QIAGEN N.V., VENLO, THE NETHERLANDS

Interim condensed financial report

for the six months ended June 30, 2011

(unaudited)

Contents

QIAGEN N.V.
Interim condensed consolidated statement of financial position as at June 30, 2011

(in US$ thousands)		June 30, 2011	December 31, 2010
ASSETS		(unaudited)	
Cash and cash equivalents		789.954	830.354
Current available-for-sale financial instruments	(9)	165.624	106.077
Trade accounts receivable		208.289	197.418
Inventories	(12)	139.365	126.633
Income tax receivable		11.207	10.920
Prepaid expenses and other current assets		66.229	52.936
Total current assets		**1.380.668**	**1.324.338**
Property, plant and equipment		353.357	323.941
Goodwill		1.382.969	1.365.156
Intangible assets		878.324	873.903
Investments in associates	(8)	37.222	19.640
Non-current available-for-sale financial instruments	(9)	6.802	3.359
Deferred tax assets		75.814	99.098
Other non-current assets		20.447	34.463
Total non-current assets		**2.754.935**	**2.719.560**
Total assets		**4.135.603**	**4.043.898**

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

QIAGEN N.V.
Interim condensed consolidated statement of financial position as at June 30, 2011

(in US$ thousands, except share data)	June 30, 2011	December 31, 2010
LIABILITIES AND EQUITY	(unaudited)	
Current financial debts	78.823	77.851
Trade and other accounts payable	49.573	47.803
Provisions	9.743	6.405
Income tax payable	16.972	25.211
Other current liabilities	175.650	196.532
Total current liabilities	**330.761**	**353.802**
Non-current financial debts	774.877	767.333
Deferred tax liabilities	255.061	273.558
Other non-current liabilities	60.495	51.108
Total non-current liabilities	**1.090.433**	**1.091.999**
Common Shares	2.735	2.724
Share premium	1.829.596	1.811.633
Reserves	109.473	69.417
Retained earnings	772.605	714.323
Equity attributable to equity holders of the parent	**2.714.409**	**2.598.097**
Total liabilities and equity	**4.135.603**	**4.043.898**

Issued and outstanding shares (in thousands)		
Authorized common shares: 410.000, EUR 0,01 par value	233.916	233.115
Preference shares: 450.000, EUR 0,01 par value	0	0
Financing shares: 40.000, EUR 0,01 par value	0	0

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

QIAGEN N.V.
Interim condensed consolidated income statement
for the six months ended June 30, 2011

(in US$ thousands, except per share data)

	Note	2011 (unaudited)	2010[1] (unaudited)
Net sales		**546.442**	**527.082**
Cost of sales		(152.265)	(149.921)
Cost of sales acquisition related		(62)	(791)
Purchased intangibles amortization		(33.557)	(30.352)
Gross profit		**360.558**	**346.018**
Other operating income		3.637	1.857
Research and development expense		(60.694)	(54.195)
Sales and marketing expense		(144.869)	(130.690)
General and administrative, integration and other expense		(53.211)	(54.802)
Purchased intangibles amortization		(13.959)	(13.545)
Other operating expense		(2.234)	(2.114)
Income from operations		**89.228**	**92.529**
Financial income		2.541	2.130
Financial expense		(19.592)	(20.125)
Foreign currency gains (losses), net		(1.593)	3.823
Gain (loss) from investments in associates		(887)	1.333
Other income		1.553	0
Income before tax		**71.250**	**79.690**
Income taxes	(13)	(12.968)	(7.470)
Net income for the period		**58.282**	**72.220**
- attributable to equity holders of the parent		58.282	72.220

Earnings per share attributable to equity holders of the parent - basic and diluted			
Weighted average number of common shares (basic)		233.601	232.394
Basic in US$ per share	(5)	**$ 0,25**	**$ 0,31**
Weighted average number of common shares (diluted)		236.537	235.513
Diluted in US$ per share	(5)	**$ 0,25**	**$ 0,31**

1) Certain amounts shown here do not correspond to the interim condensed consolidated financial statements of 2010 as several new line items were included. A detailed description is provided in Note 3.

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes

QIAGEN N.V.
Interim condensed consolidated statement of comprehensive income for the six months ended June 30, 2011

(in US$ thousands)

	Note	2011 (unaudited)	2010 (unaudited)
Net income for the period		**58.282**	**72.220**
Cash flow hedge reserve:			
Gains (losses) on hedging contracts		(10.925)	28.036
Reclassification adjustments for gains/(losses) included in the income statement		13.542	(24.770)
Net loss on cash flow hedging contracts		2.617	3.266
Income tax		(769)	(1.142)
Cash flow hedge reserve, net of tax		**1.848**	**2.124**
Foreign currency translation reserve:			
Foreign currency translation differences		37.622	(52.375)
Income tax		586	4.260
Foreign currency translation reserve, net of tax:		**38.208**	**(48.115)**
Comprehensive income for the period, net of tax		**40.056**	**(45.991)**
Total Comprehensive income		**98.338**	**26.229**
- attributable to equity holders of the parent		98.338	26.229

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

QIAGEN N.V.
Interim condensed consolidated statement of cash flows
for the six months ended June 30, 2011

(in US$ thousands)	2011 (unaudited)	2010 (unaudited)
Net income	**58.282**	**72.220**
Adjustments to reconcile to net cash flows:		
Depreciation, amortization and impairment of intangible and other fixed assets	84.250	74.083
Non-cash impacts from convertible bond	7.650	7.407
Gain on sale of property, plant and equipment	286	0
Gain on sale of investments	(604)	412
Deferred income taxes	(6.321)	(17.633)
Share based compensation	9.245	6.308
Other non cash items	1.079	(435)
Working capital adjustments:		
(Increase) / decrease in accounts receivable	(4.557)	(5.614)
(Increase) / decrease in inventories	(11.994)	967
(Increase) / decrease in income tax receivables	973	(2.237)
(Increase) / decrease in other assets	(7.146)	(7.503)
Increase / (decrease) in accounts payable	(995)	6.589
Increase / (decrease) in accrued and other liabilities	(4.087)	(52.847)
Increase / (decrease) in income tax payables	(7.574)	7.228
Net cash provided by operating activities	**118.487**	**88.945**
Purchases of property, plant and equipment	(39.319)	(35.382)
Purchases of intangible assets	(7.205)	(25.802)
Capitalization of development expenses	(9.593)	(10.401)
Proceeds from sale of equipment	958	1.348
Sale / (purchase) of available-for-sale assets	(59.547)	(34.000)
Sale / (purchase) of investments	(19.284)	14.925
Cash paid for acquisitions, net of cash acquired	(5.407)	(25.005)
Net cash used in investing activities	**(139.397)**	**(114.317)**
Proceeds from long-term debt	0	3.016
Principal payments on finance leases	(1.822)	(1.631)
Issuance of common shares	6.022	6.598
Other financing activities	263	124
Net cash provided by financing activities	**4.463**	**8.107**
Effect of exchange rate changes on cash and cash equivalents	(23.952)	35.910
Net increase / (decrease) in cash and cash equivalents	(40.400)	18.645
Cash and cash equivalents at January 1	830.354	827.338
Cash and Cash Equivalents at June 30	**789.954**	**845.983**

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

QIAGEN N.V.
Interim condensed consolidated statement of changes in equity
for the six months ended June 30, 2011

for the six months ended June 30, 2010 (unaudited) (in U$ thousands)	**Common shares**	**Share premium**	**Retained earnings**	Cash flow hedge reserve	Foreign currency translation	**Reserves**	**Attributable to equity holders of the parent**
At January 1, 2010	**2.711**	**1.785.345**	**572.326**	(5.327)	64.961	**59.634**	**2.420.016**
Net income for the period	0	0	72.220	0	0	0	72.220
Other comprehensive income (loss)	0	0	0	2.124	(48.115)	(45.991)	(45.991)
Total comprehensive Income	**0**	**0**	**72.220**	2.124	(48.115)	**(45.991)**	**26.229**
Share-based payments	0	6.308	0	0	0	0	6.308
Tax benefit of employee stock plans	0	1.637	0	0	0	0	1.637
Employee stock plans	9	6.589	0	0	0	0	6.598
At June 30, 2010	**2.720**	**1.799.879**	**644.546**	(3.203)	16.846	**13.643**	**2.460.788**

for the six months ended June 30, 2011 (unaudited) (in U$ thousands)	**Common shares**	**Share premium**	**Retained earnings**	Cash flow hedge reserve	Foreign currency translation	**Reserves**	**Attributable to equity holders of the parent**
At January 1, 2011	**2.724**	**1.811.633**	**714.323**	(1.644)	71.061	**69.417**	**2.598.097**
Net income for the period	0	0	58.282	0	0	0	58.282
Other comprehensive income (loss)	0	0	0	1.848	38.208	40.056	40.056
Total comprehensive Income	**0**	**0**	**58.282**	1.848	38.208	**40.056**	**98.338**
Share-based payments	0	9.767	0	0	0	0	9.767
Tax benefit of employee stock plans	0	2.185	0	0	0	0	2.185
Employee stock plans	11	6.011	0	0	0	0	6.022
At June 30, 2011	**2.735**	**1.829.596**	**772.605**	204	109.269	**109.473**	**2.714.409**

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

QIAGEN N.V.

Selected explanatory notes to the interim condensed consolidated financial statements for the six months ended June 30, 2011 (unaudited)

1. Corporate Information

QIAGEN N.V. (NASDAQ: QGEN; Frankfurt, Prime Standard: QIA) is a public limited liability company ('naamloze vennootschap') under Dutch law with registered office at Spoorstraat 50, Venlo, The Netherlands. QIAGEN N.V. as the holding company and Subsidiaries ('the Company', 'Group', 'we' or 'QIAGEN') is a leading provider of innovative technologies and products for preanalytical sample preparation and linked molecular assay solutions.

2. Basis of Preparation

QIAGEN issues interim condensed consolidated financial statements for the six months ended June 30, 2011, which have been prepared in accordance with IAS 34. These interim condensed consolidated financial statements (unaudited) have not been audited or reviewed.

The interim condensed consolidated financial statements were approved for issue on August 2, 2011.

The interim condensed consolidated financial statements are presented in U.S. Dollar (US$) and all values are rounded to the nearest thousand (US$ 000) except when otherwise indicated.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2010.

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.

3. Significant Accounting Principles

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2010, except for the adoption of new standards and interpretations as of January 1, 2011, and for the changes in accounting principles as noted below.

New Standards, Interpretations and amendments thereof, adopted by QIAGEN

The following amendments to existing standards were adopted and did not have any impact on the financial position or performance of the Group:

- IAS 24 – Related Party Transactions
- IAS 32 – Financial Instruments, Presentation
- IFRIC 14 – Minimum Funding Requirements
- Other Improvements to International Financial Reporting Standards 2010 as issued in May 2010. The effective dates vary from standard to standard but most are effective January 1, 2011. The amendments did not have any impact on the financial position of the Group.

Changes in Presentation

QIAGEN continues to present additional line items in its interim condensed consolidated income statement in connection with the reconciliation of reported to adjusted results in note 6. As a result the following adjustments were made to the interim condensed consolidated income statement for the six months ended June 30, 2010:

(in US$ thousands)	**2010** as restated	adjustment	**2010** as reported
Net sales	**527.082**	**0**	**527.082**
Cost of sales	(149.921)	31.143	(181.064)
Cost of sales acquisition related	(791)	(791)	0
Purchased intangibles amortization	(30.352)	(30.352)	0
Gross profit	**346.018**	**0**	**346.018**
Other operating income	1.857	0	1.857
Research and development expense	(54.195)	1.547	(55.742)
Sales and distribution expense	(130.690)	11.998	(142.688)
General and administrative, integration and other expense	(54.802)	0	(54.802)
Purchased intangibles amortization	(13.545)	(13.545)	0
Other operating expense	(2.114)	0	(2.114)
Income from operations	**92.529**	**0**	**92.529**

As at June 30, 2010 cost of sales of US$ 181,1 million includes costs in relation with the acquisition and integration of a new business as well as restructuring costs of US$ 0,8 million and scheduled amortization charges for intangibles assets acquired in connection with the acquisition of a business of US$ 30,4 million.

For the six months ended June 30, 2010 purchased intangibles amortization charges contained in other operating income and expense sections are included in research and development expense of US$ 1,5 million and in sales and distribution expense of US$ 12,0 million.

Segment Reporting

In connection with recent acquisitions and internal restructurings, the Company has determined it operates as one operating segment in accordance with IFRS 8 Operating Segments. The Company's chief operating decision maker (CODM) makes decisions based on the Company as a whole. 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 or for each customer group, as discrete financial information is not available. Accordingly, we operate as one reporting segment. However, we do provide certain revenue information by customer class 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 interim condensed consolidated financial statements requires the company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the group's 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 31 December 2010.

During the six month period ended June 30, 2011 there was no significant impairment charges recognized.

4. Share-Based Payments

Stock Options

During the six-month periods ended June 30, 2011 and 2010, we granted options to purchase 0,5 million and 0,5 million common shares, respectively.

The unrecognized share-based compensation expense related to employee stock option awards, including estimated forfeitures, was approximately US$ 4,4 million as of June 30, 2011, and is expected to be recognized over a weighted average period of approximately 2,18 years.

Restricted Stock Units

During the six-month period ended June 30, 2011, we granted 1,8 million restricted stock units compared to 1,5 million restricted stock units for the six-month period ended June 30, 2010.

At June 30, 2011, there was US$ 68,8 million remaining in unrecognized compensation expense, including estimated forfeitures, related to these awards, which is expected to be recognized over a weighted average period of 8,42 years.

Compensation Expense

Total share-based compensation expense for the six months ended June 30, 2011 and 2010, is comprised of the following:

(in US$ thousands)	**2011**	**2010**
Cost of sales	812	450
Research and development	1.471	983
Sales and marketing	2.036	1.339
General and administrative	4.926	3.536
Share-based compensation expense before any tax	**9.245**	**6.308**
Income tax benefit	1.983	1.831
Share-based compensation expense, net of tax	**7.262**	**4.477**

No compensation cost was capitalized in inventory in 2011 or 2010 as the amounts were not material.

5. Net Income per Common Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing the net income attributable to shareholders of QIAGEN N.V. by the weighted average number of shares outstanding during the period.

Diluted earnings per share

For diluted earnings per share, the weighted average number of common shares outstanding is adjusted to assume conversion of all potential dilutive shares arising from outstanding stock options and the convertible bond.

For stock options, a calculation is made to determine the number of shares that could have been acquired at fair value based on proceeds from the exercise of stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock options. The difference is added to the denominator as additional shares for no consideration. There is no adjustment made to the numerator. In the six months ended June 30, 2011, share equivalents of 2.936.000 common shares (2010: 3.119.000 common shares) arising from stock options granted to employees and directors were included in calculating diluted earnings per share. In the six months ended June 30, 2011, 1.584.000 outstanding stock options (2010: 1.068.000 stock options) were not considered in the calculation as they were antidilutive.

For the convertible bonds, the number of shares into which the bonds are assumed to be fully convertible is added to the denominator. The numerator is increased by eliminating the interest expense, net of tax that would not be incurred if the bonds were converted.

6. Reconciliation of Reported to Adjusted Results (Non-IFRS)

(in US$ thousands, except per share data)	2011	2010
Gross profit, as reported	**360.558**	**346.018**
Business integration, acquisition related and restructering costs	1.625	791
Purchased intangibles amortization	33.557	30.352
Share-based compensation	811	450
Gross profit, as adjusted	**396.551**	**377.611**
Gross margin, as adjusted	72,6%	71,6%
Income from operations, as reported	**89.228**	**92.529**
Business integration, acquisition related and restructering cost	9.106	10.515
Purchased intangibles amortization	47.516	43.897
Share-based compensation	9.245	6.308
Income from operations, as adjusted	**155.095**	**153.249**
Operating margin, as adjusted	28,4%	29,1%
Income before tax, as reported	**71.250**	**79.690**
Business integration, acquisition related and restructering cost	9.308	10.515
Purchased intangibles amortization	47.516	43.897
Share-based compensation	9.245	6.308
Interest expense from bifurcation of convertible debt	7.513	7.053
Other financial income	(1.553)	0
Income before tax, as adjusted	**143.279**	**147.463**
Income taxes as reported	(12.968)	(7.470)
Income taxes on adjustments	(22.167)	(31.189)
Net income for the period, as adjusted	**108.144**	**108.804**
Effective income tax rate, as reported	18,2%	9,4%
Effective income tax rate, as adjusted	24,5%	26,2%
Earnings per share attributable to equity holders of the parent - as adjusted		
Weighted average number of common shares (diluted)	236.537	235.513
Diluted in US$ per share, as adjusted	**$ 0,46**	**$ 0,46**
Diluted in US$ per share, as reported	$ 0,25	$ 0,31

QIAGEN has regularly reported adjusted results, to give additional insight into its financial performance. Adjusted results should be considered in addition to the reported results prepared in accordance with International Financial Reporting Standards, but should not be considered as a substitute. The company believes certain items should be excluded from adjusted results when they are outside of its ongoing core operations, vary significantly from period to period, or affect the comparability of results with the company's competitors and its own prior periods.

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 variable rate debt. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with global financial and operating activities. We do not utilize derivative or other financial instruments for trading or other speculative purposes. We recognize all derivatives as either assets or liabilities on the balance sheet on a gross basis, measure those instruments at fair value and recognize the change in fair value in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures. We do not offset the fair value of derivative instruments with cash collateral held or received from the same counterparty under a master netting arrangement.

As of June 30, 2011, and December 31, 2010, all derivatives that qualify for hedge accounting are cash-flow hedges. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. In 2011 and 2010, we did not record any hedge ineffectiveness related to any cash-flow hedges in income (expense) and did not discontinue any cash-flow hedges. The cash flows derived from derivatives, including those that are not designated as hedges, are classified in the operating section of the condensed consolidated statements of cash flows, in the same category as the condensed consolidated balance sheet account of the underlying item.

Foreign Currency Derivatives

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

We have foreign currency forward contracts with an aggregate notional amount of US$ 44,0 million, which qualify for hedge accounting as cash-flow hedges. We have determined that no ineffectiveness exists related to these derivatives. However, the differences between spot and forward rates were excluded from the assessment of hedge effectiveness and included in interest income as it effectively constitutes the difference in the interest rates of the respective currency pairs. The contracts matured in July 2011 and had fair market values included in other current liabilities in the accompanying condensed consolidated balance sheets at June 30, 2011, and December 31, 2010, of approximately US$ 8,1 million and US$ 3,9 million, respectively.

In addition, we were party to cross-currency swaps which qualified as cash-flow hedges with a notional amount of US$ 120,0 million as of June 30, 2011, and December 31, 2010, which mature in November 2012 and had fair market values included in other non-current liabilities in the accompanying condensed consolidated balance sheets of US$ 13,6 million and US$ 4,6 million at June 30, 2011, and December 31, 2010, respectively.

Undesignated Derivative Instruments

We are party to various foreign exchange forward, option and swap arrangements which had, at June 30, 2011, an aggregate notional value of approximately US$ 370,1 million and fair values of US$ 0,4 million and US$ 2,5 million, which are included in other assets and other liabilities, respectively, and which expire at various dates through April 2012. The transactions have been entered into to offset the effects from short-

term balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements have been recognized in other income, net.

We were party to various foreign exchange forward and swap arrangements which had, at December 31, 2010, an aggregate notional value of approximately US$ 295,4 million and fair values of US$ 0,7 million and US$ 5,1 million, which are included in other assets and other liabilities, respectively, and which expired at various dates through April 2011. The transactions were entered into to offset the effects from short-term balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements were recognized the income statement.

Interest Rate Derivatives

We use interest rate derivative contracts on certain borrowing transactions to hedge fluctuating interest rates. We have entered into interest rate swaps in which we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. During 2008, we entered into interest rate swaps, which effectively fixed the variable interest rates on US$ 200,0 million of our variable rate debt and qualify for hedge accounting as cash-flow hedges. We have determined that no ineffectiveness exists related to these swaps. During 2010, US$ 100,0 million of the swaps matured. The remaining US$ 100,0 million matures in October 2011, and as of June 30, 2011, had an aggregate fair value of US$ 1,1 million, which is recorded in other liabilities in the accompanying condensed consolidated balance sheets. As of December 31, 2010, these swaps had an aggregate fair value of US$ 2,7 million, which is recorded in other liabilities in the accompanying condensed consolidated balance sheets.

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, 2011, and December 31, 2010:

	Assets		**Liabilities**	
(in US$ thousands)	**Jun. 30, 2011**	Dec. 31, 2010	**Jun. 30, 2011**	Dec. 31, 2010
Interest Rate Contracts - hedged	-	-	(1.117)	(2.663)
Foreign Currency Contracts - hedged	-	-	(21.781)	(8.452)
Foreign Currency Contracts - non hedged	400	677	(2.523)	(5.113)
Fair values of derivatives	**400**	677	**(25.421)**	(16.228)

8. Investments in associates

During the six month period ended June 30, 2011, we paid US$ 9,7 million for a 40% share together with a US$ 6,7 million advance payment towards the potential future acquisition of the remaining 60% shares of a privately-held company. We hold a call option, exercisable after October 2012 to acquire the remaining 60% of shares. Conversely, the sellers in this transaction hold a put option to sell the remaining 60% of shares to us, exercisable for two months after October 2012. In case neither the put nor the call option is exercised the sellers must repay $6.7 million. The investment is accounted for under the equity-method.

9. Available for sale financial instruments

As at June 30, 2011 the Group had investments in current available-for-sale debt securities which had a fair value of approximately US$ 165,6 million.

We have made a strategic investment during the first six months of 2011 of EUR 2,5 million (approximately US$ 3,4 million) for a 15% share of a privately-held company. The investment is accounted for under the cost-method and classified in the statement of financial position as a non-current available-for-sale financial instrument.

10. Fair value measurements

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

- Level 1: Quoted prices in active markets for the same instrument;
- Level 2: Quoted prices in active markets for similar instruments or other valuation techniques for which all significant inputs are based on observable market data, either directly or indirectly;
- Level 3: Valuation techniques for which any significant input is not based on observable data

Our assets and liabilities measured at fair value on a recurring basis consist of current available-for-sale financial instruments, which are classified in Level 1 and Level 2 of the fair value hierarchy,, derivative financial instruments used to hedge currency and interest rate risk, 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. We value contingent consideration liabilities using level 3 unobservable inputs, applying the income approach, such as the discounted cash flow technique, or the probability-weighted scenario method. Contingent consideration arrangements obligate us to pay the sellers of an acquired entity if specified future events occur or conditions are met such as the achievement of technological or revenue milestones. We use various key assumptions, such as the probability of achievement of the milestones and the discount rate, to represent the non-performing risk factors and time value when applying the income approach. We regularly review the fair value of the contingent consideration, and reflect any change in the accrual in the line items commensurate with the underlying nature of milestone arrangements.

The following table presents our fair value hierarchy for our financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2011 and December 31, 2010:

(in US$ thousands)	Level 1	Level 2	Level 3	June 30, 2011
Current available-for-sale financial instruments	50.000	115.624	0	165.624
Foreign exchange contracts	0	400	0	400
Assets	**50.000**	**116.024**	**0**	**166.024**
Foreign exchange contracts	0	24.304	0	24.304
Interest rate contracts	0	1.117	0	1.117
Contingent consideration	0	0	19.580	19.580
Liabilities	**0**	**25.421**	**19.580**	**45.001**

As at December 31, 2010, the Group held the following financial instruments measured at fair value:

(in US$ thousands)	Level 1	Level 2	Level 3	Dec 31, 2010
Current available-for-sale financial instruments	70.000	36.077	0	106.077
Foreign exchange contracts	0	677	0	677
Assets	**70.000**	**36.754**	**0**	**106.754**
Foreign exchange contracts	0	13.565	0	13.565
Interest rate contracts	0	2.663	0	2.663
Contingent consideration	0	0	21.911	21.911
Liabilities	**0**	**16.228**	**21.911**	**38.139**

For financial liabilities with Level 3 inputs, the following table summarizes the activity for the six months ended June 30, 2011:

(in US$ thousands)	2011
Beginning Balance at January 1st	21.911
Accrued interest	203
Payments	(2.386)
Foreign currency translation adjustments	(148)
Ending Balance at June 30st	**19.580**

11. Debt

We have five separate lines of credit amounting to US$ 161,7 million in the aggregate with variable interest rates. There was no significant line of credit or short-term borrowings as of June 30, 2011, and December 31, 2010.

As of June 30, 2011, we have drawn down EUR 2,2 million (US$ 3,2 million at June 30, 2011) under a loan which can be utilized for up to EUR 12,7 million to finance R&D projects in Germany. The loan bears interest at 3,5% and is due to be fully repaid by 2019 with repayments commencing in September 2011.

During 2007, the Company signed a Syndicated Multi-Currency Term Loan and Revolving Credit Facilities Agreement with Deutsche Bank AG, Deutsche Bank Luxembourg S.A., and the lenders named in the agreement. The lenders made available to the Company a term loan, a bridge loan, which was utilized and repaid in the third quarter of 2007, and a US$ 150 million revolving credit facility. Under the agreement, the US$ 500 million term loan will mature in July 2012 with repayment beginning in July 2009. In July 2011, 2010 and 2009, US$ 75,0 million, US$ 50,0 million, and US$ 25,0 million, respectively, were repaid. The next and final payment of US$ 350,0 million will be made in July 2012. The US$ 150 million revolving credit facility will expire in July 2012. The proceeds of the debt were loaned to a subsidiary of QIAGEN N.V., and QIAGEN N.V. has guaranteed the debt. The loan agreements contain certain financial and non-financial covenants, including but not limited to, restrictions on the encumbrance of land, restrictions on the transfer of patents to third parties and the maintenance of certain financial ratios. The Company was in compliance with these covenants at June 30, 2011. The fair value of the note payable approximated its carrying value at June 30, 2011.

In August 2004, the Company completed the sale of US$ 150,0 million principal amount of 1,50% convertible unsubordinated notes (Notes) due 2024, through its subsidiary QIAGEN Finance (Luxembourg) S.A. Interest on the Notes is payable semi-annually in February and August. The Notes were issued at 100% of principal value, and are 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 US$ 12,6449 per share, subject to adjustment. In November 2008, the Company issued 395.417 common shares upon the exercise of a portion of the subscription rights in connection with the conversion of US$ 5,0 million of the Notes. The Notes may be redeemed, in whole or in part, at QIAGEN's option on or after 7 years, at 100% of the principal amount provided the actual trading price of our common stock exceeds 120% of the conversion price for twenty consecutive trading days. In addition, the holders of the Notes may require QIAGEN to repurchase all or a portion of the outstanding Notes for 100% of the principal amount, plus accrued interest, on August 18, 2011, 2014 and 2019. Based on an estimation using available over-the-counter market information on the convertible bond issued by QIAGEN Euro Finance (Luxembourg) S.A., the fair value of the Notes at June 30, 2011, was approximately US$ 219,6 million. The effective interest rate of the Notes amounts to 5,20%. The Company has reserved 11,5 million shares of common stock for issuance in the event of conversion.

In May 2006, the Company completed the sale of US$ 300,0 million principal amount of 3,25% senior convertible notes (2006 Notes) due 2026, through its subsidiary QIAGEN Euro Finance (Luxembourg) S.A. Interest on the 2006 Notes is payable semi-annually in May and November. The 2006 Notes were issued at 100% of principal value, and are convertible into 15,0 million shares of common shares at the option of the holder upon the occurrence of certain events at a price of US$ 20,00 per share, subject to adjustment. The 2006 Notes cannot be called for the first 7 years and are callable thereafter subject to a provisional call trigger of 130% of the conversion price. In addition, the holders of the 2006 Notes may require QIAGEN to repurchase all or a portion of the outstanding Notes for 100% of the principal amount, plus accrued interest, on May 16, 2013, 2017 and 2022. Based on an estimation using available over-the-counter market information on the convertible bond issued by QIAGEN Euro Finance (Luxembourg) S.A., the fair value of the Notes at June 30, 2011, was approximately US$ 360,1 million. The effective interest rate of the Notes amounts to 7,3%. The Company has reserved 15,0 million of common stock for issuance in the event of conversion.

12. Inventories

The components of inventories consist of the following as of June 30, 2011, and December 31, 2010:

(in US$ thousands)	Jun. 30, 2011	Dec. 31, 2010
Raw materials	24.978	23.738
Work in process	40.781	33.043
Finished goods	73.606	69.852
Inventories	**139.365**	**126.633**

13. Income Taxes

The provision for income taxes is based upon the estimated annual effective tax rates for the year applied to the current period income before tax. Our operating subsidiaries are exposed to effective tax rates ranging from zero to approximately 42% Fluctuations in the distribution of pre-tax income among our operating subsidiaries can lead to fluctuations of the effective tax rate. In the six-month periods ended June 30, 2011 and 2010, the effective tax rates were 18,2% and 9,4%, respectively.

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 tax years since 2007 are open for income tax examinations by tax authorities. Our subsidiaries are no longer subject to income tax examinations by tax authorities for years before 2006. We have undistributed earnings in foreign subsidiaries. In some jurisdictions, we would be subject to tax upon repatriation of those earnings, in the form of dividends or otherwise. For those subsidiaries where the earnings are considered to be permanently reinvested, no provision for taxes has been made. In other cases, we have accrued for such taxes. It is not practicable to determine the amount of income tax payable in the event we repatriated all of our undistributed foreign earnings.

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 US$ 83,9 million based on the achievement of certain revenue and operating results milestones as follows: US$ 17,5 million in 2011, US$ 15,4 million in 2012, and US$ 51,0 million payable in any 12-month period from now until 2014 based on the accomplishment of certain revenue targets, the launch of certain products or the grant of certain patent rights. Of the US$ 83,9 million total contingent obligation, approximately US$ 19,6 million is accrued as of June 30, 2011. We reassessed the fair value of the contingent consideration as of June 30, 2011 the result of which was not materially different from the fair value determined as of the date of the acquisitions.

Preacquistion Contingencies

In connection with certain acquisitions, amounts were paid into escrow accounts to cover certain preacquistion contingencies assumed in the acquisition. The escrow amounts expected to be claimed by

QIAGEN are recorded as an asset in other current assets and amount to US$ 23,1 million as of June 30, 2011 (US$ 27,0 million as of December 31, 2010). In addition, we have recorded US$ 23,9 million for preacquistion contingencies as a liability under other current liabilities as of June 30, 2011 (US$ 28,7 million as of December 31, 2010). We reassessed the fair value of the preacquistion contingencies as of June 30, 2011 the result of which was not materially different from the fair value determined as of the date of the acquisitions.

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 US$ 3,7 million and US$ 3,4 million as of June 30, 2011, and December 31, 2010, 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, 2011, 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, based on the facts known to QIAGEN and after consultation with legal counsel, management believes that such litigation will not have a material adverse effect on QIAGEN's financial position or results of operations.

QIAGEN Sciences, Inc. v. Operon Biotechnologies, Inc.

On July 2, 2009, Operon Biotechnologies, Inc. (Operon) commenced arbitration against QIAGEN Sciences, Inc. asserting a breach of a supply agreement between the parties and seeking monetary damages. Operon asserted that QIAGEN failed to comply with the preferred supplier provisions of the agreement and that this breach caused damages, including lost profits. QIAGEN denied the allegations and asserted counterclaims. The dispute was submitted to an arbitration panel and in June 2011 the arbitration panel concluded in favor of QIAGEN on all claims. As a result Operon must pay QIAGEN approximately US$ 2,1 million for past-due receivables, interest and legal fees.

15. 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 sum immaterial. Compared to December 31, 2010, no significant changes have occurred to the related party transactions as of June 30, 2011.

16. Subsequent Events

On July 8, 2011, the Board of Directors of Ipsogen S.A. voted in favor of QIAGEN's offer for EUR 12,90 per share and QIAGEN entered into binding agreements with a group of major shareholders of Ipsogen to purchase a majority of the Ipsogen shares. Ipsogen, a publicly listed company founded in 1999 and based in Marseille, France, is a global leader in molecular profiling and personalized healthcare diagnostics for a broad range of applications in the field of hematology. On July 12, 2011, we paid EUR 40,9 million (US$ 57,4 million) for the initial 62.6% of Ipsogen shares. Since QIAGEN now holds more than 50%, a public tender offer for the remaining shares at the same price will be submitted for the approval of the Autorité Des Marchés Financiers. If we reach the threshold of 95% of the share capital or the voting rights of Ipsogen through this public offer, we reserve the right to request the implementation of a squeeze-out procedure at the same price. The total purchase consideration for this transaction amounts to approximately EUR 70,2 million (approximately $101,5 million as of June 30, 2011) for all outstanding shares and other equity instruments. The acquisition of Ipsogen will provide QIAGEN access to a broad range of assays covering 15 biomarkers used worldwide for the diagnosis, prognosis and monitoring of patients with various blood cancers. Many of these assays also are used as companion diagnostics in personalized healthcare to make and guide treatment decisions. Many of Ipsogen's assays have CE-IVD Marking in Europe and have been developed for use on QIAGEN's Rotor-Gene Q real-time PCR system. This has the potential to enable the smooth and rapid transfer of these unique products onto QIAGEN's QIAsymphony RGQ, a novel integrated sample-to-result laboratory automation platform that includes the Rotor-Gene Q system.

In April 2011, we entered into an agreement to acquire all outstanding shares of Cellestis Ltd., a publicly listed Australian company, under a Scheme of Arrangement. Cellestis develops and provides in-vitro diagnostics and life science research products based on its proprietary QuantiFERON® technology. The technology provides information on the activity of the cell-mediated functions of the immune system from whole blood samples. By tapping into the body's memory system, this approach allows diseases to be detected much earlier than with other diagnostic methods, such as PCR. With QuantiFERON®, we are adding a "pre-molecular" technology that allows us to look even deeper than with DNA-based molecular testing and thereby strive to feed and drive our DNA-based molecular franchise. QuantiFERON® is a trademark of Cellestis, Ltd.

In July 2011, we amended the agreement. The amended per-share offer price is being increased by 7% to AUD$ 3,80 from the original offer price of AUD$ 3,55. The increased offer represents a premium of 33,1% to the one-month volume-weighted average price (VWAP) of Cellestis shares ending on April 1, 2011, the last trading day prior to announcement of the original proposal; and 40,8% to the three-month VWAP ending on April 1, 2011. Subject to approval of the Cellestis shareholders, we will acquire 100% of the outstanding stock of Cellestis. Based on an exchange rate of AUD$ 1,00 equals US$ 1,04 as of April 1, 2011, the transaction value under the amended proposal is approximately US$ 374 million.

The acquisition is still subject to the approval of the Australian court. Until the closing, QIAGEN and Cellestis will remain separate entities and we expect the transaction to close in the third quarter of 2011.

Venlo, August 2, 2011

QIAGEN N.V.

Peer M. Schatz	Roland Sackers
CEO	CFO

QIAGEN N.V.

Responsibility Statement of the Management Board to the interim condensed consolidated financial statements for the six months ended June 30, 2011

(unaudited)

In accordance with best practice II.1.4 of the Dutch corporate governance code of December 2003, taking into account the recommendation of the Corporate Governance Code Monitoring Committee on the application thereof, the Managing Board confirms that internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies, and confirms that these controls functioned properly in the period under review and that there are no indications that they will not continue to do so. The interim condensed consolidated financial statements fairly represent the Company's financial condition and the results of the Company's operations and provide the required disclosures.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations.

In view of all of the above, the Managing Board confirms that, to its knowledge,

- the interim condensed consolidated financial statements for the six months ended June 30, 2011 (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;
- 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.

Venlo, August 2, 2011

QIAGEN N.V.

Peer M. Schatz	**Roland Sackers**	**Bernd Uder**	**Joachim Schorr**
CEO	CFO	Senior VP Global Sales & Service Solutions	Senior VP Global R&D

QIAGEN N.V.

Interim management report for the six months ended June 30, 2011 (unaudited)

Note Regarding Forward-Looking Statements and Risk Factors

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 below under the caption “Risk Factors.”

Results of Operations

Overview

QIAGEN is the world’s leading provider of innovative sample and assay technologies, based on independent market studies of United States and European market shares for our products and technologies. Our automated systems and consumable products empower customers to transform raw biological samples into valuable molecular information. Sample technologies are used to isolate DNA, RNA and proteins from any biological sample, such as blood or tissue. Assay technologies are then used to amplify and enrich isolated biomolecules, such as the DNA of a specific virus, readable and ready for subsequent analysis.

We sell our products, sample and assay kits known as consumables and automated instrumentation systems using those technologies, to four major customer classes:

- Molecular diagnostics—healthcare providers supporting many aspects of patient care including prevention, profiling of diseases, personalized healthcare and point of need testing
- Academic—researchers exploring the secrets of life and new approaches to disease
- Pharma—drug discovery and development efforts of pharmaceutical and biotechnology companies
- Applied testing—customers in fields such as forensics, veterinary diagnostics, food safety testing, and biosecurity.

QIAGEN markets products in more than 100 countries throughout the world. We have established subsidiaries in markets that we believe have the greatest sales potential, including countries throughout Europe, Asia, the Americas and Australia. We also work with specialized independent distributors and importers. We employ nearly 3,600 people in more than 30 locations worldwide. We have achieved five-year compound annual growth rates of approximately 22% in net sales. We have funded our growth through internally generated funds, debt, and private and public sales of equity securities.

QIAGEN actively pursues strategic acquisitions with a goal of expanding our technology and product offerings as well as extending our geographic presence. Most recently, in July 2011 we entered into binding agreements with a group of major shareholders of Ipsogen S.A. and purchased approximately 62% of the Ipsogen shares. Ipsogen S.A., a publicly listed company founded in 1999 and based in Marseilles, France, is a global leader in molecular profiling and personalized healthcare diagnostics for a broad range of applications in the field of hematology. We intend to subsequently initiate a public tender offer for the remaining shares.

In April 2011, we entered into an agreement to acquire Cellestis Ltd., a publicly listed Australian company that develops and provides in-vitro diagnostics and life science research products based on its proprietary QuantiFERON® technology. The technology provides information on the activity of the cell-mediated functions of the immune system from whole blood samples. By tapping into the body's memory system, this approach allows diseases to be detected much earlier than with other diagnostic methods, such as PCR. With QuantiFERON®, we are adding a "pre-molecular" technology that allows us to look even deeper than with DNA-based molecular testing and thereby strive to feed and drive our DNA-based molecular franchise. The acquisition is still subject to the approval of the Australian court and Cellestis shareholders. Until the closing, QIAGEN and Cellestis will remain separate entities, and we expect the transaction to close in the third quarter of 2011. QuantiFERON® is a trademark of Cellestis, Ltd.

Other transactions which were recently concluded include:

- In March 2011, we acquired a minority strategic stake in Alacris Theranostics GmbH (Alacris), a German start-up company using novel technologies to develop individualized cancer treatment strategies based upon a patient's genomic profile, and an exclusive option to access all biomarkers emerging from this discovery program. The collaboration brings together the global leadership of QIAGEN in developing molecular diagnostic and testing solutions in pharmaceutical development and personalized healthcare with Alacris' genomic data generation and mining capabilities and preferential access to large and well-characterized clinical sample sets.

- In April 2010, we acquired assets related to food testing assays of the Institute for Product Quality (ifp), a company based in Berlin, Germany, which sells food, veterinary and environmental quality control assays. The transaction strengthened our applied testing business by adding 70 molecular food safety tests developed by ifp.

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

Our financial results include the contributions of our recent acquisitions from the date of acquisition, as well as the costs related to the acquisitions and integrations, including costs related to the relocation and closure of certain facilities. Our results also reflect the benefits of our previous restructuring efforts, which have contributed to improved profitability as we continue to manage our operating costs.

Our results for the six months ended June 30, 2011, reflect our anticipated slow start to 2011 together with unfavorable impacts from the unanticipated disruptions from natural disaster and political events in Japan and Australia/New Zealand as well as northern Africa, where we supply a hepatitis C monitoring program. In addition, comparisons with the six months ended June 30, 2010, reflect supplies to the influenza surveillance programs in 2010. During the six-month period ended June 30, 2011, operating income on a consolidated basis was US$ 89,2 million, a 3% decrease from US$ 92,5 million for the same period in 2010. Continued cost management efforts together with productivity initiatives helped to partially offset some of the negative impacts of a softer first half of 2011.

Six-Month Period Ended June 30, 2011, compared to Six-Month Period Ended June 30, 2010

Net Sales

In the six month period ended June 30, 2011, net sales increased by 4% to US$ 546,4 million, compared to US$ 527,1 million in the same period of 2010. The increase in the first half of 2011 reflects a positive impact of US$ 22,4 million from foreign currency exchange rates. In the first half of 2011, consumable and related revenues, which represent approximately 87% of total sales, reported a 5% increase as compared to the first half of 2010. Sales of instrumentation products in 2011, which represent approximately 13% of total first half sales, decreased by 3%. The natural disaster disruptions in Japan and Australia/New Zealand together with the civil and political disruptions in Egypt, as well as lower growth in sales volumes of molecular diagnostic assays compared to growth rates experienced in 2010, resulted in a slow start to 2011 and are reflected in the first half of 2011 results.

A significant portion of our revenues is denominated in currencies other than the United States dollar. Changes in currency exchange rates can affect net sales, potentially to a significant degree. When calculated by translating the local currency, actual results in the current period using the average exchange rates from the previous year’s respective period instead of the current period, net sales were positively impacted by US$ 22,4 million in currency effects as compared to the same period in 2010.

The continuing uncertainties within the current global economy represent a risk for the Company, and while we expect continued growth in our consumables and instrumentation businesses, such future growth could be adversely affected and may be lower than our historical growth.

Gross Profit

Gross profit for the six-month period ended June 30, 2011, was US$ 360,6 million (66% of net sales) as compared to US$ 346,0 million (66% of net sales) for the same period in 2010. The dollar increase in 2011 gross profit compared to the same period in 2010 includes a charge of approximately US$ 1,6 million primarily related to inventory damaged at our sales subsidiary in Japan. Gross profit adjusted by business integration, acquisition related and restructuring costs of US$ 1,6 million (2010: US$ 0,8 million), purchased intangibles amortization expense of US$ 33,6 million (2010: US$ 30,3 million) and share-based compensations of US$ 0,8 million (2010: 0,5 million) increased by 5% to US$ 396,5 million (73% of net sales) in the first half of 2011, compared to US$ 377,6 (72% of net sales) in the same period of 2010.

Amortization expense related to developed technology and patent and license rights, which have been acquired in a business combination, is included in the line purchased intangibles amortization in cost of sales. The purchased intangibles amortization expense within cost of sales increased to US$ 33,6 million in the first half of 2011, as compared to US$ 30,4 million in the comparable 2010 period. We expect that our acquisition-related intangible amortization will continue to increase as a result of new acquisitions.

Research and Development Expense

Research and development expenses increased by 12% to US$ 60,7 million (11% of net sales) in the first half of 2011, as compared to US$ 54,2 million (10% of net sales) in the same period of 2010. Our business combinations, along with the acquisition of new technologies, have resulted in an increase in our research and development costs. As we continue to discover, develop and acquire new products and technologies, we will incur additional expense related to research and development facilities, licenses and employees engaged in our research and development efforts. Additionally, our research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) clearance and EU CE approval of certain assays or instruments.

We have a strong commitment to research and development and expect to continue to make investments in our research and development efforts. Accordingly, our research and development expenses will continue to increase, perhaps significantly.

Sales and Marketing Expense

Sales and marketing expenses increased by 11% to US$ 144,9 million (27% of net sales) for the six-month period ended June 30, 2011, from US$ 130,7 million (25% of net sales) for the same period in 2010.

Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses and other promotional expenses. In addition, the sales and marketing expenses include the costs of maintaining separate sales organizations addressing customers in industrial and academic research, applied testing and molecular diagnostics. We anticipate that sales and marketing costs will continue to increase along with new product introductions and growth in sales of our products, but we expect sales and marketing costs will, over the long term, grow at a relatively slower rate than our overall revenue growth.

General and Administrative, Integration and Other Expense

During the six months ended June 30, 2011, we recorded general and administrative, business integration, restructuring and related costs of US$ 53,2 million, as compared to US$ 54,8 million for the same period in 2010.

We have continued to incur integration costs for businesses previously acquired and such costs totaled approximately US$ 7,5 million in the six month period ended June 30, 2011, as compared to US$ 9,7 million in the same period of 2010. In connection with the integration of the acquired companies, we are benefitting from improved efficiency in general and administrative operations in particular. As we further integrate previously or newly acquired companies and pursue other opportunities to gain efficiencies, we expect to continue to incur additional business integration and restructuring costs in 2011 and 2012. We believe that over time the integration and restructuring activities will result in a decrease in our general and administrative expenses as we aim to improve efficiency in general and administrative operations.

Purchased Intangibles Amortization

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

During the six months ended June 30, 2011, we recorded purchased intangibles amortization expense within operating expense of US$ 14,0 million, as compared to US$ 13,5 million for the same period in 2010. In cost of sales we recorded purchased intangibles amortization expense of US$ 33,6 million for the first half 2011 as compared to US$ 30,4 million for the same period in 2010.

Financial Income (Expense)

For the six months ended June 30, 2011, financial income increased to US$ 2,5 million from US$ 2,1 million in the same period of 2010. The financial income primarily reflects the changes in our short-term investments and the changing interest rates thereon

Financial expense decreased slightly to US$ 19,6 million in the six-month periods ended June 30, 2011, as compared to US$ 20,1 million for the same period of 2010.

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, 2011, and December 31, 2010, we had cash and cash equivalents of US$ 790,0 million and US$ 830,4 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, 2011, cash and cash equivalents had decreased by US$ 40,4 million from December 31, 2010, primarily due to cash used in investing activities of US$ 139,4 million, partially offset by cash provided by operating activities of US$ 118,5 million and financing activities of US$ 4,5 million. As of June 30, 2011, and December 31, 2010, we had working capital of US$ 1,05 billion and US$ 970,6 million, respectively.

Operating Activities: For the six-month periods ended June 30, 2011 and 2010, we generated net cash from operating activities of US$ 118,5 million and US$ 88,9 million, respectively. While net income of US$ 58,3 million in the six months ended June 30, 2011, decreased by US$ 13,9 million as compared to the same period in the prior year, the non-cash components such as depreciation and amortization, bifurcation of convertible bonds, share-based compensation and deferred taxes increased cash from operating activities by US$ 28,3 million for the six months ended June 30, 2011. 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 US$ 139,4 million of cash was used in investing activities during the six months ended June 30, 2011, compared to US$ 114,3 million for the same period in 2010. Investing activities during the six months ended June 30, 2011, consisted principally of US$ 88,5 million invested in short-term investments, US$ 39,3 million of cash paid for purchases of property and equipment, primarily in our ongoing construction projects in Germany and the U.S., as well as US$ 7,2 million paid for intangible assets and US$ 5,4 million of cash paid in connection with acquisition milestone achievement. In the first half of 2011, we also acquired a stake in Alacris for US$ 3,4 million and made an investment of US$ 16,4 million in another privately held company.

In 2009, we purchased the land and building adjacent to our facility in Hilden, Germany for EUR 2,5 million (approximately US$ 3,2 million) to further expand our German facilities for research and development and production. In addition, we started the expansion of our Germantown, Maryland, USA facility for production and administrative space in June 2010. While the construction in Germany is substantially complete, the U.S. expansion projects are expected to continue into 2014, with both projects at an estimated total cost of approximately US$ 94,0 million. We anticipate that we will be able to fund such expansions with cash generated by operating activities.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to US$ 83,9 million based on the achievement of certain revenue and operating results milestones as follows: US$ 17,5 million in 2011, US$ 15,4 million in 2012, and US$ 51,0 million payable in any 12-month period from now until 2014 based on the accomplishment of certain revenue targets, the launch of certain products or the grant of certain patent rights. Of the US$ 83,9 million total contingent obligation, approximately US$ 19,6 million is accrued as of June 30, 2011.

Financing Activities: Financing activities provided US$ 4,5 million in cash for the six months ended June 30, 2011, as compared to US$ 8,1 million for the six months ended June 30, 2010. Cash provided during the six months ended June 30, 2011, was primarily related to the issuance of common shares in connection with our equity compensation plans and tax benefits from stock-based compensation.

We have credit lines totaling US$ 161,7 million at variable interest rates, none of which was utilized as of June 30, 2011. We also have finance lease obligations, including interest, in the aggregate amount of US$ 25,9 million, and carry US$ 853,7 million of long-term debt, of which US$ 78,8 million is current as of June 30, 2011. As of June 30, 2011, we have drawn down US$ 3,2 million under a loan which can be utilized for up to EUR 12,7 million to finance research and development projects of the Company in Germany. The loan bears interest at 3,5% and is due to be fully repaid by 2019 with repayments starting in September 2011.

In July 2007, we signed a Syndicated Multi-Currency Term Loan and Revolving Credit Facilities Agreement with Deutsche Bank AG, Deutsche Bank Luxembourg S.A., and the lenders named in the syndication agreement. The lenders made available to us an aggregate amount of US$ 750 million in the form of (1) a US$ 500 million term loan, (2) a US$ 100 million bridge loan, and (3) a US$ 150 million revolving credit facility. Under the agreement, the US$ 500 million term loan will mature in July 2012 with an amortization schedule that began in July 2009. In July 2011, July 2010 and July 2009, US$ 75 million, US$ 50 million and US$ 25 million were repaid, respectively. The US$ 150,0 million revolving credit facility will also expire in July 2012. The US$ 100 million bridge loan was utilized and repaid within the third quarter of 2007. We used the proceeds of the term loan and the bridge loan to pay the cash component of the Digene acquisition consideration and the fees and expenses of the Digene offer and the merger. The revolving credit facility is available for general corporate purposes. The interest due on the US$ 500 million term loan and the US$ 150 million currently undrawn revolving credit facility is tied to the LIBOR benchmark and therefore

variable. A US$ 100 million portion of the US$ 500 million term loan has been swapped into a fixed interest rate.

In August 2004, the Company completed the sale of US$ 150,0 million principal amount of 1,50% convertible unsubordinated notes (Notes) due 2024, through its subsidiary QIAGEN Finance (Luxembourg) S.A. Interest on the Notes is payable semi-annually in February and August. The Notes were issued at 100% of principal value, and are 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 US$ 12,6449 per share, subject to adjustment. In November 2008, the Company issued 395.417 common shares upon the exercise of a portion of the subscription rights in connection with the conversion of US$ 5,0 million of the Notes. The Notes may be redeemed, in whole or in part, at QIAGEN's option on or after 7 years, at 100% of the principal amount provided the actual trading price of our common stock exceeds 120% of the conversion price for twenty consecutive trading days. In addition, the holders of the Notes may require QIAGEN to repurchase all or a portion of the outstanding Notes for 100% of the principal amount, plus accrued interest, on August 18, 2011, 2014 and 2019. The effective interest rate of the Notes amounts to 5,20%. The Company has reserved 11,5 million shares of common stock for issuance in the event of conversion.

In May 2006, the Company completed the sale of US$ 300,0 million principal amount of 3,25% senior convertible notes (2006 Notes) due 2026, through its subsidiary QIAGEN Euro Finance (Luxembourg) S.A. Interest on the 2006 Notes is payable semi-annually in May and November. The 2006 Notes were issued at 100% of principal value, and are convertible into 15,0 million shares of common shares at the option of the holder upon the occurrence of certain events at a price of US$ 20,00 per share, subject to adjustment. The 2006 Notes cannot be called for the first 7 years and are callable thereafter subject to a provisional call trigger of 130% of the conversion price. In addition, the holders of the 2006 Notes may require QIAGEN to repurchase all or a portion of the outstanding Notes for 100% of the principal amount, plus accrued interest, on May 16, 2013, 2017 and 2022. The effective interest rate of the Notes amounts to 7,3%. The Company has reserved 15,0 million of common stock for issuance in the event of conversion.

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, the global economic downturn may have a greater impact on our business than currently expected, and we may experience a decrease in the sales of our products, which could impact our ability to generate cash. The availability of debt financing has also been negatively impacted by the global credit crisis. If our future cash flows from operations and other capital resources are not adequate to fund our liquidity needs, we may be required to obtain additional debt or equity financing or reduce or delay our capital expenditures, acquisitions or research and development projects. If we could not obtain financing on a timely basis or at satisfactory terms, or implement timely reductions in our expenditures, our business could be adversely affected

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, 2010.

Contractual Obligations

There were no material changes at June 30, 2011, from the contractual obligations disclosed in our Annual Report for the year ended December 31, 2010.

Legal Proceedings

For information on legal proceedings, see Note 14 to the accompanying selected notes to the interim 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.

Risk Factors

Risks Related to the Growth of Our Business

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

Our business has grown rapidly, with total net sales increasing to US$ 1,1 billion in 2010 from US$ 465,8 million in 2006. We have made several acquisitions in recent years, including SABiosciences in December 2009; DxS Ltd. in September 2009; Corbett Life Science Pty. Ltd., or Corbett, in July 2008; and Digene Corporation, or Digene, in July 2007. In July 2011, we purchased 62.6% of the Ipsogen S.A. shares and intend to acquire the remaining shares. In April 2011, we entered into an agreement to acquire Cellestis, Ltd. We intend to identify and acquire other businesses in the future that support our strategy to build on our global leadership position in molecular technologies. The successful integration of acquired businesses requires a significant effort and expense across all operational areas, including sales and marketing, research and development, manufacturing, finance and administration and information technologies.

We have also made significant investments to expand our business operations. In January 2009, we purchased land adjacent to our facility in Germany and in August 2009 began a major expansion project to create additional facilities for research and development as well as to expand production capacity. This expansion project is substantially complete as of June 30, 2011. In addition, we began a project in June 2010 to expand our facility in Germantown, Maryland, for research, production and administrative space, and it is expected to continue into 2014. These expansion projects increase our fixed costs, resulting in higher operational costs in the future that will negatively impact our gross margin and operating income until

we fully utilize the additional capacity of these planned facilities. We also continue to upgrade our operating and financial systems and expand the geographic presence of our operations, which has resulted in the hiring of new employees as well as increased responsibilities for both existing and new management personnel. The rapid expansion of our business and the addition of new personnel may place a strain on our management and operational systems.

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

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

During the past several years, we have acquired and integrated a number of companies through which we have gained access to technologies and products that complement our internally developed product lines. In the future, we may acquire additional technologies, products or businesses to expand our operations. Acquisitions expose us to new operating and other risks, including risks associated with the:

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

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

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

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

reduce our growth rate or otherwise have an adverse effect on our business. Important programs underway include the development and global rollout of our modular medium-throughput QIAsymphony platform, our next generation high throughput molecular testing QIAensemble platform and related sample and assay technologies. In the past, we have experienced delays in the development and introduction of products, including regulatory approvals, and we may experience delays in the future.

Therefore, we cannot assure you that we will keep pace with the rapid rate of change in our markets or that our new products will adequately meet the requirements of the marketplace, achieve market acceptance or regulatory approval or compete successfully with competitive technologies. Some of the factors affecting market acceptance of new products include:

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

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

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

Our results of operations could be materially affected by adverse general conditions in the global economy and global financial markets. In times of economic hardship or high unemployment, patients may decide to forego or delay routine tests, in particular for our HPV test used to screen women for risk of cervical cancer. Changes in the availability or reimbursement of our molecular diagnostic testing products by insurance providers and healthcare maintenance organizations could also have a significant adverse impact on our results of operations.

Access to financing in the global financial markets has also been adversely affected for many businesses during the recent challenging economic times. Our customers may face internal financing pressures that adversely impact spending decisions and the ability to purchase our products. A severe or prolonged economic downturn could result in a variety of risks to our business that would adversely impact our results of operations, including the reduction or delay in planned improvements to healthcare systems in various countries, the reduction of funding for life sciences research, and intensified efforts by governments and healthcare payors regarding cost-containment efforts.

As is the case for many businesses, we face the following risks in regard to financial markets:

- severely limited access to financing over an extended period of time, which may limit our ability to fund our growth strategy and could result in delays to capital expenditures, acquisitions or research and development projects;
- further failures of currently solvent financial institutions, which may cause losses from our short-term cash investments or our hedging transactions due to a counterparty's inability to fulfill its payment obligations;

- inability to refinance existing debt at competitive rates, reasonable terms or sufficient amounts; and
- increased volatility or adverse movements in foreign currency exchange rates.

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

We believe that contributions from sales of our HPV test product group may represent as much as 25% of our total net sales. While the ultimate decision to order this test is made by a physician in consultation with their patient, the test analysis is performed by reference laboratories, who in turn are the customers of QIAGEN in terms of ordering tests and related equipment. At present, a limited number of reference laboratories account for the majority of our sales for this product group. A significant reduction in sales of this product group may have a significant adverse impact on our results of operations. In times of economic hardship or high unemployment, as was the case in 2010, patients may decide to forego or delay routine tests. Further, the cost of HPV testing is reimbursed to reference laboratories by insurance providers and healthcare maintenance organizations. If these insurance companies decide to limit the availability of payments for our test to their members, it could have a significant adverse impact on our results of operations. It is possible that our dependence on sales from this product group will continue in the future. If we fail to diversify our product line grouping, we will continue to be at risk that the loss or under-performance of a single product, product group or customer may materially affect our results of operations.

Our sales of HPV products and our growth will be affected by the level of acceptance of and the market for HPV screening by physicians and laboratories.

Sales of our HPV-related molecular diagnostic products, and our ability to increase sales of this product group, depend upon greater acceptance by physicians and laboratories of the clinical benefits of HPV screening as a necessary part of the standard of care for screening women for risk of cervical cancer. This applies to the U.S. as well as Europe and various markets around the world. In particular, a key element of future sales growth includes greater adoption of HPV test products as a primary cervical cancer screening method, either alone or in conjunction with cytology-based tests (Pap tests). Pap tests have been the principal means of cervical cancer screening since the 1940s. The introduction of our HPV test has been supported by major clinical data showing its significant benefits in better identifying women at risk for cervical cancer than to those who were only given a Pap test, and standards of care in the U.S. have been adopted to recommend HPV tests in conjunction with Pap tests. These standards are also being adopted in other countries around the world. However, technological advances designed to improve quality control over sample collection and preservation, as well as to reduce the susceptibility of Pap tests to human error, may increase physician reliance on the Pap test and solidify its market position as the most widely used screening test for cervical cancer. Approximately 60 million Pap tests are currently performed annually in the United States, and an estimated 60 to 100 million additional Pap tests are performed annually in the rest of the world.

HPV testing applies a new molecular-based technology and testing approach that is different from the cytology-based approach (reviewing cells under a microscope) of the Pap test. Significant resources are required to educate physicians and laboratories about the patient benefits that can result from using HPV test products in addition to the Pap test, and to assist laboratory customers in learning how to use our HPV test products. The addition of our HPV test products to the Pap test for primary screening in the United States may be seen by some customers as adding unnecessary expense to the generally accepted cervical cancer screening methodology. As a result, we must provide information to counteract these types of

impressions on a case-by-case basis. If we are not successful in executing our marketing strategies, which focus on the proven significant benefits of HPV testing to identify women at risk for cervical cancer, we may not be able to maintain or continue to grow our market share for HPV testing.

We are working with physician and laboratory customers, and also with patient advocacy groups, to develop and establish the benefits of HPV screening to women. If we are not successful in this endeavor, we may not be able to maintain or grow the market for HPV screening or maintain or increase our HPV test revenues.

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

Third-party payors are often reluctant to reimburse healthcare providers for the use of medical tests that involve new technologies or provide novel diagnostic information. In addition, third-party payors are increasingly limiting reimbursement coverage for medical diagnostic products and, in many instances, are exerting pressure on diagnostic product suppliers to reduce their prices. Since each third-party payor often makes reimbursement decisions on an individual patient basis, obtaining such approvals is a time-consuming and costly process that requires us to provide scientific and clinical data supporting the clinical benefits of each of our products. As a result, there can be no assurance that reimbursement approvals will be obtained. This process can delay the broad market introduction of new products, and could have a negative effect on our results of operations. As a result, outside the U.S., third-party reimbursement may not be consistent or financially adequate to cover the cost of our products. This could limit our ability to sell our products or cause us to reduce prices, which would adversely affect our results of operations.

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

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

In recent years, the pharmaceutical and biotechnology industries have undergone substantial restructuring and consolidation. Additional mergers or consolidation within the pharmaceutical and biotechnology industries could cause us to lose existing customers and potential future customers, which could have a material adverse impact on our results of operations.

A significant portion of our sales are generated from demand for our products from researchers at universities, government laboratories and private foundations, and whose funding is dependent upon grants from government agencies, such as the U.S. National Institutes of Health (NIH). Although the level of research funding has been increasing in recent years, we cannot assure you that this trend will continue, in particular in the U.S. given budget constraints caused by challenging economic conditions. Government funding of research and development is subject to the political process, which is inherently unpredictable. Future sales may be adversely affected if our customers delay purchases as a result of uncertainties

regarding the approval of government or industrial budget proposals. Also, government proposals to reduce or eliminate budgetary deficits have sometimes included reduced allocations to the NIH and government agencies in other countries that fund life sciences research and development activities. A reduction in government funding for the NIH or government research agencies in other countries could have a serious adverse impact on our results of operations.

Competition could reduce our sales.

We face various competitive factors against greater adoption of our products, in particular the use of "home-brew" methods, where widely available reagents and other chemicals are used in a non-standardized manner to perform sample and assay processing. We are also aware that a significant number of laboratory organizations and competitor companies are developing and using their own internally developed molecular assay tests. Some competitor companies may seek regulatory approvals from the U.S. Food and Drug Administration (FDA) or similar non-U.S. regulatory authorities and bring to the market alternative products that could limit the use of our products. The success of our business depends in part on the continued conversion of current users of "home brew" methods to our standardized sample and assay technologies and products. There can be no assurance, however, as to the continued conversion of these potential customers.

We have experienced, and expect to continue to experience, increasing competition in various segments of our business from companies that provide competitive pre-analytical solutions and also other products used by our customers. The markets for some of our products are very competitive and price sensitive. Other product suppliers may have significant advantages in terms of financial, operational, sales and marketing resources as well as experience in research and development. These companies may have developed, or could develop in the future, new technologies that compete with our products or even render our products obsolete. The development of products offering superior technology or a more cost-effective alternative to our products could have a material adverse effect on our results of operations.

We believe that customers in the market for pre-analytical solutions and assay technologies display a significant amount of loyalty to their initial supplier of a particular product, in particular given the time and expense required by customers to properly implement these products into their operations. As a result, it may be difficult to convert customers who have purchased products from competitors, and our competitive position may suffer if we are unable to be the first to develop and supply new products.

Risks Related to the Development, Manufacture and Distribution of Our Products

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

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

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

Our long-term business strategy involves entering into strategic alliances as well as marketing and distribution arrangements with academic, corporate and other partners relating to the development,

commercialization, marketing and distribution of certain of our existing and potential products. We may be unable to continue to negotiate these collaborative arrangements on acceptable terms, and these relationships also may not be scientifically or commercially successful. In addition, we may be unable to maintain these relationships, and our collaborative partners may pursue or develop competing products or technologies, either on their own or in collaboration with others.

Some of our customers are requiring us to change our sales arrangements to lower their costs which may limit our pricing flexibility and harm our business.

Some of our customers have developed purchasing initiatives to reduce the number of vendors from which they purchase products to lower their supply costs. In some cases, these customers have established agreements with large distributors, which include discounts and direct involvement in the distributor's purchasing process. These activities may force us to supply large distributors with our products at discounts in order to continue providing products to some customers. For similar reasons, many larger customers, including the U.S. government, have requested, and may request in the future, special pricing arrangements, which can include blanket purchase agreements. These agreements may limit our pricing flexibility, which could harm our business and affect our results of operations. For a limited number of customers, and at the customer's request, we have conducted sales transactions through third-party online intermediaries to whom we are required to pay commissions. If sales grow through these intermediaries, it could have an adverse impact on our results of operations, particularly a negative impact on our gross margin.

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

We and our customers operate in a highly regulated environment characterized by continuous changes in the governing regulatory framework, particularly for product approvals. Genetic research activities and products commonly referred to as "genetically engineered" (such as certain food and therapeutic products) are subject to extensive governmental regulation in most developed countries, especially in the major markets for pharmaceutical and diagnostic products such as the European Union, the U.S. and Japan. In recent years, several highly publicized scientific events (most notably in genomic research and "cloning") have prompted intense public debates on the ethical, philosophical and religious implications of an unlimited expansion in genetic research and the use of products emerging from this research. As a result of this debate, some key countries may increase existing regulatory barriers, which could adversely affect demand for our products and prevent us from fulfilling our growth expectations. Furthermore, there can be no assurance that any future changes of applicable regulations will not require further expenditures or an alteration, suspension or liquidation of our operations in certain areas, or even in their entirety.

Changes in the existing regulations or adoption of new requirements or policies could adversely affect our ability to sell our approved products or to seek approvals for new products in other countries around the world. Future sales of certain products now in development may be dependent upon us conducting pre-clinical studies, clinical trials and other tasks required to gain regulatory approvals. These trials could be subject to extensive regulation by governmental authorities in the U.S., particularly the FDA, and regulatory agencies in other countries with similar responsibilities. These trials involve substantial uncertainties and could impact customer demand for our products.

In addition, certain products, especially those intended for use in in vitro diagnostics applications, require regulatory approvals in various countries. For example, since the European Union Directive 98/79/EC on in vitro diagnostic medical devices, or EU-IvD-D, went into effect on December 7, 2003, all products and kits

used for in vitro diagnostic applications must be compliant with this directive. In addition to high-risk products such as HIV testing systems (list A of Annex II of the directive) or blood glucose testing systems (list B of Annex II of the directive), nucleic acid purification products, which are used in diagnostic workflows, are affected by this regulatory framework. The major goals of this directive are to standardize diagnostic procedures within the European Union, to increase reliability of diagnostic analysis and to enhance patient safety through the highest level of product safety. Our failing to obtain any required clearance or approvals may significantly damage our business in these markets.

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

Several of our key products and programs are medical devices subject to extensive regulation by the FDA under the Federal Food, Drug and Cosmetic Act. We plan to apply for FDA clearance or approval of additional products in the future as medical devices. Regulatory agencies in other countries also have medical device approval regulations that are becoming more extensive. These regulations govern most commercial activities associated with medical devices, including indications for the use of these products as well as other aspects that include product development, testing, manufacturing, labeling, storage, recordkeeping, advertising and promotion. Compliance with these regulations is expensive and time-consuming. Our HPV products were the first to obtain regulatory approval in the U.S. and in many European countries for clinical use in screening women for cervical cancer, which adds to our marketing expenses and increases the degree of regulatory review and oversight. The expense of submitting regulatory approval applications in multiple countries, as compared to our available resources, will impact the decisions we make about entering new markets.

Each medical device that we wish to distribute commercially in the U.S. will likely require us to seek either 510(k) clearance or approval of a pre-market approval application (PMA) from the FDA prior to marketing the device for in-vitro diagnostic use. Clinical trials related to our regulatory submissions take years to complete and represent a significant expense. The 510(k) clearance pathway usually takes from three to twelve months, but can take even longer. The PMA pathway is more costly, lengthy and uncertain, and can take from one to three years, or even longer. For example, it took more than four years to receive pre-market approval from the FDA for our HPV test product for use as a test for the presence of HPV in women with equivocal Pap test results and pre-market approval for the use of our HPV test as a primary adjunctive cervical cancer screening test to be performed in combination with the Pap test for women age 30 and older. The uncertain time period required for regulatory review increases our costs to develop new products and increases the risk that we will not succeed in introducing or selling new products in the U.S.

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

Some of our products are sold for research purposes in the U.S. We do not promote these products for clinical diagnostic use, and they are labeled “For Research Use Only” (RUO) or “for molecular biology

applications". If the FDA were to disagree with our designation of a product, we could be forced to stop selling the product until appropriate regulatory clearance or approval has been obtained.

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

Our customers in the scientific research markets typically only keep a modest inventory of our products on hand, and consequently require overnight delivery of purchases. As a result, we heavily rely on air cargo carriers and logistic suppliers. If overnight services are suspended or delayed, and other delivery carriers and logistic suppliers cannot provide satisfactory services, customers may suspend a significant amount of their work requiring nucleic acid purification. The lack of adequate delivery alternatives would have a serious adverse impact on our results of operations.

Risks Related to Our Operations

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

Our senior management consists of an Executive Committee comprised of the Managing Directors and our most senior executives responsible for core functions, and led by Mr. Peer Schatz, our Chief Executive Officer. The loss of Mr. Schatz or any of our Managing Directors could have a material adverse effect on us. Further, although we have not experienced any difficulties attracting or retaining key management and scientific staff, our ability to recruit and retain qualified, skilled employees will continue to be critical to our success. Given the intense competition for experienced scientists among pharmaceutical and biotechnology companies as well as academic and other research institutions, there can be no assurance that we will be able to attract and retain employees critical to our success on acceptable terms. Our initiatives to expand QIAGEN will also require additional employees, including management with expertise in areas such as manufacturing and marketing, and the development of existing managers to lead a growing organization. The failure to recruit new employees, or develop existing employees, could have a material adverse impact on our results of operations.

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

The markets we serve are typically characterized by a high percentage of purchase orders being received in the final few weeks or even days of each quarter. Although this varies from quarter to quarter, many customers make a large portion of their purchase decisions late in each quarter, in particular since it is during this period that they receive new information on both their budgets and requirements. As a result, even late in each quarter, we cannot predict with certainty whether our sales forecasts for the quarter will be achieved.

Historically, we have been able to rely on the overall pattern of customer purchase orders during prior periods to project with reasonable accuracy our anticipated sales for the current or coming quarters. However, if customer purchasing trends during a quarter vary from historical patterns as may occur with changes in market conditions, our quarterly financial results could deviate significantly from our projections. As a result, our sales forecasts for any given quarter may prove not to have been accurate. We also may not have sufficient timely information to confirm or revise our sales projections for a specific quarter. If we fail to achieve our forecasted sales for a particular quarter, the value of our Common Shares could be adversely affected.

Changes in tax laws or their application could adversely affect our results of operations.

The integrated nature of our worldwide operations enables us to reduce the effective tax rate on our earnings since a portion of our earnings are taxed at more favorable rates in some jurisdictions. Changes in tax laws or their application with respect to matters such as changes in tax-rates, transfer pricing, intercompany dividends, controlled corporations, and limitations on tax relief allowed on the interest on intercompany debt, could increase our effective tax rate and adversely affect our results of operations.

The U.S. health care reform law could affect our business, profitability and stock price.

Comprehensive healthcare reform legislation was signed into law in the U.S. in 2010. Although we cannot fully predict the many ways in which this healthcare reform might affect our business, the law imposes a 2.3% excise tax on certain transactions, including many sales of medical devices, which we expect will include the U.S. sales of our assays and instruments. This tax is scheduled to take effect in 2013. The increased tax burden may adversely affect our results of operations.

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

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

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

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

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

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

We currently anticipate that our short-term capital requirements will be satisfied by cash flow from our operations. However, as of June 30, 2011, we had outstanding loan facilities of approximately US$ 425,0 million, of which US$ 75,0 million was repaid in July 2011, and US$ 350,0 million will become due in July 2012. As of June 30, 2011, we also had additional long-term debt obligations of US$ 445,0 million, of which

US$ 145,0 million will become due no earlier than July 2012, and US$ 300,0 million will become due in November 2012 as well as long-term debt of $3.2 million which is due in June 2019 with repayments starting in September 2011. Furthermore, as of June 30, 2011, we have finance lease obligations, including the current portion, of US$ 25,9 million, that expire in various years through 2018. We may need to refinance all or part of these liabilities before or at their contractual maturities.

We currently do not foresee that this will happen, but if at some point in time our existing resources should be insufficient to fund our activities, we may need to raise funds through public or private debt or equity financings. The funds for the refinancing of the existing liabilities or for the ongoing funding of our business may not be available or, if available, not on terms acceptable to us. If adequate funds were not available, we may be required to reduce or delay expenditures for research and development, production, marketing, capital expenditures and/or acquisitions, which could have a material adverse effect on our business and results of operations. To the extent that additional capital is raised through the sale of equity or convertible securities, the issuance of any securities could result in dilution to our shareholders.

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

At June 30, 2011, our consolidated balance sheet reflected approximately US$ 1,4 billion of goodwill and approximately US$ 878,3 million of intangible assets. Goodwill is recorded when the purchase price of a business exceeds the fair market value of the tangible and separately measurable intangible net assets. The International Financial Reporting Standards (IFRSs) generally require us to test goodwill for impairment on an annual basis or when events or circumstances occur indicating that goodwill might be impaired. Long-lived assets, such as intangible assets with finite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If we determine that any of our goodwill or intangible assets were impaired, we would be required to take an immediate charge to earnings and our results of operations could be adversely affected.

Our strategic equity investments may result in losses.

We have made, and may continue to make, strategic investments in complementary businesses as opportunities arise. We periodically review the carrying value of these investments for impairment, considering factors that include the most recent stock transactions, book values from the most recent financial statements, and forecasts and expectations of the investee. The results of these valuations may fluctuate due to market conditions and other conditions over which we have no control.

Estimating the fair value of non-marketable equity investments in life science companies is inherently subjective. If actual events differ from our assumptions and other than temporary unfavorable fluctuations in the valuations of the investments are indicated, it could require a write-down of the investment. This could result in future charges on our earnings that could materially adversely affect our results of operations. It is uncertain whether or not we will realize any long-term benefits from these strategic investments.

Risk of price controls is a threat to our profitability.

The ability of many of our customers to successfully market their products depends in part on the extent to which reimbursement for the costs of these products is available from governmental health administrations, private health insurers and other organizations. Governmental and other third-party payors are increasingly seeking to contain healthcare costs and to reduce the price of medical products and services. As a result, the biotechnology, diagnostics and pharmaceutical industries are exposed to the potential risk of price controls by these entities. If there are not adequate reimbursement levels, our business and results of operations could be adversely affected.

Risks Related to Our Global Operations

Doing business internationally creates certain risks for our business.

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

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

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

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

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

Since we currently market our products throughout the world, a significant portion of our business is conducted in currencies other than the U.S. dollar, our reporting currency. As a result, fluctuations in value, relative to the U.S. dollar, of the currencies in which we conduct our business have caused and will continue to cause foreign currency transaction gains and losses. Foreign currency transaction gains and losses arising from normal business operations are charged against earnings in the period when incurred. We hedge a portion of the anticipated cash flow that we expect to exchange into other currencies, subject to our short-term financing needs. Due to the number of currencies involved, the variability of currency exposures

and the potential volatility of currency exchange rates, we cannot predict the effects of exchange rate fluctuations upon future operating results. While we engage in foreign exchange hedging transactions to manage our foreign currency exposure, there can be no assurance that our hedging strategy will adequately protect our operating results from the effects of future exchange rate fluctuations.

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

We have recently expanded our business into emerging markets in Asia, South America and Africa, and we expect to continue to focus on expanding our business in these fast-growing markets. In addition to the currency and international operation risks described above, our international operations are subject to a variety of risks that include those arising out of the economy, political outlook and language and cultural barriers in countries where we have operations or do business. In many of these emerging markets, we may be faced with several risks that are more significant than in other countries in which we have a history of doing business. These risks include economies that may be dependent on only a few products and are therefore subject to significant fluctuations, weak legal systems which may affect our ability to enforce contractual rights, exchange controls, unstable governments, and privatization or other government actions affecting the flow of goods and currency. In conducting our business, we move products from one country to another and may provide services in one country from a subsidiary located in another country. Accordingly, we are vulnerable to abrupt changes in customs and tax regimes that could have significant negative impacts on our results of operations.

Our global operations may be affected by actions of governments, global or regional economic developments, weather or transportation delays, natural disasters or other force majeure events (collectively, unforeseen events) which may negatively impact our suppliers, our customers or us.

Our business involves operations around the world. Our consumable manufacturing facilities are located in Germany, China and the U.S., and our instrumentation facilities are located in Switzerland. We have established sales subsidiaries in numerous countries and our products are sold through independent distributors serving more than 40 additional countries. Our facilities may be harmed by unforeseen events, and in the event we or our customers are affected by a disaster, we may experience delays or reductions in sales or production, or increased costs, or may be required to identify alternate suppliers or rely on third-party manufacturers.

Our instrumentation manufacturing processes are dependent upon certain components provided by third-party suppliers located in Japan. We may experience temporary shortages of these components due to disruptions in supply caused by the earthquake and tsunami that hit Japan in March 2011. As a result, to the extent that our suppliers are impacted by these events, we may experience periods of reduced instrumentation production. These unexpected interruptions in our instrumentation production capabilities may lead to delayed or lost sales and may adversely affect our results of operations for the affected period.

If the recovery of our suppliers in Japan does not occur in a reasonable time frame, we may be forced to procure sourced products or materials from alternative suppliers, and we may not be able to do so on terms as favorable as our current terms or at all. Material increases in the cost of components would have an adverse impact on our operating performance and cash flows if we were unable to pass on these increased costs to our customers.

In addition, to the extent we temporarily shutdown any facility following such an unforeseen event, we may experience disruptions in our ability to ship products to customers or otherwise operate our business as a result of the unforeseen event. While our global operations give us the ability to ship product from alternative

sites, we may not be able to do so because our customers' facilities are shutdown or the local logistics infrastructure is not functioning, and our sales will suffer. We continue to monitor the potential impact of Japan's earthquake and tsunami on our local and global sales.

Damage to our property due to unforeseen events and the disruption of our business from casualties may be covered by insurance, but this insurance may not be sufficient to cover all of our potential losses and such insurance may not continue to be available to us on acceptable terms, or at all. In addition, we may incur incremental costs following an unforeseen event which will reduce profits and adversely affect our results of operations.

Risks Related to our Intellectual Property

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

Our success depends to a large extent on our ability to develop proprietary products and technologies and to establish and protect our patent and trademark rights in these products and technologies. As of June 30, 2011, we owned 177 issued patents in the United States, 131 issued patents in Germany and 671 issued patents in other major industrialized countries. In addition, at June 30, 2011, we had 992 pending patent applications, and we intend to file applications for additional patents as our products and technologies are developed. The patent positions of technology-based companies, including our Company, involve complex legal and factual questions and may be uncertain, and the laws governing the scope of patent coverage and the periods of enforceability of patent protection are subject to change. In addition, patent applications in the United States are maintained in secrecy until patents issue, and publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months. Therefore, no assurance can be given that patents will issue from any patent applications that we own or license or if patents do issue, that the claims allowed will be sufficiently broad to protect our technology. In addition, no assurance can be given that any issued patents that we own or license will not be challenged, invalidated or circumvented, or that the rights granted thereunder will provide us competitive advantages. Further, as issued patents expire, we may lose some competitive advantage as others develop competing products and as a result, we may lose revenue.

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

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

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

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

We are subject to risks associated with patent litigation.

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

Risks Related to Product Liability Issues

Our business exposes us to potential product liability.

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

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

Risks Related to Our Common Shares

Our operating results may vary significantly from period to period and this may affect the market price of our Common Shares.

Our operating results may vary significantly from quarter to quarter, and also from year to year, since they are dependent upon a broad range of factors that include demand for our products, the level and timing of customer research budgets and commercialization efforts, the timing of government funding budgets of our

customers, the timing of our research and development activities and related regulatory approvals, the impact of sales and marketing expenses, the introduction of new products by us or our competitors, competitive market conditions, exchange rate fluctuations and general economic conditions. Our expense levels are based in part on our expectations as to future sales trends. As a result, sales and earnings may vary significantly from quarter to quarter or from year to year, and actual sales and earnings results in any one period will not necessarily be indicative of results to be anticipated in subsequent periods. Our results may also fail to meet or exceed the expectations of securities analysts or investors, which could cause a decline in the market price of our Common Shares.

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

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

United States civil liabilities may not be enforceable against us.

We are incorporated under Dutch law, and substantial portions of our assets are located outside of the U.S. In addition, certain members of our Managing and Supervisory Boards and our officers reside outside the U.S. As a result, it may be difficult for investors to effect service of process within the U.S. upon us or such other persons, or to enforce outside the U.S. any judgments obtained against such persons in U.S. courts, in any action, including actions predicated upon the civil liability provisions of U.S. securities laws.

In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the U.S., rights predicated upon the U.S. securities laws. There is no treaty between the U.S. and the Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. As a result, a final judgment for the payment of money rendered by any federal or state court in the U.S. based on civil liability, whether or not predicated solely upon the federal securities laws, would not be directly enforceable in the Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in the Netherlands, such party may submit to the Dutch court the final judgment which has been rendered in the U.S. If the Dutch court finds that the jurisdiction of the federal or state court in the U.S. has been based on grounds that are internationally acceptable and that proper legal procedures have been observed, the Dutch court will, in principle, give binding effect to the final judgment which has been rendered in the U.S. unless such judgment contravenes Dutch principles of public policy. Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against us, members of our Managing or Supervisory Boards, or officers who are residents of the Netherlands or countries other than the U.S. any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the federal securities laws. In addition, there is doubt as to whether a Dutch court would impose civil liability on us, the members of our Managing or Supervisory Boards, or our officers in an original action predicated solely upon the federal securities laws of the U.S. brought in a court of competent jurisdiction in the Netherlands against us or such members or officers, respectively.

Our Common Shares may have a volatile public trading price.

The market price of our Common Shares since our initial public offering in September 1996 has increased significantly and been highly volatile. In the last two years, the price of our Common Shares has ranged from a high of US$ 24,00 to a low of US$ 14,32 on NASDAQ, and a high of EUR 17,87 to a low of EUR 11,12 on the Frankfurt Stock Exchange. During the six months ended June 30, 2011, the price of our common share has ranged from a high of US$ 22,20 to a low of US$ 18,02 and a high of EUR 15,25 and to a low of EUR 12,85 on the NASDAQ and Frankfurt Stock Exchange, respectively. In addition to overall stock market fluctuations, factors that may have a significant impact on the price of our Common Shares include:

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

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

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

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

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

Any future sale or issuance of a substantial number of our Common Shares in the public market, or any perception that a sale may occur, could adversely affect the market price of our Common Shares. Under Dutch law, a company can issue shares up to its authorized share capital provided for in its Articles of Association. Pursuant to our Articles of Association, our authorized share capital amounts to EUR 9,0 million, which is divided into 410,0 million common shares, 40,0 million financing preference shares and 450,0 million preference shares, with all shares having a EUR 0,01 par value. As of June 30, 2011, a total of approximately 233,9 million Common Shares were outstanding along with approximately 12,7 million additional shares reserved for issuance upon exercise or release of outstanding stock options and awards, of which 5,9 million were vested. A total of approximately 13,5 million Common Shares are reserved and available for issuances under our stock plans as of June 30, 2011, including the shares subject to

outstanding stock options and awards. The majority of our outstanding Common Shares are free for sale, except shares held by our affiliates, which are subject to certain limitations on resale. Additionally, holders of notes issued by QIAGEN Finance (Luxembourg) S.A. and QIAGEN Euro Finance (Luxembourg) S.A. are entitled to convert their notes into approximately 26,5 million Common Shares, subject to adjustments in certain cases.

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

Our Articles of Association, or Articles, provide that our shareholders may only suspend or dismiss our Managing Directors and Supervisory Directors against their wishes with a vote of two-thirds of the votes cast if such votes represent more than 50% of our issued share capital. If the proposal was made by the joint meeting of the Supervisory Board and the Managing Board, a simple majority is sufficient. The Articles also provide that if the members of our Supervisory Board and our Managing Board have been nominated by the joint meeting of the Supervisory Board and Managing Board, shareholders may only overrule this nomination with a vote of two-thirds of the votes cast if such votes represent more than 50% of our issued share capital.

Certain other provisions of our Articles allow us, under certain circumstances, to prevent a third party from obtaining a majority of the voting control of our Common Shares through the issuance of Preference Shares. Pursuant to our Articles and the resolution adopted by our General Meeting of Shareholders on October 11, 2007, our Supervisory Board is entitled to issue Preference Shares in case of an intended takeover of our company by (i) any person who alone or with one or more other persons, directly or indirectly, have acquired or given notice of an intent to acquire (beneficial) ownership of an equity stake which in aggregate equals 20% or more of our share capital then outstanding or (ii) an “adverse person” as determined by the Supervisory Board. If the Supervisory Board opposes an intended takeover and authorizes the issuance of Preference Shares, the bidder may withdraw its bid or enter into negotiations with the Managing Board and/or Supervisory Board and agree on a higher bid price for our Shares.

In 2004, we granted an option to the Stichting Preferente Aandelen QIAGEN, or the Foundation (Stichting), subject to the conditions described in the paragraph above, which allows the Foundation to acquire Preference Shares from us. The option enables the Foundation to acquire such number of Preference Shares as equals the number of our outstanding Common Shares at the time of the relevant exercise of the option, less one Preference Share. When exercising the option and exercising its voting rights on these Preference Shares, the Foundation must act in our interest and the interests of our stakeholders. The purpose of the Foundation option is to prevent or delay a change of control that would not be in the best interests of us and our stakeholders. An important restriction on the Foundation’s ability to prevent or delay a change of control is that a public offer must be announced by a third party before it can issue (preference or other) protective shares that would enable the Foundation to exercise rights to 30% or more of the voting rights without an obligation to make a mandatory offer for all shares held by the remaining shareholders. In addition, the holding period for these shares by the Foundation is restricted to two years, and this protective stake must fall below the 30% voting rights threshold before the two-year period ends.