QIAGEN N.V.
Venlo, The Netherlands

Interim Financial Report

June 30, 2015

(unaudited)

QIAGEN N.V.

CONDENSED FINANCIAL REPORT PERIOD ENDED JUNE 30, 2015

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QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	Note	June 30, 2015	December 31, 2014
		(unaudited)	
Assets			
Current assets:			
Cash and cash equivalents		$ 234,330	$ 393,705
Restricted cash	**(3)**	3,956	—
Current available-for-sale financial instruments	**(5)**	133,217	184,036
Trade accounts receivable		245,740	265,231
Income taxes receivable		47,688	29,312
Inventories	**(11)**	138,438	132,276
Prepaid expenses and other current assets		72,016	90,488
Total current assets		**875,385**	**1,095,048**
Non-current assets:			
Property, plant and equipment		398,515	383,554
Goodwill	**(6)**	1,898,617	1,914,212
Other intangible assets	**(6)**	743,968	799,620
Investments in associates		16,748	22,279
Non-current available-for-sale financial instruments	**(5)**	16,125	18,624
Deferred tax assets		11,104	7,370
Other non-current assets	**(7)**	173,391	204,579
Total non-current assets		**3,258,468**	**3,350,238**
Total assets		**$ 4,133,853**	**$ 4,445,286**

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	Note	June 30, 2015	December 31, 2014
		(unaudited)	
Liabilities and equity			
Current liabilities:			
Current financial debts	**(9)**	$ 615	$ 130,765
Trade and other accounts payable		42,207	46,124
Provisions		5,992	4,826
Income tax payable		27,098	28,897
Other current liabilities		182,149	219,836
Total current liabilities		**258,061**	**430,448**
Non-current liabilities:			
Non-current financial debts	**(9)**	1,035,741	1,026,240
Deferred tax liabilities		62,177	64,310
Other non-current liabilities	**(7)**	265,925	331,644
Total non-current liabilities		**1,363,843**	**1,422,194**
Equity:			
Preference shares, 0.01 EUR par value, authorized—450,000 shares, no shares issued and outstanding		—	—
Financing preference shares, 0.01 EUR par value, authorized—40,000 shares, no shares issued and outstanding		—	—
Common Shares, 0.01 EUR par value, authorized—410,000 shares, issued—239,707 shares in 2015 and in 2014		2,812	2,812
Share premium		1,853,338	1,948,698
Retained earnings		996,985	929,349
Reserves		(190,702)	(129,280)
Less treasury shares at cost— 6,867 and 7,684 shares in 2015 and in 2014, respectively	**(12)**	(154,213)	(167,190)
Equity attributable to the owners of QIAGEN N.V.		**2,508,220**	**2,584,389**
Non-controlling interest		3,729	8,255
Total equity		**2,511,949**	**2,592,644**
Total liabilities and equity		**$ 4,133,853**	**$ 4,445,286**

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except per share data)

	Note	Six months ended June 30, 2015	2014
		(unaudited)	
Net sales		**$ 617,885**	**$ 647,910**
Cost of sales		**(223,331)**	(228,229)
Gross profit		**394,554**	**419,681**
Operating expenses:			
Other operating income		**164**	1,823
Research and development expense		**(59,108)**	(76,862)
Sales and marketing expense		**(197,839)**	(203,192)
General and administrative, integration and other expense	**(4)**	**(53,258)**	(55,501)
Other operating (expense)		**(431)**	(4,921)
Total operating expenses		**(310,472)**	**(338,653)**
Income from operations		**84,082**	**81,028**
Financial income		**1,745**	3,189
Financial expense		**(18,443)**	(16,961)
Foreign currency (losses), net		**75**	1,878
Gain from investments in associates		**(77)**	1,073
Other financial income (expense), net	**(5), (7)**	**31,420**	(84,869)
Income (loss) before income taxes		**98,802**	**(14,662)**
Income taxes		**(9,558)**	2,998
Net income (loss)		**$ 89,244**	**$ (11,664)**
- attributable to non-controlling interest		**$ (130)**	$ 237
- attributable to the owners of QIAGEN N.V.		**$ 89,374**	$ (11,901)
Basic earnings (loss) per common share attributable to the owners of QIAGEN N.V.		**$ 0.38**	$ (0.05)
Diluted earnings (loss) per common share attributable to the owners of QIAGEN N.V.		**$ 0.38**	$ (0.05)
Weighted average shares outstanding (in thousands)			
Basic		**233,308**	232,709
Diluted		**238,113**	232,709

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Note	Six Months Ended June 30, 2015	2014
		(unaudited)	
Net income (loss)		**$ 89,244**	**$ (11,664)**
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustments, before tax		(60,721)	16,805
Other comprehensive (loss) income, before tax		**(60,721)**	**16,805**
Income tax relating to components of other comprehensive (loss) income		(366)	9
Total other comprehensive (loss) income, after tax		(61,087)	16,814
Total comprehensive income		**$ 28,157**	**$ 5,150**
- attributable to non-controlling interest		205	(227)
- attributable to the owners of QIAGEN N.V.		27,952	5,377

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Note	Six months ended June 30, 2015	2014
		(unaudited)	
Net income (loss)		$ 89,244	$ (11,664)
Adjustments to reconcile net loss to net cash provided by operating activities net of effects of businesses acquired:			
Depreciation and amortization		94,105	104,622
Non-cash impairments	(5)	2,189	1,200
Deferred income taxes		3,438	(8,907)
(Gain) loss on early redemption of debt	(9)	(2,525)	11,921
Share based compensation	(15)	19,698	20,274
Other non-cash items, including fair value changes in derivatives		10,277	66,091
Net changes in other operating assets and liabilities:			
Accounts receivable		9,892	13,095
Inventories		(18,732)	(14,167)
Income tax receivables		(24,980)	(2,930)
Prepaid expenses and other current assets		(3,572)	(4,806)
Other non-current assets		(482)	(1,487)
Accounts payable		(3,011)	(7,726)
Provisions and other current liabilities		(24,663)	(43,351)
Income tax payables		6,760	144
Other non-current liabilities		(7,268)	2,120
Net cash provided by operating activities		**150,370**	**124,429**
Purchases of property, plant and equipment		(43,669)	(38,725)
Proceeds from sale of equipment		52	—
Purchases of intangible assets		(13,135)	(8,923)
Capitalization of development expenses		(12,817)	(1,248)
Sale of available-for-sale assets		144,705	20,000
Purchase of short-term investments		(95,346)	(206,131)
Purchase of investments		(6,335)	(6,684)
Cash paid for acquisitions, net of cash acquired	(3)	(7,097)	(41,715)
Other investing activities		(559)	3,348
Net cash used in investing activities		**(34,201)**	**(280,078)**
Proceeds from long-term debt	(9)	(86)	718,569
Repayment of long-term debt	(9)	(250,545)	(371,895)
Purchase of call option related to cash convertible notes	(9)	—	(105,170)
Proceeds from issuance of warrants	(9)	—	68,900
Principal payments on finance leases		(526)	(2,267)
Proceeds from issuance of common shares		6,232	8,324
Purchase of treasury shares	(12)	(14,992)	(77,748)
Other financing activities		(4,731)	3,599
Net cash (used in) provided by financing activities		**(264,648)**	**242,312**
Effect of exchange rate changes on cash and cash equivalents		(10,896)	2,707
Net (decrease) increase in cash and cash equivalents		(159,375)	89,370
Cash and cash equivalents, beginning of period		393,705	330,962
Cash and cash equivalents, end of period		$ 234,330	$ 420,332
Supplemental operating cash flow disclosures:			
Cash paid for interest		$ (8,902)	$ (12,962)
Cash paid for income taxes		$ (18,570)	$ (5,265)

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

(unaudited)	Note	Common Shares		Share premium	Retained earnings	Pension reserve	Foreign currency translation	Reserves	Treasury Shares		Equity attributable to the owners of QIAGEN N.V.	Non-controlling interest	Total equity
		Shares	Amount						Shares	Amount			
BALANCE AT JANUARY 1, 2014		239,707	$ 2,812	$1,960,465	$ 929,595	$ —	$ 1,126	$ 1,126	(5,817)	$ (116,613)	$ 2,777,385	$ 9,539	$ 2,786,924
Net (loss) income		—	—	—	(11,901)	—	—	—	—	—	(11,901)	237	(11,664)
Other comprehensive (loss) income		—	—	—	—	—	17,278	17,278	—	—	17,278	(464)	16,814
Total comprehensive (loss) income		—	—	—	(11,901)	—	17,278	17,278	—	—	5,377	(227)	5,150
Purchase of treasury shares		—	—	—	—	—	—	—	(3,440)	(77,748)	(77,748)	—	(77,748)
Redemption of convertible debt		—	—	(60,582)	—		—	—	—	—	(60,582)	—	(60,582)
Issuance of shares under convertible debt		—	—	—	(490)		—	—	195	4,391	3,901	—	3,901
Tax benefit of employee stock plans		—	—	6,783	—	—	—	—	—	—	6,783	—	6,783
Share-based payments		—	—	20,274	—	—	—	—	—	—	20,274	—	20,274
Employee stock plans		—	—	—	(30,793)	—	—	—	2,024	39,117	8,324	—	8,324
Acquisition of QIAGEN Marseille S.A. shares from non-controlling interests		—	—	—	—	—	—	—	—	—	—	(302)	(302)
BALANCE AT JUNE 30, 2014		239,707	$ 2,812	$1,926,940	$ 886,411	$ —	$ 18,404	$ 18,404	(7,038)	$ (150,853)	$ 2,683,714	$ 9,010	$ 2,692,724
BALANCE AT JANUARY 1, 2015		**239,707**	**$ 2,812**	**$1,948,698**	**$ 929,349**	**$ (882)**	**$ (128,398)**	**$(129,280)**	**(7,684)**	**$ (167,190)**	**$ 2,584,389**	**$ 8,255**	**$ 2,592,644**
Net (loss) income		—	—	—	**89,374**	—	—	—	—	—	**89,374**	**(130)**	**89,244**
Other comprehensive (loss) income		—	—	—		—	**(61,422)**	**(61,422)**	—	—	**(61,422)**	**335**	**(61,087)**
Total comprehensive (loss) income		—	—	—	**89,374**	—	**(61,422)**	**(61,422)**	—	—	**27,952**	**205**	**28,157**
Purchase of treasury shares	**(12)**	—	—	—	—	—	—	—	**(611)**	**(14,992)**	**(14,992)**	—	**(14,992)**
Redemption of convertible debt	**(9)**	—	—	**(123,084)**		—	—	—	—	—	**(123,084)**	—	**(123,084)**
Tax benefit of employee stock plans		—	—	**8,026**	—	—	—	—	—	—	**8,026**	—	**8,026**
Share-based payments	**(15)**	—	—	**19,698**	—	—	—	—	—	—	**19,698**	—	**19,698**
Employee stock plans		—	—	—	**(21,738)**	—	—	—	**1,428**	**27,969**	**6,231**	—	**6,231**
Acquisition of QIAGEN Marseille S.A. shares from non-controlling interests	**(3)**	—	—	—	—	—	—	—	—	—	—	**(4,731)**	**(4,731)**
BALANCE AT JUNE 30, 2015		**239,707**	**$ 2,812**	**$1,853,338**	**$ 996,985**	**$ (882)**	**$ (189,820)**	**$(190,702)**	**(6,867)**	**$ (154,213)**	**$ 2,508,220**	**$ 3,729**	**$ 2,511,949**

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.

Selected explanatory notes to the condensed consolidated financial statements for the six months ended June 30, 2015 (unaudited)

1. Corporate Information

QIAGEN N.V. is a public limited liability company ('naamloze vennootschap') under Dutch law with registered office at Spoorstraat 50, Venlo, The Netherlands. QIAGEN N.V., a Netherlands holding company, and subsidiaries (we, our or the Company) is the leading global provider of Sample to Insight solutions to transform biological materials into valuable molecular insights. Our sample technologies isolate and process DNA, RNA and proteins from blood, tissue and other materials. Assay technologies make these biomolecules visible and ready for analysis. Bioinformatics software and knowledge bases interpret data to report relevant, actionable insights. Automation solutions tie these together in seamless and cost-effective molecular testing workflows. We provide these workflows to four major customer classes: Molecular Diagnostics (human healthcare), Applied Testing (forensics, veterinary testing and food safety), Pharma (pharmaceutical and biotechnology companies) and Academia (life sciences research). We market our products in more than 100 countries.

2. Basis of Presentation and Accounting Policies

The accompanying condensed consolidated financial statements were prepared in accordance with International Financial Reporting standards (IFRS) for interim financial information under International Accounting Standards (IAS) 34 *Interim Financial Reporting* as endorsed by the European Union (EU). The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, contingent consideration and available-for-sale financial instruments that have been measured at fair value. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation have been included. All amounts are presented in U.S. dollars rounded to the nearest thousand, unless otherwise indicated.

The results of operations for an interim period are not necessarily indicative of results that may be expected for any other interim period or for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2014.

On December 16, 2014, we acquired Enzymatics Inc., located in Beverly, Massachusetts, and on April 3, 2014, we acquired BIOBASE GmbH, located in Wolfenbüttel, Germany. Accordingly, at the acquisition dates, all of the assets acquired and liabilities assumed were recorded at their respective fair values and our consolidated results of operations include the operating results of the acquired companies as of the acquisition dates.

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. For the six month period ended June 30, 2014, the amounts related to fair value changes in derivatives have been revised and included in other non-cash items in the condensed consolidated statements of cash flows. These reclassifications had no effect on cash provided by operating activities or total cash flows.

The interim condensed consolidated financial statements of QIAGEN N.V. for the six-months ended June 30, 2015 were authorized for issue by the Supervisory Board on August 20, 2015. These interim condensed consolidated financial statements have not been audited or reviewed.

Significant Accounting Policies

The interim condensed consolidated financial statements were prepared based on the same accounting policies as those applied and described in the consolidated financial statements as at December 31, 2014 including the adoption of new standards and interpretations as of January 1, 2015.

Adoption of New and Amended Standards and Interpretations

The new accounting policies adopted in 2015 did not have a material impact to the condensed consolidated financial statements.

- The IASB issued *Annual Improvements to IFRSs 2011-2013 Cycle.* The amendments were effective January 1, 2015. The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRSs if those amendments will not be included as part of any other project. *Annual Improvements to IFRSs 2011-2013 Cycle* were a series of amendments to IFRSs in response to issues raised during the 2011-2013 cycle for annual improvements. The following standards were amended:
    - IFRS 1, *First-time Adoption of International Financial Reporting Standards;*
    - IFRS 3, *Business Combinations;*
    - IFRS 13, *Fair Value Measurement;* and
    - IAS 40, *Investment Property*.

New and amended standards and interpretations not yet adopted:

We have not early adopted the following new and amended standards. We intend to adopt the new and amended standards at their effective dates.

- The IASB has issued *Annual Improvements to IFRSs 2012-2014 Cycle.* The amendments are effective January 1, 2016. The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRSs if those amendments will not be included as part of any other project. *Annual Improvements to IFRSs 2012-2014 Cycle* is a series of amendments to IFRSs in response to issues raised during the 2012-2014 cycle for annual improvements. The following standards were amended:
    - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations;*
    - IFRS 7, *Financial Instruments: Disclosures;*
    - IAS 19, *Employee Benefits;* and
    - IAS 34, *Interim Financial Reporting.*

    We are currently evaluating the impact on our financial position, results of operations or cash flows.
- The IASB issued the fourth and final version of IFRS 9, *Financial Instruments*, which will be applicable beginning on or after January 1, 2018. The new guidance is expected to mainly impact the classification and measurement of financial assets and will result in additional disclosures. We have not yet completed the determination of the impact on our Consolidated Financial Statements. We are currently evaluating the impact on our financial position, results of operations or cash flows.
- The IASB has issued, *Investment Entities: Applying the Consolidation Exception*. This guidance includes narrow-scope amendments to IFRS 10, *Consolidated Financial Statements,* IFRS 12, *Disclosure of Interests in Other Entities,* and IAS 28, *Investments in Associates and Joint Ventures.* The amendments introduce clarifications to the requirements when accounting for investment entities and also provide relief in particular circumstances, which will reduce the costs of applying the Standards.The amendments can be applied immediately and become mandatory for annual periods beginning on or after January 1, 2016. We are currently evaluating the impact on our financial position, results of operations or cash flows.
- The IASB has issued *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, which contains narrow-scope amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures (2011)*. The amendments are effective for annual periods beginning on or after January 1, 2016. Early application is permitted. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. We are currently evaluating the impact on our financial position, results of operations or cash flows.
- The IASB has completed its process to replace IAS 39, *Financial Instruments: Recognition and Measurement,* with the issuance of the final amendments to IFRS 9. IFRS 9 (July 2014) is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. IFRS 9 (July 2014) should be applied retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.* IFRS 9 (July 2014) should not be applied to items that have been derecognized at the date of initial application. We are currently evaluating the impact on our financial position, results of operations or cash flows.
- In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. In July 2015, the IASB confirmed a one-year deferral of the effective date of this standard. Assuming the IASB issues a formal

amendment to defer the effective date consistent with this recent confirmation, the standard will be effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. We are in the early stage of an analysis of the impact of the standard on our Consolidated Financial Statements. This standard could impact in particular in the areas of allocating revenue to the different performance obligations under one contract and the timing of revenue recognition. The standard foresees different alternative approaches for the adoption of the new guidance. We have not yet taken a decision which of these alternatives we intend to apply and we are currently evaluating the impact on our financial position, results of operations or cash flows.

- The IASB has published *Accounting for Acquisitions of Interests in Joint Operations, Amendments to IFRS 11*. IFRS 11, *Joint Operations,* addresses the accounting for interests in joint ventures and joint operations. The amendments to IFRS 11 add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. These amendments require the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, *Business Combinations,* to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer should disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. We are currently evaluating the impact on our financial position, results of operations or cash flows.

Segment Reporting

We operate as one operating segment in accordance with IFRS 8 *Operating Segments*. Our chief operating decision maker (CODM) makes decisions based on the Company as a whole. In addition, we have a common basis of organization and types of products and services which derive revenues and consistent product margins. Accordingly, we operate and make decisions as one operating segment. With revenues derived from our entire product and service offerings, it is not practicable to provide a detail of revenues for each group of similar products and services, as discrete financial information is not available. However, we do provide certain revenue information by customer class in our Management Report to allow better insight into our operations. This information is estimated using certain assumptions to allocate revenue among the customer classes.

Estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2014.

3. Acquisitions

Acquisitions have been accounted for as business combinations, and the acquired companies' results have been included in the accompanying condensed consolidated statements of income from their respective dates of acquisition. Our acquisitions have historically been made at prices above the fair value of the acquired net assets, resulting in goodwill, due to expectations of synergies of combining the businesses. These synergies include use of our existing infrastructure, such as sales force, shared service centers, distribution channels and customer relations, to expand sales of the acquired businesses' products; use of the infrastructure of the acquired businesses to cost-effectively expand sales of our products; and elimination of duplicative facilities, functions and staffing.

2015 Acquisitions

During the first half of 2015, we completed two acquisitions which were not significant to the overall consolidated financial statements. The cash paid for these acquisitions, net of cash acquired, totaled $7.1 million. These acquisitions did not have a material impact to net sales, net income or earnings per share and therefore no pro forma information has been provided herein.

2014 Acquisitions

In December 2014, we acquired the enzyme solutions business of Enzymatics Inc., a U.S. company whose

products are used in an estimated 80% of all next-generation sequencing (NGS) workflows. The comprehensive Enzymatics portfolio complements QIAGEN's leading offering of universal NGS products, advancing our strategy to drive the adoption of NGS in clinical healthcare. The cash consideration totaled $114.2 million of which $11.5 million was retained in an escrow account as of June 30, 2015 to cover any claims for breach of any representations, warranties or indemnities. The acquisition of Enzymatics did not have a material impact to net sales, net income or earnings per share, and therefore no pro forma financial information has been provided herein.

The allocation of the purchase price is preliminary, pending the finalization of amounts related to income taxes. The preliminary allocation of the purchase price is based upon preliminary estimates which used information that was available to management at the time the financial statements were prepared and these estimates and assumptions are subject to change within the measurement period, up to one year from the acquisition date. Accordingly, the allocation may change. Acquisition-related costs are expensed when incurred and are included in general, administrative, integration and other in the accompanying condensed consolidated statements of income.

(in thousands)	**Enzymatics acquisition**
Purchase Price:	
Cash consideration	$ 114,224
Fair value of contingent consideration	13,600
	$ 127,824
Preliminary Allocation:	
Cash and cash equivalents	$ 1,178
Accounts receivable	2,813
Prepaid and other current assets	1,303
Fixed and other long-term assets	1,358
Accounts payable	(3,090)
Accruals and other current liabilities	(1,940)
Long term deferred tax liability	(21,191)
Developed technology, licenses and know-how	28,600
Tradenames	6,600
Customer Relationships	22,300
Goodwill	89,893
	$ 127,824

The weighted-average amortization period for the intangible assets is 11.1 years. The goodwill acquired is not deductible for tax purposes.

Certain acquisitions may include contingent consideration which is recorded as part of the purchase consideration based on the acquisition date fair value. This is discussed further in Note 8, "Fair Value Measurements" where we assess and adjust the fair value of the contingent consideration liabilities, if necessary, until the settlement or expiration of the contingency occurs. Under the purchase agreement for Enzymatics, we may be required to make additional contingent cash payments totaling $25.5 million through 2017, of which $13.6 million was accrued as of June 30, 2015. Of the $13.6 million, $8.3 million was included in other non-current liabilities and $5.3 million was included in other current liabilities. These liabilities include an increase of $2.1 million recorded during the six months ended June 30, 2015 with a corresponding adjustment to goodwill as a result of continued evaluation of the anticipated achievement of future milestones. The total preliminary fair value of the contingent consideration for Enzymatics of $13.6 million has been recorded as purchase price using a probability-weighted analysis of the future milestones using discount rates between 0.7% and 2.2%.

Other Acquisitions

During 2014, we completed four other acquisitions which individually were not significant to the overall consolidated financial statements. The cash paid for these acquisitions, net of cash acquired, totaled $47.4 million.

Each of these acquisitions individually did not have a material impact to net sales, net income or earnings per share and therefore no pro forma information has been provided herein.

During 2011, we acquired a majority shareholding in QIAGEN Marseille S.A., formerly Ipsogen S.A. (Marseille), a publicly listed company founded and based in Marseille, France. During 2015, we acquired additional Marseille shares for a total of $4.7 million and held 95.39% of the Marseille shares as of June 30, 2015. In February 2015, QIAGEN Marseille, a fully consolidated entity, agreed to the sale of all its assets and liabilities, with the exception of its intellectual property portfolio. In addition, we made a tender offer to acquire the remaining Marseille shares. Per the terms of the tender offer, $4.0 million has been set aside in restricted cash for the remaining shares and it is anticipated that the tender offer will be finalized during the first quarter of 2016.

4. Restructuring

2014 Restructuring

During the fourth quarter of 2014, we implemented restructuring efforts in connection with the acquisition of Enzymatics, as discussed in Note 3 "Acquisitions", and from the implementation of headcount reductions and facility consolidations to further streamline operations and various measures as part of a commitment to continuous improvement and related to QIAGEN's new strategic focus on its growth drivers. We do not expect to record additional restructuring charges in 2015 related to this program.

The following table summarizes the components of the 2014 restructuring costs. At June 30, 2015 a restructuring provision of $8.7 million was recorded, of which $8.0 million is included in other current liabilities and $0.7 million is included in other non-current liabilities in the accompanying condensed consolidated balance sheet. At December 31, 2014, a restructuring provision of $14.6 million was recorded, of which $12.1 million is included in other current liabilities and $2.5 million is included in other non-current liabilities in the accompany condensed consolidated balance sheet.

(in thousands)	Personnel Related	Facility Related	Contract and Other Costs	Total
Balance at December 31, 2014	$ 6,341	$ 7,627	$ 652	$ 14,620
Payments	(2,796)	(2,201)	(275)	(5,272)
Release of excess provision	(102)	—	(20)	(122)
Foreign currency translation adjustment	(563)	—	—	(563)
Balance at June 30, 2015	**$ 2,880**	**$ 5,426**	**$ 357**	**$ 8,663**

2011 Restructuring

Late in 2011, we began a project to enhance productivity by streamlining the organization and reallocating resources to strategic initiatives to help drive growth and innovation, strengthen our industry leadership position and improve longer-term profitability. This project aimed to eliminate organizational layers and overlapping structures, actions that enhanced our processes, speed and productivity. The last group of initiatives included actions to focus R&D activities on higher-growth areas in all customer classes, concentrate operations at fewer sites, and realign sales and regional marketing teams in the U.S. and Europe to better address customer needs in a more streamlined manner across the continuum from basic research to translational medicine and clinical diagnostics. No additional costs were incurred in 2014 or 2015.

The following table summarizes the components of the 2011 restructuring costs. At June 30, 2015 and December 31, 2014, restructuring provisions of $0.4 million and $0.7 million, respectively, were included in other current liabilities in the accompanying condensed consolidated balance sheets.

(in thousands)	Personnel Related
Balance at December 31, 2014	$ 726
Payments	(502)
Release of excess accrual	(32)
Foreign currency translation adjustment	194
Balance at June 30, 2015	**$ 386**

5. Available for Sale Financial Instruments

Current Available for Sale Financial Instruments

At June 30, 2015 and December 31, 2014, we had $129.7 million and $180.2 million respectively, of loan receivables and commercial paper due from corporates and financial institutions. These loan receivables and commercial paper are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are carried at fair market value, which is equal to the cost. At June 30, 2015, these loans consist of €40.0 million ($44.8 million) and $84.9 million (total $129.7 million as of June 30, 2015) which mature at various dates through February 2016. At December 31, 2014, these loans consist of €25 million ($30.4 million) and $149.8 million (total $180.2 million as of December 31, 2014) which mature at various date through June 2016. All instruments that have an original tenor of more than 12 months but can be redeemed on at least a quarterly basis and are therefore classified as current assets in the accompanying consolidated balance sheets. Interest income is determined using the effective interest rate method.

At both June 30, 2015 and December 31, 2014, we also had €3.1 million ($3.5 million) and €3.2 million ($3.9 million) respectively, in term deposits with final maturities until August 2017. The deposits can be withdrawn at the end of each quarter without penalty and are therefore classified as current assets in the accompanying consolidated balance sheets.

For the six-months ended June 30, 2015 proceeds from sales of short term investments totaled $144.7 million and realized losses totaled of $1.9 million.

Non-current Available for Sale Financial Instruments

As of June 30, 2015 and December 31, 2014, we had a total of cost-method investments in non-publicly traded companies with carrying amounts of $16.1 million and $18.6 million, respectively, which are included in non-current available for sale financial instruments. These cost-method investments do not have a quoted market price in an active market and are measured at cost in accordance with IAS 39 because their fair value cannot be reliably measured. Changes in fair value of these cost-method investments are identified when there are events or changes in circumstances that may have a significant effect on the fair value of the investments. For the six-month period ended June 30, 2015 and 2014, we recorded impairments of cost method investments totaling $2.2 million and $1.2 million in other expense, net and research and development expense, respectively.

6. Intangible Assets

The changes in intangibles assets in 2015 are summarized as follows:

(in thousands)	Other Intangible Assets	Goodwill
Balance at December 31, 2014	$ 799,620	$ 1,914,212
Additions	38,807	—
Purchase adjustments	(2,300)	1,378
Acquisitions	5,767	4,942
Transfers	2,604	—
Amortization/disposals	(80,323)	—
Foreign currency translation adjustments	(20,207)	(21,915)
Balance at June 30, 2015	$ 743,968	$ 1,898,617

Cash paid for purchases of intangible assets during the six-months ended June 30, 2015 totaled $13.1 million. Additionally, during the six-months ended June 30, 2015, we capitalized $12.8 million of development expenses.

The changes in the carrying amount of goodwill for the six-months ended June 30, 2015 resulted primarily from the current year acquisitions discussed in Note 3 and changes in foreign currency translation.

7. Derivatives and Hedging

In the ordinary course of business, we use derivative instruments, including swaps, forwards and/or options, to manage potential losses from foreign currency exposures and interest bearing assets or liabilities. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with our global financial and operating activities. We do not utilize derivative or other financial instruments for trading or other speculative purposes. We recognize all derivatives as either assets or liabilities on the balance sheet on a gross basis, measure those instruments at fair value and recognize the change in fair value in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures. We do not offset the fair value of derivative instruments with cash collateral held or received from the same counterparty under a master netting arrangement.

As of June 30, 2015 and December 31, 2014, we did not have any derivatives that were accounted for as hedging instruments. The cash flows derived from derivative instruments are classified in the operating section of the consolidated statements of cash flows.

Interest Rate Derivatives

We use interest rate derivative contracts to align our portfolio of interest bearing assets and liabilities with our risk management objectives. We have entered into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. During 2014, we entered into interest rate swaps, which effectively fixed the fair value of $200.0 million of our fixed rate private placement debt. As of June 30, 2015 and December 31, 2014, the $200.0 million notional swap amount had an aggregate fair value of $2.9 million and $3.3 million which is recorded in other non-current assets in the accompanying condensed balance sheet. For the six month ended June 30, 2015, the change in the fair value of the interest rate derivatives resulted in losses of $0.4 million recorded in other financial (expense) income, net in the accompanying consolidated statements of income.

Call Spread Overlay

We entered into Call Options during 2014 which, along with the sale of the Warrants, represent the Call Spread Overlay entered into in connection with the Cash Convertible Notes and which are more fully described in Note 9. We used $105.2 million of the proceeds from the issuance of the Cash Convertible Notes to pay the premium for the Call Options, and simultaneously received $68.9 million (net of issuance costs) from the sale of the Warrants, for a net cash outlay of $36.3 million for the Call Spread Overlay. The Call Options are intended to offset cash payments in excess of the principal amount due upon any conversion of the Cash Convertible Notes.

Aside from the initial payment of a premium of $105.2 million for the Call Options, we will not be required to make any cash payments under the Call Options. We will, however, be entitled to receive under the terms of the Call Options an amount of cash generally equal to the amount by which the market price per share of our common stock exceeds the exercise price of the Call Options during the relevant valuation period. The exercise price under the Call Options is equal to the conversion price of the Cash Convertible Notes.

The Call Options, for which our common stock is the underlying security, are a derivative asset that requires mark-to-market accounting treatment due to the cash settlement features until the Call Options settle or expire. The Call Options are measured and reported at fair value on a recurring basis, within Level 2 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the Call Options, refer to Note 8. The fair value of the Call Options at June 30, 2015 and December 31, 2014 was approximately $119.7 million and $147.7 million, respectively, which is recorded in other non-current assets in the accompanying consolidated balance sheets.

The Call Options do not qualify for hedge accounting treatment. Therefore, the change in the fair value of these instruments is recognized immediately in our Consolidated Statements of Income in other financial income (expense), net. For the six months ended June 30, 2015 and June 30, 2014, the change in the fair value of the Call Options resulted in losses of $28.0 million and gains of $53.8 million. Because the terms of the Call Options are substantially similar to those of the Cash Convertible Notes' embedded cash conversion option, discussed below, we expect the effect on earnings from those two derivative instruments to partially offset each other.

The Warrants represent approximately 25.8 million shares of our common stock (subject to antidilution adjustments under certain circumstances) with an initial exercise price of $32.085 per share, subject to customary adjustments. The net proceeds from the sale of the Warrants of approximately $68.9 million are included as other non-current liabilities in the accompanying balance sheet. The Warrants expire as follows: warrants to purchase 15.2 million shares expire over a period of 50 trading days beginning on December 27, 2018 and Warrants to purchase 10.6 million shares expire over a period of 50 trading days beginning on December 29, 2020. The Warrants are exercisable only upon expiration. For each Warrant that is exercised, we will deliver to the holder a number of shares of our common stock equal to the amount by which the settlement price exceeds the exercise price, divided by the settlement price, plus cash in lieu of any fractional shares. The Warrants could separately have a dilutive effect on shares of our common stock to the extent that the market value per share of our common stock exceeds the applicable exercise price of the Warrants (as measured under the terms of the Warrants). The fair value of the Warrants at June 30, 2015 and December 31, 2014 was approximately $93.8 million and $125.1 million, respectively, which is recorded in other non-current liabilities in the accompanying consolidated balance sheets. For the six months ended June 30, 2015 and June 30, 2014, the change in the fair value of the Warrants resulted in gains of $31.4 million and losses of $68.4 million, respectively, recognized in other financial expense, net.

Cash Convertible Notes Embedded Cash Conversion Options

The embedded cash conversion options within the Cash Convertible Notes are required to be separated from the Cash Convertible Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of income (loss) in other (expense) income, net until the cash conversion options settle or expire. For further discussion of the Cash Convertible Notes, refer to Note 9. The initial fair value liability of the embedded cash conversion options was $105.2 million, which simultaneously reduced the carrying value of the Cash Convertible Notes (effectively an original issuance discount). The embedded cash conversion options are measured and reported at fair value on a recurring basis, within Level 2 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the embedded cash conversion options, refer to Note 8. The fair value of the embedded cash conversion options at June 30, 2015 and December 31, 2014 was approximately $121.3 million and $149.5 million which is recorded in other non-current liabilities accompanying balance sheets. For the six-months ended June 30, 2015 and 2014, the change in the fair value of the embedded cash conversion options resulted in losses of $28.1 million and $55.0 million, respectively.

Foreign Currency Derivatives

As a globally active enterprise, we are subject to risks associated with fluctuations in foreign currencies in our ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions including intercompany items. We manage balance sheet exposure on a group-wide basis using foreign exchange forward contracts, foreign exchange options and cross-currency swaps.

Undesignated Derivative Instruments

We are party to various foreign exchange forward, option and swap arrangements which had, at June 30, 2015, an aggregate notional value of approximately $483.9 million and fair value of $27.1 million included in prepaid and other current assets and $2.1 million included in other current liabilities, respectively, and which expire at various dates through December 2015.

We were party to various foreign exchange forward and swap arrangements which had, at December 31, 2014, an aggregate notional value of approximately $1.3 billion and fair values of $46.8 million included in prepaid expenses and other current assets and $10.5 million included in other current liabilities, respectively, and which expired at various dates through December 2015.

Fair Values of Derivative Instruments

The following table summarizes the fair value amounts of derivative instruments reported in the condensed consolidated balance sheets as of June 30, 2015 and December 31, 2014:

	Derivatives in Asset Positions Fair value		**Derivatives in Liability Positions Fair value**	
(in thousands)	**6/30/2015**	**12/31/2014**	**6/30/2015**	**12/31/2014**
Undesignated derivative instruments				
Interest rate contracts	**$ 2,906**	$ 3,294	**$ —**	$ —
Call spread overlay	**119,688**	147,707	**(93,771)**	(125,121)
Cash conversion options	**—**	—	**(121,307)**	(149,450)
Foreign exchange contracts	**27,105**	46,802	**(2,060)**	(10,547)
Total derivative instruments	**$ 149,699**	$ 197,803	**$ (217,138)**	$ (285,118)

Gains and Losses on Derivative Instruments

The following tables summarize the locations and gains and losses on derivative instruments for six months ended June 30, 2015 and 2014:

Six months ended June 30, 2015 (in thousands)	Gain/(loss) recognized in equity	Location of gain or loss in income statement	(Gain) loss reclassified from equity into income	Gain (loss) recognized in income
Undesignated derivative instruments				
Interest rate contracts	n/a	Other financial income (expense), net	n/a	$ (388)
Call spread overlay	n/a	Other financial income (expense), net	n/a	124
Foreign exchange contracts	n/a	Other financial income (expense), net	n/a	16,650
				$ 16,386

Six months ended June 30, 2014 (in thousands)	Gain/(loss) recognized in equity	Location of gain or loss in income statement	(Gain) loss reclassified from equity into income	Gain (loss) recognized in income
Call spread overlay	n/a	Other financial income (expense), net	n/a	$ (1,280)
Foreign exchange contracts	n/a	Other financial income (expense), net	n/a	7,439
				$ 6,159

The amounts noted in the tables above do not include any adjustments for the impact of deferred income taxes. Gains and losses recognized on foreign exchange contracts are included in financial income (expense), net in the condensed consolidated statements of income together with the corresponding, offsetting foreign exchange losses and gains on the underlying transactions.

8. Fair value measurements

Financial Instruments are measured at fair value according the following hierarchy which prioritizes the inputs used in measuring fair value as follows:

- *Level 1*, Observable inputs, such as quoted prices in active markets;
- *Level 2,* Inputs, other than the quoted price in active markets, that are observable either directly or indirectly; and
- *Level 3,* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Our assets and liabilities measured at fair value on a recurring basis consist of short-term investments, which are classified in Level 1 and Level 2 of the fair value hierarchy, undesignated derivative contracts used to hedge currency and interest rate risk and derivative financial instruments entered into in connection with the Cash Convertible Notes discussed in Note 7, which are classified in Level 2 of the fair value hierarchy, and contingent consideration accruals which are classified in Level 3 of the fair value hierarchy, and are shown in the tables below.

In determining fair value for Level 2 instruments, we apply a market approach, using quoted active market prices relevant to the particular instrument under valuation, giving consideration to the credit risk of both the respective counterparty to the contract and the Company. To determine our credit risk we estimated our credit rating by benchmarking the price of outstanding debt to publicly-available comparable data from rated companies. Using the estimated rating, our credit risk was quantified by reference to publicly-traded debt with a corresponding rating. The Level 2 derivative financial instruments include the Call Options asset, the Warrants liability and the embedded conversion option liability. See Note 9, "Financial Debts", and Note 7, "Derivatives and Hedging", for

further information. The derivatives are not actively traded and are valued based on an option pricing model that uses observable market data for inputs. Significant market data inputs used to determine fair values as of June 30, 2015 included our common stock price, the risk-free interest rate, and the implied volatility of our common stock. The Call Options asset and the embedded cash conversion option liability were designed with the intent that changes in their fair values would substantially offset, with limited net impact to our earnings. Therefore, the sensitivity of changes in the unobservable inputs to the option pricing model for such instruments is substantially mitigated.

Our Level 3 instruments include contingent consideration liabilities. We value contingent consideration liabilities using unobservable inputs, applying the income approach, such as the discounted cash flow technique, or the probability-weighted scenario method. Contingent consideration arrangements obligate us to pay the sellers of an acquired entity if specified future events occur or conditions are met such as the achievement of technological or revenue milestones. We use various key assumptions, such as the probability of achievement of the milestones and the discount rate, to represent the non-performing risk factors and time value when applying the income approach. We regularly review the fair value of the contingent consideration, and reflect any change in the accrual in the consolidated statements of income in the line items commensurate with the underlying nature of milestone arrangements. The maximum amount of contingent consideration relating to business combinations is disclosed in Note 14 'Commitments and Contingencies.'

As of June 30, 2015, we held the following financial instruments carried at fair value on the condensed consolidated balance sheet:

(in thousands)	Level 1	Level 2	Level 3	June 30, 2015
Available-for-sale financial assets, current	$ 3,468	$ 129,749	$ —	**$ 133,217**
Call Option	—	119,688	—	**119,688**
Foreign exchange contracts	—	27,105	—	**27,105**
Interest rate contract	—	2,906	—	**2,906**
Assets	**$ 3,468**	**$ 279,448**	**$ —**	**$ 282,916**
Foreign exchange contracts	$ —	$ (2,060)	$ —	**$ (2,060)**
Cash conversion option	—	(121,307)	—	**(121,307)**
Warrants	—	(93,771)	—	**(93,771)**
Contingent consideration	—	—	(22,599)	**(22,599)**
Liabilities	**$ —**	**$ (217,138)**	**$ (22,599)**	**$ (239,737)**

As of December 31, 2014, we held the following financial instruments carried at fair value on the condensed consolidated balance sheet:

(in thousands)	Level 1	Level 2	Level 3	December 31, 2014
Available-for-sale financial assets, current	$ 3,885	$ 180,151	$ —	**$ 184,036**
Call Option	—	147,707	—	**147,707**
Foreign exchange contracts	—	46,802	—	**46,802**
Interest rate contract	—	3,294	—	**3,294**
Assets	**$ 3,885**	**$ 377,954**	**$ —**	**$ 381,839**
Foreign exchange contracts	$ —	$ (10,547)	$ —	**$ (10,547)**
Cash conversion option	—	(149,450)	—	**(149,450)**
Warrants	—	(125,121)	—	**(125,121)**
Contingent consideration	—	—	(17,477)	**(17,477)**
Liabilities	$ —	**$ (285,118)**	**$ (17,477)**	**$ (302,595)**

For financial liabilities with Level 3 inputs, the following table summarizes the activity for the six months ended June 30, 2015.

(in thousands)	Contingent Consideration
Beginning Balance at January 1, 2015	**$ (17,477)**
Additions from changes in estimates	**(5,159)**
Foreign currency translation adjustments	**37**
Ending balance at June 30, 2015	**$ (22,599)**

As of June 30, 2015, $12.8 million is included in other non-current liabilities and $9.8 million is included in other current liabilities in the accompanying condensed consolidated balance sheet.

The carrying values of financial instruments, including cash and equivalents, accounts receivable, accounts payable and other current liabilities, approximate their fair values due to their short-term maturities. The estimated fair value of non-current financial debt as disclosed in Note 9 was based on current interest rates for similar types of borrowings. The estimated fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future. There were no fair value adjustments in the six-month periods ended June 30, 2015 and 2014 for nonfinancial assets or liabilities required to be measured at fair value on a nonrecurring basis other than the impairments of cost-method investments as discussed in Note 5.

9. Financial Debts

Our credit facilities available and undrawn at June 30, 2015 total €436.6 million (approximately $488.5 million). This includes a €400.0 million syndicated multi-currency revolving credit facility expiring December 2019 of which no amounts were utilized at June 30, 2015 or at December 31, 2014, and four other lines of credit amounting to €36.6 million with no expiration date, none of which were utilized as of June 30, 2015 or as of December 31, 2014. The €400.0 million facility can be utilized in euro, U.K. pound or U.S. dollar and bears interest of 0.4% to 1.2% above three months EURIBOR, or LIBOR in relation to any loan not in euro, and is offered with interest periods of one, two, three, six or twelve months. The commitment fee is calculated based on 35% of the applicable margin. The revolving facility agreement contains certain financial and non-financial covenants, including but not limited to, restrictions on the encumbrance of assets and the maintenance of certain financial ratios. We were in compliance with these covenants at June 30, 2015. The credit facilities are for general corporate purposes.

At June 30, 2015, total long-term debt was approximately $1.0 billion, of which $0.6 million is current. We believe that funds from operations, existing cash and cash equivalents, and availability of financing facilities as needed, will be

sufficient to fund our debt repayments coming due in the next twelve months. Total non-current financial debt consists of the following:

(in thousands)	June 30, 2015	December 31, 2014
1.5% Convertible Note due 2024	**$ —**	$ 130,097
3.19% Series A Senior Notes due 2019	**73,000**	73,000
3.75% Series B Senior Notes due 2022	**300,000**	300,000
3.90% Series C Senior Notes due 2024	**27,000**	27,000
0.375% Senior Unsecured Cash Convertible Notes due 2019	**385,388**	379,747
0.875% Senior Unsecured Cash Convertible Notes due 2021	**250,353**	246,493
Other notes payable bearing interest up to 6.28% and due through 2015	**615**	668
Total current and non-current financial debts	**1,036,356**	1,157,005
Less: current portion of financial debts	**615**	130,765
Total non-current financial debts	**$ 1,035,741**	$ 1,026,240

Cash Convertible Notes due 2019 and 2021

On March 19, 2014, we issued $730.0 million aggregate principal amount of Cash Convertible Senior Notes of which $430.0 million is due in 2019 (2019 Notes) and $300.0 million is due in 2021 (2021 Notes). We refer to the 2019 Notes and 2021 Notes, collectively as the "Cash Convertible Notes". The aggregate net proceeds of the Cash Convertible Notes was $686.9 million, after payment of the net cost of the Call Spread Overlay described below and transaction costs, excluding approximately $5.8 million of accrued debt issuance costs at March 31, 2014. Additionally, we used $372.5 million of the net proceeds to repay the 2006 Notes and related subscription right described below.

Interest on the Cash Convertible Notes is payable semiannually in arrears on March 19 and September 19 of each year, at rates of 0.375% and 0.875% per annum for the 2019 Notes and 2021 Notes, respectively, commencing on September 19, 2014. The 2019 Notes will mature on March 19, 2019 and the 2021 Notes will mature on March 19, 2021, respectively, unless repurchased or converted in accordance with their terms prior to such date.

The Cash Convertible Notes are convertible only into cash, and not into shares of our common stock or any other securities. The Cash Convertible Notes are convertible into cash in whole, but not in part, at the option of noteholders in the following circumstances: (a) from April 29, 2014 through September 18, 2018 for the 2019 Notes, and September 18, 2020 for the 2021 Notes (Contingent Conversion Period), under any of the Contingent Conversion Conditions and (b) at any time following the Contingent Conversion Period through the fifth business day immediately preceding the applicable maturity Date. Upon conversion, noteholders will receive an amount in cash equal to the Cash Settlement Amount, calculated as described below.

Noteholders may convert their Cash Convertible Notes solely into cash at their option at any time during the Contingent Conversion Period only under the following circumstances (Contingent Conversion Conditions):

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2014 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- if we undergo certain fundamental changes;
- during the five business day period immediately after any ten consecutive trading day period in which the quoted price for the 2019 Notes or the 2021 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if we elect to distribute assets or property to all or substantially all of the holders of our common stock and those assets or other property have a value of more than 25% of the average daily volume-weighted average trading price of our common stock for the prior 20 consecutive trading days;
- if we elect to redeem the Cash Convertible Notes; or
- if we experience certain customary events of default, including defaults under certain other indebtedness.

The initial conversion rate is 7,056.7273 shares of our common stock per $200,000 principal amount of Cash Convertible Notes (reflecting an initial conversion price of approximately $28.34 per share of common stock). Upon conversion, holders are entitled to a cash payment (Cash Settlement Amount) equal to the average of the conversion rate multiplied by

the daily volume-weighted average trading price for our common stock over a 50-day period. The conversion rate is subject to adjustment in certain instances but will not be adjusted for any accrued and unpaid interest. In addition, following the occurrence of certain corporate events that may occur prior to the applicable maturity date, we may be required to pay a cash make-whole premium by increasing the conversion rate for any holder who elects to convert Cash Convertible Notes in connection with the occurrence of such a corporate event.

We may redeem the 2019 Notes or 2021 Notes in their entirety at a price equal to 100% of the principal amount of the applicable Cash Convertible Notes plus accrued interest if at any time 20% or less of the aggregate principal amount of the applicable Cash Convertible Notes originally issued remain outstanding.

The Cash Convertible Notes are senior unsecured obligations, and rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the Cash Convertible Notes; equal in right of payment to any of our unsecured indebtedness that is unsubordinated; junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

Because The Cash Convertible Notes contain an embedded cash conversion option, we have determined that the embedded cash conversion option is a derivative financial instrument, which is required to be separated from the Cash Convertible Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of operations until the cash conversion option transaction settles or expires. The initial fair value liability of the embedded cash conversion option was $105.2 million, which simultaneously reduced the carrying value of the Cash Convertible Notes (effectively an original issuance discount). For further discussion of the derivative financial instruments relating to the Cash Convertible Notes, refer to Note 7, “Derivatives.”

As noted above, the reduced carrying value on the Cash Convertible Notes resulted in a debt discount that is amortized to the principal amount through the recognition of non-cash interest expense over the expected life of the debt, which is five and seven years for the 2019 Notes and 2021 Notes, respectively. This resulted in our recognition of interest expense on the Cash Convertible Notes at an effective rate approximating what we would have incurred had nonconvertible debt with otherwise similar terms been issued. The effective interest rate of the 2019 and 2021 Notes is 2.937% and 3.809%, respectively, which is imputed based on the amortization of the fair value of the embedded cash conversion option over the remaining term of the Cash Convertible Notes. As of June 30, 2015, we expect the 2019 Notes to be outstanding until their 2019 maturity date and the 2021 Notes to be outstanding until their 2021 maturity date, for remaining amortization periods of approximately five and seven years, respectively. Based on an estimation using available over-the-counter market information on the Cash Convertible Notes, the fair value of the 2019 and 2021 Notes at June 30, 2015 was $462.0 million and $326.7 million, respectively.

In connection with the issuance of the Cash Convertible Notes, we incurred approximately $13.1 million in transaction costs. Such costs have been allocated to the Cash Convertible Notes and recorded against the liability and will be amortized over the terms of the Cash Convertible Notes.

Interest expense related to the Cash Convertible Notes was comprised of the following:

	Six months ended June 30,	
(in thousands)	**2015**	**2014**
Coupon interest	**$ 2,119**	$ 1,189
Amortization of original issuance discount	**8,398**	4,576
Amortization of debt issuance costs	**1,103**	605
Total interest expense related to the Cash Convertible Notes	**$ 11,620**	$ 6,370

Cash Convertible Notes Call Spread Overlay

Concurrent with the issuance of the Cash Convertible Notes, we entered into privately negotiated hedge transactions (Call Options) with, and issued warrants to purchase shares of our common stock (Warrants) to, certain financial institutions. We refer to the Call Options and Warrants collectively as the “Call Spread Overlay”. The Call Options are intended to offset any cash payments payable by us in excess of the principal amount due upon any conversion of the Cash Convertible Notes. We used $105.2 million of the proceeds from the issuance of the Cash Convertible Notes to pay for the Call Options, and simultaneously received $68.9 million (net of issuance costs) from the sale of the Warrants, for a net cash outlay of $36.3 million for the Call Spread Overlay. The Call Options and Warrants are derivative financial instruments and is discussed further in Note 7, “Derivatives.”

Aside from the initial payment of a premium of $105.2 million for the Call Option, we will not be required to make any cash payments under the Call Options, and will be entitled to receive an amount of cash, generally equal to the amount by which the market price per share of our common stock exceeds the exercise price of the Call Options during the relevant valuation period. The exercise price under the Call Options is initially equal to the conversion price of the Cash Convertible Notes.

The Warrants cover an aggregate of 25.8 million shares of our common stock (subject to anti-dilution adjustments under certain circumstances) and have an initial exercise price of $32.085 per share, subject to customary adjustments. The Warrants expire as follows: Warrants to purchase 15.2 million shares expire over a period of 50 trading days beginning on December 27, 2018 and Warrants to purchase 10.6 million shares expire over a period of 50 trading days beginning on December 29, 2020. The Warrants are European-style (exercisable only upon expiration). The Warrants could have a dilutive effect to the extent that the price of our common stock exceeds the applicable strike price of the Warrants. For each Warrant that is exercised, we will deliver to the holder a number of shares of our common stock equal to the amount by which the settlement price exceeds the exercise price, divided by the settlement price, plus cash in lieu of any fractional shares. We will not receive any additional proceeds if the Warrants are exercised.

Private Placement

In October 2012, we completed a private placement through the issuance of new senior unsecured notes at a total amount of $400 million with a weighted average interest rate of 3.66% (settled on October 16, 2012). The notes were issued in three series: (1) $73 million 7-year term due in 2019 (3.19%); (2) $300 million 10-year term due in 2022 (3.75%); and (3) $27 million 12-year term due in 2024 (3.90%). We paid $2.1 million in debt issue costs which are being amortized through interest expense over the lifetime of the notes. The note purchase agreement contains certain financial and non-financial covenants, including but not limited to, restrictions on priority indebtedness and the maintenance of certain financial ratios. We were in compliance with these covenants at June 30, 2015. Based on an estimation using the changes in the U.S. Treasury rates, the fair value of these senior notes at June 30, 2015 was approximately $389.8 million.

2006 Convertible Notes

In May 2006, the Company completed the sale of $300.0 million principal amount of 3.25% senior convertible notes (2006 Notes) due 2026, through its subsidiary QIAGEN Euro Finance (Luxembourg) S.A. Interest on the 2006 Notes was payable semi-annually in May and November. The 2006 Notes were issued at 100% of principal value, and were convertible into 15.0 million shares of common shares at the option of the holder upon the occurrence of certain events at a price of $20.00 per share, subject to adjustment. In March 2014, we redeemed the 98% of the 2006 Notes for $372.5 million, and recognized a loss on the redemption of $11.9 million in other financial expense, net. During the 2014, we issued 0.2 million common shares for in exchange for $3.9 million upon the conversion of the remaining 2006 Notes.

2004 Convertible Notes

In August 2004, the Company completed the sale of $150.0 million principal amount of 1.50% convertible unsubordinated notes (2004 Notes) due 2024, through its subsidiary QIAGEN Finance (Luxembourg) S.A. Interest on the 2004 Notes was payable semi-annually in February and August. The 2004 Notes were issued at 100% of principal value, and were convertible into 11.5 million shares of common shares at the option of the holder upon the occurrence of certain events at a price of $12.6449 per share, subject to adjustment. In November 2008, the Company issued 395,417 common shares upon the exercise of a portion of the subscription rights in connection with the conversion of $5.0 million of the 2004 Notes. The 2004 Notes were redeemable, in whole or in part, at QIAGEN's option on or after 7 years, at 100% of the principal amount provided the actual trading price of our common stock exceeded 120% of the conversion price for twenty consecutive trading days. In addition, the holders of the 2004 Notes could require QIAGEN to repurchase all or a portion of the outstanding 2004 Notes for 100% of the principal amount, plus accrued interest, on August 18, 2014 and 2019. As of December 31, 2014, $130.1 million was included in current financial debt for the loan amounts payable to QIAGEN Finance (Luxembourg) S.A., with a maturity date of February 2024 but was due on demand in connection with conversions. Based on an estimation using available over-the-counter market information on the convertible bond issued by QIAGEN Finance (Luxembourg) S.A., the fair value of the 2004 Notes at December 31, 2014 was $242.1 million. The effective interest rate of the 2004 Notes amounted to 1.5%. As of December 31, 2014, we reserved 10.1 million shares of common stock for issuance in the event of conversion of the 2004 Notes. During 2015, we repaid the loan to QIAGEN Finance (Luxembourg) S.A. and repurchased the warrant agreement for $250.5 million and recognized a gain of $2.5 million in other (expense) income, net.

10. Income Taxes

The provision for income taxes is based upon the estimated annual effective tax rates for the year applied to the current period income before tax plus the tax effect of any significant unusual items, discrete events or changes in tax law. Our operating subsidiaries are exposed to effective tax rates ranging from zero to approximately 42%. Fluctuations in the distribution of pre-tax income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the condensed consolidated financial statements. In the six-month periods ended June 30, 2015 and 2014, the effective tax rates were 9.7% and 20.4%.

We conduct business globally and, as a result, file numerous consolidated and separate income tax returns in The Netherlands, Germany, Switzerland and the U.S. federal jurisdiction, as well as in various other state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. Our subsidiaries are generally no longer subject to income tax examinations by tax authorities for years before 2010.

As of June 30, 2015, residual Netherlands income taxes have not been provided on the undistributed earnings of the majority of our foreign subsidiaries as these earnings are considered to be either permanently reinvested or can be repatriated tax free.

11. Inventories

The components of inventories consist of the following as of June 30, 2015 and December 31, 2014:

(in thousands)	June 30, 2015	December 31, 2014
Raw materials	**$ 26,988**	$ 24,781
Work in process	**21,967**	22,489
Finished goods	**89,483**	85,006
Total inventories	**$ 138,438**	$ 132,276

12. Equity

Share Repurchase Program

In 2012, our Supervisory Board approved a program authorizing management to purchase up to a total of $100 million of our common shares (excluding transaction costs). We completed this share repurchase program in April 2013 having repurchased, between October 2012 and April 2013, a total of 5.1 million QIAGEN shares for an aggregate cost of $99.0 million.

In 2013, we announced a second share buyback program, to purchase up to another $100 million of our common shares (excluding transaction costs). We completed the share repurchase program in June 2014 having repurchased between September 2013 and June 2014 a total of approximately 4.4 million QIAGEN shares for a total aggregate cost of $100.4 million (including performance fees), under this program.

In July 2014, we announced the launch of our third $100 million share repurchase program to purchase up to another $100 million of our common shares (excluding transaction costs). In 2014, 2.1 million QIAGEN shares were repurchased for $49.1 million (excluding transaction costs) and in 2015 0.6 million QIAGEN shares were repurchased for $15.0 million.

The cost of repurchased shares is included in treasury stock and reported as a reduction in total equity when a repurchase occurs. Repurchased shares will be held in treasury in order to satisfy various obligations, which include exchangeable debt instruments and employee share-based remuneration plans.

13. Earnings per Common Share

We present basic and diluted earnings per share. Basic earnings per share is calculated by dividing the net income (loss) attributable to the owners of QIAGEN N.V. by the weighted average number of common shares

outstanding. Diluted earnings per share reflect the potential dilution that would occur if all "in the money" securities to issue common shares were exercised. In the six months ended June 30, 2015 and 2014, the effect of the convertible notes (discussed in Note 9) was excluded from calculating diluted earnings per share as it was antidilutive. Due to the net loss for the six-month period ended June 30, 2014, stock options and restricted stock units representing approximately 4.6 million weighted-average shares of common stock were excluded from the computation of diluted net loss because the impact would have been antidilutive.

The following schedule summarizes the information used to compute earnings per common share:

	Six months ended June 30,	
(in thousands, except per share data)	**2015**	**2014**
Net income (loss) attributable to the owners of QIAGEN N.V.	**$ 89,374**	$ (11,901)
Weighted average number of common shares used to compute basic net income per common share	**233,308**	232,709
Dilutive effect of stock options and restricted stock units	**4,805**	—
Weighted average number of common shares used to compute diluted net income per common share	**238,113**	232,709
Outstanding options and awards having no dilutive effect, not included in above calculation	**138**	575
Basic earnings (loss) per common share attributable to the owners of QIAGEN N.V.	**$ 0.38**	$ (0.05)
Diluted earnings (loss) per common share attributable to the owners of QIAGEN N.V.	**$ 0.38**	$ (0.05)

14. Commitments and Contingencies

Contingent Consideration Commitments

Pursuant to the purchase agreements for certain acquisitions, we could be required to make additional contingent cash payments totaling up to $78.4 million based on the achievement of certain revenue and operating results milestones as follows: $12.9 million in the remainder of 2015, $25.0 million in 2016, $15.5 million in 2017, $5.1 million in 2019 and $19.9 million payable in any 12-month period from now through 2029 based on the accomplishment of certain revenue or diagnostic approval targets. Of the $78.4 million total contingent obligation, we have assessed the fair value at June 30, 2015 to be $22.6 million, of which $12.8 million is included in other non-current liabilities and $9.8 million is included in other current liabilities in the accompanying condensed consolidated balance sheet.

Preacquisition Contingencies

In connection with certain acquisitions, amounts were paid into escrow accounts to cover certain preacquisition contingencies assumed in the acquisition. The escrow amounts that are likely to be claimed by QIAGEN are recorded as an asset in prepaid expenses and other current assets and amount to $2.5 million as of June 30, 2015 ($2.5 million as of December 31, 2014).

Contingencies

In the ordinary course of business, we provide a warranty to customers that our products are free of defects and will conform to published specifications. Generally, the applicable product warranty period is one year from the date of delivery of the product to the customer or of site acceptance, if required. Additionally, we typically provide limited warranties with respect to our services. From time to time, we also make other warranties to customers, including warranties that our products are manufactured in accordance with applicable laws and not in violation of third-party rights. We provide for estimated warranty costs at the time of the product sale. We believe our warranty reserves of $3.3 million and $3.3 million as of June 30, 2015 and December 31, 2014, respectively, appropriately reflect the estimated cost of such warranty obligations.

Litigation

From time to time, QIAGEN may be party to legal proceedings incidental to its business. As of June 30, 2015, certain claims, suits or legal proceedings arising out of the normal course of business have been filed or were pending against QIAGEN or its subsidiaries. These matters have arisen in the ordinary course and conduct of business, as well as through acquisition. Although it is not possible to predict the outcome of such litigation, we assess the degree of probability and evaluate the reasonably possible losses that we could incur as a result of these matters. We accrue for any estimated loss when it is probable that a liability has been incurred and the amount of probable loss can be estimated. Based on the facts known to QIAGEN and after consultation with legal counsel, management believes that such legal proceedings will not have a material adverse effect on QIAGEN's financial position or results of operations.

15. Share-Based Payments

Stock Options

During the six-month periods ended June 30, 2015 and 2014 we did not grant any options to purchase common shares.

The unrecognized share-based compensation expense related to employee stock option awards, less estimated forfeitures, was approximately $0.3 million, as of June 30, 2015 which will be recognized over a period of 0.8 years.

Stock Awards

Stock-based awards consist of restricted stock units, which have time-based vesting, and performance stock units which have a performance hurdle in addition to the time vesting. During the six months ended June 30, 2015 and 2014, we granted 1.6 million and 1.5 million stock awards, respectively.

At June 30, 2015, there was $93.4 million remaining in unrecognized compensation expense, less estimated forfeitures, related to these awards which will be recognized over a period of 2.91 years.

Share-Based Compensation Expense

Total share-based compensation expense for the six-month periods ended June 30, 2015 and 2014 is comprised of the following:

(in thousands)	Six months ended June 30, 2015	2014
Cost of sales	**$ 1,549**	$ 1,645
Research and development	**3,835**	3,672
Sales and marketing	**5,429**	5,098
General and administrative, restructuring, integration and other	**8,885**	9,858
Share-based compensation expense before taxes	**19,698**	20,273
Income tax	**(179)**	1,563
Net share-based compensation expense	**$ 19,877**	$ 18,710

No compensation cost was capitalized in inventory at June 30, 2015 or December 31, 2014 as the amounts were not material.

16. Related Party Transactions

From time to time, we engage in transactions with companies in which we hold interests all of which are individually and in the aggregate immaterial. Compared to December 31, 2014, no significant changes have occurred to the related party transactions as of June 30, 2015.

17. Subsequent Event

Since July 1, 2015 we have repurchased 153,600 QIAGEN shares on the Frankfurt Stock Exchange at a volume-weighted average price of €22.44 (approximately €3.4 million or $3.8 million in total) under the share repurchase program discussed more fully in Note 12 "Equity".

Venlo, August 20, 2015

QIAGEN N.V.

/s/ Peer M. Schatz	/s/ Roland Sackers
Peer M. Schatz	Roland Sackers
CEO	CFO

QIAGEN N.V.

Responsibility statement of the Management Board to the condensed consolidated financial statements for the six months ended June 30, 2015

(unaudited)

The Managing Board of QIAGEN declares that, to the best of their knowledge,

- the condensed consolidated financial statements for the six months ended June 30, 2015 (half-year financial statements) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation;
- the management report gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions as required by provision 5.25d section 2 sub (c) of the Dutch act on financial supervision (*Wet op het financieel toezicht*).

Venlo, August 20, 2015

QIAGEN N.V.

/s/ Peer M. Schatz	/s/ Roland Sackers
Peer M. Schatz	Roland Sackers
CEO	CFO

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" and "Forward-looking and Cautionary Statements" below.

Forward-looking and Cautionary Statements

This report contains forward-looking statements that are subject to risks and uncertainties. These statements can be identified by the use of forward-looking terminology, such as "believe," "hope," "plan," "intend," "seek," "may," "will," "could," "should," "would," "expect," "anticipate," "estimate," "continue" or other similar words. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We caution investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: risks associated with our expansion of operations, including the acquisition of new businesses; variability in our operating results from quarter to quarter; management of growth, international operations, and dependence on key personnel; intense competition; technological change; our ability to develop and protect proprietary products and technologies and to enter into and maintain collaborative commercial relationships; our future capital requirements; general economic conditions and capital market fluctuations; and uncertainties as to the extent of future government regulation of our business. As a result, our future success involves a high degree of risk. For further information, refer to the more specific risks and uncertainties discussed on pages 29 to 44 of the 2014 Annual Report.

Results of Operations

Overview

We are a leading global provider of Sample to Insight solutions to transform biological materials into valuable molecular insights. QIAGEN sample technologies isolate and process DNA, RNA and proteins from any biological sample, such as blood or tissue. Assay technologies make these biomolecules visible and ready for analysis, such as identifying the DNA of a virus or a mutation of a gene. Bioinformatics solutions integrate software and cloud-based resources to interpret increasing volumes of biological data and report relevant, actionable insights. Our automation solutions tie these together in seamless and cost-effective molecular testing workflows.

We sell our products - consumables, automated instrumentation systems using those technologies, and bioinformatics to analyze and interpret the data - to four major customer classes:

- **Molecular Diagnostics** - healthcare providers engaged in many aspects of patient care including Prevention, Profiling of diseases, Personalized Healthcare and Point of Need testing
- **Applied Testing** - government or industry customers using molecular technologies in fields such as forensics, veterinary diagnostics and food safety testing
- **Pharma** - pharmaceutical and biotechnology companies using molecular testing to support drug discovery, translational medicine and clinical development efforts
- **Academia** - researchers exploring the secrets of life such as the mechanisms and pathways of diseases, and in some cases translating that research into drug targets or commercial applications

We market products in more than 100 countries throughout the world. We have established subsidiaries in markets we believe have the greatest sales potential, including countries throughout Europe, Asia, the Americas and Australia. We also work with specialized independent distributors and importers. As of June 30, 2015, we employed approximately 4,400 people in more than 35 locations worldwide.

QIAGEN is building momentum to deliver sustainable and more rapid sales growth through transformation of its core portfolio and a focus on strategic growth drivers. The expansion of the core portfolio has delivered growth more than offsetting the sharp decline of HPV test sales in the U.S. during 2014 and 2015, which is expected to be the final year of significant headwinds. The growth drivers continued expanding in the second quarter of 2015.

Among recent developments:

QIAsymphony presence grows as content menu expands

- A breakthrough offering related to liquid biopsy processing has been launched on the QIAsymphony platform to automate the isolation of free-circulating DNA from human plasma. This new, fully automated protocol marks a milestone in QIAGEN's expanding portfolio of liquid biopsy solutions that are being used to detect molecular biomarkers in blood, urine and other body fluids and have the potential to allow for improved prenatal testing as well as the diagnosis and monitoring of cancer and other diseases.
- A new collaboration with Seegene Inc. was launched to develop multiplex tests for the QIAsymphony RGQ MDx platform, with an initial focus on profiling infectious diseases.
- Placements of the QIAsymphony platform, which is bringing Sample to Insight automation to customers performing medium-throughput molecular testing, are progressing toward the 2015 goal of over 1,500 total placements, up from 1,250 at the end of 2014.

Personalized Healthcare leadership gains momentum

- The therascreen EGFR RGQ PCR Kit gained U.S. Food and Drug Administration approval in July 2015 as a companion diagnostic to guide the use of AstraZeneca's IRESSA® (gefitinib) in patients with advanced or metastatic non-small cell lung cancer (NSCLC). This marks the fourth U.S. regulatory approval of a QIAGEN companion diagnostic test paired with a targeted therapy for cancer. The approval was the latest milestone from QIAGEN's leading portfolio of collaboration agreements with pharmaceutical and biotech companies.
- A new partnership was initiated in June 2015 with Biotype Diagnostics GmbH of Germany to expand the development of clinical diagnostic assays for use as companion diagnostics on QIAGEN's proprietary ModaPlex platform, which combines two established technologies - PCR and capillary electrophoresis - to deliver quantitative clinical insights from the simultaneous analysis of various DNA and RNA biomarkers.
- An agreement with Columbia University has provided QIAGEN with exclusive rights for diagnostics based on fusions of the fibroblast growth factor receptor (FGFR) and transforming acidic coiled-coil (TACC) genes, which are promising biomarkers in various cancers. The discovery was made by Antonio Iavarone, MD, Professor of Pathology and Cell Biology and Neurology, and Anna Lasorella, MD, Associate Professor of Pathology and Cell Biology and Pediatrics at the Herbert Irving Comprehensive Cancer Center at Columbia University Medical Center. The FGFR-TACC program is synergistic with QIAGEN's pipeline, including the IDH1 and IDH2 biomarkers in development as companion diagnostics. The therascreen® IDH1/2 RGQ Kit was launched in 2013 for research use in various cancers.

QuantiFERON-TB advances the modern fight to control tuberculosis

- QuantiFERON-TB Gold was the only modern TB test cited in a new directive issued in July 2015 by the U.S. Occupational Safety and Health Administration, which sets federal standards for protecting workers. The directive noted QuantiFERON-TB as the modern alternative to the tuberculin skin test for testing healthcare workers, and incorporated guidance from the U.S. Centers for Disease Control and Prevention.

Bioinformatics grows amid explosion in NGS data generation

- The global rollout of QIAGEN Clinical Insight (QCI), launched in May 2015, is successfully building momentum. This unique evidence-based clinical decision support solution is a software and content platform for clinical labs to use in the interpretation and reporting of complex genomic variants from NGS data. QCI draws insights from QIAGEN's Ingenuity Knowledge Base, which has so far been used to analyze nearly 400,000 human genomic samples. The first applications of QCI involve somatic and hereditary cancer testing.
- QIAGEN has become the exclusive partner to commercialize a new whole-genome database containing more than 8,000 highly annotated whole genomes from Inova Genomes. This database, which provides researchers with access to a unique, diverse compendium of sequences, is considered the largest of its kind and is available through Ingenuity Variant Analysis and the CLC Biomedical Genomics Workbench.

- The CLC Microbial Genomics Module was launched within the CLC software solutions portfolio to enable academic and commercial researchers focused on food production, agricultural biology and infectious diseases to visually explore and analyze microbiomes.

Next-generation sequencing solutions aim to drive clinical adoption

- QIAGEN's results for 2015 include contributions from the Enzymatics NGS technology and consumables portfolio acquired in December 2014. This complements QIAGEN's offering of universal NGS products and is expected to provide about $20 million of sales in 2015.
- QIAGEN has partnered with Cell Microsystems for exclusive rights to commercialize the CellRaft Array technology, considered the most cost-efficient, viable technology for isolation and analysis of single cells. Single-cell analysis is one of the most rapidly emerging fields in NGS research. The addition complements QIAGEN's existing single-cell portfolio that includes the REPLi-g product line, which allows researchers to analyze the entire genome and transcriptome using individual cells as a starting point.
- Development of the GeneReader NGS workflow is progressing as planned toward commercialization in the second half of 2015. QIAGEN is developing this Sample to Insight workflow to provide customers with access to powerful clinical bioinformatics solutions, integrated with a complete workflow solution. The initial focus involves targeted gene panel sequencing in biomedical and clinical research as well as diagnostics.

Final year of material headwinds from U.S. HPV franchise

- QIAGEN's digene HC2 HPV Test has maintained the leading U.S. market share in cervical cancer screening despite aggressive price competition that has reduced sales in recent years. Pressure on HPV test sales in the U.S. continued during the second quarter of 2015. QIAGEN expects this decline to create about 3-4 percentage points of headwind on total net sales growth for the year. Sales related to HPV screening and testing products in the U.S. now contribute well below 5% of total sales, making 2015 the final year of material headwinds from this franchise.

Increasing returns in third $100 million share repurchase

QIAGEN is committed to disciplined capital allocation that includes supporting business expansion through targeted acquisitions as well as increasing returns to shareholders. QIAGEN is currently conducting its third $100 million share repurchase program, which was started in August 2014. Approximately 2.9 million shares have been repurchased in the third program on the Frankfurt Stock Exchange at a volume-weighted average price of EUR 19.22 per share for EUR 55 million (approximately $69 million). Repurchased shares are held in treasury to satisfy obligations for exchangeable debt instruments and employee share-based remuneration plans. Further information is available on the QIAGEN website (www.qiagen.com).

Six-Month Period Ended June 30, 2015, compared to Six-Month Period Ended June 30, 2014

Net Sales

Net sales decreased 5% in the first half of 2015 to $617.9 million compared to $647.9 million the same period in 2014 with adverse currency movements resulting in a loss of nine percentage points of sales growth. Excluding the adverse currency movements, total net sales growth was based on all customer classes delivering higher sales of instruments (+14% / 12% of sales) and consumables and related revenues (+3% / 88% of sales). About two percentage points of total growth came from the acquisitions of the Enzymatics NGS technology and consumables portfolio (acquired in December 2014) and the BIOBASE bioinformatics business (acquired in April 2014), while sales in the rest of the business provided the other two percentage points. Lower U.S. sales of HPV tests created approximately four percentage points of headwind in the first half of 2015.

Geographic regions: In the first half of 2015, Asia-Pacific / Japan (+2% / 20% of sales) led the regional performance on solid contributions from China, India and Korea. Europe / Middle East / Africa (-11% / 30% of sales) showed gains in Germany, Turkey and the United Kingdom, but faced a challenging comparison due to negative currency impacts. The Americas (-2% / 49% of sales) growth on demand across all customer classes was offset by lower revenues related to HPV testing in the U.S and negative currency impacts.

The top seven emerging markets (+7% / 13% of sales) maintained a dynamic growth pace during the first half of 2015 on the back of significant incremental sales contributions from Turkey, India, China and Korea against weaker results in Brazil, Mexico and Russia, in part due to negative currency impacts.

Customer classes: An overview of performance in QIAGEN's four customer classes:

Molecular Diagnostics sales, which contributed 49% of net sales declined 6% in the first half of 2015 compared to the first half of 2014, delivered growth from the core portfolio which was offset by eight percentage points of negative currency impacts and was also impacted by the ongoing decline in sales of U.S. HPV test products. Before currency impacts, the QuantiFERON-TB latent tuberculosis test continued double-digit growth and Personalized Healthcare growth was led by double-digit sales growth of pyro consumables and blood cancer assays and higher revenues from co-development projects.

Applied Testing sales remained unchanged and provided 9% of sales with adverse currency movements resulting in a loss of nine percentage points of growth in the first half of 2015. Before currency impacts, Applied Testing experienced high single-digit growth in instrument sales as well as consumables and related revenues.

Pharma, which represented approximately 20% of net sales, declined 1% in the first half of 2015 with adverse currency movements resulting in a loss of six percentage points of sales growth. Before negative currency impacts, Pharma experienced modestly improving demand trends with single-digit growth in instrument sales as well as consumables and related revenues.

Academia which represented approximately 22% of net sales, declined 6% during the first half of 2015 and had adverse currency movements resulting in a loss of 11 percentage points. Before negative currency impacts, Academia grew on double-digit sales growth in instrument sales and single-digit growth in consumables and related revenues.

Gross Profit

Gross profit for the six-month period ended June 30, 2015, was $394.6 million (64% of net sales) as compared to $419.7 million (65% of net sales) for the same period in 2014. Generally, our consumable sample and assay products have a higher gross margin than our instrumentation products and service arrangements. Fluctuations in the sales levels of these products and services can result in fluctuations in gross margin between periods. Further, amortization expense related to developed technology and patent and license rights, which have been acquired in business combinations, is included in cost of sales. In the first half of 2015, the amortization expense on acquisition-related intangibles within cost of sales decreased to $38.9 million compared to $41.0 million in the same period of 2014. We expect that our acquisition-related intangible amortization will increase as a result of future acquisitions.

Research and Development Expense

Research and development expenses decreased to $59.1 million (10% of net sales) in the first half of 2015, as compared to $76.9 million (12% of net sales) in the same period of 2014. The decrease in research and development expense includes a favorable currency impact in 2015 as well as increased capitalization of development costs as compared to the same time period of 2014. The increase in research and development activities in 2015 primarily reflects our acquisitions on Ingenuity, CLC Bio and BIOBASE and regulatory activity in support of new products. Business combinations, along with the acquisition of new technologies, may continue to increase our research and development costs. As we continue to discover, develop and acquire new products and technologies, we expect to incur additional expenses related to facilities, licenses and employees engaged in research and development. Additionally, research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) clearance and EU CE approval of certain assays or instruments. We have a strong commitment to innovation and expect to continue to make investments in our research and development efforts.

Sales and Marketing Expense

Sales and marketing expenses decreased by 3% to $197.8 million (32% of net sales) for the six-month period ended June 30, 2015, from $203.2 million (31% of net sales) for the same period in 2014. The decrease including favorable currency exchange impact was partially offset by costs with increased sales and marketing activities. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses, medical device excise tax and other promotional expenses. During 2015, we continued investments in our commercialization activities related to our sales force and e-commerce

initiatives which partially offset the favorable currency impacts. We anticipate that sales and marketing costs will continue to increase along with new product introductions and growth in sales of our products.

General and Administrative, Integration and Other Expense

During the six months ended June 30, 2015, we recorded general and administrative, restructuring and related costs of $53.3 million, as compared to $55.5 million for the same period in 2014. As we further integrate acquired companies and pursue other opportunities to gain efficiencies, we expect to continue to incur additional business integration costs in 2015. Over time, we believe the integration activities will reduce expenses as we improve efficiency in operations.

Financial Income (Expense)

For the six months ended June 30, 2015, financial income decreased to $1.7 million from $3.2 million in the same period of 2014. Financial income primarily reflects the changes in our cash and short-term investments and the changing interest rates thereon.

Financial expense increased to $18.4 million in the six-month periods ended June 30, 2015, as compared to $17.0 million for the same period of 2014. Interest costs primarily relate to debt, discussed in Note 9 in the accompanying notes to the condensed consolidated financial statements.

Other Income (Expense), net

For the six months ended June 30, 2015, other income (expense), net increased to $31.4 million income from $84.9 million expense in the same period of 2014. The fluctuation from prior year is primarily due to the period changes in the fair value of the Warrants derivative discussed in Note 7.

Provision for Income Taxes

For the six-month periods ended June 30, 2015 and 2014, our effective tax rates were 9.7% and 20.4%. Our provision for income taxes is based upon the estimated annual effective tax rates. Our operating subsidiaries are exposed to effective tax rates ranging from zero to approximately 42%. Fluctuations in the distribution of pre-tax income (loss) among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements.

Liquidity and Capital Resources

To date, we have funded our business primarily through internally generated funds, debt and private and public sales of equity. Our primary use of cash has been to support continuing operations and our investing activities, including capital expenditure requirements and acquisitions. As of June 30, 2015, and December 31, 2014, we had cash and cash equivalents of $234.3 million and $393.7 million, respectively. Cash and cash equivalents are primarily held in U.S. dollars and euros, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At June 30, 2015, cash and cash equivalents had decreased by $159.4 million from December 31, 2014, primarily due to cash used in financing activities of $264.6 million and cash used in investing activities of $34.2 million, partially offset by cash provided by operating activities of $150.4 million. As of June 30, 2015 and December 31, 2014, we had working capital of $617.3 million and $664.6 million, respectively.

Operating Activities: For the six-months periods ended June 30, 2015 and 2014, we generated net cash from operating activities of $150.4 million and $124.4 million, respectively. While net income was $89.2 million in the six-months ended June 30, 2015, non-cash components in income included $94.1 million of depreciation and amortization. Operating cash flows include a net decrease in working capital of $58.3 million excluding changes in fair value of derivative instruments. The current period change in working capital is primarily due to increased inventories, decreased provisions and other current liabilities and payments made for income taxes. Because we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, longer collection cycles or significant technological advances of competitors would have a negative impact on our liquidity.

Investing Activities: Approximately $34.2 million of cash was used in investing activities during the six-months ended June 30, 2015, compared to $280.1 million for the same period in 2014. Investing activities during the six-months ended June 30, 2015 consisted principally of $95.3 million for purchases of short-term investments and $43.7 million in cash paid for purchases of property and equipment, including our ongoing construction projects in the U.S., as well as $13.1 million paid for intangible assets and $6.3 million paid for investments. Cash paid

for acquisitions, net of cash acquired, of $7.1 million was offset by $144.7 million from the sale of short-term investments.

In recent years we have expanded our Hilden, Germany, and Germantown, Maryland, USA facilities. There are two new small-scale expansion projects in Maryland that started in 2014 and are estimated to be completed in 2015. We anticipate being able to fund these expansions with cash generated by operating activities.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to $78.4 million based on the achievement of certain revenue and operating results milestones as follows: $12.9 million in the remainder of 2015, $25.0 million in 2016, $15.5 million in 2017, $5.1 million in 2019 and $19.9 million payable in any 12-month period from now through 2029 based on the accomplishment of certain revenue or diagnostic approval targets. Of the $78.4 million total contingent obligation, we have assessed the fair value at June 30, 2015 to be $22.6 million, of which $12.8 million is included in other non-current liabilities and $9.8 million is included in other current liabilities in the accompanying condensed consolidated balance sheet.

Financing Activities: Financing activities used $264.6 million in cash for the six-months ended June 30, 2015 compared to cash provided by financing activities of $242.3 million for the six-months ended June 30, 2014. Cash used during the six months ended June 30, 2015, was mainly due to the repayment of the long-term debt of QIAGEN Finance of $250.5 million as discussed in Note 9 "Financial Debts" as well as $15.0 million due to the purchase of treasury shares as discussed in Note 12 "Equity." In 2014, the net proceeds from the issuance of the Cash Convertible Notes, including the related cash flow from the purchase of the Call Options and the issuance of the Warrants, were substantially used to fund the $372.5 million redemption of the 2006 Notes and subscription right as discussed in Note 9 "Financial Debts." Additionally, cash used during the six months ended June 30, 2014 was for the purchase of treasury shares of $77.7 million and was partially offset by $8.3 million for the issuance of common shares in connection with our stock plan.

In December 31, 2014, we amended and extended our €400.0 million syndicated multi-currency revolving credit facility which now has a contractual life until expiring December 2019 of which no amounts were utilized at June 30, 2015. The €400.0 million facility can be utilized in euro, U.K. pound or U.S. dollar and bears interest of 0.4% to 1.20% above three months EURIBOR, or LIBOR in relation to any loan not in euro, and is offered with interest periods of one, two, three, six or twelve months. We have additional credit lines totaling €36.6 million at variable interest rates, of which no amounts were utilized as of June 30, 2015. We also have capital lease obligations, including interest, in the aggregate amount of $4.0 million, and carry $1.0 billion of non-current financial debts, of which $0.6 million is current as of June 30, 2015.

In March 2014, we issued $730.0 million aggregate principal amount of Cash Convertible Senior Notes of which $430.0 million is due in 2019 (2019 Notes) and $300.0 million is due in 2021 (2021 Notes). We refer to the 2019 Notes and 2021 Notes, collectively as the “Cash Convertible Notes” which are discussed more fully in Note 9. Interest on the Cash Convertible Notes is payable semiannually in arrears on March 19 and September 19 of each year, at rates of 0.375% and 0.875% per annum for the 2019 Notes and 2021 Notes, respectively, commencing on September 19, 2014. The 2019 Notes will mature on March 19, 2019 and the 2021 Notes will mature on March 19, 2021, respectively, unless repurchased or converted in accordance with their terms prior to such date.

In August 2004, the Company completed the sale of $150.0 million principal amount of 1.50% convertible unsubordinated notes (2004 Notes) due 2024, through its subsidiary QIAGEN Finance (Luxembourg) S.A. The 2004 Notes were convertible into our common shares at a conversion price of $12.6449, subject to adjustment. In connection with conversions of $14.9 million of the 2004 Notes, we previously repaid $14.5 million of the debt. During 2015, we repaid the loan to QIAGEN Finance (Luxembourg) S.A. and repurchased the warrant agreement for $250.5 million and recognized a gain of $2.5 million in other (expense) income, net.

In October 2012, we completed a U.S. private placement through the issuance of new senior unsecured notes at a total amount of $400 million with a weighted average interest rate of 3.66% (settled on October 16, 2012). The notes were issued in three series: (1) $73 million 7-year term due in 2019 (3.19%); (2) $300 million 10-year term due in 2022 (3.75%); and (3) $27 million 12-year term due in 2024 (3.90%). Approximately EUR 170 million (approximately $220 million) of proceeds from the notes were used to repay amounts outstanding under our short-term revolving credit facility. The remainder of the proceeds provides additional resources to support QIAGEN's longer-term business expansion.

In 2012, our Supervisory Board approved a program authorizing management to purchase up to a total of $100 million of our common shares (excluding transaction costs). We completed the share repurchase program in April

2013 having repurchased between October 2012 and April 2013 a total of 5.1 million QIAGEN shares for a total aggregate cost of $99.0 million (excluding transaction costs).

In 2013, we announced a second share buyback program, to purchase up to another $100 million of our common shares (excluding transaction costs). We completed the share repurchase program in June 2014 having repurchased between September 2013 and June 2014 a total of approximately 4.4 million QIAGEN shares for a total aggregate cost of $100.4 million (including performance fees) under this program.

In July 2014, we announced the launch of our third $100 million share repurchase program to purchase up to another $100 million of our common shares (excluding transaction costs). In 2014, 2.1 million QIAGEN shares were repurchased for $49.1 million (excluding transaction costs) and through June 30, 2015, 0.6 million QIAGEN shares were repurchased for $15.0 million. Repurchased shares will be held in treasury in order to satisfy obligations for exchangeable debt instruments and employee share-based remuneration plans.

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

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

Quantitative and Qualitative Disclosures about Market Risk

Our market risk relates primarily to interest rate exposures on cash, marketable securities and borrowings and foreign currency exposures on intercompany and third-party transactions. The overall objective of our risk management is to reduce the potential negative earnings effects from changes in interest and foreign currency exchange rates. Exposures are managed through operational methods and financial instruments. We do not use financial instruments for trading or speculative purposes. Our exposure to market risk from changes in interest rates and currency exchange rates has not changed materially from our exposure as discussed in our Annual Report for the year ended December 31, 2014.

Contractual Obligations

There were no material changes at June 30, 2015, from the contractual obligations disclosed in our Annual Report for the year ended December 31, 2014.

Legal Proceedings

For information on legal proceedings, see Note 14 to the accompanying selected notes to the condensed consolidated financial statements.

While no assurances can be given regarding the outcome of the proceeding described in Note 14, based on information currently available, we believe that the resolution of these matters is unlikely to have a material adverse effect on our financial position or results of future operations for QIAGEN N.V. as a whole. However, because of the nature and inherent uncertainties of litigation, should the outcomes be unfavorable, certain aspects of our business, financial condition, and results of operations and cash flows could be materially adversely affected.

Principal risks and uncertainties

Our risk categories and risk factors which could have a material impact on our financial position and result are extensively described in QIAGEN's 2014 Annual Report. There have been no material changes from the risk factors disclosed in the 2014 Annual Report.

2015 Outlook

In diverse markets around the world, QIAGEN's strategy is to build upon growth opportunities in molecular technologies serving four customer classes: Molecular Diagnostics, Applied Testing, Pharma and Academia. Our business, therefore, is exposed to a wide variety of technological advances and market needs. We have grown substantially in recent years with a flexible strategy for developing innovative new products, partnering, and acquiring companies or technologies with high growth potential. The long-term growth of healthcare needs, both in developed and emerging markets, is a key driver of increasing demand for innovative diagnostics as well as for biomedical research technologies. Our leadership in Sample to Insight solutions is the basis for all of QIAGEN's products, and we focus on meeting the needs of customers across the continuum of research and commercial testing. QIAGEN continually adds new systems and products to efficiently transform raw samples into valuable molecular insights that add value for our expanding base of customers.

QIAGEN reaffirms its expectations to deliver higher constant exchange rate (CER) adjusted net sales and adjusted earnings in 2015, as above-market growth from the current core portfolio - led by the growth drivers - well exceeds the adverse impact of the final year of significant headwinds from reduced U.S. sales of HPV products. These expectations do not take into account any further acquisitions that could be completed in 2015.

For the full year, adjusted net sales are expected to rise approximately 4% CER in 2015, as growth of about 7-8% CER in the core portfolio (including contributions from the Enzymatics acquisition in late December 2014) exceeds the adverse impact of approximately 3-4 percentage points from lower U.S. HPV sales. Based on exchange rates as of June 30, 2015, QIAGEN expects the movements of the U.S. dollar, its reporting currency, against various currencies to have an adverse impact on full-year adjusted sales and EPS results.

Global Economic Perspectives for 2015

The consensus outlook for growth in the world's economy is moderately stronger going forward than in 2014, although uncertainties and regional variations remain. Global GDP is forecast by the World Bank to grow 3.0% in 2015 and 3.3% in 2016, up from estimated growth of 2.6% in 2014. Continuing low interest rates, gradual improvement in labor markets and soft commodity prices - including sharply lower oil prices - hold potential to stimulate growth overall. On the other hand, analysts consider the economic recovery fragile. Potential headwinds include volatility in financial markets and the possibility of a credit crisis; concerns about effects of divergent monetary policies, including the Federal Reserve's expectation to raise rates in the United States and the European and Japanese authorities' embrace of Quantitative Easing; and the persistent very slow growth in the Euro Area and Japan. Stronger underlying growth would support stronger demand in QIAGEN's business environment, but economic weakness or a downturn in some regions could undercut demand among customers.

Industry Perspectives for 2015

Ongoing growth in the market for molecular technologies presents opportunities for QIAGEN in 2015 and beyond. In Academia, genome-based studies are rapidly expanding knowledge - for example, identifying 3,600 genes for rare inherited disorders and several hundred genes that drive various cancers. These discoveries make several thousand potential biomarkers available, and researchers in Academia and the Pharma industry are studying pathways and genetic mechanisms for potential treatments targeting the more promising molecular variations. Leading clinical researchers and healthcare institutions also are relying increasingly on molecular diagnostics to evaluate and monitor patients, taking advantage of the superior accuracy (and often speed) of genomic testing compared to traditional laboratory techniques. Industry analysts view molecular diagnostics as the fastest-growing segment of in vitro diagnostics, expected to grow at high single-digit rates from 2015 to 2020. Both PCR technologies and next-generation sequencing (NGS) are expected to grow strongly for the next several years. Several market needs are expected to shape the industry. Efficient, automated laboratory workflows and standardized test kits approved by the FDA or other regulators are adding scale and reducing costs of molecular testing. In addition, the trend in molecular diagnostics especially is toward simplification and decentralization, as hospitals seek rapid, accurate results with on-site analysis rather than sending samples off to distant labs. Next-generation sequencing is growing rapidly, and moving from academic research into clinical diagnostics. To enable that transition, the industry must provide less complicated, easy-to-use NGS technologies and sophisticated bioinformatics to transform a flood of NGS data into valuable insights for diagnosing disease.

Signatures

Venlo, August 20, 2015

QIAGEN N.V.

/s/ Peer M. Schatz	/s/ Roland Sackers
Peer M. Schatz	Roland Sackers
CEO	CFO