million for 2006. Cash provided during the year was primarily due to proceeds from debt and the issuance of Common Shares in connection with our employee stock plans, tax benefits from stock-based compensation and proceeds received in connection with agreements to issue shares to QIAGEN Finance and Euro Finance partially offset by the repayment of debt and capital lease payments.

We have credit lines totaling \$165.3 million at variable interest rates, \$4,000 of which was utilized as of December 31, 2007. We also have capital lease obligations, including interest, in the amount of \$35.8 million, and carry \$950.0 million of long-term debt.

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 agreement. The lenders have agreed to make available to us an aggregate amount of \$750 million in the form of (1) a \$500 million term loan, (2) a \$100 million bridge loan, and (3) a \$150 million revolving credit facility. Under the agreement, the \$500 million term loan will mature in five years from the date of the agreement with an amortization schedule commencing on the second anniversary of the loan agreement. The \$150 million credit facility will also expire in five years from the date of the agreement. The \$100 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.

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 QIAGEN Euro Finance (Luxembourg) S.A. (Euro Finance). QIAGEN Finance and Euro Finance are unconsolidated subsidiaries which were established for this purpose. At December 31, 2007, \$150.0 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. The 2004 Notes have

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an effective rate of 1.95%, 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 4.2%, are due in November 2012 and are convertible into shares of our common stock at a conversion price of \$20.00, subject to adjustment. QIAGEN N.V. 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.

At December 31, 2006, we had a note payable of EUR 30.0 million which bore interest at a variable interest rate of EURIBOR plus 0.75%, and was due in annual payments of EUR 5.0 million through June 2011, and a note payable of EUR 5.0 million which was due in June 2008. These notes were repaid in July 2007. In connection with the first quarter 2006 acquisition of PG Biotech, we acquired approximately \$3.1 million in short-term debt. The debt was due and paid in April 2006.

We expect that cash from financing activities will continue to be impacted by issuances of Common Shares in connection with our employee stock 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.

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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 as needed, will be sufficient to fund our planned operations and expansion during the coming year.

CONTRACTUAL OBLIGATIONS

As of December 31, 2007, our future contractual cash obligations are as shown in the table below.

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 \$27.1 million based on revenue and other milestones in 2008 and beyond.

Liabilities associated with uncertain tax positions, including interest, are currently estimated at \$11.3 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, accounts receivable, investments, goodwill and other intangibles, and income taxes. 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 in accordance with SEC Staff Accounting Bulletin No. 104, Revenue Recognition in Financial Statements (SAB 104). SAB 104 requires that four basic criteria must be met before revenue can be recognized: (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) collectibility 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 collectibility 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.

CONTRACTUAL OBLIGATIONS

Contractual obligations (in thousands US\$)	Total	2008	2009	2010	2011	2012	Thereafter
Long-term debt	950,000		25,000	50,000	225,000	650,000	
Capital lease obligations	47,780	4,952	4,952	4,953	4,985	5,055	22,883
Operating leases	26,501	8,940	5,872	4,116	2,845	1,584	3,144
Purchase obligations	34,089	26,366	5,751	190	190	190	1,402
License and royalty payments	11,776	4,368	4,451	1,046	611	458	842
Other ¹	10,949	8,790	2,150	9			
Total contractual cash obligations	1,081,095	53,416	48,176	60,314	233,631	657,287	28,271

¹ Includes amounts due under acquisition-related severance and retention arrangements.

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ACCOUNTS RECEIVABLE

Our accounts receivable are unsecured, and we are at risk to the extent such amounts become uncollectible. We continually monitor accounts receivable balances, and provide for an allowance for doubtful accounts at the time collection becomes questionable based on payment history or age of the receivable. Since a significant portion of our customers are funded through academic or government funding arrangements, past history may not be representative of the future. As a result, we may have write-offs of accounts receivable in excess of previously estimated amounts or may in certain periods increase or decrease the allowance based on management's current estimates.

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 control that we exert. Assessing the level of control involves subjective judgments. If management's assumptions with respect to control 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. Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," requires us to assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. The statement requires estimates of the fair value of our reporting units. If we determine that the fair values 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, 2007, goodwill and intangible assets totaled \$1.1 billion and \$639.1 million, respectively, and were included in the following segments as shown in the table below.

In the fourth quarter of 2007, we performed our annual impairment assessment of goodwill (using data as of October 1, 2007) in accordance with the provisions of SFAS No. 142. 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

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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

GOODWILL AND OTHER INTANGIBLE ASSETS

US\$	Goodwill	Intangibles
North America	998,168,000	537,260,000
Germany	60,488,000	80,803,000
Switzerland		44,000
Asia	15,016,000	11,358,000
Rest of World	34,210,000	6,689,000
Corporate		2,953,000
Total	1,107,882,000	639,107,000

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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. Even if our estimates of projected future cash flows were too high by 10%, there would be no impact on the reported value of goodwill at December 31, 2007.

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. Effective January 1, 2006, we adopted the provisions of FASB Statement No. 123 (revised 2004), Share-Based Payment, (SFAS 123(R)) and SEC Staff Accounting Bulletin No. 107, Share-Based Payment, (SAB 107), using the modified prospective transition method. Under the modified prospective transition method, compensation cost recognized in 2006 includes compensation cost for all equity-based payments granted prior to but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123 and compensation cost for all equity-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R).

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.

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, an interpretation of SFAS 109, Accounting for Income Taxes. FIN 48 clarifies the accounting for uncertain tax positions. FIN 48 prescribes a comprehensive model for how companies should recognize, measure, present and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under FIN 48, tax benefits shall initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions shall initially and subsequently be 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. The Company adopted this provision beginning January 1, 2007. The net impact due to the adoption of FIN 48 was a \$6.1 million decrease to retained earnings.

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.

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CONSOLIDATED BALANCE SHEETS ASSETS

As of December 31

US\$	2007	2006
Assets		
Current assets		
Cash and cash equivalents	347,320,000	430,357,000
Marketable securities	2,313,000	52,782,000
Accounts receivable, net of allowance for doubtful accounts of \$3.3 million and \$2.6 million in 2007 and 2006, respectively	136,707,000	80,429,000
Notes receivable	5,139,000	4,247,000
Income taxes receivable	10,696,000	2,901,000
Inventories, net	88,346,000	64,085,000
Prepaid expenses and other	33,693,000	29,763,000
Deferred income taxes	23,732,000	18,627,000
Total current assets	647,946,000	683,191,000
Long-term Assets		
Property, plant and equipment, net	283,491,000	221,277,000
Goodwill	1,107,882,000	160,141,000
Intangible assets, net of accumulated amortization of \$65.1 million and \$25.9 million in 2007 and 2006, respectively	639,107,000	118,492,000
Deferred income taxes	72,128,000	2,409,000
Other assets	24,620,000	26,502,000
Total long-term assets	2,127,228,000	528,821,000
Total assets	2,775,174,000	1,212,012,000

Table of Contents**CONSOLIDATED BALANCE SHEETS LIABILITIES AND SHAREHOLDERS' EQUITY****As of December 31**

US\$	2007	2006
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	40,379,000	23,806,000
Accrued and other liabilities (of which \$6.4 million due to related parties in 2007 and 2006)	104,220,000	66,197,000
Income taxes payable	13,456,000	13,746,000
Line of credit	4,000	
Current portion of long-term debt		6,599,000
Current portion of capital lease obligations	2,769,000	823,000
Deferred income taxes	4,903,000	5,360,000
Total current liabilities	165,731,000	116,531,000
Long-term liabilities		
Long-term debt, net of current portion (of which \$450.0 million in 2007 and 2006 due to related parties)	950,000,000	489,592,000
Capital lease obligations, net of current portion	33,017,000	12,009,000
Deferred income taxes	225,893,000	21,705,000
Other	8,405,000	6,010,000
Total long-term liabilities	1,217,315,000	529,316,000
Minority interest	553,000	
Commitments and contingencies		
Shareholders' equity		
Preference shares, 0.01 EUR par value, authorized 450,000,000 shares, no shares issued and outstanding		
Financing preference shares, 0.01 EUR par value, authorized 40,000,000 shares, no shares issued and outstanding		
Common Shares, 0.01 EUR par value, authorized 410,000,000 shares, issued and outstanding 195,335,076 and 150,167,540 shares at December 31, 2007 and 2006, respectively	2,175,000	1,535,000
Additional paid-in capital	925,597,000	178,656,000
Retained earnings	388,779,000	344,739,000
Accumulated other comprehensive income	75,024,000	41,235,000
Total shareholders' equity	1,391,575,000	566,165,000
Total liabilities and shareholders' equity	2,775,174,000	1,212,012,000

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.

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CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31

US\$	2007	2006	2005
Net sales	649,774,000	465,778,000	398,395,000
Cost of sales	189,773,000	139,122,000	122,755,000
Cost of sales acquisition related	2,839,000	2,046,000	439,000
Cost of sales acquisition related intangible amortization	23,615,000	6,135,000	3,319,000
Gross profit	433,547,000	318,475,000	271,882,000
Operating expenses			
Research and development	64,935,000	41,560,000	35,780,000
Sales and marketing	164,690,000	115,942,000	94,312,000
General and administrative	71,932,000	48,574,000	40,123,000
Purchased in-process research and development	25,900,000	2,200,000	3,239,000
Acquisition, integration and related costs	14,708,000	6,061,000	3,213,000
Acquisition related intangible amortization	7,711,000	2,085,000	378,000
Relocation, restructuring and related costs	538,000	1,452,000	
Total operating expenses	350,414,000	217,874,000	177,045,000
Income from operations	83,133,000	100,601,000	94,837,000
Other income (expense)			
Interest income	19,509,000	16,359,000	7,552,000
Interest expense	(31,455,000)	(11,918,000)	(5,940,000)
Other income, net	4,539,000	1,026,000	815,000
Total other (expense) income	(7,407,000)	5,467,000	2,427,000
Income before provision for income taxes and minority interest	75,726,000	106,068,000	97,264,000
Provision for income taxes	25,555,000	35,529,000	35,039,000

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Minority interest	49,000		
Net income	50,122,000	70,539,000	62,225,000
Basic net income per common share	0.30	0.47	0.42
Diluted net income per common share	0.28	0.46	0.41
Shares used in computing basic net income per common share	168,457,000	149,504,000	147,837,000
Shares used in computing diluted net income per common share	175,959,000	153,517,000	150,172,000

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.

Table of Contents**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME**

US\$	Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2004	147,020,207	1,495,000	146,231,000	211,975,000	40,675,000	400,376,000
Net income				62,225,000		62,225,000
Unrealized loss, net on hedging contracts					(1,372,000)	(1,372,000)
Unrealized gain, net on marketable securities					2,800,000	2,800,000
Realized loss, net on marketable securities					507,000	507,000
Translation adjustment					(25,662,000)	(25,662,000)
Comprehensive income						38,498,000
Common stock issuances under employee stock plan	1,435,657	18,000	7,941,000			7,959,000
Tax benefit of employee stock plan			3,169,000			3,169,000
Proceeds from subscription receivable			455,000			455,000
Balance at December 31, 2005	148,455,864	1,513,000	157,796,000	274,200,000	16,948,000	450,457,000
Net income				70,539,000		70,539,000
Unrealized loss, net on hedging contracts					(539,000)	(539,000)
Realized loss, net on hedging contracts					2,122,000	2,122,000
Unrealized loss, net on marketable securities					(1,565,000)	(1,565,000)
Translation adjustment					24,473,000	24,473,000
Comprehensive income						95,030,000
Transition adjustment to pension liability upon adoption of new accounting standard, net of deferred taxes					(204,000)	(204,000)
Stock issued for acquisitions	125,000	2,000	1,846,000			1,848,000
Common stock issuances under employee stock plan	1,586,676	20,000	10,986,000			11,006,000
Tax benefit of employee stock plan			7,385,000			7,385,000
Share-based compensation			326,000			326,000
Proceeds from subscription receivable			317,000			317,000
Balance at December 31, 2006	150,167,540	1,535,000	178,656,000	344,739,000	41,235,000	566,165,000
Net income				50,122,000		50,122,000
Unrealized gain, net on hedging contracts					903,000	903,000
Realized loss, net on hedging contracts					611,000	611,000
Unrealized loss, net on marketable securities					(504,000)	(504,000)
Realized gain, net on marketable securities					(1,000)	(1,000)
Unrealized gain, net on pension					47,000	47,000
Translation adjustment					32,733,000	32,733,000
Comprehensive income						83,911,000
Cumulative effect due to the adoption of uncertain tax positions				(6,082,000)		(6,082,000)
Stock issued for the acquisition of eGene Inc	870,444	12,000	15,598,000			15,610,000
Stock issued for the acquisition of Digene Corporation	39,618,164	563,000	635,388,000			635,951,000
Equity awards issued in connection with the Digene acquisition			33,212,000			33,212,000
Common stock issuances under employee stock plans	4,678,928	65,000	42,217,000			42,282,000
Tax benefit of employee stock plans			9,944,000			9,944,000

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Share-based compensation	8,982,000	8,982,000
Proceeds from subscription receivables	1,600,000	1,600,000
BALANCE AT DECEMBER 31, 2007	195,335,076 2,175,000 925,597,000 388,779,000 75,024,000 1,391,575,000	

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.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31

US\$	2007	2006	2005
Cash Flows From Operating Activities			
Net income	50,122,000	70,539,000	62,225,000
Adjustments to reconcile net income to net cash provided by operating activities, net of effects of businesses acquired:			
Depreciation and amortization	31,257,000	21,818,000	21,258,000
Acquisition related items:			
Amortization of purchased intangible assets	31,326,000	8,220,000	3,697,000
Purchased in-process research and development	25,900,000	2,200,000	3,239,000
Non-cash acquisition and restructure costs	2,839,000	4,745,000	2,114,000
Share-based compensation:			
Share-based compensation expense	8,982,000	326,000	
Tax effect from share-based compensation	(9,944,000)	(7,385,000)	3,169,000
Provision for losses on accounts receivable	1,807,000	378,000	54,000
Deferred income taxes	(1,654,000)	5,210,000	(2,202,000)
Other	2,000	511,000	1,436,000
Net changes in operating assets and liabilities:			
(Increase) decrease in:			
Notes receivable	(572,000)	346,000	(33,000)
Accounts receivable	(20,806,000)	(3,621,000)	(131,000)
Income taxes receivable	(7,598,000)	(5,385,000)	1,897,000
Inventories	(8,738,000)	(4,202,000)	3,764,000
Prepaid expenses and other	(4,604,000)	1,238,000	(9,778,000)
Other assets	(887,000)	(1,662,000)	934,000
Increase (decrease) in:			
Accounts payable	956,000	2,720,000	(4,711,000)
Accrued and other liabilities	(23,539,000)	1,523,000	422,000
Income taxes payable	7,534,000	525,000	5,592,000
Other	2,428,000	3,435,000	(1,709,000)
Net cash provided by operating activities	84,811,000	101,479,000	91,237,000

Table of Contents**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)****Years ended December 31**

US\$	2007	2006	2005
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(34,492,000)	(28,995,000)	(13,728,000)
Proceeds from sale of equipment	715,000	1,256,000	1,738,000
Purchases of intangible assets	(24,122,000)	(6,358,000)	(15,276,000)
Purchases of investments	(747,000)		(4,981,000)
Collections of note receivable in connection with disposed synthetic DNA business unit	5,106,000	652,000	757,000
Purchases of marketable securities	(45,444,000)	(56,606,000)	(40,445,000)
Sales of marketable securities	299,005,000	20,000,000	55,430,000
Investment in unconsolidated subsidiary		(42,000)	
Cash paid for acquisitions, net of cash acquired	(859,692,000)	(95,379,000)	(81,996,000)
Net cash used in investing activities	(659,671,000)	(165,472,000)	(98,501,000)
Cash Flows From Financing Activities			
Proceeds from debt	780,018,000	295,022,000	6,299,000
Repayment of debt	(337,811,000)	(9,825,000)	(10,705,000)
Principal payments on capital leases	(1,979,000)	(745,000)	(1,053,000)
Proceeds from subscription receivables	1,600,000	317,000	455,000
Excess tax benefits from share based compensation	9,944,000	7,385,000	
Issuance of Common Shares under employee stock plans	42,282,000	11,006,000	7,959,000
Net cash provided by financing activities	494,054,000	303,160,000	2,955,000
Effect of exchange rate changes on cash and cash equivalents	(2,231,000)	(510,000)	(366,000)
Net increase (decrease) in cash and cash equivalents	(83,037,000)	238,657,000	(4,675,000)
Cash and cash equivalents, beginning of year	430,357,000	191,700,000	196,375,000
Cash and cash equivalents, end of year	347,320,000	430,357,000	191,700,000
Supplemental Cash Flow Disclosures			
Cash paid for interest	30,531,000	24,289,000	5,238,000
Cash paid for income taxes	14,234,000	36,384,000	21,582,000
Supplemental Disclosure of Non-cash Investing and Financing Activities:			
Equipment purchased through capital lease	59,000	175,000	
Issuance of common stock in connection with acquisitions	651,561,000	1,847,000	

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.

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To our Shareholders

The Supervisory Board thanks QIAGEN's Executive Committee and all our employees for their significant contributions to QIAGEN's success in 2007. In addition we also would like to thank our partners and customers for their commitment and their trust in QIAGEN as well.

2007 was an exciting year for the Company where we significantly increased our technology and market leadership in sample and assay technologies in all our customer segments. One of the most important milestones was the acquisition of Digene which significantly strengthens our position in molecular diagnostics and women's health. The successes reported in this annual report reflect how we further implemented our growth strategy which is based primarily on organic growth complemented by targeted acquisitions.

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, and human resources management.

In particular and as defined by the Dutch Corporate Governance Code, the Supervisory Board discussed the corporate strategy, the risks of the business and the result of the assessment by the Managing Board of the structure and operation of the internal risk management and control systems as well as any significant changes thereto.

In addition, the Supervisory Board discussed its current and desired profile, composition and competence as well as its performance and that of its individual members. 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. The conclusions of these discussions were also considered by the Selection and Appointment (Nomination) Committee and the Supervisory Board in the selection process for two new Supervisory Board members after the resignation of Dr. Wirtz and Dr. Hornef in 2007. We are very pleased that Dr. Brandt and Mr. von Prondzynski joined our Supervisory Board. The Supervisory Board is convinced that both new members, Dr. Brandt as a financial and healthcare expert and Mr. von Prondzynski with his expertise in the in vitro diagnostics and the pharmaceutical industry, will strengthen the competence of the Supervisory Board in these areas significantly.

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The Supervisory Board further 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. Through its Compensation Committee, the Supervisory Board executed and monitored compliance with the Company's Remuneration Policy approved by 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 of the Managing Board 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. Further detailed information on the composition of the Supervisory Board, 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.

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 2007. Because of the extraordinary size of the Digene acquisition, the Supervisory Board had several additional meetings on this matter. 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 2007 can be found in the Corporate Governance Report.

QIAGEN N.V. is a company 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 shareholders and has always placed the highest standards on its Corporate Governance principles. Since 1997, QIAGEN has endorsed the 40 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. It is the Company's policy to follow the guidelines of Good Practice of Corporate Governance as described in the Code although some minor deviations may result from effects such as legal requirements imposed on QIAGEN or industry standards.

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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. Federal Securities Law 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 2007 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 2007 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.

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 26, 2008. 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 26, 2008.

Venlo, The Netherlands, April 2008

/s/ Prof. Dr. Detlev H. Riesner
Prof. Dr. Detlev H. Riesner,
Chairman of the Supervisory Board

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Corporate Governance Report

In the Netherlands, the Dutch Corporate Governance Code (the Code) became effective on January 1, 2004. 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 a set of principles and a number of best practice provisions, creating a set of standards governing the conduct of the members of the Managing Board and the Supervisory Board and shareholders.

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

CORPORATE STRUCTURE

QIAGEN is a Naamloze Vennootschap (N.V.), a Dutch limited liability company similar to a Corporation (Inc.) in the United States. QIAGEN has a two-tier board structure. QIAGEN is managed by a Managing Board under the supervision of 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

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 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.

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

Currently, our Managing Board consists of the following individuals as listed in the table below:

MANAGING BOARD

NAME	AGE ¹	POSITION
Peer M. Schatz	42	Managing Director, Chief Executive Officer
Roland Sackers	39	Managing Director, Chief Financial Officer
Dr. Joachim Schorr	47	Managing Director, Senior Vice President, Research and Development
Bernd Uder	50	Managing Director, Senior Vice President, Global Sales

¹ Ages as of January 25, 2008

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 2007.

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 General Meeting up to and including the date of the General Meeting held in the following fiscal year.

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, members of the Managing Board may be suspended (but not dismissed) by the Supervisory Board.

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.

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The remuneration granted to the members of the Managing Board in 2007 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.

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US\$	Fixed Salary	Annual Compensation			Total
		Variable Cash Bonus	Other ¹		
Peer M. Schatz	1,059,000	437,000	11,000		1,507,000
Roland Sackers	452,000	162,000	53,000		667,000
Dr. Joachim Schorr	291,000	122,000	27,000		440,000
Bernd Uder	311,000	121,000	20,000		452,000

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. Amounts do not include the reimbursement of certain expenses relating to travel incurred at the request of QIAGEN or other reimbursements or payments that in total did not exceed the lesser of \$50,000 or 10% of the total salary and bonus reported in 2007 for the officer.

MANAGING BOARD LONG-TERM COMPENSATION**Year ended December 31, 2007**

	Long-Term Compensation		
	Defined Contribution Benefit Plan in US\$	Stock Options	Restricted Stock Units
Peer M. Schatz	80,000	114,551	318,175
Roland Sackers	72,000	35,019	97,285
Dr. Joachim Schorr	25,000	17,049	47,355
Bernd Uder	47,000	17,276	47,986

Further details on the Remuneration Policy and its implementation during the fiscal year 2007 are disclosed in the Remuneration Report of the Compensation Committee which is published on the Company's website at www.qiagen.com.

SUPERVISORY BOARD

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. 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.

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 2007, neither QIAGEN nor its Supervisory Board members have entered into any such transactions.

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.

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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 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 Joint Meeting in which case a simple majority of votes cast is sufficient.

Currently, the Supervisory Board consists of six members, listed in the table below.

SUPERVISORY BOARD

NAME	AGE	POSITION
Prof. Dr. Detlev H. Riesner	66	Chairman of the Supervisory Board, Supervisory Director and Chairman of the Selection and Appointment Committee
Dr. Werner Brandt	54	Supervisory Director and Chairman of the Audit Committee
Dr. Metin Colpan	52	Supervisory Director
Erik Hornnaess	70	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	67	Supervisory Director and Member of the Compensation Committee
Heino von Prondzynski	58	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:

PROFESSOR DR.DETLEV H. RIESNER,

66, is a co-founder of the Company. He has been on the Company's Supervisory Board since 1984 and was appointed Chairman of the Supervisory Board in 1999. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980 and retired in 2007. In 1996, he was also appointed to the position of Vice President of Research, and from 1999 until 2007, he was Director of

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Technology at the University of Düsseldorf. 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 New Lab Bioquality AG, Erkrath, AC Immune S.A., Lausanne, Neuraxo GmbH, Düsseldorf and Direvo AG, Köln. Professor Riesner is also a member of the scientific advisory boards of the Friedrich-Loeffler-Institut, Isle of Riems, and PrioNet, Canada.

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DR. WERNER BRANDT,

54, joined the Company's Supervisory Board in 2007 and was appointed Audit Committee Chairman. 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 LSG Lufthansa Service Holding AG, Neu-Isenburg, Germany and SAP Systems Integration AG, Dresden, Germany.

DR. METIN COLPAN,

52, is a co-founder of the Company and was Chief Executive Officer and a Managing Director from 1985 through 2003. Dr. Colpan obtained his Ph.D. and M.Sc. 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 HORNNÆSS,

70, has been a member of the Supervisory Board since 1998, joined the Audit Committee in 2002 and the Compensation Committee in 2005. 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 Handelshøjskole, Denmark with an M.B.A. and obtained a P.M.D. from the Harvard Business School.

PROFESSOR DR. MANFRED KAROBATH,

67, has been a member of the Supervisory Board since 2000. 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 Connaught, Centeon and Rhone Poulenc Pharma. He has received several scientific awards and has published 92 scientific papers. Dr. Karobath also serves as a member of the board of directors of Coley Pharmaceutical Group.

HEINO VON PRONDZYNSKI,

58, joined the Company's Supervisory Board as well as the Audit Committee in 2007. Mr. von Prondzynski retired in 2005 from Roche (SWX: RO) 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

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and later worked in Austria, Brazil and Germany as General Manager. He studied mathematics, geography and history at the Westfälische Wilhelms University of Münster in Germany. Mr. von Prondzynski is Chairman of BBMedtech, Koninklijke Philips Electronics NV and Epigenomics.

PROFESSOR DR. JUR. CARSTEN P. C LAUSSEN,

80, 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 Industriegreditbank, Düsseldorf. At present, he is a partner in the law firm of Hoffmann 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, Cleve and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

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 operate. The charters are published on QIAGEN's website.

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 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 six times in fiscal year 2007, whereof one meeting took place together with the external auditor 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; 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. 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 annual report prepared under IFRS. The Audit Committee performs a self-evaluation of its activities on an annual basis.

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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.

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The Compensation Committee consists of two members: Mr. Hornnaess (Chairman) and Professor Karobath. Members are appointed by the Supervisory Board and serve for a term of one year. The Compensation Committee met 13 times in fiscal year 2007. 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.

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 and the functioning of their individual members. The Selection and Appointment Committee is chaired by Professor Riesner with Mr. Hornnaess acting as vice chairman. The other members are individually involved on a case-by-case basis. The Selection and Appointment Committee did not convene in 2007 as there had been numerous discussions and meetings in 2006 which led to the appointment of Dr. Brandt and Mr. von Prondzynski as new members of the Supervisory Board.

The Supervisory Board compensation for 2007 consists of fixed compensation, an additional amount 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 \$ 15,000

Additional compensation payable to members holding the following positions:

Chairman of the Supervisory Board \$ 10,000
 Vice Chairman of the Supervisory Board \$ 5,000
 Fee payable to each member of a committee \$ 2,500
 Additional fee payable to a Chairman of a Committee \$ 5,000

Members of the Supervisory Board also receive \$ 1,000 for attending the General Meeting and \$ 1,000 for attending each meeting of the Supervisory Board (not to exceed \$ 5,000 in the aggregate). Members of the Audit Committee receive \$ 1,000 for attending each meeting of the Audit Committee (not to exceed \$ 5,000 in the aggregate).

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. In detail, the compensation of the Supervisory Board Members for 2007 consists of the components as shown in the table below.

SUPERVISORY BOARD COMPENSATION

US\$	Fixed Salary	Chairman/ Vice-Chairman Committee	Meeting Attendance	Committee Membership	Variable Cash Bonus	Total
Prof. Dr. Detlev H. Riesner	15,000	15,000	6,000	2,500	7,300	45,800
Dr. Werner Brandt ¹	7,500	2,500	6,500	1,250	3,700	21,450
Dr. Metin Colpan	15,000		5,000		7,300	27,300
Dr. Heinrich Hornef ¹	7,500	5,000	6,000	2,500	3,700	24,700
Erik Hornnaess	15,000	5,000	10,000	6,250	7,300	43,550
Prof. Dr. Manfred Karobath	15,000		5,000	2,500	7,300	29,800
Heino von Prondzynski ¹	7,500		4,500	1,250	3,700	16,950
Dr. Franz A. Wirtz ¹	7,500	2,500	4,500	2,500	3,700	20,700

¹ Dr. Heinrich Hornef and Dr. Franz A. Wirtz decided not to stand for re-election for another term as Supervisory Board members in 2007. Dr. Werner Brandt and Mr. Heino von Prondzynski replaced Drs. Hornef and Wirtz on the Supervisory Board following our 2007 General Meeting of Shareholders.

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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 2007, the following options or other share-based compensation were granted to the members of the Supervisory Board as shown in the table below.

SUPERVISORY BOARD – SHARE-BASED COMPENSATION

Year ended December 31, 2007	2007 Grants	
	Stock Options	Restricted Stock Units
Prof. Dr. Detlev H. Riesner	1,942	5,387
Dr. Werner Brandt		
Dr. Metin Colpan	1,942	5,387
Dr. Heinrich Hornef		6,734
Erik Hornnaess	1,942	5,387
Prof. Dr. Manfred Karobath	1,942	5,387
Heino von Prondzynski		
Dr. Franz A. Wirtz		6,734

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 2007 QIAGEN paid approximately \$471,000 to Dr. Colpan for scientific consulting services under this agreement.

SHARE OWNERSHIP

The following table sets forth certain information as of January 25, 2008 concerning the ownership of common shares by the members of the Managing Board and the Supervisory Board. In preparing the following table, we have relied on information furnished by such persons.

SHARE OWNERSHIP

Name and Country of Residence	Shares Beneficially Owned ¹	Percent Ownership ²
Peer M. Schatz, Germany	1,482,064 ³	*
Roland Sackers, Germany	0 ⁴	*
Dr. Joachim Schorr, Germany	0 ⁵	*
Bernd Uder, Germany	0 ⁶	*

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Prof. Dr. Detlev H. Riesner, Germany	1,952,068 ⁷	1.00%
Dr. Werner Brandt, Germany	800	*
Dr. Metin Colpan, Germany	6,342,025 ⁸	3.25%
Erik Hornnaess, Spain	10,000 ⁹	*
Professor Dr. Manfred Karobath, UK	0 ¹⁰	*
Heino von Prondzynski, Switzerland		*

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- * Indicates that the person beneficially owns less than 1% of the common shares issued and out-standing as of January 25, 2008.

- ¹ The number of common shares issued and outstanding as of January 25, 2008 was 195,496,779. 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, 2008. 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 2,398,059 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 \$20.563 per share. Options expire in increments during the period between May 2009 and February 2017.

- ⁴ Does not include 347,598 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 \$10.610 to \$20.563 per share. Options expire in increments during the period between September 2009 and February 2017.

- ⁵ Does not include 207,127 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 \$8.940 to \$17.900 per share. Options expire in increments during the period between October 2011 and February 2017.

- ⁶ Does not include 125,758 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 \$20.563 per share. Options expire in increments during the period between March 2011 and February 2017.

- ⁷ Does not include 90,667 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 \$20.563 per share. Options expire in increments during the period between January 2010 and April 2017. Prof. Riesner also has the option to purchase 82,302 common shares through Thomé Asset Management&Controlling. Includes 1,952,068 shares held by Riesner Verwaltungs GmbH, of which Professor Riesner is the sole stockholder.

- ⁸ Does not include 976,150 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 \$20.563 per share. Options expire in increments during the period between May 2009 and April 2017. Includes 5,088,000 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 330,566 common shares through Thomé Asset Management & Controlling.

- ⁹ Does not include 112,000 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 \$20.563 per share. Options expire in increments during the period between January 2009 and April 2017.

- ¹⁰ Does not include 90,000 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 \$20.563 per share. Options expire in increments during the period between January 2010 and April 2017.

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The following table sets forth the vested and unvested options of the Managing Board and Supervisory Board members as of January 25, 2008:

VESTED AND UNVESTED OPTIONS OF THE MANAGING BOARD AND SUPRVISORY BOARD MEMBERS AS OF JANUARY 25, 2008

	Total Vested Options	Total Unvested Options	Expiration Dates	Exercise Prices in US\$	Total Unvested Stock Awards
Peer M. Schatz	2,359,876	114,551	5/2009 to 2/2017	4.590 to 20.563	318,175
Roland Sackers	347,598	23,346	9/2009 to 2/2017	10.610 to 20.563	97,285
Dr. Joachim Schorr	201,444	17,049	10/2011 to 2/2017	8.940 to 17.900	47,355
Bernd Uder	120,000	17,276	3/2011 to 2/2017	11.985 to 20.563	47,986
Prof. Dr. Detlev H. Riesner	90,667	1,942	1/2010 to 4/2017	6.018 to 20.563	5,387
Dr. Metin Colpan	976,150	1,942	5/2009 to 4/2017	6.018 to 20.563	5,387
Erik Hornnaess	112,000	1,942	1/2009 to 4/2017	6.018 to 20.563	5,387
Prof. Dr. Manfred Karobath	90,000	1,942	1/2010 to 4/2017	6.018 to 20.563	5,387

SHAREHOLDERS

Our shareholders exercise their voting rights through the General Meeting. Resolutions are adopted by the General Meeting by an absolute majority of votes cast, unless a different majority of votes or quorum is required by Dutch law or our Articles of Association. At the General Meeting, each share confers the right to cast one vote, unless the law or the Articles of Association provide otherwise.

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.

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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 at the General Meeting, based on a nomination drawn up by the Supervisory Board. The external auditor is invited to attend the meeting of the Supervisory Board at which the financial statements shall be approved and is 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.

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. The Company had approximately 18.1 million shares of common stock reserved and available for issuance under this plan at December 31, 2007.

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 from these plans. The Company had approximately 1.8 million shares of common stock reserved and available for issuance under these plans at December 31, 2007.

STOCK OPTIONS

During the year ended December 31, 2007 the Company granted 379,598 stock options. A summary of the status of the Company's employee stock options as of December 31, 2007 and changes during the year then ended is presented below.

EMPLOYEE STOCK OPTIONS AS OF DECEMBER 31, 2007

	Number of Shares	Weighted Average Exercise Price in US\$	Weighted Average Contractual Term	Aggregate Intrinsic Value in
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				US\$
Outstanding at January 1, 2007	11,716,539	13.427		
Assumed in acquisition	4,139,854	9.238		
Granted	379,598	17.012		
Exercised	(4,551,655)	9.289		
Forfeited and cancelled	(321,695)	15.162		
Outstanding at December 31, 2007	11,362,641	13.633	5.31	97,059,373
Exercisable at December 31, 2007	10,865,363	13.494	5.14	94,879,323
Vested and expected to vest at December 31, 2007	11,330,389	13.622	0.05	96,919,786
In connection with the acquisition of Digene Corporation, the Company assumed Digene's equity plans and exchanged Digene's stock options into 4,139,854 stock options in the Company's common stock.				

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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 amortized to expense on a straight-line basis over the period of vesting. A summary of the Company's restricted stock units as of December 31, 2007 and changes during the year are presented below.

RESTRICTED STOCK UNITS

	Restricted Stock Units	Weighted Average Contractual Term	Aggregate Intrinsic Value in US\$
Outstanding at January 1, 2007			
Granted	864,855		
Assumed in acquisition	857,445		
Vested	(127,273)		
Forfeited and cancelled	(9,469)		
Outstanding at December 31, 2007	1,585,558	3.85	33,375,996
Vested and expected to vest at December 31, 2007	1,458,865	2.89	30,709,108

In connection with the acquisition of Digene Corporation, the Company assumed Digene's equity plans and exchanged Digene's awards into 857,445 restricted stock units of the Company's common stock.

RISK MANAGEMENT

The Company has identified various risk factors for its business which are set forth in detail in its Form 20-F for the year ended December 31, 2007. 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 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 as follows.

RISK MANAGEMENT GROUPS AND FUNCTIONS

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 patents
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
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.	

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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 2007 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 effective internal control over financial reporting as of December 31, 2007, 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 Company granted an option to a Foundation (Stichting) 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.

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.

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. Pursuant to the Decree of December 23, 2004, on the adoption of further regulations regarding the contents of the Annual Report, however, 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.

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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

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by 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.2.1 recommends that options to acquire shares are a conditional remuneration component and become unconditional only when the management board members have fulfilled predetermined performance criteria after a period of at least three years from the grant date. Further, best practice provision II.2.2 provides that if a company grants unconditional options to management board members, it shall apply performance criteria.

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 performance criteria that must be fulfilled for these options.

3. Best practice provision II.2.3 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 beforehand.

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 predefined performance goals. Restricted stock units are usually structured such that 40% of a grant is vested after three years, 50% after five years and the remaining 10 % after ten years.

4. Best practice provision II.2.6 recommends that the supervisory board shall draw up regulations concerning ownership of and transactions in securities in Dutch listed companies by management board members, other than securities issued by their own company. The regulations shall be posted on the company's website. A management board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

Since QIAGEN is a company which is not listed in The Netherlands we do not see a conflict with potential trades by 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 Managing Board members in QIAGEN shares the compliance of which we consider sufficient.

5. Pursuant to best practice provision II.2.7 the maximum remuneration in the event of dismissal of a management board member is 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), our Managing Directors 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.

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6. Best practice provision III.7.1 recommends that a supervisory board member should 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 granted restricted stock units also. 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.

7. Best practice provision III.7.3 recommends that the supervisory board shall adopt a set of regulations containing rules governing ownership of and transactions in securities by supervisory board members, other than securities issued by their own company. The regulations shall be posted on the company's website. A supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

See our statement in item 1 above to best practice provision II.2.6.

8. Pursuant to best practice provision IV.1.1, 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.

Our Articles of Association currently state that the General Meeting of Shareholders 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.

9. 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.

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QIAGEN does not make use of a registration date. All of QIAGEN's shares are registered shares and all shareholders are welcome to a shareholders meeting, provided that a shareholder needs to inform the Company of his intention to do so per 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.

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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 4.2.3 PARAGRAPH 3

In particular, company stocks with a multi-year blocking period, stock options or comparable instruments (e.g. phantom stocks) serve as variable compensation components with long-term incentive effect and risk elements. Stock options and comparable instruments shall be related to demanding, relevant comparison parameters. Changing such performance targets or comparison parameters retroactively shall be excluded. For extraordinary, unforeseen developments a possibility of limitation (Cap) shall be agreed for 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.

2. ITEM 5.4.3 PARAGRAPH 1

Elections to the Supervisory Board shall be made on an individual basis.

Pursuant to QIAGEN's Articles of Association, the members of its Supervisory Board stand for election every year. This is different to German Stock Corporations, where members of the Supervisory Board are appointed for a period of up to five years. Due to this difference between German and Dutch corporate law, we consider the election of Supervisory Board members on an individual basis as not appropriate for QIAGEN.

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Glossary

A

Agarose gel electrophoresis A method used in biochemistry and molecular biology to separate DNA, or RNA molecules by size. This is achieved by moving negatively charged nucleic acid molecules through an agarose matrix with an electric field (electrophoresis). Shorter molecules move faster and migrate farther than longer ones.

Amino acids The building blocks (subunits) of proteins.

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.

Avian flu Avian influenza (also known as bird flu, avian flu, influenza virus A flu, type A flu, genus A flu) is caused by an influenza A virus (subtype H5N1). It is hosted by birds, but may infect several species of mammals.

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.

Bluetongue disease Also called catarrhal fever, is a non-contagious, insect-borne viral disease of ruminants, mainly sheep and less frequently of cattle, goats, buffalo, deer, dromedaries and antelope.

Bovine Viral Diarrhea BVD, a viral disease (caused by a pest virus), which, although it primarily affects cows, can also affect other ruminants (sheep, goats, wild ruminants). Worldwide, BVD causes considerable economic losses every year, therefore various countries have decided to actively fight or even eliminate the disease.

C

Capillar electrophoresis (CE) Also known as capillary zone electrophoresis (CZE), can be used to separate ionic species by their charge and frictional forces. In traditional electrophoresis, electrically charged analytes move in a conductive liquid medium under the influence of an electric field. Introduced in the 1960s, the technique of capillary electrophoresis (CE) was designed to separate species based on their size to charge ratio in the interior of a small capillary filled with an electrolyte.

cdNA or complementary DNA In genetics, complementary DNA (cDNA) is DNA synthesized from a mature mRNA template in a reaction catalyzed by the enzyme reverse transcriptase.

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.

Cystic fibrosis Also known as CF, mucoviscoidosis, or mucoviscidosis is a hereditary disease that affects mainly the lungs and digestive system, causing progressive disability. Thick mucus production, as well as a less competent immune system, results in frequent lung infections.

Cytology The study of cells.

D

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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.

Down syndrom Or trisomy 21 is a chromosomal disorder caused by the presence of all or part of an extra 21st chromosome.

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,

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blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics in the United States.

Functional genomics Study of the functions of genes.

G

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.

Gene therapy Use of DNA to replace or modify the function of faulty genes in a living organism in order to cure or prevent disease and genetic disorders.

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

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

HIV Human immunodeficiency virus (HIV) is a retro-virus that can lead to acquired immunodeficiency syndrome (AIDS), a condition in humans in which the immune system begins to fail, leading to life-threatening opportunistic infections.

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.

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.

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.

Metabolic profiling The measurement of biochemical intermediates within a tissue in order to describe the functioning of metabolic pathways.

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.).

Metabolic pathway A series of chemical reactions occurring within a cell. In each pathway, a principal chemical is modified by chemical reactions. Enzymes catalyze these reactions, and often require dietary minerals, vitamins and other cofactors in order to function properly. Because of the many chemicals that may be involved, pathways can be quite elaborate. In addition, many pathways can exist within a cell. This collection of pathways is called the metabolic network.

Microarray Array of many macromolecules spotted onto a solid phase to allow interactions with target molecules in solution. For example, DNA oligonucleotides spotted onto a chip interact with target RNA molecules that hybridize to reveal the presence of certain species of RNA molecules in a mixed population.

Microfluidic assays Assays performed on an extremely small scale using very small flow systems of liquids.

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).

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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.

N

Nucleic acid Single or double-stranded polynucleotide. RNA or DNA.

P

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.

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.

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.

Posttranslational modification The chemical modification of a protein after its translation. The posttranslational modification extends the range of functions of the protein by attaching other biochemical functional groups to its amino acids, by changing the chemical nature of an amino acid or by making structural changes.

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.

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

Proteome The entire set of proteins that an organism can produce.

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

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.

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.

Stem cells These kind of cells are found in most multi-cellular organisms. They are capable of retaining the ability to reinvigorate themselves through mitotic cell division and can differentiate into a diverse range of specialized cell types.

Systems biology Combination of analytical results of various analytes to understand basic biological principles and interactions on a cellular level.

T

Tissue typing A procedure in which the tissues of a prospective donor and recipient are tested for compatibility prior to transplantation.

Transcriptome The set of all messenger RNA (mRNA) molecules or transcripts, produced in one or a population of cells.

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Disclaimers and Trademarks

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

DISCLAIMER

QIAGEN Instruments (BioRobot product line, QIAcube, BioSprint) are intended for laboratory use. No claim or representation is intended for its use to provide information for the diagnosis, prevention, or treatment of a disease. The BioRobot MDx DSP system is intended for in-vitro diagnostic use in Europe. The BioRobot MDx DSP system is not available in all countries; please inquire. siRNA technology licensed to QIAGEN is covered by various patent applications, owned by the Massachusetts Institute of Technology, the Carnegie Institute of Washington, Alnylam Corporation, and others. Multiplex PCR Kits: Certain specific embodiments of the process of multiplex PCR may be covered by patents of third parties in certain countries and may require a license. Qproteome GlycoArray Analysis technology is subject to the proprietary rights of Procognia Ltd and sold under license.

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: QIA®, QIAamp®, QIABRANE®, QIAcard®, QIAcube®, QIAEX®, QIAexpress®, QIAGEN Quality®, QIApack®, QIAplex®, QIAprep®, QIAquick®, QIASymphony®, QIAwell®, QIAzol®, AllPrep®, Allprotector®, artus®, BioRobot®, BioSprint®, cador®, Catrimox®, CompactPrep®, CorallLoad®, DirectPrep®, DNeasy®, DoubleTag®, DyeEx®, EasyXpress®, EasyXtal®, Effectene®, EndoFree®, EpiTect®, EZ1®, FastLane®, FlexiGene®, FlexiTube®, GelPilot®, GeneGlobe®, Gentra®, HiPerFect®, HiSpeed®, HotStarTaq®, InhibitEX®, LabelStar®, LiquiChip®, LyseBlue®, MagAttract®, Mass-Spec-Focus®, Mass-Spec-Turbo®, MinElute®, NeXtal®, Oligotex®, Omniscript®, PlasmidAmp®, PolyFeck®, ProofStart®, Puregene®, Q-Solution®, Qproteome®, QuantiFast®, Quantiscript®, QuantiProbe®, QuantiTect®, RCAT®, R.E.A.L.®, REPLI-g®, ResPlex®, RNAiFeck®, RNAprotect®, RNeasy®, Sensiscript®, SPOC®, StaphPlex®, SuperFeck®, T-Script®, TissueRuptor®, TopTaq®, TransMessenger®, TurboCapture®, TurboFilter®, UltraSens®.

This Annual Report may also contain trade names or trademarks of companies other than QIAGEN.

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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, 2007, which accompanies and is part of this Annual Report, for a discussion related to forward-looking statements contained in this Annual Report.

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Financial Calendar / Investor Relations Contacts

FINANCIAL CALENDAR

FEB 11, 2008 Publication of quarterly results 4 / 07 and year end results 2007

MAY 5, 2008 Publication of quarterly results 1 / 08

JUN 26, 2008 Annual General Meeting

AUG 4, 2008 Publication of quarterly results 2 / 08

NOV 10, 2008 Publication of quarterly results 3 / 08

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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

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007

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)

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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, 2007 was 195,335,076.

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

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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 financial statement item the registrant has elected to follow. ☐ Item 17 ☒ Item 18

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

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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: QIAexpress®, QIAwell®, QIAEX®, QIAprep®, QIAamp®, QIAquick®, Oligotex®, RNeasy®, BIOROBOT®, ENDOFREE®, R.E.A.L.®, PolyFect®, SuperFect®, DNeasy®, UltraFect®, TurboFilter®, HotStarTaq®, EFFECTENE®, QIA®, DyeEx®, Omniscript®, Sensiscript®, HiSpeed®, Targetene®, TransMessenger®, MagAttract®, DirectPrep®, InhibitEX®, DoubleTag®, QuantiScript®, UltraSens®, pAlliance®, MinElute®, EverGene®, ProofStart®, FlexiGene®, QuantiTect®, DNAprotect®, RNAprotect® and LiquiChip®, LabelStar®, EasyXpress® RNAiFect® BioSprint®, TISSUERUPTOR®, THE SAMPLE & ASSAY COMPANY®, QIAGEN THE SAMPLE & ASSAY COMPANY®, QIAGEN SAMPLE & ASSAY TECHNOLOGIES®, QIACUBE®, QIASYMPHONY®, ARRAY IN A DAY®, DIGENE®, DIGENE design®, DNA WITH PAP®, HC EXPRESSARRAY®, HC2 HIGH-RISK HPV DNA TEST®, HYBRID CAPTURE®, RAPID CAPTURE®, SHARP SIGNAL®, AND VIRATYPE®.

Registered trademarks in countries outside of the United States include: QIABRANE®, ProofTaq®, Easylabel®, Qproteome®, FastLane®, EpiTect®.

In 2007, 23 trademark applications were filed in Germany, Countries of the European Community, Japan, Canada and the United States of America such as QIAPLEX®, STOP RNASE®, TopTaq®, Q-Solution®, HIPERFECT®, GENESOLUTION®, FLEXITUBE®, and ENSEMBLE®. In addition, applications have been filed prior to 2007 in various jurisdictions for CAPTURA HYBRIDA, DNA PAP, and UCM.

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 the noon buying rate of the euro in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Board of New York. This rate at March 19, 2008, was \$1.5642 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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Not applicable.

Item 2. Offer Statistics and Expected Timetables

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, 2007, 2006 and 2005 and the consolidated balance sheet data at December 31, 2007 and 2006 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, 2004 and 2003, and the consolidated balance sheet data as of December 31, 2005, 2004 and 2003, 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.

	2007	Years ended December 31,			2003
	2006	2005	2004		
Consolidated Statement of Income Data:					
(amounts in thousands, except per share data)					
Net sales	\$ 649,774	\$ 465,778	\$ 398,395	\$ 380,629	\$ 351,404
Cost of sales	189,773	139,122	122,755	125,658	118,786
Cost of sales acquisition and restructuring related	2,839	2,046	439	1,454	3,618
Cost of sales acquisition related intangible amortization	23,615	6,135	3,319	1,416	1,096
Gross profit	433,547	318,475	271,882	252,101	227,904
Operating Expenses:					
Research and development	64,935	41,560	35,780	34,351	31,068
Sales and marketing	164,690	115,942	94,312	87,506	83,005
General and administrative	71,932	48,574	40,123	41,715	41,894
Purchased in-process research and development	25,900	2,200	3,239		
Acquisition, integration and related costs	14,708	6,061	3,213	572	
Acquisition related intangible amortization	7,711	2,085	378		
Relocation and restructuring costs	538	1,452		3,817	3,048
Total operating expenses	350,414	217,874	177,045	167,961	159,015
Income from operations	83,133	100,601	94,837	84,140	68,889
Other income (expense), net	(7,407)	5,467	2,427	(11,453)	(1,634)

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Income before provision for income taxes and minority interest	75,726	106,068	97,264	72,687	67,255
Provision for income taxes	25,555	35,529	35,039	23,982	24,405
Minority interest	49				
Net income	\$ 50,122	\$ 70,539	\$ 62,225	\$ 48,705	\$ 42,850
Basic net income per Common Share(1)	\$ 0.30	\$ 0.47	\$ 0.42	\$ 0.33	\$ 0.29
Diluted net income per Common Share(1)	\$ 0.28	\$ 0.46	\$ 0.41	\$ 0.33	\$ 0.29
Weighted average number of Common Shares used to compute basic net income per Common Share	168,457	149,504	147,837	146,658	145,832
Weighted average number of Common Shares used to compute diluted net income per Common Share	175,959	153,517	150,172	148,519	147,173

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

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	As of December 31,				
	2007	2006	2005	2004	2003
Consolidated Balance Sheet Data:					
(amounts in thousands)					
Cash and cash equivalents	\$ 347,320	\$ 430,357	\$ 191,700	\$ 196,375	\$ 98,993
Working capital	\$ 482,215	\$ 566,660	\$ 278,586	\$ 299,029	\$ 163,583
Total assets	\$ 2,775,174	\$ 1,212,012	\$ 765,298	\$ 714,599	\$ 551,930
Total long-term liabilities, including current portion	\$ 1,220,084	\$ 536,738	\$ 230,086	\$ 234,138	\$ 131,095
Total shareholders' equity	\$ 1,391,575	\$ 566,165	\$ 450,457	\$ 400,376	\$ 334,786
Common Shares	\$ 2,175	\$ 1,535	\$ 1,513	\$ 1,495	\$ 1,485
Shares outstanding	195,335	150,168	148,456	147,020	146,218

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, 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 development efforts involve 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 \$263.8 million in 2001 to \$649.8 million in 2007. In 2007, we completed the construction of a new logistics facility in Germany. Additionally, we have made several acquisitions in the last few years, including our acquisition of Digene Corporation 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.

Our earlier expansion of facilities in Maryland and Germany added production capacity and increased fixed costs. These higher fixed costs will continue to be a cost of production in the future, and until we more fully utilize the additional capacity of the facilities, our gross profit will be negatively impacted. We have also upgraded our operating and financial systems and expanded 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.

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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 a number of companies, including our acquisition of Digene Corporation 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 business. Acquisitions, including our acquisition of Digene, expose us to the addition of new operating and other risks including the risks associated with the:

assimilation of new technologies, operations, sites and personnel;

application for and achievement of regulatory approvals or other clearances;

diversion of resources from our existing business and technologies;

inability to generate revenues to offset associated acquisition costs;

inability to implement and maintain uniform standards and effective controls and procedures;

inability to maintain relationships with employees and customers as a result of any integration of new management personnel;

issuance of dilutive equity securities;

incurrence or assumption of debt;

additional expenses associated with future amortization or impairment of acquired intangible assets or potential businesses; or

assumption of liabilities or exposure to 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 our markets. 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, 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

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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 or achieve market acceptance. 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;

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scientists' 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.

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

Our success will depend 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, 2007, we owned 109 issued patents in the United States, 70 issued patents in Germany and 434 issued patents in other major industrialized countries. In addition, at December 31, 2007, we had 619 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 QIAGEN, 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 tend 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.

Although we have the only fully commercialized and FDA-approved test for the detection of the human Papillomavirus (HPV), a significant portion of our HPV-related intellectual property is in the public domain, subject to patents that will begin to expire in the next few years or are not licensed to us on a sole and exclusive basis. As a result, we believe other companies are developing or may develop HPV detection tests in the next few years.

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.

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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.

Following our acquisition of Digene Corporation, we believe that revenue from sales of our HPV test product may represent as much as 20% 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 substantially all of our revenues for that product. If there is a significant reduction in sales of this product that is not replaced by revenues from new products or customers or an increase in revenues from existing products or customers, then it will have a significant adverse impact on our earnings. 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 we fail to diversify our product line and customer base for this product, we may 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 depend on continued increases in the acceptance of and the market for HPV screening by physicians and laboratories.

Our sales of HPV products and our ability to increase sales of HPV 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, in conjunction with Pap tests, independent of Pap tests, and in conjunction with the implementation of 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 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 frequently 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 are used because a well educated female population will work with their health care 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.

Our products for the diagnosis of the presence of chlamydia and gonorrhea compete with other FDA-approved products that detect the presence of such infectious diseases. Our marketing activities focus on

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providing information regarding the accuracy and objective nature of these diagnostic tests, but such activities are time-consuming and expensive. We believe the best way to increase our revenues from these products is to educate laboratories and physicians about the ability to run such tests from the same patient sample collected for HPV testing. If we are not successful in executing our marketing strategy, we do not expect to significantly grow revenues from these products.

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 sales.

Our primary competition stems from traditional methods (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

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internally developed, or home-brew, molecular tests such as HPV tests. These tests, although not approved by the FDA or similar non-U.S. regulatory authorities, do offer an alternative to our products that could limit the laboratory customer base for our product. The success of our business depends in part on the continued conversion of current users of such traditional methods to our sample and assay technologies and products. There can be no assurance, however, as to how quickly such conversion will occur.

We also have experienced, and expect to continue to experience, increasing competition in various segments of our business from companies providing competitive pre-analytical products and other products competitive with our own. 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 seriously damaged 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 biotech 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 (NIH) and similar domestic and international 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 have encountered delays in receipt of some European reimbursement approvals and public health funding, which has impacted our ability to grow revenues in these markets.

Third-party payors are often reluctant to reimburse healthcare providers for the use of medical tests such as our HPV test products, that involve new technology. In addition, third-party payors are increasingly limiting

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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.

Our customers within the scientific research markets typically do not keep a significant inventory of QIAGEN products and consequently require overnight delivery of purchases. As such, we heavily rely on air cargo carriers such as DHL, FedEx and Panalpina. If overnight services are suspended or delayed and other delivery carriers 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 were 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. There can be no assurance that we will continue to be able to negotiate such collaborative arrangements on acceptable terms, or that any such relationships will be scientifically or commercially successful. In addition, there can be no assurance that we will be able to maintain such relationships or that our collaborative partners will not 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, and the United States, and our instrumentation facility is located in Switzerland. We also have established sales subsidiaries in numerous countries, including the United States, Germany, Japan, the United Kingdom, France, Switzerland, Australia, Canada, Austria, The Netherlands, Sweden, Italy, Hong Kong, Singapore, Turkey, Korea, Malaysia, China and Brazil. 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. 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 North American, European and Japanese subsidiaries.

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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 growing 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 risks, arising out of the economy, the political outlook and the 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, possible exchange controls, unstable governments, privatization actions 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 more exposure to such practices. Our activities in these countries create 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. However, our existing safeguards and any future improvements may prove to be less than 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 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

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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 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:

our marketing, sales and customer support efforts;

our research and development activities;

the expansion of our facilities;

the consummation of possible future acquisitions of technologies, products or businesses;

the demand for our products and services; and

the refinancing of debt.

We currently anticipate that our short-term capital requirements will be satisfied by the results of operations. However, we have outstanding loan facilities at December 31, 2007 of approximately \$500.0 million, of which \$25.0 million will become due in July 2009, \$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, 2007, we also had additional long-term debt obligations of \$450 million, of which \$150 million becomes due in July 2011 and \$300 million becomes due in November 2012. Furthermore, as of December 31, 2007, we have capital lease obligations, including the current portion, of \$35.8 million, that expire in various years through 2018. To the extent that our existing resources are insufficient to fund our activities, we may need to raise funds through public or private debt or equity financings. No assurance can be given that such additional funds will be available or, if available, can be obtained on terms acceptable to us. If adequate funds are not available, we may have to reduce expenditures for research and development, production or marketing, 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, 2007, our consolidated balance sheet reflected approximately \$1.1 billion of goodwill and approximately \$639.1 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 generally require 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 with a correlative effect on partners' equity and balance sheet leverage, as measured by debt to total capitalization.

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

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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.

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, among other things, could:

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.

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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 of our products in development may be dependent on commercial sales by us or by our customers of 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 of our products, especially 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), 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.

The key products and product candidates we acquired in our acquisition of Digene are medical devices subject to extensive regulation by the FDA under the Federal Food, Drug and Cosmetic Act. 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 previously performed by Digene (which are now performed by us), 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. With respect to our HPV test products, Digene was the first company to obtain approval of regulatory 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-market 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.

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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 also affect our ability to commercially distribute these products in the United States.

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 self, could be adversely affected.

Our business exposes us to potential 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, there can be no assurance that product liability claims will not be brought against us. 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 our purposes. 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, therefore, are 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.

Our debt service obligations may adversely affect our cash flow.

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

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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 among other things could:

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

Our Common Shares may have a volatile public trading price.

The market price of the Common Shares since our initial public offering in September 1996 has increased significantly and been highly volatile. In the last two fiscal years, the closing price of our Common Shares has ranged from a high of \$23.55 to a low of \$11.72 on the NASDAQ, and a high of EUR 16.24 to a low of EUR 9.55 on the Frankfurt Stock Exchange. In addition to overall stock market fluctuations, factors which may have a significant impact on the market price of the 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 will not 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

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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.

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 the 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 as amended on October 11, 2007, our authorized share capital amounts to EUR

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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, 2007, we had outstanding 195.3 million Common Shares plus 12.9 million additional shares subject to outstanding stock options and awards, of which 11.2 million were vested. A total of approximately 19.9 million Common Shares are reserved and available for issuances under our stock plans, including those shares subject to outstanding stock options and awards. The resale of Common Shares issued in connection with the exercise of certain stock options are subject to some restrictions. All 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 26.9 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 the outstanding Common Shares 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. They 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 the outstanding Common Shares. 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 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. 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 (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.

United States civil liabilities may not be enforceable against us.

We are incorporated under the laws of The Netherlands 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 and certain experts named herein 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

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the U.S. 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, officers or certain experts named herein 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, our officers or certain experts named herein 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, officers or experts, respectively.

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 vennootschap*) 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, 2007 of approximately 17% in net sales and 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 expanding and focusing our technology and product offerings. Significant events in the development of our business in 2007 include:

In April 2007, our subsidiary QIAGEN North American Holdings, Inc. signed a definitive merger agreement with eGene, Inc. (OTCBB: EGEI) pursuant to which eGene became a wholly-owned subsidiary of QIAGEN North American Holdings, Inc. eGene is 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. The acquisition was completed in July 2007 for approximately \$30.3 million including cash and equity.

In July 2007, we completed the acquisition of Digene Corporation (NASDAQ: DIGE) 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 wholly owned subsidiary of QIAGEN North

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American Holdings, Inc. and was subsequently renamed QIAGEN Gaithersburg, Inc. In the aggregate, net of cash acquired, the consideration totaled approximately \$1.5 billion including cash and equity. 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 December 2007, we entered into a joint venture with BioOne* Capital to establish Dx Assay Pte Ltd, one of the first centers in Singapore for assay development in which molecular diagnostics for infectious and genetic diseases will be developed.

In 2008, we were awarded an exclusive contract by the Singapore Ministry of Health to supply sample preparation solutions and molecular tests for the specific detection of Influenza H5N1 viruses (avian flu virus). The contract with the Singapore Ministry of Health is the latest supply agreement of QIAGEN with public and private institutions engaged in H5N1 surveillance. More than 80 institutes worldwide involved in the surveillance of avian flu infection use procedures and reagents developed and offered by QIAGEN.

Also in 2008, we introduced the QIASymphony SP, the first system of a novel modular processing platform, which can be integrated to automate entire workflows from sample to result. The QIASymphony offers the highest flexibility, convenience and safety for a broad range of sample and assay applications.

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. Sample technologies are used to collect, stabilize, isolate and purify deoxyribonucleic acid (DNA), ribonucleic acid (RNA) and proteins from any biological sample. 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 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.

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.). They 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 reagents and testing solutions.

Our assay technologies include reagents which enable the detection of such purified target analytes. We also provide closed assays, which have been pre-configured to test for specific targets such as the influenza virus, hepatitis, HIV or herpes. QIAGEN holds a unique leadership position in HPV-testing, one of the largest and most rapidly expanding market segments in both women's health testing and molecular diagnostics. The Company provides the only FDA approved and CE marked test which screens for the presence of high-risk HPV viruses that cause cervical cancer. QIAGEN plans to market the test worldwide through its dedicated sales force and to offer accompanying tests for Gonorrhea, Chlamydia, and other pathogens, which are expected to form the core of our new women's health products portfolio.

Our Products

We have developed more than 500 consumable products and automated solutions. 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

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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 molecular diagnostic assays are used to make such isolated biomolecules visible. We offer most of our sample and assay consumable products, which account for about 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; DNA testing for HPV, RNA stabilization and purification; 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 genotyping. In 2007, we acquired Digene Corporation and began offering the HC2 HPV Test, a signal amplified test for the Human Papillomavirus for use in cervical cancer screening programs. The majority of assays are validated with either manual QIAamp sample preparation or automated MagAttract sample preparation from QIAGEN and CE-labeled according to the IvD-Directive in EU.

Instrumentation:

Our automated systems perform automated nucleic acid preparation of 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. We also sell instruments to our OEM partners. 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 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.

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.

In 2007, we launched 72 new products, including sample and assay technologies for research in the areas of epigenetics, gene expression, micro RNA, proteomics, RNAi, applied testing and molecular diagnostics as well as platform solutions such as the very successful QIAcube.

Research and Development

By focusing our resources on our core expertise Sample & Assay Technologies, we can invest more in research and development than we believe is typical in our industry. Over 460 employees in research and development, who work in five centers of excellence on three different continents, constantly develop new

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applications that push the frontiers of science further. Rapid, proven innovation cycles promise fast introductions of new technologies which meet the needs of today's labs. Our investment in research and development accounts for more than 10% of our sales. Our total research and development expenses in 2007, 2006 and 2005 were approximately \$64.9 million, \$41.6 million, and \$35.8 million, respectively. We have fast, proven innovation cycles, with four percent of 2007 revenue growth stemming from new products launched in 2007. Our comprehensive intellectual property portfolio spans over 630 granted patents and more than 600 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 pre-analytical processing 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 including but not limited to the United States, Germany, the United Kingdom, Switzerland, France, Japan, Australia, Canada, Italy, and throughout Asia. We have established a network of highly experienced marketing personnel and employ a dedicated field sales force of over 900 people, who sell our products and provide direct support to customers. A significant number of our marketing and sales staff are 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 this 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 hybrid capture 2, or HC2, technology. 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 HC2 HPV Test. We plan to continue the DTC campaign during 2008.

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 journals such as *Science*, and hold numerous scientific seminars, in which our scientists present technical information at leading 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 online ordering system, various support tools and resources. Some information is available on our website in French and German to support these local markets. We also have a Japanese language site (www.qiagen.co.jp). The information contained in, or that can be accessed through, our website is not part of this Annual Report.

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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 nucleic acids and proteins would play an increasingly important role in 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 United States National Institutes of Health, or 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, and applied testing, 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 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, 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 home-brew 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 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.

Molecular Diagnostics Market

We believe that the molecular diagnostics market represents a significant market for nucleic acid sample 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.

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This new generation of molecular diagnostics can be used, for example, to detect or identify micro-organisms, cancer cells, bacteria and viruses (including HIV) by searching for their 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 the sequence in the sample must be amplified 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 initial test, 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, and reliability 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 platforms, such as real-time PCR or endpoint PCR, contain PCR reagents. Closed platforms, diagnostics with predefined targets, include Multiplexing and other pathogen detection assays. In order to broadly address the molecular diagnostics market, in May 2005 we acquired artus Gesellschaft für 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 expect molecular diagnostic tests 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. 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.

Table of Contents***Applied Testing Market***

We believe that emerging applied testing markets 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 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 U.S. NIH and similar domestic and international agencies. To the extent that our academic customers experience increases, decreases or delays in funding arrangements, 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	2007	2006	2005
North America*	\$ 465,878,000	\$ 318,865,000	\$ 285,242,000
Germany*	270,173,000	220,325,000	187,381,000
Switzerland*	56,615,000	40,044,000	36,957,000
Asia*	71,168,000	49,875,000	35,266,000
Rest of World*	148,082,000	109,025,000	88,924,000
Corporate*	350,000	525,000	985,000
Subtotal	1,012,266,000	738,659,000	634,755,000
Intersegment Elimination+	(362,492,000)	(272,881,000)	(236,360,000)
Total	\$ 649,774,000	\$ 465,778,000	\$ 398,395,000

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* 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 may continue to make investments in intellectual property. In the years ended December 31, 2007, 2006 and 2005, our purchases of intangible assets have totaled approximately \$24.1 million, \$6.4 million, and \$15.3 million, respectively. We do not depend solely on any individual patent or technologies owned or licensed by us. We are however significantly dependent in the aggregate on technology that we own or license.

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Therefore, we consider the protection of our proprietary technologies and products as the key 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 109 issued patents in the United States, 70 issued patents in Germany and 434 issued patents in other major industrialized countries, and have 619 pending patent applications. Worldwide, we own 613 granted patents. 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, including Roche Diagnostics, Abbott Laboratories and Siemens.

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, 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: Promega Corp., Invitrogen Corp., Millipore Corp., Roche Diagnostics, and Macherey-Nagel GmbH for nucleic acid separation and purification; Applied Biosystems, Invitrogen Corp. and Promega Corp. for assay solutions; Invitrogen 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.

We also face competition from well established diagnostic technologies, such as cytology and, particularly in Europe, from emerging alternative HPV testing approaches, such as research-based PCR, other indicators of disease and other **home brew** testing methods developed by laboratories. With the increasing acceptance of the

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importance of HPV testing, we expect such competition will intensify. Our competitors include molecular diagnostic companies, such as Roche Diagnostics, Third Wave Technologies, Inc. and Gen-Probe, Inc., which are developing or marketing HPV products that have not been approved by the FDA, and manufacturers of liquid-based Pap tests, such as Hologic, Inc. (formerly Cytoc Corp.) and Beckton Dickinson and Company (formerly TriPath Imaging).

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 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 because our HPV test products are FDA-approved for two indications and because, as clinical studies have shown, our HPV test products, used in conjunction with the Pap test, have demonstrated their ability to enable significant diagnostic capabilities due to high clinical sensitivity and high negative predictive value.

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,

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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 as well as 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.

The Food and Drug Administration is responsible for the safety of food, drug, medical device, biological, animal feed and drugs, cosmetic, and radiation-emitting products sold in the United States. QIAGEN products sold to U.S. clinical labs are IVD medical devices subject to varying levels of FDA regulation based on their potential public health risk. Pursuant to the Federal Food, Drug, and Cosmetic Act, and the related regulations, the FDA regulates product development, product testing, product labeling, product storage, pre-market clearance or approval, manufacturing, advertising, promotion, product sales and distribution of medical devices.

In the United States, IVD products are classified into 3 classes based on their potential health risk. Low risk products (e.g. QIAamp sample extraction products) are Class I. Typically exempt from FDA premarket submission requirements, manufacturers must document manufacturing/quality control procedures and testing data supporting product performance claims. Automated Class I products (e.g., BioRobot MDx DSP, EZ1 and BioRobot DSP) marketed to clinical labs also require design control documentation.

Moderate risk products (e.g., hybrid capture Chlamydia and Gonorrhea tests, PreAnalytix PaxGene Blood RNA Kit) are Class II, and most require FDA review of a premarket notification, or 510(k), submission prior to sale in the US. The intended use and technology principle must be substantially equivalent to another legally marketed U.S. product. Internal analytical and external clinical data supporting product performance claims are included in the submission. After a 90 day review, FDA may issue a 510(k) clearance letter stating that the product is substantially equivalent to another and the product can now be sold in the US. On average, two 90 day FDA review cycles are typically required after submission to obtain market clearance of a new Class II IVD product.

High risk products, such as our HC2 HPV test are Class III, and require FDA approval prior to product sale. The premarket approval application (PMA) includes analytical and external clinical data to prove product safety and effectiveness. PMA submissions also include the product handbook and description of manufacturing/quality control procedures. Product changes after approval typically require a supplemental submission with FDA review cycles ranging from 30 to 180 days.

For Class I and II products, FDA may review manufacturing information during regular GMP audits of the manufacturing site. For Class III products, FDA conducts mandatory Quality System/Good Clinical Practice audits of the manufacturing and external clinical data collection sites during its 180 day review.

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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 and reporting of adverse experiences with the use of the device. 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, fines, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, failure of the government to grant pre-market clearance or pre-market approval for devices, withdrawal of marketing clearances and/or approvals and criminal prosecution. The FDA also has the authority to request repair, replacement or refund of the cost of any device that we manufacture or distribute.

The FDA enforces regulations prohibiting the promotion of devices for unapproved (or off label) uses and the promotion of devices for which pre-market clearance or approval has not been obtained. Any failure by us to comply with these requirements can result in regulatory enforcement action by the FDA and possible limitations on the promotion and/or sale of our products.

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 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 approvals by the FDA and foreign government authorities may be 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 for more than 40 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 facility is located in Switzerland. 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 engineering degrees. 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 \$34.5 million, \$29.0 million and \$13.7 million for the years ended December 31, 2007, 2006 and 2005.

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

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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 new facility began in August 2006 and was completed in 2007. The new logistics center comprises approximately 61,000 square feet and cost approximately EUR 9.0 million (approximately \$13.1 million). In 2008, we may make further investments in the logistics center of up to an additional EUR 1.0 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. We are currently contemplating an expansion of our Germantown facility which would expand our warehousing and distribution center by approximately 32,500 square feet. We are still in the planning stage and construction could potentially begin in 2008 with completion in 2009. This new construction would be financed either through working capital or new borrowings.

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, 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

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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 development efforts involve 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 Form 20-F.

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. Assay technologies are then used to make specific target biomolecules, such as the DNA of a specific virus, visible for subsequent analysis. 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.

We have developed more than 500 consumable products and automated solutions. We sell these products to academic research markets, leading pharmaceutical and biotechnology companies, and molecular diagnostics laboratories as well as 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.

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 but not limited to the United States, Germany, the United Kingdom, Switzerland, France, Japan, Australia, Canada, Italy, and throughout Asia. We also have specialized independent distributors and importers. We employ more than 2,600 people in over 20 locations worldwide.

Since 2002, we have had a compound annual growth rate of approximately 17% in net sales and 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 July 2007, we completed the acquisition of Digene Corporation (NASDAQ: DIGE) 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 wholly owned subsidiary of QIAGEN North American Holdings, Inc. and was subsequently 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. (OTCBB: EGEI) pursuant to which eGene became a wholly-owned subsidiary of QIAGEN North American Holdings, Inc. eGene is 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.

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In the fourth quarter of 2006, we completed the acquisition of Genaco Biomedical Products, Inc., located in Huntsville, Alabama. Genaco is an early-stage company applying a proprietary PCR-based multiplexing technology, Tem-PCR, to develop Templex molecular diagnostic tests. Multiplexing is a rapidly emerging segment in molecular diagnostics and is also highly synergistic with our portfolio of qPCR-based molecular diagnostic assays which in the segment of infectious disease diagnostics is considered to be the broadest in the world. In the fourth quarter of 2006, we also acquired former distributors PhileKorea Technology Inc., located in Daejeon, Korea, and ATC Health Products Ltd., located in Ankara, Turkey.

In the second quarter of 2006, we completed the acquisitions of Gentra Systems, Inc., located in Minneapolis, Minnesota, Singapore-based Research Biolabs Pte. Ltd., and Research Biolabs Sdn Bhd, located in Malaysia. Gentra is a leading developer, manufacturer, and supplier of non-solid phase nucleic acid purification products, providing both consumables and automated platforms. The acquisition expands our position as a leading provider of preanalytical and molecular diagnostics solutions to research and diagnostic customers. The acquisition of Research Biolabs, previously our distributor, expands our direct presence in one of the most dynamic regions of our global business. Research Biolabs currently has sales and marketing teams in Singapore, Malaysia and Indonesia, and will also support market development in Thailand and Vietnam.

During the first quarter of 2006, we completed two acquisitions. PG Biotech Co. Ltd. (PG Biotech) is a leading developer, manufacturer, and supplier of polymerase chain reaction (PCR)-based molecular diagnostic kits in China. The acquisition will support QIAGEN's position as a leading provider of molecular diagnostics solutions to OEM partners and customers in the rapidly growing Asian markets. We also acquired certain assets and operations from Diatech s.r.l., Jesi, Italy, which distributes products produced by artus Gesellschaft für molekularbiologische Diagnostik und Entwicklung mbH, which we acquired in 2005, in Italy.

At the end of the fourth quarter of 2005, we completed the acquisition of Eppendorf AG's reagent business which includes the Eppendorf 5-Prime nucleic acid sample preparation and PCR reagent product lines and related intellectual property. The acquisition adds to our core strategic focus, represents an attractive addition to our portfolio of preanalytical and nucleic acid amplification consumables and adds a very promising pipeline of proprietary technologies for nucleic acid handling, separation, purification, and amplification.

During the third quarter of 2005, we completed three acquisitions. We acquired Tianwei Times, located in Beijing, China, which is a leading developer, manufacturer and supplier of nucleic acid sample preparation consumables in China. We acquired substantially all assets of Tianwei Times through our new wholly owned subsidiary Tiangen Biotech Beijing Co. Ltd. (Tiangen). The Tiangen acquisition expands QIAGEN's position as the leading supplier for products and technologies for preanalytical sample preparation in the rapidly growing market in China. In August, we acquired the business of LumiCyt, Inc., which has developed and recently initiated marketing of the first products based on its proprietary STS- (Surface Tension Segmented) Biochip sample preparation solution for MALDI (Matrix-Assisted Laser Desorption/Ionization)-Mass Spectrometry (MS), and SuNyx GmbH which has developed and recently initiated marketing of its proprietary platforms for sample preparation of peptide and protein samples for analysis on Liquid Chromatography (LC)-MALDI Mass Spectrometry.

During the second quarter of 2005, we completed the acquisition of two companies. We acquired artus Gesellschaft für molekularbiologische Diagnostik und Entwicklung mbH (artus), subsequently renamed QIAGEN Hamburg GmbH, which is located in Hamburg, Germany, and is an established leader in PCR-based molecular diagnostic tests for pathogenetic, genotyping and pharmacogenomic testing. We also acquired Nextal Biotechnology, Inc. (Nextal), which is located in Canada and is a fast-growing provider of proprietary sample preparation tools which make protein crystallization more accessible.

Also during the second quarter of 2005, we acquired the world-wide, exclusive rights and licenses to manufacture and market the complete portfolio of RNeasy's nucleic acid isolation products from

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Hitachi Chemical Research Center, Inc. In combination with our consumable and automation technologies, the RNAture solutions have the potential to provide a new dimension of value to our customers in high-throughput gene expression analysis and siRNA in research and drug development.

During 2005, we purchased the previously leased cGMP production facilities in Germany and began the planning for a new logistics center in Hilden, Germany. Construction on the new facility began in August 2006 and was completed in 2007.

In 2006, we closed our facilities in Oslo, Norway and Fremont, California, and commenced the relocation and closure of a facility in Canada. In 2007 we started the closure of a facility in Huntsville, Alabama.

In 2007, on a consolidated basis, operating income decreased to \$83.1 million compared to the operating income of \$100.6 million in 2006. Our financial results include the contributions of our recent acquisitions, primarily Digene Corporation, as well as the costs related to the acquisitions and integrations, including charges for purchased in-process research and development, and costs related to the relocation and closure of certain of our facilities formerly located in Norway and North America. Our operating income was also impacted by growth in consumables and instrument product sales, both of which experienced growth of 40% during 2007.

In 2006, on a consolidated basis, operating income increased to \$100.6 million, compared to \$94.8 million in 2005. Our financial results include the contributions of our recent acquisitions, as well as the costs related to the acquisitions and integrations, including charges for purchased in-process research and development, and costs related to the relocation and closure of our facilities in Norway, Canada and Fremont, California. 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.

We manage our business based on the locations of our subsidiaries. Therefore, 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 and two subsidiaries located in Germany 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 the 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, 2007, 2006 and 2005. Further segment information can be found in Note 19 in the accompanying financial statements.

Operating Income (Loss)	2007	2006	2005
North America	\$ 14,605,000	\$ 31,414,000	\$ 36,095,000
Germany	63,769,000	53,956,000	43,279,000
Switzerland	(391,000)	(1,558,000)	(305,000)
Asia	5,941,000	8,302,000	7,182,000
Rest of World	21,922,000	15,594,000	14,136,000
Corporate	(20,051,000)	(6,550,000)	(3,959,000)
Subtotal	85,795,000	101,158,000	96,428,000
Intersegment Elimination	(2,662,000)	(557,000)	(1,591,000)
Total	\$ 83,133,000	\$ 100,601,000	\$ 94,837,000

In 2007, operating income in North America decreased compared to 2006. The United States experienced an increase in sales, however, operating expenses in the United States were also higher as a result of our recent acquisitions, in particular the third quarter 2007 acquisition of Digene, as well as integration and relocation efforts. In addition, \$25.9 million of purchased in-process research and development was expensed in 2007 in connection with our acquisitions. Further discussion of purchased in-process research and development can be found in Note 4 in the accompanying financial statements.

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In Germany, operating income was higher in 2007 primarily due to an increase in sales partially offset by an increase in research and development expense as a result of intercompany transfers of technology and license agreements.

In Switzerland, the decrease in operating loss in 2007 compared to 2006 was primarily due to an increase in instrumentation sales as well as a decrease in research and development expense as a result of intercompany transfers of technology and license agreements.

The net decrease in operating income in our Asia segment is primarily due to decreases in operating income from our Japanese subsidiary which, during 2007, experienced lower gross margins as compared to 2006 as a result of intercompany transfer prices, partially offset by results in China and our new expansions in Korea and Singapore.

The operating income increase in our Rest of World segment is primarily due to increased sales in 2007 as compared to 2006 as resulting from acquisitions and organic growth.

Fiscal Year Ended December 31, 2007 compared to 2006

Net Sales

In 2007, net sales increased 40% to \$649.8 million compared to \$465.8 million in 2006. In 2007 compared to 2006, net sales in Germany increased 19%, net sales in Asia increased 41%, primarily driven by Singapore, China, and Korea, net sales in North America increased 53%, primarily due to the acquisition of Digene, and net sales in Rest of World increased 35%. The increase in sales in each of these regions was the result of an increase in our consumable and instrumentation products, which both experienced overall growth rates of 40% in 2007 as compared to 2006. The increase in consumable sales includes organic growth (12%), sales from our recently acquired businesses (22%), and the impact of foreign exchange rates (6%). During 2007, sales from our instrumentation products increased primarily due to the launch of our new QIAcube system. Sales of our other offerings, primarily services, which represented 1% of our 2007 net sales, increased 30% in 2007 as compared to 2006.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. During 2007, we introduced 72 new products, including innovative sample and assay technologies for research in the areas of epigenetics, gene expression, micro RNA, proteomics, RNAi, applied testing and molecular diagnostics as well as innovative platform solutions such as the QIAcube.

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. For the year ended December 31, 2007 as compared to 2006, using the 2006 foreign exchange rates for both periods, net sales would have increased approximately 34% as compared to the reported increase of 40%.

Gross Profit

Gross profit was \$433.5 million, or 67% of net sales, in the year ended December 31, 2007 as compared to \$318.5 million, or 68% of net sales, in 2006. The absolute dollar increase in 2007 compared to 2006 is attributable to the increase in net sales. The gross margin of 67% in 2007 as compared to the gross margin of 68% in 2006 reflects the impact of an increase in acquisition related costs and instrumentation sales, partially offset by the increase in consumable product sales.

During 2007, a total of \$2.8 million was expensed to acquisition-related costs within cost of sales. Included within this amount is approximately \$300,000 of inventory which has been written off as a result of the acquisitions as well as \$2.5 million related to the write-up of acquired inventory to fair market value as a result of a business combination. In accordance with purchase accounting rules, acquired inventory was recorded at fair market value and subsequently expensed as the inventory was sold.

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In connection with our 2006 acquisitions, during the year ended December 31, 2006, we recorded a charge of \$2.0 million related to inventory which needed to be replaced with products suitable to the newly acquired technologies.

Further, 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 \$23.6 million in 2007 as compared to \$6.1 million in 2006. 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.

We experienced increased instrument sales in 2007, including sales of our new QIAcube instrument which began shipping in April 2007. Our instrumentation products have a lower gross margin than our consumable products, and fluctuations in the sales levels of these products can result in fluctuation in our gross margin when compared to the gross margin of another period. During both 2007 and 2006, instrumentation sales represented approximately 10% of our total sales.

Our consumable sales in 2007 represent approximately 90% of our total sales and increased 40% over sales in 2006. In 2007, the gross margin on our consumable products increased primarily as a result of product sales from our recently acquired businesses.

Research and Development

Research and development expenses increased 56% to \$64.9 million (10% of net sales) in 2007 compared to \$41.6 million (9% of net sales) in the same period of 2006. Using identical foreign exchange rates for both years, research and development expenses increased approximately 47%. Our recent acquisitions of Digene and eGene, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to expand our research activities and product development capabilities, additional expense will be incurred related to research and development facility costs and the employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as we incur costs in connection with obtaining 510(k) and CE approval of our assays. We have a strong commitment to research and development and anticipate that research and development expenses will continue to increase, perhaps significantly.

Sales and Marketing

Sales and marketing expenses increased 42% to \$164.7 million (25% of net sales) in 2007 from \$115.9 million (25% of net sales) in 2006. Using identical foreign exchange rates for both years, sales and marketing expenses increased 37%. 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 2007 as compared to 2006 is primarily due to our third quarter acquisition of Digene through which we acquired an additional 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

General and administrative expenses increased 48% to \$71.9 million (11% of net sales) in 2007 from \$48.6 million (10% of net sales) in 2006. Using identical foreign exchange rates for both years, general and administrative expenses increased approximately 42%. General and administrative expenses primarily represent

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the costs required to support our administrative infrastructure which, except for the period following our restructuring, has continued to expand along with our growth. The increase in general and administrative expenses in 2007 is primarily the result of expenses related to our newly acquired subsidiaries in North America, Digene and eGene. In connection with the integration of the acquired companies, we aim to improve efficiency in general and administrative operations. We believe that over time the results of the integration activities will result in a decrease in our general and administrative expenses as a percentage of sales.

Purchased In-Process Research and Development

In connection with our acquisitions in 2007, we recorded a charge of \$25.9 million for purchased in-process research and development. This amount represents \$900,000 related to the acquisition of eGene, and \$25.0 million related to the acquisition of Digene Corporation and represents 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. 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.

Acquisition, Integration and Related Costs

During 2007, we recorded costs of \$14.7 million, related to the integration of recently acquired subsidiaries in North America and Asia. These expenses relate primarily to the severance and other costs associated with the integrations. During 2007, a total of \$2.8 million was expensed to acquisition-related costs within cost of sales. As we further integrate the acquired companies, we expect to continue to incur acquisition, integration and related costs in 2008.

Costs related to acquisition and integration activities during 2006 totaled \$6.1 million, including \$1.0 million in severance and employee -related costs, \$2.5 million of costs related to acquisition integrations and \$2.6 million for the impairment of assets.

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 the cost of sales, research and development or sales and marketing line items based on the use of the asset.

During 2007, the amortization expense on acquisition-related intangibles within operating expense increased to \$7.7 million compared to \$2.1 million in 2006. 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.

Relocation and Restructuring Costs

Relocation and restructuring costs recorded in 2007 and 2006 are related to the restructuring of acquired businesses located in Norway and North America for which a restructuring was not contemplated at the time of acquisition. The restructuring was completed in 2007 at total cost of approximately \$2.0 million, of which approximately \$500,000 was recorded in 2007 and \$1.5 million in 2006. In 2007, we commenced the restructuring of the Huntsville, Alabama facility. The restructuring is expected to be completed during 2008 at an estimated cost of \$400,000.

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Other Income (Expense)

Other expense was \$7.4 million in 2007 compared to other income of \$5.5 million in 2006. This increase in expense was mainly due to higher interest expense.

For the year ended December 31, 2007, interest income increased to \$19.5 million from \$16.4 million in 2006. The increase in interest income was primarily the result of an increase in interest rates. At December 31, 2007, we had \$347.3 million in cash and cash equivalents compared to \$430.4 million at December 31, 2006. The decrease in cash and cash equivalents is primarily due to the use of cash to acquire eGene and Digene during the third quarter of 2007.

Interest expense increased to \$31.5 million in 2007 compared to \$11.9 million in 2006. Interest costs 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 2007 as compared to 2006 is primarily due to the interest expense on the new term loan obtained in July 2007.

In 2007, research and development grant income from European, as well as German, state and federal government grants increased to \$1.8 million from \$795,000 in 2006. We conduct significant research and development activities in Germany, and expect to continue to apply for such research and development grants in the future.

We recorded a gain from foreign currency transactions of \$2.0 million in 2007 as compared to a loss of \$660,000 in 2006. The gain or loss from foreign currency transactions reflects net effects from conducting business in different currencies. See *Currency Fluctuations* .

In 2007, we recorded a net gain from equity method investees of \$1.6 million compared to \$1.3 million in 2006. The gain primarily represents our share of profits from our equity investment in PreAnalytiX. As previously disclosed, we intend to continue to make strategic investments in complementary businesses as the opportunities arise. During 2007, we entered into a joint venture with BioOne*Capital to establish Dx Assay Pte Ltd, one of the first centers in Singapore for assay development in which molecular diagnostics for infectious and genetic diseases will be developed. Accordingly, we may record losses on equity investments based on our ownership interest in such companies.

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 2007 and 2006, our effective tax rate was 34%. The effective tax rates during 2007 and 2006 are impacted as a result of non-recurring acquisition related charges which were recorded without any related tax benefit. Further, effective January 1, 2007, The Netherlands corporate tax rate decreased to 25.5% from 29.6%. In addition, our newer subsidiaries in Asia, including Singapore and Korea which joined the consolidated group in the later half of 2006, have lower tax rates of 18% and 27%, respectively. Thus, in 2007, an increasing portion of our pre-tax income is attributable to subsidiaries with lower effective tax rates as compared to 2006. In addition, due to the expiration of the statute of limitations, \$2.2 million of tax benefits have been recognized during 2007. In future periods, we expect that the adoption of FIN 48 may result in greater volatility in the effective tax rate. In 2008, the German tax rate decreased to 30% from 39% which will positively impact our 2008 consolidated effective tax rate.

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Fiscal Year Ended December 31, 2006 compared to 2005

Net Sales

In 2006, net sales increased 17% to \$465.8 million from \$398.4 million in 2005. In 2006, net sales in North America increased 12%, net sales in Europe increased 17% and net sales in Asia increased 41%, primarily driven by China. The increase in net sales was primarily the result of an increase in our consumables products sales which experienced a growth rate of 17% in 2006 as compared to 2005. The increase in consumable sales included organic growth and sales from our recently acquired businesses. During 2006, sales from our instrumentation products increased 19% compared to 2005. Sales of our other offerings, primarily services, which represented 1% of our 2006 net sales, decreased 16% in 2006 as compared to 2005.

We regularly introduce new products in order to extend the life of our existing product lines as well as to address new market opportunities. During 2006, we introduced more than 67 new products, including innovative sample and assay technologies for research in the areas of epigenetics, gene expression, micro RNA, proteomics, RNAi, and molecular diagnostics.

A significant portion of our revenues is denominated in euros. Changes in exchange rates can affect the growth rate of net sales. For the year ended December 31, 2006, using identical foreign exchange rates for both years, net sales would have increased approximately 17% as compared to the reported increase of 17% for the year ended December 31, 2006.

Gross Profit

Gross profit was \$318.5 million or 68% of net sales, in the year ended December 31, 2006 as compared to \$271.9 million or 68% of net sales in 2005. The absolute dollar increase in 2006 compared to 2005 is attributable to the increase in net sales. Our consumable products have a higher gross margin than our instrumentation products and fluctuations in the sales levels of these products can result in fluctuation in our gross margin during a quarter when compared to the gross margin of another quarter. During both 2006 and 2005, instrumentation sales represented approximately 10% of our total sales. In connection with our acquisitions in 2006 and 2005, we expensed \$2.0 million and \$439,000, respectively, of inventory to cost of sales which will be replaced with products integrating newly acquired technologies.

Further, 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 \$6.1 million in 2006 as compared to \$3.3 million in 2005. The increase in amortization expense is the result of an increase in intangibles acquired in recent business combinations.

Research and Development

Research and development expenses increased 16% to \$41.6 million (9% of net sales) in 2006 compared with \$35.8 million (9% of net sales) in 2005. Using identical foreign exchange rates for both years, research and development expenses would have increased approximately 15%. Our recent acquisitions of new technologies, notably those acquired via the acquisitions of artus and 5-Prime, have resulted in an increase in our research and development costs. As we continue to expand our research activities and product development capabilities, additional expense will be incurred related to research and development facility costs and the employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as we incur costs in connection with obtaining 510(k) and CE approval of our assays and look to expand our sample and assay technology portfolio for research in applied testing and molecular diagnostics. We intend to significantly invest in clinical trials for a number of molecular diagnostic products with the goal of adding more regulated products to our portfolio. We have a strong commitment to research and development and anticipate that research and development expenses will continue to increase, perhaps significantly.

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Sales and Marketing

Sales and marketing expenses increased 23% to \$115.9 million (25% of net sales) in 2006 from \$94.3 million (24% of net sales) in 2005. Using identical foreign exchange rates for each year, sales and marketing expenses would have increased approximately 22%. 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 2006 includes expenses related to creating separate sales organizations addressing customers in industrial and academic research, applied testing and molecular diagnostics, as well as to sales organizations in our newly acquired or established subsidiaries. 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

General and administrative expenses increased 21% to \$48.6 million (10% of net sales) in 2006 from \$40.1 million (10% of net sales) in 2005. Using identical foreign exchange rates for both years, general and administrative expenses would have increased approximately 21%. General and administrative expenses primarily represent the costs required to support our administrative infrastructure which, except for the period following our restructuring, have continued to expand along with our growth. The increase in general and administrative expenses in 2006 includes expenses related to our newly acquired subsidiaries.

Acquisition, Integration and Related Costs

In connection with our acquisitions, we recorded charges in 2006 related to acquisition and integration activities totaling \$6.1 million which included \$1.0 million in severance and employee-related costs, \$2.5 million of costs related to acquisition integrations and \$2.6 million for the impairment of assets.

In connection with our acquisitions, we recorded charges in 2005 related to acquisition and integration activities totaling \$3.2 million, including \$2.1 million related to the impairment of fixed and other assets as a result of acquisitions.

Acquisition-Related Intangible Amortization

Acquisition related intangible amortization relates to intangible assets acquired in our business acquisitions. During 2006, the amortization expense on acquisition related intangibles increased to \$2.1 million from \$378,000 in 2005. The increase in expense is the result of an increase in the amount of intangibles acquired in our recent business acquisitions. During 2006, we completed seven acquisitions which have increased our intangible assets subject to amortization. We therefore expect that our acquisition related intangible amortization will increase as a result of the recent acquisitions, as well as any future acquisitions.

Relocation and Restructure Costs

Relocation and restructuring costs recorded in 2006 are related to the restructuring of acquired businesses located in Norway and North America for which a restructuring was not contemplated at the time of acquisition. Restructuring charges related to the 2006 closures and relocations totaled approximately \$2.0 million, of which \$1.5 million has been recorded as of December 31, 2006. These costs consisted primarily of relocation and severance costs of \$669,000, lease and facility costs of \$181,000 and other costs of \$601,000.

Other Income (Expense)

Other income was \$5.5 million in 2006 compared to other expense of \$2.4 million in 2005. This increase in income was mainly due to higher interest income and gain from equity method investees, partially offset by higher interest expense, lower research and development grant income and a lower loss on foreign currency transactions.

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For the year ended December 31, 2006, interest income increased to \$16.4 million from \$7.6 million in 2005. Interest income is derived mainly from interest bearing cash accounts and investments. The increase in interest income in 2006 over 2005 was primarily the result of an increase in amounts invested during the year along with an increase in interest rates. At December 31, 2006, we had \$430.4 million in cash and cash equivalents compared to \$191.7 million at December 31, 2005. As of December 31, 2006, we had \$52.8 million invested in marketable securities, compared to \$15.0 million in auction rate securities at December 31, 2005.

Interest expense increased to \$11.9 million in 2006 compared to \$5.9 million in 2005. Interest costs relate primarily to our long-term borrowings from QIAGEN Finance and Euro Finance.

In 2006, research and development grant income from European Union as well as German state and federal government grants decreased to \$795,000 from \$1.4 million in 2005. We conduct significant research and development activities in Germany, and expect to continue to apply for such research and development grants in the future.

We recorded a loss from foreign currency transactions of \$660,000 in 2006 as compared to a loss of \$157,000 in 2005. The loss from foreign currency transactions reflects the net effect of conducting business in currencies other than the U.S. dollar. QIAGEN N.V.'s functional currency is the U.S. dollar and its subsidiaries' functional currencies are the euro, the British pound, the Swedish krone, the Swiss franc, the U.S. dollar, the Australian dollar, the Canadian dollar, the Japanese yen, the Malaysian ringgit, the Chinese yuan, the Korean won, the Turkish lira and the Norwegian krone. See Currency Fluctuations under Item 11 Quantitative and Qualitative Disclosures About Market Risk.

In 2006, we recorded a net gain from equity method investees of \$1.3 million compared to a loss of \$1.1 million in 2005. The gain/loss primarily represents our share of profits/losses from our equity investment in PreAnalytiX. As previously disclosed, we intend to continue to make strategic investments in complementary businesses as the opportunities arise. Accordingly, we may record losses on equity investments based on our ownership interest in such companies.

Provision for Income Taxes

Our effective tax rate decreased to 34% in 2006 from 36% in 2005. Our operating subsidiaries are exposed to effective tax rates ranging from approximately 0% to approximately 62%. Fluctuations in the distribution of pre-tax income among these entities can lead to fluctuations of the effective tax rate in our consolidated financial statements.

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, in accordance with Statement of Financial Accounting Standard No. 52, Foreign Currency Translation. 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 2007, 2006 and 2005 was \$2.0 million, (\$660,000), and (\$157,000), 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, 2007 and 2006, we had cash and cash

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equivalents of \$347.3 million and \$430.4 million, respectively, and investments in current marketable securities of \$2.3 million and \$52.8 million, respectively. Cash and cash equivalents are primarily held in euros and U.S. dollars, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At December 31, 2007, cash and cash equivalents had decreased by \$83.0 million over December 31, 2006 primarily due to cash provided by operating activities of \$84.8 million and financing activities of \$494.1 million, offset by cash used in investing activities of \$659.7 million. As of December 31, 2007 and 2006, we had working capital of \$482.2 million and \$566.7 million, respectively.

Operating Activities. For the years ended December 31, 2007 and 2006, we generated net cash from operating activities of \$84.8 million and \$101.5 million, respectively. Cash provided by operating activities decreased in 2007 compared to 2006 primarily due to decreases in net income, accrued liabilities and an increase in accounts receivable. The decrease in net income is primarily due to \$25.9 million in purchased in-process research and development and increased amortization on purchased intangible assets as a result of our 2007 acquisitions. The decrease in accrued liabilities in 2007 primarily reflects payment of liabilities assumed in connection with the acquisitions, while the increase in accounts receivable reflects our increasing sales. Since we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, or significant technological advances of competitors would have a negative impact on our liquidity.

Investing Activities. Approximately \$659.7 million of cash was used in investing activities during 2007, compared to \$165.5 million during 2006. Investing activities during 2007 consisted principally of cash paid for the acquisitions of Digene and eGene, during the third quarter of 2007 along with purchases of property and equipment, partially offset by proceeds from the sale and purchases of marketable securities. In addition, during 2007 we invested in a joint venture with BioOne*Capital in Singapore to establish Dx Assay Pte Ltd for the development of infectious and genetic disease assays.

In the third quarter of 2006, we began construction of a new logistics center located in Germany. The new facility opened during 2007, and consists of approximately 61,000 square feet and cost approximately EUR 9.0 million. The new logistics facility along with future expansions and acquisitions may result in increased investing activities compared to prior periods.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to \$27.1 million based on the achievement of certain revenue and operating results milestones as follows: \$10.1 million in 2008, \$4.0 million in 2009, and \$12.0 million payable in any 12 month period from now until 2010 if revenues exceed a certain amount and \$1.0 million payable upon the grant of certain patent rights. If paid, these contingent payments will be accounted for as additional cash paid for acquisitions.

Financing Activities. Financing activities provided \$494.1 million in cash for the year ended December 31, 2007, compared to \$303.2 million for 2006. Cash provided during the year was primarily due to proceeds from debt and the issuance of Common Shares in connection with our employee stock plans, tax benefits from stock-based compensation and proceeds received in connection with agreements to issue shares to QIAGEN Finance and Euro Finance partially offset by the repayment of debt and capital lease payments.

We have credit lines totaling \$165.3 million at variable interest rates, \$4,000 of which was utilized as of December 31, 2007. We also have capital lease obligations, including interest, in the amount of \$35.8 million, and carry \$950.0 million of long-term debt.

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 agreement. The lenders have agreed to make available to us an aggregate amount of \$750 million in the form of (1) a \$500 million term loan, (2) a \$100 million bridge loan, and (3) a \$150 million revolving credit facility. Under the agreement, the \$500 million term loan will mature in five years from the date of the agreement with an amortization schedule commencing on the second anniversary of the loan agreement. The \$150 million credit

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facility will also expire in five years from the date of the agreement. The \$100 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.

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 QIAGEN Euro Finance (Luxembourg) S.A. (Euro Finance). QIAGEN Finance and Euro Finance are unconsolidated subsidiaries which were established for this purpose. At December 31, 2007, \$150.0 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. The 2004 Notes have an effective rate of 1.95%, 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 4.2%, are due in November 2012 and are convertible into shares of our common stock at a conversion price of \$20.00, subject to adjustment. QIAGEN N.V. 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.

At December 31, 2006, we had a note payable of EUR 30.0 million which bore interest at a variable interest rate of EURIBOR plus 0.75%, and was due in annual payments of EUR 5.0 million through June 2011, and a note payable of EUR 5.0 million which was due in June 2008. These notes were repaid in July 2007. In connection with the first quarter 2006 acquisition of PG Biotech, we acquired approximately \$3.1 million in short-term debt. The debt was due and paid in April 2006.

We expect that cash from financing activities will continue to be impacted by issuances of Common Shares in connection with our employee stock 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 as needed, will be sufficient to fund our planned operations and expansion during the coming year.

Contractual Obligations

As of December 31, 2007, our future contractual cash obligations are as follows:

Contractual obligations							
(in thousands)	Total	2008	2009	2010	2011	2012	Thereafter
Long-term debt	\$ 950,000	\$	\$ 25,000	\$ 50,000	\$ 225,000	\$ 650,000	\$
Capital lease obligations	47,780	4,952	4,952	4,953	4,985	5,055	22,883
Operating leases	26,501	8,940	5,872	4,116	2,845	1,584	3,144
Purchase obligations	34,089	26,366	5,751	190	190	190	1,402
License and royalty payments	11,776	4,368	4,451	1,046	611	458	842
Other (1)	10,949	8,790	2,150	9			
Total contractual cash obligations	\$ 1,081,095	\$ 53,416	\$ 48,176	\$ 60,314	\$ 233,631	\$ 657,287	\$ 28,271

(1) Includes amounts due under acquisition-related severance and retention arrangements.

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 \$27.1 million based on revenue and other milestones in 2008 and beyond.

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Liabilities associated with uncertain tax positions, including interest, are currently estimated at \$11.3 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, accounts receivable, investments, goodwill and other intangibles, and income taxes. 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 in accordance with SEC Staff Accounting Bulletin No. 104, Revenue Recognition in Financial Statements (SAB 104). SAB 104 requires that four basic criteria must be met before revenue can be recognized: (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) collectibility 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 collectibility 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.

Accounts Receivable. Our accounts receivable are unsecured, and we are at risk to the extent such amounts become uncollectible. We continually monitor accounts receivable balances, and provide for an allowance for doubtful accounts at the time collection becomes questionable based on payment history or age of the receivable. Since a significant portion of our customers are funded through academic or government funding arrangements, past history may not be representative of the future. As a result, we may have write-offs of accounts receivable in excess of previously estimated amounts or may in certain periods increase or decrease the allowance based on management's current estimates.

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 control that we exert. Assessing the level of control involves subjective judgments. If management's assumptions with respect to control 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.

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Goodwill and Other Intangible Assets. We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets, requires us to assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. The statement requires estimates of the fair value of our reporting units. If we determine that the fair values 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, 2007, goodwill and intangible assets totaled \$1.1 billion and \$639.1 million, respectively, and were included in the following segments:

	Goodwill	Intangibles
North America	\$ 998,168,000	\$ 537,260,000
Germany	60,488,000	80,803,000
Switzerland		44,000
Asia	15,016,000	11,358,000
Rest of World	34,210,000	6,689,000
Corporate		2,953,000
Total	\$ 1,107,882,000	\$ 639,107,000

In the fourth quarter of 2007, we performed our annual impairment assessment of goodwill (using data as of October 1, 2007) in accordance with the provisions of SFAS No. 142. 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. Even if our estimates of projected future cash flows were too high by 10%, there would be no impact on the reported value of goodwill at December 31, 2007.

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. Effective January 1, 2006, we adopted the provisions of FASB Statement No. 123 (revised 2004), Share-Based Payment, (SFAS 123(R)) and SEC Staff Accounting Bulletin No. 107, Share-Based Payment, (SAB 107), using the modified prospective transition method. Under the modified prospective transition method, compensation cost recognized in 2006 includes compensation cost for all equity-based payments granted prior to but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123 and compensation cost for all equity-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R).

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,

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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 Form 20-F which contain a description of accounting policies and other disclosures required by generally accepted accounting principles in the United States.

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.

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Managing Directors and Supervisory Board Members 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.

Our Supervisory Directors and Managing Directors, and their ages as of January 25, 2008, are as follows:

Managing Directors:

Name	Age	Position
Peer M. Schatz	42	Managing Director, Chief Executive Officer
Roland Sackers	39	Managing Director, Chief Financial Officer
Dr. Joachim Schorr	47	Managing Director, Senior Vice President, Research and Development
Bernd Uder	50	Managing Director, Senior Vice President, Global Sales

Supervisory Board Members:

Name	Age	Position
Prof. Dr. Detlev H. Riesner	66	Chairman of the Supervisory Board, Supervisory Director and Chairman of the Selection and Appointment Committee
Dr. Metin Colpan	52	Supervisory Director
Erik Hornnaess	70	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	67	Supervisory Director and Member of the Compensation Committee
Dr. Werner Brandt	54	Supervisory Director and Chairman of the Audit Committee
Heino von Prondzynski	58	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, 42, 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 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 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. Mr. Schatz also serves in the capacities of Supervisory Director, Vice Chairman and Audit Committee Chairman of Evotec AG and acted as a member of the Advisory Board (Börsenrat) of the Frankfurt Stock Exchange through 2004, and also serves as a member of the German Corporate Governance Commission.

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Roland Sackers, 39, 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 Managing Director. Between 1995 and 1999, he was 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 2008, Mr. Sackers has served as QIAGEN's representative observer of the board of Eurofins Genomics BV.

Dr. Joachim Schorr, 47, joined the Company in 1992 and has been Senior Vice President Research & Development since January 1, 2004. He became a Managing Director 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, 50, joined the Company 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 the Company'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 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, 66, is a co-founder of the Company. He has been on the Company's Supervisory Board since 1984 and was appointed Chairman of the Supervisory Board in 1999. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980 and retired in 2007. In 1996, he was also appointed to the position of Vice President of Research, and from 1999 until 2007, he was Director of Technology at the University of Düsseldorf. 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 New Lab Bioquality AG, Erkrath, AC Immune S.A., Lausanne, Neuraxo GmbH, Düsseldorf and Direvo AG, Köln. Professor Riesner is also a member of the scientific advisory boards of the Friedrich-Loeffler-Institut, Isle of Riems, and PrioNet, Canada.

Dr. Metin Colpan, 52, is a co-founder of the Company and was Chief Executive Officer and a Managing Director from 1985 through 2003. Dr. Colpan obtained his Ph.D. and M.Sc. 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, 70, has been a member of the Supervisory Board since 1998, joined the Audit Committee in 2002 and the Compensation Committee in 2005. He was appointed Deputy Chairman of the Supervisory

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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 Handelshøjskole, Denmark with an M.B.A. and obtained a P.M.D. from the Harvard Business School.

Professor Dr. Manfred Karobath, 67, has been a member of the Supervisory Board since 2000. 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 Connaught, Centeon and Rhone Poulenc Pharma. He has received several scientific awards and has published 92 scientific papers. Dr. Karobath also serves as a member of the board of directors of Coley Pharmaceutical Group.

Dr. Werner Brandt, 54, joined the Company's Supervisory Board in 2007 and was appointed Audit Committee Chairman. 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 LSG Lufthansa Service Holding AG, Neu-Isenburg, Germany and SAP Systems Integration AG, Dresden, Germany.

Heino von Prondzynski, 58, joined the Company's Supervisory Board as well as the Audit Committee in 2007. Mr. von Prondzynski retired in 2005 from Roche (SWX: RO) 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 BBMedtech, Koninklijke Philips Electronics NV and Epigenomics.

Professor Dr. jur. Carsten P. Claussen, 80, 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 Industriegreditbank, Düsseldorf. At present, he is a partner in the law firm of Hoffmann 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, Cleve and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

Table of Contents**Compensation of Directors and Officers**

The tables below state the amounts earned on an accrual basis by our directors and officers in 2007. 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 2007 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, 2007

Name	Fixed Salary	Annual Compensation		Total
		Variable Cash Bonus	Other (1)	
Managing Board:				
Peer M. Schatz	\$ 1,059,000	\$ 437,000	\$ 11,000	\$ 1,507,000
Roland Sackers	\$ 452,000	\$ 162,000	\$ 53,000	\$ 667,000
Dr. Joachim Schorr	\$ 291,000	\$ 122,000	\$ 27,000	\$ 440,000
Bernd Uder	\$ 311,000	\$ 121,000	\$ 20,000	\$ 452,000

- (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 or other reimbursements or payments that in total did not exceed the lesser of \$50,000 or 10% of the total salary and bonus reported in 2007 for the officer.

Year ended December 31, 2007

Name	Long-Term Compensation		
	Defined Contribution Benefit Plan	Stock Options	Restricted Stock Units
Managing Board:			
Peer M. Schatz	\$ 80,000	114,551	318,175
Roland Sackers	\$ 72,000	35,019	97,285
Dr. Joachim Schorr	\$ 25,000	17,049	47,355
Bernd Uder	\$ 47,000	17,276	47,986

The Supervisory Board compensation for 2007 consists of fixed compensation, an additional amount 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 \$15,000

Additional compensation payable to members holding the following positions:

Chairman of the Supervisory Board \$10,000

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Vice Chairman of the Supervisory Board \$5,000

Fee payable to each member of a committee \$2,500

Additional fee payable to a Chairman of a 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 (not to exceed \$5,000 in the aggregate). Members of the Audit Committee receive \$1,000 for attending each meeting of the Audit Committee (not to exceed \$5,000 in the aggregate).

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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. We did not pay any agency or advisory service fees to members of the Supervisory Board other than \$471,000 to Dr. Colpan for his scientific consulting services, including travel reimbursements.

Name	Fixed Salary	Chairman/ Vice-Chairman Committee	Meeting Attendance	Committee Membership	Variable Cash Bonus	Total
Supervisory Board:						
Prof. Dr. Detlev H. Riesner	\$ 15,000	\$ 15,000	\$ 6,000	\$ 2,500	\$ 7,300	\$ 45,800
Dr. Heinrich Hornef (1)	\$ 7,500	\$ 5,000	\$ 6,000	\$ 2,500	\$ 3,700	\$ 24,700
Dr. Metin Colpan	\$ 15,000		\$ 5,000		\$ 7,300	\$ 27,300
Dr. Franz A. Wirtz (1)	\$ 7,500	\$ 2,500	\$ 4,500	\$ 2,500	\$ 3,700	\$ 20,700
Erik Hornnaess	\$ 15,000	\$ 5,000	\$ 10,000	\$ 6,250	\$ 7,300	\$ 43,550
Prof. Dr. Manfred Karobath	\$ 15,000		\$ 5,000	\$ 2,500	\$ 7,300	\$ 29,800
Dr. Werner Brandt (1)	\$ 7,500	\$ 2,500	\$ 6,500	\$ 1,250	\$ 3,700	\$ 21,450
Heino von Prondzynski (1)	\$ 7,500		\$ 4,500	\$ 1,250	\$ 3,700	\$ 16,950

- (1) Dr. Heinrich Hornef and Dr. Franz A. Wirtz decided not to seek another term as Supervisory Board members in 2007. Dr. Werner Brandt and Mr. Heino von Prondzynski replaced Drs. Hornef and Wirtz on the Supervisory Board following our 2007 Annual General Meeting of Shareholders.

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 2007, the following options or other share-based compensation were granted to the members of the Supervisory Board.

Year ended December 31, 2007**2007 Grants**

Name	Stock Options	Restricted Stock Units
Supervisory Board:		
Prof. Dr. Detlev H. Riesner	1,942	5,387
Dr. Heinrich Hornef		6,734
Dr. Metin Colpan	1,942	5,387
Dr. Franz A. Wirtz		6,734
Erik Hornnaess	1,942	5,387
Prof. Dr. Manfred Karobath	1,942	5,387
Dr. Werner Brandt		
Heino von Prondzynski		

The following table sets forth the vested and unvested options of our officers and directors as of January 25, 2008:

Name	Total Vested Options	Total Unvested Options	Expiration Dates	Exercise Prices	Total Unvested Stock Awards
Peer M. Schatz	2,359,876	114,551	5/2009 to 2/2017	\$ 4.590 to \$20.563	318,175
Roland Sackers	347,598	23,346	9/2009 to 2/2017	\$ 10.610 to \$20.563	97,285
Dr. Joachim Schorr	201,444	17,049	10/2011 to 2/2017	\$ 8.940 to \$17.900	47,355
Bernd Uder	120,000	17,276	3/2011 to 2/2017	\$ 11.985 to \$20.563	47,986
Prof. Dr. Detlev H. Riesner	90,667	1,942	1/2010 to 4/2017	\$ 6.018 to \$20.563	5,387
Dr. Metin Colpan	976,150	1,942	5/2009 to 4/2017	\$ 6.018 to \$20.563	5,387
Erik Hornnaess	112,000	1,942	1/2009 to 4/2017	\$ 6.018 to \$20.563	5,387
Prof. Dr. Manfred Karobath	90,000	1,942	1/2010 to 4/2017	\$ 6.018 to \$20.563	5,387

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During 2005 and 2004, certain stock options were accelerated as discussed further below under Stock Plan.

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	ü			ü (Chairman)
Dr. Werner Brandt	ü	ü (Chairman)		
Prof. Dr. Manfred Karobath	ü		ü	
Heino von Prondzynski	ü	ü		
Erik Hornnaess	ü	ü	ü	ü (Chairman)

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 Code, no more than one Supervisory Director could fail to qualify as independent, as defined in the Code. 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 is responsible to review major financial risk exposures, pre-approve related-party transactions, and review 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, regarding 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 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

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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 the 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.

Employees

As of December 31, 2007, we employed 2,662 individuals, 17% of whom worked in research and development, 35% in sales, 24% in production/logistics, 9% in marketing and 15% in administration. In July 2007 we acquired Digene and approximately 500 employees as a result.

Country