QIAGEN N.V.
Venlo, The Netherlands

Interim Financial Report

June 30, 2016

(unaudited)

QIAGEN N.V.

CONDENSED FINANCIAL REPORT PERIOD ENDED JUNE 30, 2016

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QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	Note	June 30, 2016	December 31, 2015
		(unaudited)	
Assets			
Current assets:			
Cash and cash equivalents		$ 328,157	$ 290,011
Restricted cash		—	6,315
Current available-for-sale financial instruments	**(5)**	78,282	130,817
Trade accounts receivable		254,780	273,853
Income taxes receivable		27,353	26,940
Inventories	**(11)**	140,090	136,586
Prepaid expenses and other current assets		49,819	49,612
Total current assets		**878,481**	**914,134**
Non-current assets:			
Property, plant and equipment		326,824	326,013
Goodwill	**(6)**	1,997,649	1,901,646
Other intangible assets	**(6)**	763,836	792,365
Investments in associates		18,011	16,716
Non-current available-for-sale financial instruments	**(5)**	39,795	20,654
Deferred tax assets		29,656	4,706
Other non-current assets	**(7)**	128,304	216,937
Total non-current assets		**3,304,075**	**3,279,037**
Total assets		**$ 4,182,556**	**$ 4,193,171**

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, 2016 (unaudited)	December 31, 2015
Liabilities and equity			
Current liabilities:			
Trade and other accounts payable		$ 45,563	$ 52,306
Provisions		7,816	4,752
Income tax payable		16,113	21,515
Other current liabilities		176,102	187,317
Total current liabilities		**245,594**	**265,890**
Non-current liabilities:			
Non-current financial debts	**(9)**	1,059,688	1,044,041
Deferred tax liabilities		57,981	24,927
Other non-current liabilities	**(7)**	176,708	361,515
Total non-current liabilities		**1,294,377**	**1,430,483**
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 2016 and in 2015		2,812	2,812
Share premium		1,872,554	1,862,835
Retained earnings		1,138,646	1,036,687
Reserves		(244,991)	(255,158)
Less treasury shares at cost— 5,707 and 6,702 shares in 2016 and in 2015, respectively	**(12)**	(131,868)	(152,412)
Equity attributable to the owners of QIAGEN N.V.		**2,637,153**	**2,494,764**
Non-controlling interest		5,432	2,034
Total equity		**2,642,585**	**2,496,798**
Total liabilities and equity		**$ 4,182,556**	**$ 4,193,171**

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

QIAGEN N.V.

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

	Note	Six months ended June 30, 2016	Six months ended June 30, 2015
		(unaudited)	
Net sales		**$ 632,791**	**$ 617,885**
Cost of sales		**(241,710)**	(223,331)
Gross profit		**391,081**	**394,554**
Operating expenses:			
Other operating income		**184**	164
Research and development expense		**(79,393)**	(59,108)
Sales and marketing expense		**(211,640)**	(197,839)
General and administrative, integration and other expense		**(55,938)**	(53,258)
Other operating expense		**(598)**	(431)
Total operating expenses		**(347,385)**	**(310,472)**
Income from operations		**43,696**	**84,082**
Financial income		**3,018**	1,745
Financial expense		**(18,744)**	(18,443)
Foreign currency gains, net		**857**	75
Gain (loss) from investments in associates		**995**	(77)
Other financial income, net	**(5, 7)**	**89,548**	31,420
Income before income taxes		**119,370**	**98,802**
Income taxes		**2,047**	(9,558)
Net income		**$ 121,417**	**$ 89,244**
- attributable to non-controlling interest		**$ (47)**	$ (130)
- attributable to the owners of QIAGEN N.V.		**$ 121,464**	$ 89,374
Basic earnings per common share attributable to the owners of QIAGEN N.V.		**$ 0.52**	$ 0.38
Diluted earnings per common share attributable to the owners of QIAGEN N.V.		**$ 0.51**	$ 0.38
Weighted average shares outstanding (in thousands)			
Basic		**234,423**	233,308
Diluted		**238,148**	238,113

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, 2016	Six Months Ended June 30, 2015
		(unaudited)	
Net income		**$ 121,417**	**$ 89,244**
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Reclassification adjustments on cash flow hedges, before tax	**(7)**	3,870	—
Losses on cash flow hedges, before tax		(4,825)	—
Net change in fair value of available-for-sale financial assets, before tax		(1,189)	—
Foreign currency translation adjustments, before tax		12,788	(60,721)
Other comprehensive income (loss), before tax		**10,644**	**(60,721)**
Income tax relating to components of other comprehensive income (loss)		73	(366)
Total other comprehensive income (loss), after tax		10,717	(61,087)
Comprehensive income		**$ 132,134**	**$ 28,157**
Comprehensive income attributable to non-controlling interest		503	205
Comprehensive income attributable to the owners of QIAGEN N.V.		131,631	27,952

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, 2016	2015
		(unaudited)	
Net income		$ 121,417	$ 89,244
Adjustments to reconcile net loss to net cash provided by operating activities net of effects of businesses acquired:			
Depreciation and amortization		107,977	94,105
Non-cash impairments	(5)	—	2,189
Amortization of debt discount and issuance costs		10,152	9,901
(Gain) loss on marketable securities		(1,360)	1,948
Changes in fair value of contingent consideration		(5,501)	—
Deferred income taxes		(1,655)	3,438
Gain on early redemption of debt	(9)	—	(2,525)
Share based compensation	(15)	12,177	19,698
Other non-cash items, including fair value changes in derivatives		(88,795)	(29,432)
Net changes in other operating assets and liabilities:			
Accounts receivable		25,720	9,892
Inventories		(5,805)	(18,732)
Income tax receivables		(843)	(24,980)
Prepaid expenses and other current assets		2,887	24,288
Other non-current assets		4,617	(482)
Accounts payable		(9,053)	(3,011)
Provisions and other current liabilities		(16,623)	(24,663)
Income tax payables		(1,404)	6,760
Other non-current liabilities		(3,853)	(7,268)
Net cash provided by operating activities		**150,055**	**150,370**
Purchases of property, plant and equipment		(15,253)	(43,669)
Proceeds from sale of equipment		20	52
Purchases of intangible assets		(31,754)	(13,135)
Capitalization of development expenses		(2,213)	(12,817)
Proceeds from available-for-sale assets		409,103	144,705
Purchases of available-for-sale assets		(355,051)	(95,346)
Purchase of investments		(21,287)	(6,335)
Cash paid for acquisitions, net of cash acquired	(3)	(90,490)	(7,097)
Other investing activities		(2,424)	(559)
Net cash used in investing activities		**(109,349)**	**(34,201)**
Proceeds from long-term debt	(9)	—	(86)
Repayment of long-term debt	(9)	—	(250,545)
Principal payments on finance leases		(556)	(526)
Proceeds from issuance of common shares		1,038	6,232
Purchase of treasury shares	(12)	—	(14,992)
Other financing activities		(5,519)	(4,731)
Net cash used in financing activities		**(5,037)**	**(264,648)**
Effect of exchange rate changes on cash and cash equivalents		2,477	(10,896)
Net increase (decrease) in cash and cash equivalents		38,146	(159,375)
Cash and cash equivalents, beginning of period		290,011	393,705
Cash and cash equivalents, end of period		$ 328,157	$ 234,330
Supplemental operating cash flow disclosures:			
Cash paid for interest		$ (6,769)	$ (8,902)
Cash paid for income taxes		$ (7,808)	$ (18,570)

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: Shares	Common Shares: Amount	Share premium	Retained earnings	Cash flow hedge reserve	Available-for-sale reserve	Pension reserve	Foreign currency translation	Treasury Shares: Shares	Treasury Shares: Amount	Equity attributable to the owners of QIAGEN N.V.	Non-controlling interest	Total equity
BALANCE AT JANUARY 1, 2015		239,707	$ 2,812	$1,948,698	$ 929,349	$ —	$ —	$ (882)	$ (128,398)	(7,684)	$ (167,190)	$ 2,584,389	$ 8,255	$2,592,644
Net income (loss)		—	—	—	89,374	—	—	—	—	—	—	89,374	(130)	89,244
Other comprehensive income (loss)		—	—	—	—	—	—	—	(61,422)	—	—	(61,422)	335	(61,087)
Total comprehensive income		—	—	—	89,374	—	—	—	(61,422)	—	—	27,952	205	28,157
Purchase of treasury shares		—	—	—	—	—	—	—	—	(611)	(14,992)	(14,992)	—	(14,992)
Redemption of convertible debt		—	—	(123,084)	—	—	—	—	—	—	—	(123,084)	—	(123,084)
Tax benefit of employee stock plans		—	—	8,026	—	—	—	—	—	—	—	8,026	—	8,026
Share-based payments		—	—	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		—	—	—	—	—	—	—	—	—	—	—	(4,731)	(4,731)
BALANCE AT JUNE 30, 2015		239,707	$ 2,812	$1,853,338	$ 996,985	$ —	$ —	$ (882)	$ (189,820)	(6,867)	$ (154,213)	$ 2,508,220	$ 3,729	$2,511,949
BALANCE AT JANUARY 1, 2016		**239,707**	**$ 2,812**	**$1,862,835**	**$1,036,687**	**$ 48**	**$ 1,215**	**$ (2,148)**	**$ (254,273)**	**(6,702)**	**$ (152,412)**	**$ 2,494,764**	**$ 2,034**	**$2,496,798**
Net income (loss)		**—**	**—**	**—**	**121,464**	**—**	**—**	**—**	**—**	**—**	**—**	**121,464**	**(47)**	**121,417**
Other comprehensive income (loss)		**—**	**—**	**—**	**—**	**(717)**	**(1,189)**	**—**	**12,073**	**—**	**—**	**10,167**	**550**	**10,717**
Total comprehensive income		**—**	**—**	**—**	**121,464**	**(717)**	**(1,189)**	**—**	**12,073**	**—**	**—**	**131,631**	**503**	**132,134**
Purchase of treasury shares	**(12)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Tax benefit of employee stock plans		**—**	**—**	**(2,458)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2,458)**	**—**	**(2,458)**
Share-based payments	**(15)**	**—**	**—**	**12,177**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**12,177**	**—**	**12,177**
Employee stock plans		**—**	**—**	**—**	**(19,505)**	**—**	**—**	**—**	**—**	**995**	**20,544**	**1,039**	**—**	**1,039**
Acquisition of Exiqon A/S	**(3)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**5,519**	**5,519**
Acquisition of QIAGEN Marseille S.A. shares from non-controlling interests	**(3)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2,624)**	**(2,624)**
BALANCE AT JUNE 30, 2016		**239,707**	**$ 2,812**	**$1,872,554**	**$1,138,646**	**$ (669)**	**$ 26**	**$ (2,148)**	**$ (242,200)**	**(5,707)**	**$ (131,868)**	**$ 2,637,153**	**$ 5,432**	**$2,642,585**

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, 2016 (unaudited)

1. Corporate Information

QIAGEN N.V. is a public limited liability company ('naamloze vennootschap') under Dutch law with a registered office at Hulsterweg 82, 5912 PL 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 130 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 are prepared following the same accounting policies used in and 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, 2015.

On June 28, 2016, we acquired Exiqon A/S, located in Vedbaek, Denmark and on November 20, 2015, we acquired MO BIO Laboratories, located in Carlsbad, California. Accordingly, at the acquisition date, 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 from the acquired companies from the acquisition date.

Certain reclassifications of prior year amounts have been made to conform to the current year presentation in the condensed consolidated statement of cash flows. For the six-month period ended June 30, 2016, the amounts related to the amortization of debt issuance costs and loss on marketable securities have been reclassed from other items, net and are now stated separately in the 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, 2016 were authorized for issue by the Supervisory Board on August 12, 2016. 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, 2015 including the adoption of new standards and interpretations as of January 1, 2016.

Adoption of New and Amended Standards and Interpretations

The new accounting policies adopted in 2016 did not have a material impact to the condensed consolidated financial statements.

- The IASB has issued *Annual Improvements to IFRSs 2012-2014 Cycle*. The amendments were 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.*

  The adoption did not have a significant effect 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 were effective for annual periods beginning on or after January 1, 2016. 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. The adoption did not have a significant effect 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 adoption did not have a significant effect 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 were effective for annual periods beginning on or after January 1, 2016. The adoption did not have a significant effect on our financial position, results of operations or cash flows.

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.

- In January 2016, the IASB issued amendments to IAS 12, *Income Taxes.* The amendments, *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12),* clarify how to account for deferred tax assets related to debt instruments measured at fair value. IAS 12 provides requirements on the recognition and measurement of current or deferred tax liabilities or assets. The amendments issued clarify the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. We are currently evaluating the impact on our financial position, results of operations or cash flows.
- In January 2016, the IASB published IFRS 16 *Leases.* Under the new guidance, lessees will be required to present right-of-use assets and lease liabilities on the balance sheet. This new lease guidance requires that a lessee recognize the following for leases at the commencement date:
    - A lease liability, which is a lessee‘s obligation to make lease payments arising from a lease, measured on a discounted basis; and
    - A right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term.

  IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers,* at or before the date of initial application of IFRS 16. A lessee should apply IFRS 16 to its leases either: *(a)* retrospectively to each prior reporting period presented applying IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors;* or *(b)* retrospectively with the cumulative effect of initially applying IFRS 16 recognized at the date of initial application. A lessor is not required to make any adjustments on transition for leases in which it is a lessor and should account for those leases applying IFRS 16 from the date of initial application. 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 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.

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, 2015.

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.

2016 Acquisition

During the second quarter of 2016, we acquired a majority shareholding in Exiqon A/S (Exiqon), a publicly traded Danish company headquartered in Vedbaek, Denmark, which is a leading provider of RNA analysis solutions with a proprietary Locked Nucleid Acid (LNA) technology. The acquisition will expand our leadership position in Sample to Insight solutions for RNA analysis. On June 28, 2016, we paid DKK 627.4 million ($95.2 million) for approximately 94.52% of the outstanding Exiqon common shares. The fair value of the noncontrolling interest was based on reference to quoted market values of Exiqon stock. We have initiated the process of purchasing the remaining outstanding stock from the remaining Exiqon shareholders. Shares of Exiqon's stock are expected to be delisted from trading by Nasdaq Copenhagen in August 2016. For the six-month period ended June 30, 2016, acquisition-related costs of $3.6 million are included in general, administrative, integration and other in the accompanying condensed consolidated statements of income.

The allocation of the purchase price is preliminary and is not yet finalized. 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. We continue to gather information about the fair value of all assets and liabilities, including intangible assets acquired, and the related deferred taxes.

(in thousands)	**Exiqon acquisition**
Purchase Price:	
Cash consideration	$ 95,163
Fair value of remaining shares	5,519
	$ 100,682
Preliminary Allocation:	
Cash and cash equivalents	$ 4,824
Accounts receivable	3,581
Inventory	1,553
Prepaid expenses and other current assets	1,499
Accounts payable	(1,289)
Accruals and other current liabilities	(11,586)
Debt assumed	(5,822)
Other long term liabilities	(197)
Fixed and other long term assets	2,939
Developed technology	9,100
Customer relationships	6,600
Tradenames	1,400
Computer software	725
Goodwill	91,496
Deferred tax liability on fair value of identifiable intangible assets acquired	(4,141)
	$ 100,682

The weighted average amortization period for the intangible assets is 7.9 years. The goodwill acquired is not deductible for tax purposes.

No amounts of revenue or earnings are included in the condensed consolidated income statement for the reporting periods since the acquisition date. No pro forma financial information has been provided herein as the acquisition of Exiqon did not have a material impact to net sales, net income or earnings per share on a pro forma basis.

Other Acquisitions

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. 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. During 2015, we acquired additional Marseille shares for a total of $8.0 million and held 97.22% of the Marseille shares as of December 31, 2015. Per the terms of the tender offer, $2.5 million was set aside as of December 31, 2015 in restricted cash for the remaining shares which were acquired in the first quarter of 2016 and as of June 30, 2016 we held 100% of the Marseille shares.

4. Restructuring

Late in 2014, we implemented restructuring efforts to further streamline operations as part of a commitment to continuous improvement and related to our strategic focus on our growth drivers. No additional costs were incurred in 2015 or 2016 and we do not expect to record additional restructuring charges related to this program.

The following table summarizes the components of the 2014 restructuring costs. At December 31, 2015, a restructuring accrual of $4.1 million was recorded in other current liabilities in the accompanying condensed consolidated balance sheets. At June 30, 2016, no further amounts were payable under the restructuring program.

(in thousands)	Personnel Related	Facility Related	Contract and Other Costs	Total
Balance at December 31, 2015	$ 469	$ 3,428	$ 214	$ 4,111
Payments	(143)	(3,428)	(214)	(3,785)
Release of excess accrual	(325)	—	—	(325)
Foreign currency translation adjustment	(1)	—	—	(1)
Balance at June 30, 2016	**$ —**	**$ —**	**$ —**	**$ —**

5. Available for Sale Financial Instruments

Unquoted Debt Securities

At June 30, 2016 and December 31, 2015, we had $74.5 million and $127.1 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, 2016, these loans consist of €10.0 million ($11.1 million) and $63.4 million (total $74.5 million as of June 30, 2016) which mature at various dates through March 2018. At December 31, 2015, these loans consist of $94.4 million and €30 million ($32.7 million as of December 31, 2015) which mature at various dates through December 2018. All instruments that have an original tenor of more than 12 months can be redeemed on at least a quarterly basis and are therefore classified as current assets in the accompanying condensed consolidated balance sheets. Interest income is determined using the effective interest rate method.

Term Deposits and Short-Term Funds

At June 30, 2016 and December 31, 2015, we also had €3.4 million ($3.7 million) and €3.4 million ($3.7 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 condensed consolidated balance sheets.

For the six-months ended June 30, 2016 proceeds from sales of short term investments totaled $409.1 million and realized gains totaled of $1.4 million.

Quoted Equity Securities

During 2015, our former cost-method investment in Curetis AG was reclassified as a non-current marketable security upon the completed IPO of its Dutch holding company, Curetis N.V. As a result we hold 320,712 shares, with a costs basis of $2.3 million. As of June 30, 2016 and December 31, 2015, the fair market value of these shares was $2.3 million and $3.5 million respectively, and are included in other non-current assets in the accompanying condensed consolidated balance sheets.

Unquoted Equity Securities

As of June 30, 2016 and December 31, 2015, we had a total of cost-method investments in non-publicly traded companies with carrying amounts of $37.5 million and $17.2 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, we recorded impairments of cost method investments totaling $2.2 million in other expense, net in the accompanying condensed consolidated statement of income.

6. Intangible Assets

The changes in intangibles assets in 2016 are summarized as follows:

(in thousands)	Other Intangible Assets	Goodwill
Balance at December 31, 2015	$ 792,365	$ 1,901,646
Additions	35,065	—
Purchase adjustments	(321)	329
Acquisitions	17,825	91,496
Amortization/disposals	(84,067)	—
Foreign currency translation adjustments	2,969	4,178
Balance at June 30, 2016	$ 763,836	$ 1,997,649

Cash paid for purchases of intangible assets during the six-months ended June 30, 2016 totaled $31.8 million. Additionally, during the six-months ended June 30, 2016, we capitalized $2.2 million of development expenses.

The changes in the carrying amount of goodwill for the six-months ended June 30, 2016 resulted primarily from the acquisition of Exiqon as further discussed in Note 3, "Acquisitions" 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. In 2015, we agreed with almost all of our counterparties with whom we enter into cross-currency swaps, interest rate swaps or foreign exchange contracts, to enter into bilateral collateralization contracts under which receive or provide cash collateral, as the case may be, for the net position with each of these counterparties. As of June 30, 2016, we had a liability of $5.5 million recorded in other current liabilities and had an asset of $0.6 million from posted collateral recorded in prepaid expenses and other current assets in the accompanying condensed consolidated balance sheet. As of December 31, 2015, we had a liability position of $7.8 million recorded in other current liabilities in the accompanying condensed consolidated balance sheet.

As of June 30, 2016 and December 31, 2015, we held derivative instruments that are designated and qualify as cash flow hedges where the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. In 2016 and 2015, we did not record any hedge ineffectiveness related to any cash-flow hedges in earnings. Based on their valuation as of June 30, 2016, we expect that no significant amount of derivative gains included in accumulated other comprehensive income will be reclassified into income during the next 12 months. These cash flows derived from derivatives are classified in the condensed consolidated statements of cash flows, in the same category as the condensed consolidated balance sheet account of the underlying item.

Interest Rate Derivatives

We use interest rate derivative contracts to align our portfolio of interest bearing assets and liabilities with our risk management objectives. During 2015, we entered into five cross currency interest rate swaps through 2025 for a total notional amount of €180.0 million which qualify for hedge accounting as cash flow hedges. We determined that no ineffectiveness exists related to these swaps. As of June 30, 2016, the €180.0 million notional swap amount had a fair value of $0.5 million recorded within other non-current assets and accrued and unpaid interest of $1.5 million which is recorded in other non-current assets in the accompanying condensed consolidated balance sheet. As of December 31, 2015, this swap had a fair value of $5.3 million and accrued and unpaid interest of $1.6 million which are both recorded in other non-current assets in the accompanying condensed consolidated balance sheet.

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, 2016, the $200.0 million notional swap amount had an aggregate fair value of $12.7 million and accrued and unpaid interest of $0.7 million which are both recorded in other non-current assets in the accompanying condensed consolidated balance sheet. At December 31, 2015, this swap had a fair value of $5.0 million and accrued and unpaid interest of $0.8 million which are both recorded in other non-current assets in the accompanying condensed consolidated balance sheet. For the six months ended June 30, 2016 and June 30, 2015, the change in the fair value of the interest rate derivatives resulted in gains of $7.7 million and losses of $0.4 million, respectively, recorded in other financial income (expense), net in the accompanying condensed 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 "Financial Debts." 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 "Fair Value Measurements." The fair value of the Call Options at June 30, 2016 and December 31, 2015 was approximately $74.7 million and $169.0 million, respectively, which is recorded in other non-current assets in the accompanying condensed consolidated balance sheets.

The Call Options do not qualify for hedge accounting treatment. Therefore, the change in fair value of these instruments is recognized immediately in our condensed consolidated statements of income in other financial income (expense), net. For the six months ended June 30, 2016 and June 30, 2015, the change in the fair value of the Call Options resulted in losses of $94.3 million and $28.0 million, respectively. 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 mostly 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 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, 2016 and December 31, 2015 was approximately $56.5 million and $137.5 million, respectively, which is recorded in other non-current liabilities in the accompanying condensed consolidated balance sheets. For the six months ended June 30, 2016 and June 30, 2015, the change in the fair value of the Warrants resulted in gains of $80.9 million and $31.4 million, respectively, recognized in other financial income (expense), net.

Cash Convertible Notes Embedded Cash Conversion Option

The embedded cash conversion option within the Cash Convertible Notes 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 condensed consolidated statements of income in other financial expense, net until the cash conversion option settles or expires. For further discussion of the Cash Convertible Notes, refer to Note 9, "Debt". 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 option is 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 option, refer to Note 8, "Fair Value Measurements." The fair value of the embedded cash conversion option at June 30, 2016 and December 31, 2015 was approximately $75.7 million and $171.0 million, respectively, and is included in other non-current liabilities in the accompanying condensed consolidated balance sheets. For the six-months ended June 30, 2016 and 2015, the change in the fair value of the embedded cash conversion option resulted in gains of $95.2 million and $28.1 million, respectively recognized in our condensed consolidated statements of income in other financial income, net.

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, 2016, an aggregate notional value of approximately $300.1 million and fair value of $2.0 million included in prepaid and other current assets and $3.7 million included in other current liabilities, respectively, and which expire at various dates through December 2016.

We were party to various foreign exchange forward, option and swap arrangements which had, at December 31, 2015, an aggregate notional value of $264.2 million and fair values of $1.4 million included in prepaid expenses and other current assets and $0.5 million included in other current liabilities, respectively, and which expired at various dates through March 2016. The transactions have been entered into to offset the effects from balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements have been recognized in other financial expense, net.

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, 2016 and December 31, 2015:

(in thousands)	Derivatives in Asset Positions Fair value 6/30/2016	12/31/2015	Derivatives in Liability Positions Fair value 6/30/2016	12/31/2015
Derivative instruments designated as hedges				
Interest rate contracts [1]	**$ 1,991**	$ 6,909	**$ —**	$ —
Total derivative instruments designated as hedges	**$ 1,991**	$ 6,909	**$ —**	$ —
Undesignated derivative instruments				
Interest rate contracts [1]	**$ 13,392**	$ 5,778	**$ —**	$ —
Call spread overlay	**74,713**	169,037	**(56,543)**	(137,457)
Cash conversion options	**—**	—	**(75,733)**	(170,951)
Foreign exchange contracts	**1,978**	1,393	**(3,702)**	(525)
Total derivative instruments	**$ 90,083**	$ 176,208	**$ (135,978)**	$ (308,933)

(1) The fair value amounts for the interest rate contracts include accrued interest.

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, 2016 and 2015:

Six months ended June 30, 2016 (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
Derivative instruments designated as hedges				
Interest rate contracts	$ (4,825)	Other financial income (expense), net	$ 3,870	n/a
Undesignated derivative instruments				
Interest rate contracts	n/a	Other financial income (expense), net	n/a	$ 7,739
Call spread overlay	n/a	Other financial income (expense), net	n/a	894
Foreign exchange contracts	n/a	Other financial income (expense), net	n/a	(3,125)
				$ 5,508

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

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 to a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

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

Our assets and liabilities measured at fair value on a recurring basis consist of available-for-sale financial assets, which are classified in Level 1 and Level 2 of the fair value hierarchy, 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, 2016 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 (0% to 100%) and the discount rate (between 0.70% and 2.20%), 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.

As of June 30, 2016, 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, 2016
Available-for-sale financial assets, current	$ 3,746	$ 74,536	$ —	**$ 78,282**
Available-for-sale financial assets, non-current	2,297	—	—	**2,297**
Call Option	—	74,713	—	**74,713**
Foreign exchange contracts	—	1,978	—	**1,978**
Interest rate contract	—	15,383	—	**15,383**
Assets	**$ 6,043**	**$ 166,610**	**$ —**	**$ 172,653**
Foreign exchange contracts	$ —	$ (3,702)	$ —	**$ (3,702)**
Cash conversion option	—	(75,733)	—	**(75,733)**
Warrants	—	(56,543)	—	**(56,543)**
Contingent consideration	—	—	(9,443)	**(9,443)**
Liabilities	**$ —**	**$ (135,978)**	**$ (9,443)**	**$ (145,421)**

As of December 31, 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	December 31, 2015
Available-for-sale financial assets, current	$ 3,674	$ 127,143	$ —	**$ 130,817**
Available-for-sale financial assets, non-current	3,485	—	—	**3,485**
Call Option	—	169,037	—	**169,037**
Foreign exchange contracts	—	1,393	—	**1,393**
Interest rate contract	—	12,687	—	**12,687**
Assets	**$ 7,159**	**$ 310,260**	**$ —**	**$ 317,419**
Foreign exchange contracts	$ —	$ (525)	$ —	**$ (525)**
Cash conversion option	—	(170,951)	—	**(170,951)**
Warrants	—	(137,457)	—	**(137,457)**
Contingent consideration	**—**	**—**	(17,678)	**(17,678)**
Liabilities	$ —	**$ (308,933)**	**$ (17,678)**	**$ (326,611)**

For financial liabilities with Level 3 inputs, the following table summarizes the activity for the six months ended June 30, 2016.

(in thousands)	**Contingent Consideration**
Beginning Balance at January 1, 2016	**$ (17,678)**
Additions	**(381)**
Payments	**3,120**
Gain included in earnings	**5,501**
Foreign currency translation adjustments	**(5)**
Ending balance at June 30, 2016	**$ (9,443)**

As of June 30, 2016, of the total $9.4 million accrued for contingent consideration, $6.5 million is included in other non-current liabilities and $2.9 million is included in other current liabilities in the accompanying condensed consolidated balance sheet. During 2016, a $5.5 million gain for the reduction in the fair value of contingent consideration was recognized in general and administrative, integration and other in the accompanying condensed consolidated statements of income.

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, "Financial Debts", 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, 2016 and 2015 for nonfinancial assets or liabilities required to be measured at fair value on a nonrecurring basis.

9. Financial Debts

Our credit facilities available and undrawn at June 30, 2016 total €436.6 million (approximately $484.7 million). This includes a €400.0 million syndicated multi-currency revolving credit facility expiring December 2020 of which no amounts were utilized at June 30, 2016 or at December 31, 2015, and four other lines of credit amounting to €36.6 million with no expiration date, none of which were utilized as of June 30, 2016 or as of December 31, 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 1.2% 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, 2016. The credit facilities are for general corporate purposes.

At June 30, 2016 and December 31, 2015, long-term debt, net of debt issuance costs of $9.3 million and $10.6 million, respectively, consists of the following:

(in thousands)	June 30, 2016	December 31, 2015
3.19% Series A Senior Notes due October 2019	**$ 75,382**	$ 73,790
3.75% Series B Senior Notes due October 2022	**296,469**	297,958
3.90% Series C Senior Notes due October 2024	**26,904**	26,898
0.375% Senior Unsecured Cash Convertible Notes due 2019	**396,916**	391,111
0.875% Senior Unsecured Cash Convertible Notes due 2021	**258,290**	254,284
9.25% Other notes payable due November 2018	**5,727**	—
Total non-current financial debts	**$ 1,059,688**	$ 1,044,041

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 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 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 and Hedging.”

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, 2016, 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 three and five years, respectively. Based on an estimation using available over-the-counter market information on the Cash Convertible Notes, the Level 2 fair value of the 2019 Notes was $436.9 million and $495.5 million and the fair value of the 2021 Notes was $313.1 million and $356.1 million, at June 30, 2016 and December 31, 2015, 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 are being amortized over the terms of the Cash Convertible Notes.

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

(in thousands)	Six months ended June 30, 2016	2015
Coupon interest	**$ 2,119**	$ 2,119
Amortization of original issuance discount	**8,679**	8,398
Amortization of debt issuance costs	**1,132**	1,103
Total interest expense related to the Cash Convertible Notes	**$ 11,930**	$ 11,620

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 and Hedging."

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, 2016. Based on an estimation using the changes in the U.S. Treasury rates, the Level 2 fair value of these senior notes as of June 30, 2016 and December 31, 2015 was approximately $403.0 million and $393.1 million, respectively.

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. 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. During 2015, we redeemed the 2004 Notes for $250.5 million and recognized a gain of $2.5 million in other financial income (expense), net. The repayment amount was allocated to the loan and conversion feature on a relative fair value basis with $123.1 million recorded against share premium.

Other Notes Payable

On June 28, 2016, we assumed notes payable totaling DKK 40.0 million via the acquisition of Exiqon. As discussed in Note 3, "Acquisitions" above, the allocation of the purchase price is preliminary, including the preliminary amount allocated to the notes payable as of June 30, 2016.

10. Income Taxes

The interim provision for income taxes is based upon the estimated annual effective tax rates for the year applied to the current period ordinary income before tax plus the tax effect of any discrete items. Our operating subsidiaries are exposed to effective tax rates ranging from zero to more than 40%. Fluctuations in the distribution of pre-tax income (loss) 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, 2016 and 2015, the effective tax rates were (1.7)% and 9.7%, respectively.

During the six-month periods ended June 30, 2016, we released $6.8 million of unrecognized tax benefits due to the closure of a tax audit and lapse of statute of limitations. Additionally in 2016 and 2015, tax expense on foreign operations was favorably impacted by lower income tax rates and partial tax exemptions on foreign income primarily derived from operations in Germany, Singapore, Luxembourg, Ireland and Switzerland. These foreign tax benefits are due to a combination of favorable tax laws, rules, rulings, and exemptions in these jurisdictions. In particular, we have pre-tax income in Germany which is statutorily exempt from trade tax on intercompany foreign royalty income. Further, we have intercompany financing arrangements through Luxembourg and Ireland in which the intercompany income is partially exempt.

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 2011. During the first half of 2016, the U.S. tax authority (Internal Revenue Service) concluded its federal audit of our U.S. tax returns for 2011 and 2012 and we were not required to make any adjustments to those tax returns.

As of June 30, 2016, 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, 2016 and December 31, 2015:

(in thousands)	**June 30, 2016**	**December 31, 2015**
Raw materials	**$ 24,652**	$ 27,051
Work in process	**29,314**	21,066
Finished goods	**86,124**	88,469
Total inventories	**$ 140,090**	$ 136,586

12. Equity

Share Repurchase 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 0.8 million QIAGEN shares were repurchased for $20.8 million. This program expired in December 2015.

On April 27, 2016, we announced the launch of our fourth $100 million share repurchase program which is expected to be completed by the end of 2017.

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

	Six months ended June 30,	
(in thousands, except per share data)	**2016**	**2015**
Net income attributable to the owners of QIAGEN N.V.	**$ 121,464**	$ 89,374
Weighted average number of common shares used to compute basic net income per common share	**234,423**	233,308
Dilutive effect of stock options and restricted stock units	**3,725**	4,805
Weighted average number of common shares used to compute diluted net income per common share	**238,148**	238,113
Outstanding options and awards having no dilutive effect, not included in above calculation	**414**	138
Basic earnings per common share attributable to the owners of QIAGEN N.V.	**$ 0.52**	$ 0.38
Diluted earnings per common share attributable to the owners of QIAGEN N.V.	**$ 0.51**	$ 0.38

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 $57.7 million based on the achievement of certain revenue and operating results milestones as follows: $30.1 million in the remainder of 2016, $15.5 million in 2017, $5.1 million in 2019 and $7.0 million payable in any 12-month period from now through 2029 based on the accomplishment of certain revenue or diagnostic approval targets. Of the $57.7 million total contingent obligation, we have assessed the fair value at June 30, 2016 to be $9.4 million, of which $6.5 million is included in other non-current liabilities and $2.9 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, 2016 ($2.5 million as of December 31, 2015).

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 $2.5 million and $2.6 million as of June 30, 2016 and December 31, 2015, 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, 2016, 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 Units

Stock units represent rights to receive our common shares at a future date and include restricted stock units which are subject to time-based vesting only and performance stock units which include performance conditions in addition to time-based vesting. During the six-month periods ended June 30, 2016, we granted 1.0 million stock awards compared to 1.6 million stock awards for the six-month periods ended June 30, 2015.

At June 30, 2016, there was $54.0 million remaining in unrecognized compensation expense, less estimated forfeitures, related to these awards which will be recognized over a weighted-average period of 2.55 years.

Share-Based Compensation Expense

Total share-based compensation expense for the six-month periods ended June 30, 2016 and 2015 is comprised of the following:

	Six months ended June 30,	
(in thousands)	**2016**	**2015**
Cost of sales	**$ 1,001**	$ 1,549
Research and development	**2,613**	3,835
Sales and marketing	**2,235**	5,429
General and administrative, restructuring, integration and other	**6,328**	8,885
Share-based compensation expense before taxes	**12,177**	19,698
Income tax	**(2,378)**	(179)
Net share-based compensation expense	**$ 14,555**	$ 19,877

Total share-based compensation expense for the and six-month period ended June 30, 2016 was lower compared to the same period in 2015 following a reassessment on stock units with performance criteria. No compensation cost was capitalized in inventory at June 30, 2016 or December 31, 2015 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 except for certain transactions as discussed below.

During 2015, we entered in a loan agreement for $5.0 million, bearing interest of 6% and due in January 2020 with a company in which we hold an ownership interest. In 2016, we increased this loan by $1.25 million resulting in a loan balance at June 30, 2016 of $6.7 million including accrued interest. Additionally, we entered into a €2.0 million ($2.4 million) loan agreement, bearing interest of 7% and due in June 2019, with another company in which we hold an ownership interest. As of June 30, 2016, this loan holds a balance of $2.2 million. The loans were made for general business purposes and no amounts have been repaid. These loans are included in other non-current assets in the accompanying condensed consolidated balance sheet as of June 30, 2016.

In the first six months of 2016, we entered into a short-term $0.6 million loan arrangement with another company in which we hold an ownership interest. This loan is included in prepaid expenses and other current assets in the accompanying condensed consolidated balance sheet as of June 30, 2016.

17. Subsequent Events

Based on the Company's review, no other events or transactions have occurred subsequent to June 30, 2016, that would have a material impact on the financial statements as presented.

Venlo, August 12, 2016

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, 2016

(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, 2016 (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 12, 2016

QIAGEN N.V.

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

QIAGEN N.V.

Interim management report for the six months ended June 30, 2016

(unaudited)

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 30 to 44 of the 2015 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 130 countries, mainly through subsidiaries in markets we believe have the greatest sales potential in Europe, Asia, the Americas and Australia. We also work with specialized independent distributors and importers. As of June 30, 2016, we employed approximately 4,600 people in more than 35 locations worldwide.

QIAGEN continues to build momentum for its Sample to Insight portfolio. Among the recent developments:

- The acquisition of the Danish company **Exiqon A/S** was completed on June 28, 2016, adding to QIAGEN's portfolio to unlock important insights from RNA in the fight against cancer and other diseases. Integrating these solutions gives QIAGEN a leading position in the market for non-coding RNA (ncRNA) analysis in the life sciences and potential to expand the use of these solutions into diagnostic applications. Exiqon offers an innovative Locked Nucleic Acid (LNA) technology that improves specificity and sensitivity in PCR applications, NGS target enrichment and functional assays. Exiqon was acquired through a public tender offer at the original offer price of approximately $100 million, and is expected to be delisted from NASDAQ Copenhagen in August. No sales were consolidated in the first half of 2016, but this acquisition is expected to provide QIAGEN with about $10 million of sales during the second half of 2016, and to have a neutral impact on adjusted diluted earnings per share.

- QIAGEN has responded to a warning letter from the U.S. Food and Drug Administration (FDA) received in May 2016 regarding the **QuantiFERON-TB** test, the modern standard for detecting latent tuberculosis (TB) infection. The FDA letter described among its findings deficiencies in procedures related to complaint handling, Medical Device Reporting (MDR) and Corrective and Preventative Actions (CAPA). These issues initially arose while the product was being manufactured under the quality system of Cellestis, which QIAGEN acquired in 2011, and prior to the ongoing transfer to the QIAGEN quality system. QuantiFERON-TB remains on the market in the United States and worldwide.
- The modular **QIAsymphony automation system remains** on track for more than 1,750 cumulative placements by year-end 2016, in line with the full-year target for 250 new systems for 2016, compared to the over 1,500 cumulative placements at the end of 2015.
- QIAGEN announced the expansion of its **GeneReader NGS System** for use with liquid biopsy samples at the annual American Society of Clinical Oncology (ASCO) meeting in June 2016. Launched in late 2015, GeneReader is the first truly complete Sample to Insight workflow based on next-generation sequencing technology. The Actionable Insights Tumor Panel, the first member in the family of GeneRead QIAact Panels powered by the QIAGEN Clinical Insight (QCI) bioinformatics solution, is the industry's first complete NGS solution for both non-invasive liquid biopsies and FFPE tissue samples.
- **GeneReader NGS System** commercialization is moving ahead with new placements during the second quarter of 2016. As a result, QIAGEN has accelerated the expansion of sales activities to the Asia-Pacific region following initial focus on Europe and the U.S. GeneReader is gaining recognition as a highly efficient, user-friendly solution to address fragmented NGS workflows and bottlenecks that have hindered labs from gaining actionable insights. The Price Per Insight (PPI) model also offers a cost-effective and reliable way for labs to gain access to this technology.

Increased commitment to return $300 million to shareholders by end of 2017

We intend to further optimize our capital structure through an increased commitment to return at least $300 million of capital to shareholders by the end of 2017. This includes the plans announced in April 2016 for a fourth $100 million share repurchase program (not yet initiated) and an additional $200 million of returned capital. As a first step, QIAGEN intends to return approximately $200 million by early 2017, and the remaining $100 million before the end of 2017. The exact timing and details for these tranches will be announced at a later date.

Six-Month Period Ended June 30, 2016, compared to Six-Month Period Ended June 30, 2015

Net Sales

Net sales rose 2% in the first half of 2016 to $632.8 million compared to $617.9 million in the same period in 2015 with adverse currency movements resulting in a loss of two percentage points of sales growth. Net sales grew 6% excluding adverse currency movements and the expected impact of lower U.S. HPV test sales, which created two percentage points of declines but represented only 2% of the total portfolio. When excluding the adverse currency movements all regions and customer classes contributed to gains in consumables and related revenues (+4% / 88% of sales) and instruments (+4% / 12% of sales). Organic growth provided three percentage points and about one percentage point came from the late 2015 acquisition of MO BIO Laboratories Inc., when excluding adverse currency movements. No sales were consolidated in the first half of 2016 from the acquisition of Exiqon A/S, a provider of RNA analysis technologies, completed on June 28, 2016.

Geographic regions: During the first half of 2016, the top seven emerging markets (Brazil, Russia, India, China, South Korea, Mexico and Turkey) provided 15% of sales and 20% growth when excluding the loss of nine percentage points of sales growth due to adverse currency movements. The EMEA region advanced on absolute gains in particular in Germany, the United Kingdom, Spain, Switzerland and Turkey. Sales in the Americas rose when excluding U.S. HPV test sales on solid underlying growth in the U.S., as well as better trends in Brazil and Mexico. The Asia-Pacific / Japan region saw growth in China, India and Australia, but Japan recorded a significant decline.

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

Molecular Diagnostics sales increased 1% and provided 49% of net sales in the first half of 2016, with adverse currency movements resulting in a loss of two percentage points of sales growth and the decline in U.S. HPV test sales resulting in a loss of four percentage points of sales growth compared to the first half of 2015. The QuantiFERON-TB test maintained a growth pace above the 25% annual target, with an even faster sales expansion in the U.S. on the back of new commercialization initiatives. Sales of consumables for infectious disease testing rose as placements of the QIAsymphony automation system maintained a solid pace for the first half of 2016. Other products for these customers, in particular QIAGEN sample technologies, also increased. Personalized Healthcare sales declined in the second half of 2016, mainly due to volatility in revenues received from Pharma co-development projects for new companion diagnostics and largely steady sales of companion diagnostic assays. Although U.S. HPV test sales declined as expected in the second half of 2016, sales from the rest of the world rose.

Applied Testing sales grew 1% and provided 9% of net sales in the first half of 2016 with adverse currency movements resulting in a loss of two percentage points of sales growth compared to the first half of 2015. The Americas region provided growth, supported by demand in the U.S. for new Human ID / forensics products launched during 2015, along with sales volume gains in the EMEA and Asia-Pacific / Japan regions.

Pharma sales increased 6% and provided 20% of net sales in the first half of 2016 with adverse currency movements resulting in a loss of two percentage points of sales growth compared to the first half of 2015. All regions contributed to the solid performance amid better demand trends among Pharma customers in the U.S. and Europe.

Academia sales increased 3% and provided 22% of net sales in the first half of 2016 with adverse currency movements resulting in a loss of one percentage point of sales growth compared to the first half of 2015. Academia benefited from new marketing initiatives and portfolio enhancements in addition to recent government decisions to increase funding for life sciences research, particularly in the U.S., which underpinned growth in consumables and related revenues while instruments experienced weaker sales.

Gross Profit

Gross profit for the six-month period ended June 30, 2016, was $391.1 million (62% of net sales) as compared to $394.6 million (64% of net sales) for the same period in 2015. Generally, our consumables and related 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. Gross margin in the first half of 2016 was impacted by lower gross margins for companion diagnostic partnerships. Additionally, during the first half of 2016, we incurred incremental costs in connection with the relocation and centralization of the manufacturing of certain products to our European production site in Hilden, Germany and also in connection with the in-sourcing of the manufacturing of our QuantiFERON product to our U.S. production site in Germantown, Maryland. In the first half of 2016, the amortization expense on acquisition-related intangibles within cost of sales decreased to $39.8 million compared to $38.9 million in the same period of 2015. We expect that our acquisition-related intangible amortization will increase as a result of future acquisitions.

Research and Development Expense

Research and development expenses increased to $79.4 million (13% of net sales) in the first half of 2016, as compared to $59.1 million (10% of net sales) in the same period of 2015. During 2015, we introduced our GeneReader NGS System and continue to invest in research and development as we develop a range of upgrades and enhancements to address new applications and market segments. We also plan to introduce additional cancer-related gene panels, with longer-term expansion of the NGS content menu beyond oncology. The increase in research and development costs the first half of 2016 also reflects our ongoing investments in NGS and our life sciences portfolio, as well as our acquisition of MO BIO in late 2015 together with regulatory activity in support of new products. 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. Further, business combinations, along with the acquisition of new technologies, may increase our research and development costs in the future. 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 increased by 7% to $211.6 million (33% of net sales) for the six-month period ended June 30, 2016, from $197.8 million (32% of net sales) for the same period in 2015. Sales and marketing expenses were higher as a percentage of sales in 2016 as compared to 2015 to support commercialization of growth drivers and geographic expansion. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses, and other promotional expenses. In the first half of 2016, we continued investments in our commercialization activities related to our sales force, in particular the addition of sales representatives for QuantiFERON TB and the life sciences markets. We have also continued our e-commerce initiatives as well as investments to expand our presence in markets such as the Middle East and Asia. These incremental investments more than offset favorable currency impacts and lower compensation costs following a reassessment of stock units with performance criteria. We anticipate that sales and marketing costs will 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, 2016, we recorded general and administrative, restructuring and related costs of $55.9 million, as compared to $53.3 million for the same period in 2015. The increase reflects in part acquisition and integration related costs of $11.9 million of which $3.6 million, were incurred in connection with the second quarter acquisition of Exiqon. The increase in general and administrative, integration and other costs, was partially offset by our ongoing efforts for efficiency gains together with reduced share based compensation costs which were lower compared to 2015 following a reassessment of stock units with performance criteria. Further, the six-month period ended June 30, 2016, include gains of $5.5 million, in connection with the reduction in the fair value of contingent consideration. As we further integrate acquired companies and pursue other opportunities to gain efficiencies, we expect to continue to incur additional business integration costs in 2016. 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, 2016, financial income increased to $3.0 million from $1.7 million in the same period of 2015. Financial income includes interest earned on cash, cash equivalents and short term investments, income related to certain interest rate derivatives and other components including the interest portion of operating lease transactions.

Financial expense increased to $18.7 million in the six-month periods ended June 30, 2016, as compared to $18.4 million for the same period of 2015. Interest costs primarily relate to debt, discussed in Note 9 in the accompanying notes to the condensed consolidated financial statements.

Other Financial Income (Expense), net

For the six months ended June 30, 2016, other financial income (expense), net increased to $89.5 million income from $31.4 million expense in the same period of 2015. 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

Our effective tax rates differ from The Netherlands statutory tax rate of 25% due in part to our operating subsidiaries being exposed to effective tax rates ranging from zero to more than 40%. Fluctuations in the distribution of pre-tax (loss) income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements. For the six-month periods ended June 30, 2016 and 2015, our effective tax rates were (1.7)% and 9.7%, respectively. During the six-month periods ended June 30, 2016, we released $6.8 million of unrecognized tax benefits due to the closure of a tax audit or lapse of statute of limitations. Additionally, in 2016 and 2015, tax expense on foreign operations was favorably impacted by lower income tax rates and partial tax exemptions on foreign income primarily derived from operations in Germany, Singapore, Luxembourg, Ireland and Switzerland. These foreign tax benefits are due to a combination of favorable tax laws, rules, rulings, and exemptions in these jurisdictions. In particular, we have pre-tax income in Germany which is statutorily exempt from trade tax on intercompany foreign royalty income. Further, we have intercompany financing arrangements through Luxembourg and Ireland in which the intercompany income is partially exempt.

In future periods, our effective tax rate may fluctuate from similar or other factors as discussed in “Changes in tax laws or their application or the termination or reduction of certain government incentives, could adversely affect our results of operations or financial flexibility" in Principle Risks and Uncertainties of the 2015 IFRS Annual Report.

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, 2016, and December 31, 2015, we had cash and cash equivalents of $328.2 million and $290.0 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, 2016, cash and cash equivalents had increased by $38.2 million from December 31, 2015, primarily due to cash provided by operating activities of $150.1 million partially offset by cash used in financing activities of $5.0 million and cash used in investing activities of $109.3 million. As of June 30, 2016 and December 31, 2015, we had working capital of $632.9 million and $648.2 million, respectively.

Operating Activities: For the six-months periods ended June 30, 2016 and 2015, we generated net cash from operating activities of $150.1 million and $150.4 million, respectively. While net income was $121.4 million in the six-months ended June 30, 2016, non-cash components in income included $108.0 million of depreciation and amortization. Operating cash flows include a net decrease in working capital of $5.1 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 accounts payable, partially offset by decreased accounts receivable. 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 $109.3 million of cash was used in investing activities during the six-months ended June 30, 2016, compared to $34.2 million for the same period in 2015. Investing activities during the six-months ended June 30, 2016 consisted principally of $409.1 million from the proceeds of available-for-sale assets partially offset by $355.1 million for purchases of available-for-sale assets and $15.3 million paid for purchases of property and equipment, as well as $31.8 million paid for intangible assets and $21.3 million paid for investments. Additionally, during 2016 cash paid for acquisitions, net of cash acquired, totaled $90.5 million primarily for the acquisition of Exiqon A/S.

Financing Activities: Financing activities used $5.0 million of cash for the six-months ended June 30, 2016 compared to $264.6 million for the six-months ended June 30, 2015. Cash used during the six months ended June 30, 2016, consisted primarily of the $3.1 million payment made for contingent consideration as discussed in Note 8 "Fair Value Measurements" and $2.4 million paid in association with collateralization contracts as discussed in Note 7 "Derivatives and Hedging." 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 October 2015, we amended and extended our €400.0 million syndicated multi-currency revolving credit facility which now has a contractual life until expiring December 2020 of which no amounts were utilized at June 30, 2016. 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, 2016. We also have capital lease obligations, including interest, in the aggregate amount of $3.3 million, and carry $1.1 billion of non-current financial debt as of June 30, 2016.

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 "Financial Debts." 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 connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to $57.7 million based on the achievement of certain revenue and operating results milestones as follows: $30.1 million in the remainder of 2016, $15.5 million in 2017, $5.1 million in 2019, and $7.0 million payable in any 12-month period from now through 2029 based on the accomplishment of certain revenue or diagnostic approval targets. Of the $57.7 million total contingent obligation, we have assessed the fair value at June 30, 2016 to be $9.4 million, of which $6.5 million is included in other non-current liabilities and $2.9 million is included in other current liabilities in the accompanying condensed consolidated balance sheet.

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, 0.8 million QIAGEN shares were repurchased for $20.8 million. This program expired in December 2015. Repurchased shares will be held in treasury in order to satisfy obligations for exchangeable debt instruments and employee share-based remuneration plans.

On April 27, 2016, we announced the launch of our fourth $100 million share repurchase program which is expected to be completed by the end of 2017.

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, 2015.

Contractual Obligations

There were no material changes at June 30, 2016, from the contractual obligations disclosed in our Annual Report for the year ended December 31, 2015.

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 2015 Annual Report. There have been no material changes from the risk factors disclosed in the 2015 Annual Report.

2016 Outlook

QIAGEN expects to accelerate growth and further innovation in 2016 and beyond with a broad offering of differentiated Sample to Insight solutions across the value chain of molecular testing. Providing end-to-end solutions is a key competitive advantage in serving Molecular Diagnostics customers focused on clinical healthcare, as well as Life Sciences customers involved in academic research, pharmaceutical R&D, and applications such as human ID / forensics, veterinary diagnostics and food safety. Following a review of strategies to accelerate longer-term growth, QIAGEN plans to make incremental investments during 2016 to enhance the current portfolio. These involve plans to strengthen commercialization, including resources for the QuantiFERON-TB tests and the rollout of the GeneReader NGS System as well as e-commerce initiatives, investing in strategic areas such as NGS portfolio expansion and differentiated sample technologies, and driving geographic expansion. QIAGEN expects these investments to support further acceleration of the performance in 2017 and beyond.

Based on the solid performance in the first half of the year, QIAGEN is on track to achieve its goals for higher full-year 2016 sales and adjusted earnings. Following the acquisition of Exiqon, which was completed on June 28, 2016, QIAGEN now expects net sales to rise about 6-7% at constant exchange rates (CER) for the full year. This is based on $10 million of first-time sales contributions from Exiqon during the second half of the year as well as achieving the prior guidance (announced in January 2016) for about 6% CER growth from the current portfolio. About one percentage point of growth is expected to come from the MO BIO acquisition in late 2015 and about five percentage points from the rest of the portfolio (including about one percentage point of headwind from reduced U.S. HPV test sales). QIAGEN continues to expect full-year 2016 adjusted diluted EPS of about $1.10-1.11 CER per share, with the Exiqon acquisition expected to have a neutral impact. Based on exchange rates as of July 1, 2016, currency movements against the U.S. dollar are expected to have an adverse impact of about 1-2 percentage points on full-year 2016 net sales, and about $0.01-0.02 per share on adjusted diluted EPS. These expectations do not take into account any acquisitions or share repurchases that could be completed during the second half of the year.

QIAGEN intends to continue to maximize the value of its broad portfolio of molecular technologies, instruments and bioinformatics by addressing growing customer needs with reliable, integrated Sample to Insight solutions.

Signatures

Venlo, August 12, 2016

QIAGEN N.V.

<u>/s/ Peer M. Schatz</u>	<u>/s/ Roland Sackers</u>
Peer M. Schatz	Roland Sackers
CEO	CFO