QIAGEN Marseille

Annual Report 2012

QIAGEN Marseille in a few words

QIAGEN Marseille profiles cancers, previously IPSOGEN, develops and markets molecular diagnostic tests which enable diseases to be mapped to guide decisions by clinicians and their patients throughout their therapeutic journey.

With 80 leading products already routinely used in the world for diagnosis, prognosis and monitoring of patients with leukemia, and benefiting from a portfolio of 400 customers including expert cancer treatment centers, QIAGEN Marseille occupies an elevated position on the customized medicine market.

Strengthened by its scientific, clinical and technological partnerships and by its multidisciplinary team, QIAGEN Marseille strives to be the world leader in the molecular profiling of cancers, and pursuing the development and promotion of standards which make a difference for the patient, the medical profession and society as a whole.

QIAGEN Marseille is, since July 2011, a subsidiary of QIAGEN group.

On 31 December 2012, QIAGEN Marseille employed 74 people. Its headquarters are located in Marseille.

www.qiagenmarseille.com

2012 Annual Report Plan

I. Management Report by the Board of Directors to the Annual Combined Shareholders' Meeting on 06 June 2013

Ladies and Gentlemen,

In accordance with the law and QIAGEN Marseille's statutes ("the Company"), we have met for the shareholders' meeting in order to present our management report to you on the individual and consolidated accounts for the financial year which closed on 31 December 2012, to invite you to provide a ruling on this report and the accounts for this financial year and to submit several resolutions for your approval, the details of which you were notified of in the agenda for the shareholders' meeting.

The necessary summons has been duly sent to you and all the documents and materials provided by regulations in force have been made available to you within the legal deadlines.

At its meeting held on 21 March 2013 the Board of Directors examined the individual and consolidated accounts for the financial year closed on 31 December 2012 and closed these accounts.

1. Report on Company business in the 2012 financial year - Important events which occurred during the period and recent events

2012 year posted a +39% an exceptional growth of sales compared to the 2011, increased by revenues linked to the implementation of the distribution and collaboration agreements with QIAGEN.

The 2012 financial year was marked by a strong performance of product sales increasing by +40% compared with 2011 revenue. This growth is balanced for all our products but is higher for our flagship products BCR-ABL and JAK2 (respectively +48% and +31%). This dynamic is emphasized by the BCR-ABL IS-MMR assay. This kit, which answers the stakes in standardization of the molecular tools of diagnosis, wherever are the centers treating and following patients, is appreciated by our customers. Our offer of JAK2 assays with a quantitative version and very sensitive, benefits from the usefulness expansion of this biomarker in the follow-up care field, indication asking more sensitivity and standardization.

A new distribution system through a Distribution Agreement concluded between QIAGEN Marseille S.A. and QIAGEN N.V., approved by the Shareholders General Meeting held November, 14th 2012, led to an exceptional sale of kits of 493 K€ in December 2012.

Licenses revenues have increased by +33% compared to 2011. The transaction with QIAGEN Group generated complementary revenue on royalties of 359 K€.

Services revenue, representing 1% of the Company's total revenue, more than doubled over the year, due to services invoiced to QIAGEN for 134 K€.

2012 has been significantly impacted by the reversal of a €2.6 million provision since there is no more risk of having to pay additional royalties to third party relationships.

Research expenditure remained at a high level and the Company continues to benefit from a significant amount of research tax credit. Including government funding for research expenditure, QIAGEN Marseille's operating income totaled €13.9 million over the full year in 2011.

January, 1st 2013, the Company has sold its subsidiary IPSOGEN Inc. to QIAGEN Inc. for a global amount of USD 3.7 million.

Today, QIAGEN Marseille has more than 400 clients worldwide and 80 products covering 18 biomarkers are available to satisfy customers' needs.

1-1: Scientific developments

The main scientific developments are broken down as follows:

1-1-1: Development in solid tumors

QIAGEN Marseille has acquired from Personal Genome Diagnostics Inc. exclusive rights for two new biomarkers – mutations of the IDH1 and IDH2 genes – which play a role in brain cancers, acute myelogenous leukemia (AML) and others malignancies.

IDH1 (isocitrate dehydrogenase 1) and IDH2 (isocitrate dehydrogenase 2) are enzymes. The mutations in IDH1 and IDH2 genes, discovered in 2008 by the founders of Personal Genome Diagnostics Inc., are frequently found in brain cancers, including early stage and late stage gliomas. Subsequent studies have proven involvement of IDH1 and IDH2 mutations in AML and other cancers. The discovery of these mutations and of their prognosis role was a real breakthrough, as gliomas account for more than 80% of primary central nervous system malignancies.

In line with its strategy to strengthen its patent portfolio, the Company has acquired end 2012 exclusive and international rights from Inserm Transfert on HSP110 mutations.

A. Duval and colleagues from Inserm have recently reported in Nature Medicine[1] that a previously unknown mutation in the gene encoding the heat-shock protein (HSP)110 chaperone is associated with increased survival and a better treatment response in MSI CRC. HSP110 promotes the survival of malignant cells by protecting oncogenic proteins from degradation and suppressing apoptosis.

Based on these findings, QIAGEN Marseille aims at developing molecular assays that could be used by diagnostic laboratories in their routine practice.

Detection of HSP110 mutations will enable physicians to identify so-called Microsatellite Instability (MSI), a genetic abnormality which occurs in around 15% of all Colorectal Cancers (CRC). MSI arises as a result of defective Mismatch Repair (MMR[2]) caused by the failure of one of the four main MMR genes, MSH2, MLH1, MSH6, or PMS2. MSI patients have a more favorable outcome and a different response to chemotherapeutic agents. Moreover, approx. one third of these MSI CRC cases correspond to Lynch syndrome, an inherited form of CRC for which making an accurate diagnosis is important since they have a higher risk of developing a second cancer.

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[2] The MMR system repairs base mismatches after DNA replication, inhibits recombination between non-identical DNA sequences and provokes apoptotic responses following certain types of DNA damage.

1-1-2: Development in breast cancer

QIAGEN Marseille pursues the clinical validation of the GGI breast cancer test on a wide range of clinical samples with the aim of strengthening the medical value of the test in a very competitive environment.

1-2: Commercial developments

1-2-1: Blood cancer (leukaemia)

As mentioned in the report from the French National Cancer Institute (INCa) entitled "Synthesis of hospital platforms activity of cancers molecular genetics in 2011" and published at the beginning of the year 2012, 36% of JAK2 kits are now dedicated to quantification repeated of JAK2 V617F during a treatment to follow the evolution of the tumorous clone and improve the follow-up of patients. This application completes the diagnosis application and represents a significant market and thus a major opportunity for QIAGEN Marseille. We anticipate a similar development on our export markets.

1-2-2: Other

With the acquisition of worldwide exclusive rights for two new biomarkers IDH1 and IDH2 from Personal Genome Diagnostics Inc., QIAGEN Marseille positions from now on in the gliomas, a brain cancer accounting for more than 80% of primary central nervous system malignancies and anticipates a commercial launch in 2013.

1-3: Operational evolution

1-3-1: Operating income

CONSOLIDATED REVENUE

During the year 2012, the Company made a turnover excluding taxes of 13,226 K€ compared with 9,503 K€ for the previous financial year which represents an increase of 39% (+34% at constant foreign exchange rate).

*En €000s**	**Dec. 31st 2012**	**Dec. 31st 2011**	**Var. n/n-1**	**Var. n/n-1** At constant exchange rate
Consolidated revenues	**13,226**	**9,503**	**39%**	**34%**
o/w Products	*10,224*	*7,299*	*40%*	*36%*
o/w Licenses	*2,819*	*2,125*	*33%*	*22%*
o/w Services	*184*	*79*	*131%*	*131%*

** IFRS rules*

Products revenues: dynamic growth of diagnostic kits

Products' revenue showed the strongest growth with a 40% rise over last year.

BCR-ABL IS-MMR kit is still a success and the overall BCR-ABL kits represent 26% of the Company's total revenue with an increase of +48% compared to 2011 (+43% at foreign constant exchange rate).

The JAK2 biomarker remains the flagship product of the Company and the JAK2 kits contribute to 29% of the total revenue in 2012 (31% contribution in 2011).

The implementation of a new distribution system through a Distribution Agreement concluded between QIAGEN Marseille S.A. and QIAGEN N.V., approved by the Shareholders General Meeting held November, 14th 2012, led to an exceptional sale of kits of € 0.5 million in December 2012.

North America market showed a +49% growth (+37% at constant foreign exchange rate) whereas Europe and the Rest of the World have registered an assay sales growth of +34% compared to 2011 (+24% restated from the sale to QIAGEN Group).

Licenses revenues

Licenses revenues increased +33% compared to 2011 (+22% at constant exchange rates). The transaction with QIAGEN Group generated a complementary revenue on royalties of € 0.4 million.

Services revenues

Services revenues, representing 1% of the Company's total revenue in 2013 more than doubled 2012 results, due to services invoiced to QIAGEN for € 0.1 million.

An enhanced international positioning

In 2012, the Company has pursued its international expansion outside the Europe and United States areas. QIAGEN Marseille kits sales in Asia, Middle-East, Oceania, Africa and South America register a growth of +36%. The highest performances were recorded in Asia (+70% compared to 2011).

Europe is the first market, representing 48% of the consolidated revenues in 2012.

Starting January, 1st 2013, the Company will benefit from the strong position of the QIAGEN Group on the market in human health diagnostics and its global sales network.

Public funding for research expenses
Research tax credit (CIR)

The company also maintained its efforts in research and development programs over the year: it went from 603 K€ in 2011 to 640 K€ in 2012.

The research tax credit is accounted for as follows in the consolidated accounts:

- fraction relating to fixed developing costs is accounted for in pre-paid income and reversed in the income statement at the same rate as the depreciation of the development costs,
- fraction relating to research expenses that are not fixed are recognized as operating income in the income statement.

Pre-paid income in this respect rose to 1,366 K€ at 31 December 2012 (compared with 1,078 K€ in 2011).

REVENUE FOR THE COMPANY QIAGEN MARSEILLE SA

During the year 2012, the Company made a turnover excluding taxes of 9,003 K€, compared with 6,977 K€ for the previous financial year, which represents an increase of 29%.

This turnover is distributed as follows:

- Sale of goods: 8,524 K€
- Sale of services: 479 K€

1-3-2: Gross margin: 76.4%

Gross margin was 76.4% for 2012 (77.5% in 2011).

1-3-3: Operating expenses and non-recurring incomes

Non recurring income: €2.6 million

Since there is no more risk of having to pay additional royalties to third party relationships, the provision of €2.6 million booked on December 31st, 2011, was entirely reversed and classified as « other operating income ».

According to the accounting methods applied by the Company, other operating income and expense are only included within operating expenses:

- in connection with a major event which occurred during the accounting period; and
- when the non-presentation of its impacts separately from the other elements of the profit distort the reading of the Company's performance of the Company; and
- the expenses concerned are potentially reversible provisions/depreciations.

Sales and marketing expenses: €3.2 million (-6%)

The decrease in costs includes the streamlining of QIAGEN Marseille sales and marketing activities in order to better meet market specific requirements. The new organization has also allowed for a more effective coordination for new product launches.

The impact of this strategy was reflected in 2012 by the steady increase in sales of kits.

Research and development costs: €3.6 million (+17%)

The Company continues its active investigation of new biomarkers to expand its range of products materialized by the acquisitions end 2012 of exclusive and international rights from Inserm Transfert on HSP110 mutations and of exclusive rights for two new biomarkers – mutations of the IDH1 and IDH2 genes from Personal Genome Diagnostics Inc.

The table below shows the impact of Research and Development activities on the consolidated accounts:

(In thousands of euros)	31/12/2012	31/12/2011
R&D costs including write-downs	3 623	3 098
Activation of development costs	1 260	1 571
Amortization of development costs	150	91
Impairment of development costs		777

General and administrative expenses: €2.5 million (-37%)

The decrease in general and administrative expenses was related to the non-recurring costs at end of 2011:

- the QIAGEN tender offer's costs
- the costs for the closing down of the US offices in Stamford

These one-time expenses represented approximately €1.9 million in 2011.

The 2012 results were impacted by non-recurring costs linked to the integration in the Group QIAGEN with the implementation of the distribution agreement and the ancillary agreements.

These one-time expenses were approximately €0.6 million in 2012.

Excluding theses factors, general and administrative declined around 9% in 2012.

1-3-4: Cash Flow and Cash at hand

Cash, cash equivalents and financial instruments amounted to €9.2 million at the end of 2012, compared with €10.6 million at the end of 2011.

The sale of the subsidiary IPSOGEN Inc. in January 2013 provided €2.8 million for the share disposal, €1.1 million for the accounts receivables and €0.2 million for the intercompany loan reimbursements.

1-3-5: Quality management system

On the quality assurance front, the LNE / G-MED, the medical and of healthcare certification body, has renewed the Company's ISO13485 certification. The certification renewal underlines the long-term value of the implementation of the quality management system and its ongoing improvement during this period.

This year, the Company has obtained the ISO9001 certification, standard Quality management to meet customers' requirements.

1-3-6: Workforce

The number of employees amounted to 81 at end 2012 against 72 at end 2011: 74 in Europe and 7 in the United States.

2. Description of the main risks and uncertainties facing the Company is addressed

See Chapter 4 of the reference document registered by the FMA on 22 May 2008 under number I. 08-058. The risks cited in this document are still relevant.

2-1: Rate risk

The Company was affected by interest rate variations through its financial investments which are mainly invested in money market funds, unit trusts and deposit certificates. The company places a significant share of its cash in investments that can be held until maturity because they offer a better return and a smaller share of its cash in negotiable instruments in order to meet its short-term needs. Some maturity accounts offer gradual remuneration thus allowing the Company greater flexibility in the management of its cash investments.

The Company did not invest in investment products which might result in a capital risk.

2-2: Exchange rate risk

The Company uses the euro as the reference currency within the framework of its information and financial communication activities. However, a significant portion of its operating expenses incurred are expressed in US dollars (American subsidiary, collaborations in research and development in the United States, collaborations around tests in the United States and professional services contracted in the United States) and a growing share of its turnover is received in American dollars.

In 2012, the Company has chosen a derivative financial instrument. In order to partially prevent variances between Euro / US Dollar, the Company has subscribed a Forex hedging contract for a global amount of €0.5 million.

According to the execution of the reimbursement schedule of the loan granted to the subsidiary IPSOGEN Inc. and in application of the method of the net investment in a foreign operation described in Note 2.2.4 in the annual report, the exchange gain difference of 136 K€ for 2012 has been recognized within the financial products.

The implementation of the distribution agreement and the disposal of QIAGEN Inc. within the QIAGEN Group have reduced since January 1st 2013 operating expenses and revenues denominated in US dollars. The Company is exposed now primarily exposed to a foreign exchange risk on and cash equivalents and licenses revenues.

3. Events subsequent to closure

According to the Shareholders General Meeting held November, 14th 2012, the Company IPSOGEN S.A. has changed its company name into QIAGEN Marseille S.A. starting January 1st 2013.

January 1st 2013, the Company carried out a sale transaction of its subsidiary IPSOGEN Inc. to QIAGEN Inc. for a global amount of USD 3.7 million. As a result of this operation, the Company no longer holds any interest in corporate entities

During the course of the integration in the QIAGEN Group, the Shareholders General Meeting held November, 14th 2012, has approved the implementation of a Distribution agreement with QIAGEN. Since January, 1st 2013, QIAGEN Marseille benefits from the QIAGEN Group distribution network, including direct coverage in 28 countries (including the United States of America) and an established network of distributors in 70 other countries.

In 2013, Vincent Fert, CEO of QIAGEN Marseille SA, is Vice President Program Leader PHC / Oncology within the QIAGEN Group.

In 2013, Stéphane Debono, COO of QIAGEN Marseille SA, is Senior Director MDx Europe within the QIAGEN Group.

4. Anticipated developments and outlook for the future

Since January, 1st 2013, QIAGEN Marseille benefits from the QIAGEN Group distribution network, including direct coverage in 28 countries (including the United States of America) and an established network of distributors in 70 other countries. This agreement has been submitted for approval to the Shareholder's General Meeting last November, 14th 2012, and will enable the Company to benefit from the strong position of the QIAGEN Group on the market in human health diagnostics and from its global sales network.

QIAGEN Marseille thus significantly strengthens its business footprint and its products positioning, being included in a comprehensive offer, both for indications and for integration into a range of automation solutions, which perfectly matches the needs of existing and future customers.

This agreement also includes guarantees in terms of revenues, prices and sales resources. It will enable the Company to have a high visibility on its revenues over the next three years. As QIAGEN will bear the marketing and sales costs, the 2013 result will benefit from lower marketing and sales costs.

For 2013, given a transfer price lower than the final customer price list of QIAGEN Marseille products, the Company anticipates a negative impact on product revenues. This anticipated decrease also reflects the incidence of revenues generated in December, 2012 by the implementation of the Distribution agreement and, especially other ancillary agreements have generated exceptional product sales to the QIAGEN Group of 493 K€, representing 5% of the 2012 product revenue.

Vincent Fert, Chief Executive Officer of QIAGEN Marseille, concludes: "*2012 shows an exceptional growth of our sales, impacted from revenues linked to the implementation of Distribution and Collaboration agreements with QIAGEN. Our integration within the QIAGEN group is on track. We contribute to QIAGEN with a unique expertise in the field of onco-hematology molecular diagnostic and soon in some solid tumors. In return, our main shareholder has given us access to its commercial strength, its instrumentation, and its know-how in the field of companion test for personalized medicine*".

5. Overdue debts and settlement deadlines

At 31 December 2012, the maturity of the headings suppliers and other creditors in the consolidated accounts is broken down as follows:

At 31 December 2012 (Amount in thousand of euros)	Within a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Suppliers and other creditors	4,261	–	–	–

This amount was 3,779 K€ at 31 December 2011, in full within a year.

The break-down of the balance of QIAGEN Marseille's debts with regard to its suppliers is as follows (Art. D 441-4):

- The total of trade payables and invoices not received at 31 December 2012 amounted to 2,144 K€, of which 1,375 K€ relate to invoices not received. The latter mainly relate to royalties from intellectual property payable annually;
- The total of QIAGEN Marseille's trade payables at 31 December 2012 amounts to 723 K€, with 529 K€ of trade payables outside the group.

Among the total of trade payables outside the group of 529 K€, 93% had a maturity of less than 30 days and 7% were between 30 and 60 days.

The Company's terms for paying suppliers are less than 60 days. No significant supplier debt had matured at 31 December 2012.

6. Securities – Share capital – Allocation of 2012 company profit and loss for the Company QIAGEN Marseille S.A.

6-1: Subsidiaries and shareholdings

The Company QIAGEN Marseille owned at 31 December 2012 100% of the capital and voting rights of the Company IPSOGEN, Inc. located in Stamford, CT, USA and whose activity is the distribution of QIAGEN Marseille products on the American continent. This subsidiary does not hold any shares in our Company. The 2012 results is a loss of 0.2 MUSD.

6-2: Own shares

The number of QIAGEN Marseille shares registered on behalf of the Company at 31 December 2012 was 25,675. Their market value was 322 K€ and the nominal value was 190 K€.

No movement was registered in 2012.

6-3: Distribution of share capital

In accordance with the provisions of Article L. 233-13 of the French Company Law, and in the light of the information received in accordance with Articles L. 233-7 and L. 233-12 of the Law, the identity of the shareholders with more than a twentieth, tenth, three twentieths, a fifth, a quarter, a third, one-half, two thirds or nineteen twentieths of share capital or voting rights at shareholders' meetings is shown below.

Shareholders	% of capital held
QIAGEN N.V.	89,30%
Others shareholders	10,70%
Total	100,00%

6-4: Employee shareholdings

In accordance with the provisions of Article L. 225-102 of the Company Law, we have indicated below that no company savings plan has been introduced for the benefit of employees of the Company.

6-5: Accounts for the financial year - Allocation of profit and loss of the Company QIAGEN Marseille S.A.

The individual accounts for the financial year closed on 31 December 2012 reveal a profit of de 4,413,798.94€.

We accordingly propose assimilating this loss in the following way:

- 100% in Retained earnings

We also remind you that there has been no distribution of dividends for the three previous financial years.

The consolidated accounts for the financial year closed on 31 December 2012 reveal a profit of 4,295,538€.

6-6: Expenditure referred to in Article 39-4 of the Tax Act

Nil.

6-7: Table of results from the last five years for the Company QIAGEN Marseille S.A.

In accordance with the provisions in Articles R. 225-81, R. 225-83 and R. 225-102 of the Company Law, the table showing the Company's results for each of the last five financial years is annexed to this report (page 27).

7. Administrative Bodies – Delegations – Agreements – Company Representatives

7-1: Table of delegations

In accordance with the provisions in Article L. 225-100 of the Company Law, a summary table of the currently valid delegations granted by the Shareholder's Meeting to the Board of Directors regarding the capital increase by application of the provisions in Article L. 225-129-1 and L. 225-129-2 of the Company Law is attached to this report on page 31.

7-2: Regulated agreements provided for in Article L. 225-38 of the Company Law

7-2-1: Regulated agreements submitted for the approval of the general meeting

REGULATED AGREEMENTS APPROVED IN 2012

- « Technical Responsibility Agreement » signed with QIAGEN GmbH.

The agreement has been signed for an undefined period of time with a retroactive effect as of August 22nd, 2011.

The aim of the agreement is to define the technical responsibility of each party.

- « Share Purchase Agreement » signed with QIAGEN Inc.

The agreement has been signed as of January 1st 2013.

The aim of the agreement is the disposal of 100% of the share of the subsidiary QIAGEN Inc for a global amount of 3.7 MUSD.

- Consultant agreement

For the year 2013, the Company has renewed the contract to provide services concluded with Guillaume Connan, a member of the Board. This renewal took effect on date. This renewed contract costs 2,000 euro/month.

REGULATED AGREEMENTS AUTHORIZED AFTER THE 2012 CLOSING

- Amendment to the « Service Agreement » signed with QIAGEN GmbH.

The agreement has been amended and aimed for each party to provide each other sales, marketing management and assistance services for the 2013-2014 period.

- « Share sale and Purchase Agreement » signed with QIAGEN NV.

The agreement has been signed as of Mars 21st 2013.

The aim of the agreement is the disposal of 100% of QIAGEN Marseille SA own shares to QIAGEN NV for a global amount of 331 K€, a share price of 12,90€.

- Stéphane Debono mission letter.

This letter defines Stéphane Debono responsibilities, starting from April 1st, 2013, as Senior Director MDx Europe within the QIAGEN Group.

REGULATED AGREEMENTS NOT AUTHORIZED PREVIOUSLY

- « Collaboration Agreement » signed with QIAGEN Manchester Ltd.

The agreement aim to define between parties obligations linked to the joint development of the JAK 2 CDx kit.

The agreement is conclude with a retroactive effect as of August 22nd, 2011 and with a period corresponding to the intellectual property rights.

- Vincent Fert mission letter.

This letter defines Vincent Fert responsibilities, starting from February 1st, 2013, as Vice President Program Leader PHC / Oncology within the QIAGEN Group.

7-2-2: Regulated agreements already approved by the general meeting

REGULATED AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS WHOSE EXECUTION HAVE CONTINUED DURING THE FINANCIAL YEAR

- Advance agreement on current account with IPSOGEN Inc.:

On 7 September 2007 the Company and IPSOGEN Inc. signed an advance agreement on current account for an amount of 377,977 Euros. This advance bore a capitalized interest of 8% per annum due upon the conversion by Connecticut Innovations of convertible bonds into shares when floated on the stock exchange. Since 1 July 2009, this advance on current account is subject to interest of 2.5 % per annum. Furthermore, part of the principal of this advance has been capitalized with a ceiling of 3,400,000 Euros and integrated into the subsidiary's equity with effect on 13 December 2010. The amount of the current account amounted to 200,000 Euros in respect of the principal and to 13,509 Euros in respect of the accrued interest at the end of December 2012.

- Service agreement

In August 2011, a service agreement has been signed between the Company and QIAGEN Shared Services Inc. in the United-Stares. QIAGEN is assisting IPSOGEN Inc. in administration and finance for a monthly amount of 5,000 US dollars, excluding charges, started October, 1st 2011 (8,000 US dollars the first two months – August and September 2011). This agreement was charging 75,434 US dollars, 58,676 Euros in 2012.

REGULATED AGREEMENTS APPROVED IN 2012

- World-wide « Distribution and Supply Agreement » signed with QIAGEN N.V.

The agreement has been signed for a period of two years starting January 1st 2013, and shall be tacitly renewable for a period of one year. The agreement concerns all products manufactured by QIAGEN Marseille and covers the whole word except Japan.

The product sales price to QIAGEN are determined by agreement and are annexed to the agreement.

- « JAK2 license agreement » signed with QIAGEN Manchester Ltd.

The agreement aim to grant to QIAGEN a non-exclusive sub-license on certain intellectual property rights of the Company.

The agreement is conclude with a retroactive effect as of August 22nd, 2011 and with a period corresponding to the intellectual property rights.

For the 2012 period and in accordance with the agreement, the Company has invoiced 359 K€.

- « Service Agreement » signed with QIAGEN GmbH.

The agreement has been signed for a period starting July 1st, 2011 and ending December 31st, 2014 and shall be tacitly renewable for a period of one year.

The aim of the agreement is for each party to provide each other service.

For the 2011-2012 period and for assistance, in accordance with the agreement QIAGEN GmbH has invoiced 102 K€ to the Company and the Company has invoiced to QIAGEN GmbH 82 K€.

- « Business Finders Agreement » signed with QIAGEN GmbH.

The agreement has been signed for a period of one year starting January 1st, 2012 and shall be tacitly renewable one year.

The aim of the agreement is for each party to provide a support for the sales of products through sales representatives in consideration of a fee based on a price schedule for each product sold.

For the 2012 period, in accordance with the agreement QIAGEN GmbH has paid 32 K€ to the Company.

The agreement has not been renewed in 2013 due to the implementation of the world-wide « Distribution and Supply Agreement ».

- Consultant agreement

In January 2012, the Company renewed the contract to provide services concluded with Guillaume Connan, a member of the Board. This renewal took effect on date. This renewed contract costs 2,000 euro/month which is a charge of 24,000 Euros in the 2012 financial year for twelve months of service.

7-3: Information concerning company representatives

In accordance with the provisions of article L. 225-102-1 subparagraph 4 of the Company Law, we present you with the list of all the mandates exercised by each of the company representatives during the financial year.

The table below presents the information concerning the composition of the Company's Board of Directors.

Member's last name, first name or company name	Date of first appoint ment	Mandate maturity date	Mandate exercised in the Company	Other mandates and functions exercised in any company or entity by the representative
Mr Vincent Fert	20 March 2008	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2013	Member of the Board of Directors and Managing Director	Chairman of the Board of Directors of IPSOGEN Inc until 31/12/2012 He also is a director of : - Genosciences - Eurobiomed cluster
Mr Stéphane Debono	20 March 2008	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2013	Member of the Board of Directors	Member of the Board of Directors of IPSOGEN Inc until 31/12/2012
Mr Peer M. Schatz	12 July 2011	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2016	Chairman of the Board of Directors	M. Peer M. Schatz is a member of the Board of Directors of: - QIAGEN N.V. - QIAGEN GmbH - QIAGEN Inc. - QIAGEN Ltd. - QIAGEN AG - QIAGEN Pty. Ltd. - QIAGEN Inc. Can. - QIAGEN K.K. - QIAGEN Instruments AG - QIAGEN Deutschland Holding GmbH - Research Biolabs Sdn.Bhd., Malaysia - QIAGEN Deutschland Finance GmbH - QIAGEN AB - QIAGEN North American Holdings Inc. - QIAGEN Sciences LLC - QIAGEN Srl - QIAGEN Finance (Luxembourg) S.A. - QIAGEN Bio Sciences GmbH - Research Biolabs Pte. Ltd., Singapore - QIAGEN Singapore Pte Ltd. - QIAGEN Korea Ltd.

				- QIAGEN Hong Kong Ltd. Pte. - QIAGEN China (Shanghai) Co., Ltd. - SA Biosciences - QE Diagnostik Systeme GmbH - QIAGEN Shared Services, Inc. - QIAGEN Benelux BV - QIAGEN Hamburg GmbH - QIAGEN Canada, Inc. - Tian Gen Biotech (Beijing) Co. Ltd. - QIAGEN EURO Finance (Luxembourg) SA - QIAGEN Shenzen Co. Ltd. - ATQ Biyoteknoloji Ic ve DIS TIC Ltd. STI. - QIAGEN Gaithersburg, Inc. - Quanta BioSciences, Inc. - Labor Diagnostic Leipzig - Digene Europe, Inc. - QIAGEN Iberia, S.L. - QIAGEN Mexico, S. de R.L. de C.V. - QIAGEN Servicios Mexico, S. de R.L. de C.V. - QIAGEN Australia Holdings Pty Ltd - Corbandt Life Sciences Pty Ltd - Corbandt Research Pty Ltd - Corbandt Research Ltd. (UK) - Corbandt Robotics, Inc. (US) - Corbandt Robotics Pty Ltd. - Corbandt Diagnostics Pty Ltd - QIAGEN Manchester Ltd. - Dxs Ltd. - QIAGEN Leipzig GmbH - QIAGEN Lake Constance GmbH - QIAGEN US Finance Holding (Luxembourg) S.a.r.l. - Ipsogen S.A. - Cellestis Ltd.

				- Cellestis International Pty Ltd - Cellestis (R&D) Pty Ltd - QIAGEN Taiwan Company Ltd. - QIAGEN India Private Ltd. - Intelligent Biosystems, Inc. - Amnisure International, LLC - N-Dia, Inc. - QIAGEN Business Services Sp.z.o.o
Mr Roland Sackers	12 July 2011	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2016	Member of the Board of Directors	M. Roland Sackers is a member of the Board of Directors of: - QIAGEN N.V. - QIAGEN GmbH - QIAGEN Inc. - QIAGEN Ltd. - QIAGEN AG - QIAGEN Pty. Ltd. - QIAGEN Inc. Can. - QIAGEN K.K. - QIAGEN Instruments AG - QIAGEN Deutschland Holding GmbH - Research Biolabs Sdn.Bhd., Malaysia - QIAGEN Deutschland Finance GmbH - QIAGEN AB - QIAGEN North American Holdings Inc. - QIAGEN Sciences LLC - QIAGEN Srl - QIAGEN Finance (Luxembourg) S.A. - QIAGEN Bio Sciences GmbH - Research Biolabs Pte. Ltd., Singapore - QIAGEN Singapore Pte Ltd. - QIAGEN Korea Ltd. - QIAGEN Hong Kong Ltd. Pte. - QIAGEN China (Shanghai) Co., Ltd. - SA Biosciences - QE Diagnostik Systeme GmbH

					- QIAGEN Shared Services, Inc. - QIAGEN Benelux BV - QIAGEN Hamburg GmbH - QIAGEN Canada, Inc. - Tian Gen Biotech (Beijing) Co. Ltd. - QIAGEN EURO Finance (Luxembourg) SA - QIAGEN Shenzen Co. Ltd. - ATQ Biyoteknoloji Ic ve DIS TIC Ltd. STI. - QIAGEN Gaithersburg, Inc. - Labor Diagnostic Leipzig - Digene Europe, Inc. - QIAGEN Iberia, S.L. - QIAGEN Mexico, S. de R.L. de C.V. - QIAGEN Servicios Mexico, S. de R.L. de C.V. - QIAGEN Australia Holdings Pty Ltd - Corbandt Life Sciences Pty Ltd - Corbandt Research Pty Ltd - Corbandt Research Ltd. (UK) - Corbandt Robotics, Inc. (US) - Corbandt Robotics Pty Ltd. - Corbandt Diagnostics Pty Ltd - QIAGEN Manchester Ltd. - Dxs Ltd. - QIAGEN Leipzig GmbH - QIAGEN Lake Constance GmbH - QIAGEN US Finance Holding (Luxembourg) S.a.r.l. - Ipsogen S.A. - Cellestis Ltd. - Cellestis International Pty Ltd - Cellestis (R&D) Pty Ltd - QIAGEN Taiwan Company Ltd. - QIAGEN India Private Ltd. - QIAGEN India Private Ltd. - Intelligent Biosystems, Inc.

				- Amnisure International, LLC - N-Dia, Inc. - QIAGEN Business Services Sp.z.o.o - IDS Immunodiagnostic Systems
Mr Philipp Von Hugo	12 July 2011	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2016	Member of the Board of Directors	M Philipp Von Hugo is a Chairmain of the Board of Directors of: - QIAGEN Instruments AG - QIAGEN AG M Philipp Von Hugo is Director of: - Peak Services UK Ltd. - QIAGEN Finance (Luxembourg) S.A. - QIAGEN Euro Finance (Luxembourg) S.A. - QIAGEN Euro Finance (Luxembourg) S.A. Managing Director of: - Peak Service GmbH Directeur de la Société : - QIAGEN US Finance Holding (Luxembourg) S.a.r.l.
Mr Olivier Diaz	12 July 2011	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2016	Member of the Board of Directors	
Mr Guillaume Connan	05 February 2010	Ordinary Shareholders' Meanding ruling on the accounts for the financial year closing on 31/12/2015	Member of the Board of Directors	M, Guillaume Connan is Managing Director and director of Helse. He is also a director of : - Galien Développement (France) - Ophta Point Vision (France) - Chabé Prestige (Suisse) - Diagenode (Belgium) and Memeber of the Stratetic Comity of Chabé Limousines (France)

8. Miscellaneous

8-1: General principles and conventions

INDIVIDUAL ACCOUNTS

The accounts for the financial year ended were prepared and presented in accordance with the accounting rules which comply with the principles laid down by Articles 120-1 and subsequent of the General Accounting Plan 2005. The basic method chosen for evaluating the elements entered in the accounts is the historical costs method.

The accounting policies have been applied in compliance with the provisions of the Company Law, the accounting decree of 29/11/83 and the ARC regulations relating to the rewriting of the general accounting plan 2005 applicable to the closure of the financial year.

CONSOLIDATED ACCOUNTS

The accounts of the financial year ended were voluntarily prepared in accordance with the reference International Financial Reporting Standards (International Financial Reporting Standards – IFRS) as adopted by the European Union on 31 December 2012.

8-2: Taken from participation in 2012

Nil.

8-3: Information on the compensation of corporate officers

The provisions of the Article L225-102-1 provide that only the information concerning the corporate officers of QIAGEN Marseille who also hold a mandate in QIAGEN NV (Company listed in a regulated market) must be included in the management report.

As such, no compensation has been granted by QIAGEN Marseille to the corporate officers referred to that Article.

8-4: Resolutions

The resolutions which have been duly submitted to you reflect the main points of this report.

We hope that they will meet your approval and thank you for approving them.

TABLE OF COMPANY RESULTS

OVER THE PAST FIVE FINANCIAL YEARS

(Articles R.225-81, R.225-83 and R.225-102 of the Companies Act)

(Amount in thousand euros)	31/12/2008	31/12/2009	31/12/2010	31/12/2011	31/12/2012
CAPITAL AT YEAR-END					
Share capital	885	968	1,013	1,089	1,089
No. of existing ordinary shares	4,427,384	4,839,141	5,066,213	5,445,583	5,445,583
No. of existing shares with priority dividends					
OPERATIONS AND RESULTS					
Turnover excluding taxes	3,328	4,705	6,034	6,977	9,003
Pre-tax profit, employee shareholdings and write-downs and provisions	4	-1,518	-1,866	-1,504	1,530
Tax on profit	-446	-788	-890	-854	-928
Employee shareholdings in the financial year					
Pre-tax profit, employee shareholdings and write-downs and provisions	-89	-1,073	-1,058	-4,170	4,413
Allocated profit					
EARNINGS PER SHARE (in €)					
Pre-tax profit, employee shareholdings but before write-downs and provisions	0.1	(0.15)	-0.19	-0.12	0.45
Pre-tax profit, employee shareholdings and write-downs and provisions	-0.02	(0.22)	-0.21	-0.77	0.81
Dividend allocated to each share					
STAFF					
Average number of employees during the financial year	37	47	53	53	63
Amount of payroll for the financial year	1,797	2,636	3,346	3,776	4,311
Amount of sums paid under company benefits for the financial year	776	1,070	1,331	1,557	1,856

TABLE OF DELEGATIONS

(Article L. 225-100 of the Companies Act)

The table below summarizes the delegations valid at 31 December 2012 awarded by the Shareholders' Meeting to the board of Directors in the area of capital increases and the use made of these delegations in the 2012 financial year:

Nature of the delegation	Date of the Shareholders' Meeting	Duration	Ceiling	Implementation of the delegation by the Board of Directors
Delegation to the Board of Directors to change the Company's name into "QIAGEN Marseille"	*29/05/2012*	*12 months*	*N/A*	*Company's name changed starting January 1st 2013*
Delegation to the Board of Directors to cancel all or part of own shares under the authorization to repurchase shares	*29/05/2012*	*18 months*	10% of the capital share	*[None]*
Delegation to the Board of Directors for the effect of proceeding with a capital increase, with retention of the preferential subscription right, by issuance of shares and/or securities giving access to the Company's capital and/or securities giving right to the allocation of debt securities	*29/05/2012*	*26 months*	*€560,000**	*[None]*
Delegation to the Board of Directors for the effect of proceeding with a capital increase, with removal of the preferential subscription right, by issuance of shares and/or securities giving access to the company's capital and/or securities giving right to the allocation of debt securities	*29/05/2012*	*26 months*	*€560,000**	*[None]*
Delegation to the Board of Directors for the effect of proceeding with a capital increase, with removal of the preferential subscription right, by issuance of shares and/or securities giving access to the Company's capital and/or securities giving right to the allocation of debt securities as part of an offering provided in paragraph II of Article L.411-2 of the French Monetary and Financial Code	*29/05/2012*	*26 months*	*€560,000**	*[None]*

* Delegations which are the subject of a common overall ceiling of an amount of 560,000 euros in nominal.

Nature de la délégation	Date de l'assemblée générale	Durée	Plafond	Mise en œuvre de la délégation par le conseil d'administration
Delegation to the Board of Directors for the effect of proceeding with a capital increase by issuance of shares and/or securities giving access to the Company's capital with removal of the preferential subscription right to the benefit of a category of persons	*29/05/2012*	*26 months*	*€70,000*	*[None]*
Delegation to the Board of Directors for the effect of increasing the number of shares to be issued in case of a capital increase with or without preferential subscription rights	*29/05/2012*	*26 months*	*15 % of the initial issue*	*[None]*
Delegation to the Board of Directors for the effect of proceeding with a capital increase by incorporation of share premium, reserves, profits or other items	*29/05/2012*	*26 months*	*€560,000**	*[None]*
Delegation to the Board of Directors for the effect of proceeding with a capital increase by issuance of shares and/or securities giving access to the Company's capital with removal of the preferential subscription right to the benefit of a category of employees of the Company or of the Group	*29/05/2012*	*26 months*	*3 % of the social capital*	*[None]*
Delegation to the Board of Directors for the effect of granting options for subscription or purchase of shares	*29/05/2012*	*26 months*	*75,000 shares*	*[None]*
Delegation to the Board of Directors for the effect of granting warrants for subscription to business creator shares	*29/05/2012*	*26 months*	*75,000 shares*	*[None]*
Delegation to the Board of Directors for the effect of granting equity warrants	*29/05/2012*	*26 months*	*75,000 shares*	*[None]*

* Delegations which are the subject of a common overall ceiling of an amount of 560,000 euros in nominal.

Made in Marseille,

21 March 2013,

Peer M. Shatz

Chairman of the Board of Directors

II. CONSOLIDATED ACCOUNTS AND ANNEXES

1. Consolidated accounts

1-1: Balance sheet

CONSOLIDATED BALANCE SHEET : ASSETS			
			At 31 december
€ 1,000	**Note**	**2012**	**2011**
Current assets			
Cash and cash equivalents	2-4	3,006	3,950
Current financial instruments	2-5	0	3,549
Net customer receivables	2-6	3,072	2,037
Net stocks	2-7	977	858
Research tax credit - Share due within a year	2-20	928	854
Current receivables and prepaid expenses	2-8	387	652
Total Current assets		***9,098***	***11,900***
Non-current assets			
Net tangible fixed assets	2-9	1,800	1,184
Net intangible fixed assets	2-10	5,809	4,609
Research tax credit - Share due beyond a year	2-20	0	0
Deferred tax asset	2-25	0	0
Non-current financial instruments	2-11	6,203	3,071
Other non-current assets	2-12	242	613
Total non-current assets		***14,054***	***9,477***
Assets held for sales	2-13	1,192	
TOTAL ASSETS		**23,616**	**21,377**

CONSOLIDATED BALANCE SHEET : LIABILITIES AND EQUITY

€ 1,000	Note	2012	2011
		At 31 december	
Current liabilities			
Trade payables		2,125	1,592
Other current liabilities	2-14	96	201
Tax and employee-related payables	2-15	1,830	1,817
Long-term financial payables - Share due within a year	2-16	290	103
Leasing commitments - Share due within a year	2-16	145	122
Advances – Share due within a year	2-16	150	140
Total Current liabilities		***4,636***	***3,975***
Non-current liabilities			
Advances – Share due beyond a year	2-16	350	500
Long-term financial payables - Share due beyond a year	2-16	719	978
Leasing commitments - Share due within a year	2-16	281	294
Provisions	2-17	34	2,594
Provision for retirement packages	2-18	125	102
Prepaid income and other non-current liabilities	2-20	1,536	1,419
Total Non-current liabilities		***3,045***	***5,887***
Liabilities associated with assets held for sale	2-13	247	
Equity			
Share capital	2-19	1,089	1,089
Issue premiums	2-19	29,109	29,109
Reserves	2-19	(18,806)	(13,036)
Current year income		4,296	(5,647)
Total QIAGEN Marseille shareholders' equity		***15,688***	***11,515***
Noncontrolling interest			
Total Shareholders' equity		***15,688***	***11,515***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**23,616**	**21,377**

1-2: Income statement

CONSOLIDATED INCOME STATEMENT			
			At 31 december
€ 1,000	Note	2012	2011
Products revenues		10 224	7 299
Licenses revenues		2 819	2 125
Services revenues		184	79
Turnover	2-30	**13 226**	**9 503**
Public funding for research expenses	2-20	640	603
Operating income		**13 866**	**10 106**
Cost of sales		3 126	2 151
Gross profit		76,4%	77,4%
Marketing and commercial costs		3 152	3 347
Research and development costs		3 623	3 098
Overheads and administrative costs		2 504	3 955
Current operating expenses *		**12 405**	**12 550**
Other operating income (-) / expenses (+)	2-23	(2 578)	3 355
Operating income		**4 039**	**(5 799)**
Financial income	2-24	373	207
Financial expenses	2-24	(116)	(55)
Corporate tax	2-25	-	-
Net income (+) / loss (-)		**4 296**	**(5 647)**
Net profit per share	2-28	**0,79**	**(1,11)**
Net diluted profit per share	2-28	**0,79**	**(1,11)**

* Including the cost of sales

1-3: State of the overall profit

STATE OF THE OVERALL PROFIT			
		At 31 december	
€ 1,000	**Note**	**2012**	**2011**
Net profit		**4,296**	**(5,647)**
Other elements of overall profit:			
Foreign exchange differences		(124)	(7)
Changes in fair value of financial assets available for sale			0
Payments in shares	2-22		203
Corporation tax relating to other elements of the overall profit			-
Other elements of overall profit, net of tax		**(124)**	**195**
OVERALL PROFIT		**4,172**	**(5,452)**
Returning to Company shareholders		4,172	(5,452)
Minority interests		-	-

1-4: Cash flow statement

CASH FLOW STATEMENT			
		At 31 December	
€ 1,000	**Note**	**2012**	**2011**
Cash flows related to operational activities			
Net profit for the year		4 296	(5 647)
Removal of expenses and income without impact on the cash or not related to operational activities			
Write-downs and depreciations	2-9, 2-10	554	1 854
Provisions	2-17, 2-18	(2 537)	2 597
More or less values of withdrawals of assets		3	
Variation of need for working capital		(1 445)	314
Payments in shares	2-22		203
Difference in exchange on Intercompany loan		(127)	
Interest expenses		48	36
Net cash from / (absorbed by) operations		**789**	**(642)**
cash flow tied to investment activities			
Acquisition of tangible fixed assets	2-9	(845)	(154)
Acquisition and production of intangible fixed assets	2-10	(1 471)	(1 579)
Disposals of tangible assets		0	
Disposals of intangible assets			
Research tax credit related to development costs		440	376
Acquisition of investment financial instruments		(3 000)	(3 000)
Disposal or maturity of investment financial instruments		3 502	3 600
Changes to other non-current assets		255	(184)
Net cash from / (absorbed by) investment activities		**(1 120)**	**(940)**
Cash flow ties to financing activities			
Net income from issuing cash shares			2 489
Net income from issuing share options			2
Transactions on own shares			179
Taking out loans			850
Repayments of advances, financial debts and leasing		(353)	(268)
Interests disbursed		(17)	(36)
Net cash from financing activities		**(370)**	**3 216**
Variation de la trésorerie et des équivalents de trésorerie		**(701)**	**1 633**
Cash and cash equivalents at the start of the year	2-4	3 950	2 381
Impact of exchange rate fluctuations on cash flow		39	(65)
Cash and cash equivalents of activity held for sale	2-13	(282)	
Change in hidden reserves on cash equivalents			1
Cash and cash equivalents at the year-end	**2-4**	**3 006**	**3 950**

1-5: Statement of changes in Equity

€ 1,000	No. of shares	Share Capital	Issue premiums	Reserves	Total	Minority interests	Total Equity
Balance at 31 december 2010	**5,066,213**	**1,013**	**26,695**	**(13,411)**	**14,297**	**0**	**14,297**
Capital increases by exercising share options	379,370	76	2,413		2,489		2,489
Share options issue			2		2		2
Transactions on own shares				179	179		179
Overall profit for the financial year				(5,452)	(5,452)		(5,452)
Balance at 31 december 2011	**5,445,583**	**1,089**	**29,109**	**(18,683)**	**11,515**	**0**	**11,515**
Overall profit for the financial year				4,172	4,172		4,172
Balance at 31 december 2012	**5,445,583**	**1,089**	**29,109**	**(14,511)**	**15,687**	**0**	**15,687**

2. Notes to the consolidated financial statements

2-1: Introduction to the Company and highlights of the year

QIAGEN Marseille SA ("the Company") is a molecular diagnosis company, specializing in the development and marketing of diagnostic tests in the field of oncology. The Company was set up in 1999 as IPSOGEN and in the form of a simplified joint stock company and was transformed into a public limited company on 20 March 2008. The company has been listed on the Alternext market since 10 June 2008. Alternext is an organized market in which there is no obligation to the apply IFRS standards. The Company has decided to apply the reference IFRS voluntarily.

The Company has been a subsidiary of QIAGEN N.V. since July 2011. According to the Shareholders General Meeting held November, 14th 2012, the Company IPSOGEN S.A. has changed its company name into QIAGEN Marseille S.A. starting January 1st 2013.

The financial year 2012 was marked with the conclusion and the implementation of a distribution agreement and ancillary agreements to strengthen synergies between the Company and the QIAGEN Group.

The Board of Directors of the Company held 18 December 2012 has authorized the sale of 100% of IPSOGEN Inc.'s shares to QIAGEN Inc. as of January, 1st 2013 for a global amount of USD 3.7 million. This sale is part of the new distribution network organization within the QIAGEN Group achieved by the signature of a distribution agreement from that same date. At 31 December 2012, the Company had approximately 80 products on the market and many others in development.

These financial statements according to IFRS standards were prepared by the Board of Directors on 21 March 2013 and they will be subject to the approval of the Shareholders' Meeting which will meet on 6 June 2013.

2-2: Accounting principles

2.2.1 Statement of compliance

The main accounting methods applied when preparing the consolidated financial statements are described below.

The accounts for the 2012 financial year are presented with a comparative financial year for the 2011 financial year also established according to the same IAS/IFRS reference benchmark.

The consolidated annual accounts have been prepared in compliance with the general principles established by revised standard IAS 1:

- permanence of methods and presentations,
- accuracy of information;
- true picture;
- comparative information;
- continuity of operations.

2.2.2 Basis for preparation

The Company's annual financial statements have been established in accordance with the reference International Financial Reporting Standards (International Financial Reporting Standards – IFRS) as adopted by the European Union on 31 December 2012.

The financial statements are prepared in accordance with the historical cost method, with the exception of financial assets available for sale, valued at their fair value.

STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED, ENTERED INTO FORCE IN 2012

The following standards, amendments and interpretations, which must be applied in 2012, are without any significant effect on the Company accounts:

- IFRS 7, concerning the information to be provided in the framework of transfers of financial assets.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED, NOT YET ENTERED INTO FORCE IN 2012 AND WHICH HAVE NOT BEEN ADOPTED IN ANTICIPATION

The standards, interpretations and following amendments, published by the IASB should not be applicable to the Company's activities in their current procedures or without an expected significant impact to its accounts:

- Amendment to IFRS 7, Disclosures-Offsetting Financial Assets and Financial Liabilities;
- IFRS 10, Consolidated financial statements;
- IFRS 11, Partnerships;
- IFRS 12, Information to be provided on interests held in other entities;
- IFRS 13, Fair value measurement;
- Amendment to IAS 1, concerning the presentation of financial statements;
- Amendment to IAS 12, Income tax, deferred tax amendment - Collection of underlying assets;
- Amendment to IAS 32, Compensation of financial assets and liabilities;
- IFRS 9, Financial instruments;
- Amendments IFRS 7 et IFRS 9, date of entry into force and information to be provided on the transition;
- Amendements IFRS 10, IFRS 11 et IFRS 12, Transitional arrangements.

2.2.3 Method of consolidation

SUBSIDIARIES

The subsidiaries are all entities for which the Company has the power to govern the financial and operating policies, power is generally accompanied by the holding of more than half of the voting rights. The subsidiaries are consolidated by overall integration from the date on which the company acquired control. They are unconsolidated from the date on which control ceases to be exercised.

At 31 December 2012, the company only held a 100% of one subsidiary, IPSOGEN Inc., which it founded.

Inter-group transactions have been removed. The subsidiary's accounting methods have been aligned with those of the Company.

2.2.4 Conversion of currency operations

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY IN THE FINANCIAL STATEMENTS

The elements included in the financial statements for each of the Company's entities have been measured using the currency of the primary economic environment in which the entity carries out its activities (the "functional currency"). The consolidated financial statements are presented in euros, the Company's functional and presentation currency.

For the financial years presented, the only entity concerned is the American subsidiary IPSOGEN Inc., for which the US dollar has been determined as its functional currency.

TRANSACTIONS AND BALANCES

The transactions denominated in foreign currencies are converted into the functional currency using the exchange rate in force on the transaction dates. The exchange gains and losses resulting from the conclusion of these transactions like those resulting from the conversion, at the rates in effect on the closure date and monetary assets and liabilities denominated in foreign currencies, are accounted under income, except when they are entered directly as equity under hedges of a net investment in a foreign operation.

When the reimbursement of the intercompany loan, part of the net investment in a foreign subsidiary in a foreseeable future, does not meet the definition of a monetary item part of foreign operations should be « dequalified ». As a consequence, a portion of the exchange differences until now booked within the other comprehensive income has to be recycled in the income statement. At 31 December 2012, the recycle principle of the exchange difference on intercompany loan to the income statement has been applied.

CONSOLIDATED ENTITIES

The accounts of the Company's entities whose functional currency is different from the presentation currency are converted into the presentation currency, according to the following rules:

- the elements of assets and liabilities are converted at the closing rate on the balance sheet date;
- income and expenses are converted at the average end of month exchange rate, and
- the resulting conversion differences are recorded as a separate component of equity.

At 31 December 2012, this principle of conversion only applies to the American subsidiary IPSOGEN Inc.

2.2.5 Tangible fixed assets

Tangible fixed assets are valued at their acquisition or production cost. Renovations and major enhancements are fixed, the costs of repairs, maintenance and the costs of other renovation works are recognized as expenses when expenses occur.

Intangible assets are amortized according to the straight-line method on the duration of estimated usefulness of the assets.

The durations of depreciation deductions are as follows:

Fixtures and fittings in buildings	10 years
Research equipment and technical installations	5 years
Office equipment and furnishings	5 years
Computer hardware	3 years

Profit and losses on disposals of assets are determined by comparing the income from disposal at the book value of the disposed asset. They are recognized in the Income Statement in overheads and administrative costs.

Some tangible assets are the subject of financing leases. The information relating to the minimum future commitments under these contracts is provided in note 2.16.

2.2.6 Intangible fixed assets

These are entered in the assets on the balance sheet if and only if, the following two conditions are met:

- it is likely that the future economic benefits attributable to the assets will go to the Company; and if
- the cost of this asset can be reliably measured.

To assess the degree of certainty attached to the flow of future economic benefits attributable to the use of the asset, the management exercises its judgment based on the evidence available at the initial recognition of the asset.

PATENTS AND LICENSES

The patents and licenses acquired are initially recorded at their historical cost of acquisition. The depreciation is calculated in a straight-line fashion in order to allocate the cost of patents and licenses over their estimated duration of usefulness, which for the licenses is assimilated to the periods of validity of the corresponding patents, which ranges from 2013 to 2031.

RESEARCH AND DEVELOPMENT COSTS

Research costs which correspond to fundamental research activities are recognized as expenses.

Development costs are included in the asset when they relate to clearly distinctive projects, with serious chances of technical success and commercial viability and which the Company can demonstrate:

- the technical capacity to achieve the intangible asset with a view to its implementation in service or on its sale;
- the intention to perfect the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits. The Company must demonstrate in particular the existence of a market for the output of the intangible asset or for the intangible asset itself or, if the latter should be used internally, its usefulness;
- the availability of resources (technical, financial or other) that are appropriate to complete the development and use or sell the intangible asset;

  the ability to reliably evaluate the expenditures attributable to the intangible asset during its development.

The costs that are directly attributable to the production of the asset can be capitalized, which include:

- the historical cost of the equipment consumed;
- the direct production costs including:
  - the cost of the equipment and services used or consumed to generate the intangible asset;
  - the wages and expenses of the staff hired to generate the asset;
  - the registration rights and costs of filing for a patent;
  - the depreciation of patents acquired and licenses used to generate the asset;
- a fraction of the indirect production costs to the extent that they are directly attributable to them.

The expenses are activated from the date on which the conditions for activating the intangible asset are met. The expenses cease to be entered in the asset when the intangible asset is ready to be used, with the exception of patent fees. This end development date is absorbed by that on which the first sales relating to the project are made. This date is also the starting point of the depreciation.

The development costs borne by the asset are amortized in a straight-line over their duration of usefulness. The latter is assimilated into the current period up to the date of expiration of patents for inventions attached to products, which is spread until 2031.

OTHER INTANGIBLE FIXED ASSETS

The other intangible assets acquired are recorded under the assets on the balance sheet at their historical cost. When they have a finite duration of usefulness, the depreciation is calculated in a straight-line fashion in order to apportion the cost over their estimated duration of usefulness, which is essentially 1 to 3 years for software.

2.2.7 Depreciation of non-financial assets

In accordance with the provisions of the standard IAS 36, assets with an indefinite duration of usefulness are not amortized and are subject to an annual impairment test. Amortized assets are subjected to an impairment test when, due to events or special circumstances, the recoverability of their book value is in doubt. Intangible assets not put into service are the subject of an annual impairment test, whose arrangements reflect the Company's experience of launching new products and obtaining approval on new markets.

A depreciation is recorded up to a limit of the excess of the book value on the recoverable amount of the asset. The recoverable amount of an asset corresponds to its fair value less disposal costs or its value of usefulness, if the latter is higher.

The recoverable amount of development costs not put into service has been determined on the basis of cash-flow projections estimated (« DCF ») and according to the following assumptions:

- a discount rate of 11 % taking into account a Beta values of the selected comparable companies and the industry benchmarks;
- a cash flow projection estimated on a coherent duration with the intellectual property protection, without an discounted terminal value;
- a technical risk by project.

The main evidences of impairments have been investigated in order to determine no impairment loss on intangibles assets available for use, are the following:

- market persistent,
- ability for sales to absorb the assets amortization in regard to prices recorded,
- maintenance of intellectual property rights.

2.2.8 Cash and investments

CASH AND CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are easy to convert to a known amount of cash and which are subject to a negligible risk of changes in value. Thus, cash and cash equivalents include the cash availability in banks and funds, as well as the cash investments in investment securities whose recommended maturity is less than three months and which have very low rate sensitivity to risk.

For the preparation of the Cash Flow Statement, cash and cash equivalents consist of petty cash, demand deposits in banks, short-term, very liquid investments, not including bank overdrafts.

In the Balance Sheet, bank overdrafts are, where appropriate, included in the borrowings among financial payables. The Company did not have any significant bank overdrafts in the financial years presented.

FINANCIAL INVESTMENT INSTRUMENTS

Financial investment instruments include cash investments in term deposit accounts and securities investments whose maturity is greater than 3 months originally. Maturities greater than 1 year at the end of the financial year are presented in the Balance Sheet on the line Non-current financial instruments.

INVESTMENTS IN FINANCIAL INSTRUMENTS

Investment securities held by the Company are securities that are not representative of a share of the capital, whose purchase represents a transient or permanent non-speculative cash investment. The Company classifies its investments according to one of two categories: investments held until the fixed maturity and securities available for sale.

Investments with a fixed maturity that the management intends and is capable of holding until maturity are classified as "investments held until maturity". Investments whose maturity is not determined, which can be easily transferred by the Company to respond to a need for cash or in response to a change in interest rates, are classified as "securities available for sale".

Securities available for sale, consisting mainly of investment securities, are valued at their fair value at the close of the financial year. For investments listed on active markets, the fair value is determined with reference to the current purchaser on the stock exchange. The gains on securities available for sale are entered in equity in other elements of overall profit until the date of their transfer, redemption or depreciation, the date on which the amount previously recognized in equity is included in the profit for the year.

The management will determine the appropriate classification of its investments on the acquisition date and reviews it on a regular basis.

2.2.9 Stocks

In accordance with standard IAS 2, stocks are recorded at cost or net realizable value, if this is less. The cost is determined according to the weighted average cost method. The cost of finished goods and work in progress includes the costs of design, the raw materials, the direct labor costs, the other direct costs and overhead costs of production based on a normal operating capacity. It does not include the cost of borrowing. Net realizable value represents the estimated selling price in conditions of normal activity, after deducting the sale costs.

2.2.10. Clients and suppliers

Trade receivables are initially recognized at fair value, and then subsequently valued at their amortized cost using the effective interest rate method, from the moment that the settlement period is significant, less any depreciation. A depreciation of trade receivables is formed when there is an objective indicator of the inability of the Company to collect the full amount of the amounts due under the conditions originally foreseen at the time of the transaction. The amount of the depreciation represents the difference between the book value of the asset and the value of estimated future cash flows, discounted at the original effective interest rate. When a receivable is uncollectible, it is no longer recognized in return for the resumption of the provision for depreciation of receivables.

Suppliers' payables are initially recognized at fair value, and subsequently valued at their amortized cost using the effective interest rate method, from the moment that the settlement period is significant.

2.2.11. Equity, compound instruments and financial liabilities

An equity instrument is a contract that reflects a residual interest in the Company's assets after deducting all of its liabilities.

The Company recognizes the components of a financial instrument separately that (a) creates a financial liability and (b) gives the holder of the instrument an option to convert the financial instrument into an equity instrument of the Company. Thus, bonds, convertible by the holders into a determined number of ordinary shares in the Company are a compound financial instrument. Such an instrument consists of two components: a financial liability (a contractual commitment to return cash or another financial asset) and an equity instrument (a purchase option that the holder has the right, for a specified period of time, to convert into a fixed number of ordinary shares in the Company). The classification of liability and equity elements of a convertible instrument is not revised as a result of the evolution of the probability that a conversion option will be exercised. The Company's contractual obligation to provide for future payments remains until it is extinguished by means of the conversion, the maturity of the instrument or any other transaction. According to the approach described above, the Company, when it issues a convertible bond into ordinary shares, first determines the carrying value of the liability component by measuring the fair value of a similar liability (including derivative components which do not have the status of equity) not accompanied by an associated equity component. The evaluation is based on the most likely scenario for exercising the option of early repayment decided by the holder, but excluding the case of compulsory conversion. The book value of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the financial compound instrument taken as a whole.

When it issues its own equity instruments, the Company usually incurs different costs. These costs may include the registration rights and other regulatory fees, the amounts paid for legal advice, accounting and other professional advice, the cost of printing and stamp duties. The costs of an equity transaction are deducted from equity (net of any related income tax relief) to the extent that it concerns marginal costs directly attributable to the equity transaction and which would have been avoided in the absence of issue. The costs of an equity transaction which is abandoned are recognized as an expense.

The transaction costs associated with the issuance of a financial instrument dials are assigned to the liability and equity components of the instrument in proportion to the distribution of the income from the issue. The transaction costs that are shared by several transactions are divided between the transactions based on rational charging and consistent with similar transactions.

Borrowings are initially recognized at fair value, net of the transaction costs incurred, determined as described above in the case of a compound instrument. Borrowings are subsequently measured at amortized cost; the difference between the incomes, net of transaction costs, and the redemption value is recognized in the Income Statement for the duration of the loan according to the effective interest rate method.

2.2.12. Tax on profits and deferred taxes

Deferred taxes are recorded according to the full provision and according to the variable reporting method. The tax rates having been endorsed by a legal text at the closing date are used to determine the deferred taxes.

Deferred tax assets are only recognized to the extent that it is likely that future profits will be sufficient to absorb the losses carried forward.

2.2.13. Territorial economic contribution

According to the recommendations of the [French] National Accounting Board (CNC), the two components of the territorial economic contribution (CET), were broken down as follows:

- The land contribution of enterprises (CFE): the CFE with similar characteristics to those of business tax (TP), both in terms of basic and ceiling, the Group considered that it involved a contribution to be recorded in operating expense such as business tax,
- The contribution on the added value of enterprises (CVAE): The Group considered that the amount corresponding to the CVAE should also be recognized as operating expense and not in tax on profit in accordance with standard IAS 12.

2.2.14. Research tax credit

Research tax credits are granted to businesses by the French State in order to encourage them to conduct technical and scientific research. Businesses which justify expenditures meet the required criteria (expenditure on research located in France or, since 1 January 2005, within the European Union or in another State which is party to the agreement on the European Economic Area and having concluded a tax convention with France containing a clause on administrative assistance) benefit from a tax credit that can be used for paying the corporation tax due for the year the expenditure was realized and for the following three years. Not being subject to the payment of taxes, the research tax credit is presented within the operating income under the heading Public funding for research expenditure.

The Company splits the research tax credit income up as follows:

- the proportion relating to fixed development costs is accounted for in Pre-paid income and recovered in the Income Statement at the same rate as the depreciation of the development costs, or, where appropriate, their depreciation;
- the proportion relating to non-fixed research expenses is recognized immediately in the Income Statement.

2.2.15. Other public aid

The Company receives a certain amount of public aid, in the form of subsidies or conditional advances.

The details of these aid packages are provided in Note 2.20.

State subsidies are included in the assets when there is reasonable assurance that:

- the Company will comply with the conditions attached to the subsidies;
- the subsidies will be received.

A non-repayable loan under conditions of the State is treated as a public subsidy when there is reasonable assurance that the company meets the conditions for waiving repayment of the loan. Otherwise, it is classified under payables or under conditioned advances.

A public subsidy to be received as compensation for expenses or losses already incurred, either as immediate financial support to the Company without future associated costs, is recognized as income for the year in which the payable is acquired. Subsidies related to assets are entered in the Balance Sheet in Prepaid income, and in income in a straight-line over the useful life of the depreciable and financed assets.

2.2.16. Benefits granted to employees other than payments in shares

The employees of the Company QIAGEN Marseille SA receive benefits from pensions provided by law in France:

- receipt of an allowance at the end of their career, paid by the Company when their retirement starts (defined benefit plan). This plan is not funded by an insurance contract;
- payments of pensions by social security organizations, which are financed by contributions from businesses and employees (defined contributions plan).

For defined benefit plans, the costs of the pension benefits are estimated by using the projected unit credit method. According to this method, the cost of pensions is recorded in profit in the way it is distributed evenly over the length of service of employees, in accordance with the advice of qualified actuaries performing an annual review of the costing of these plans. The pension liabilities are valued at the present value of estimated future payments, by using the interest rate on government bonds whose maturity is approximately that of the corresponding liability. Any actuarial gains are amortized over the likely average duration of residual active life of employees according to the corridor method.

The Company's payments for defined contribution plans are recorded in expenses in the Income Statement for the period they are linked to.

No retirement plan of this type (defined benefit plan) exists in the United States subsidiary, IPSOGEN Inc.

2.2.17. Leasing contracts

Leasing contracts on significant tangible fixed assets are classified in leasing-financing contracts when the Company substantially supports all of the benefits and risks inherent in the ownership of the asset. Leasing-financing contracts in force in the years presented are leasing contracts. The assets pertaining to the leasing-financing contracts are capitalized on the date of origin of the leasing contract based on the lowest value between the fair value of the leased asset and the discounted value of future minimum payments. Each rent is divided between the debt and the financial cost so as to determine a constant interest rate on the outstanding capital. The corresponding rental obligations, net of financial charges, are classified in the liabilities under the headings leasing commitment. The part of the financial expense corresponding to the interest is recorded in expense over the duration of the contract. Property, plant and equipment acquired in the framework of a leasing-financing contract are depreciated over the shortest duration of the useful life and the duration of the contract.

The leasing contracts for which a significant proportion of the risks and benefits are retained by the lesser are classified as lease contracts. The payments made for these operating leases, net of any incentives, are recorded as an expense in Income Statement in a straight-line over the duration of the contract.

2.2.18. Provisions

The provisions are recorded when the Company has a current, legal or implied obligation, arising from past events, if it is likely that the payment of economic benefits will be needed to settle this obligation and that a reliable estimate of the amount of the obligation can be done. The amount recognized as a provision is the best estimate of the expenditure necessary upon the extinction of the obligation, discounted on the closure date when the maturity can be reliably determined. When the Company expects a provision to be reimbursed, for example in the framework of an insurance contract, the reimbursement is recorded as a separate asset only when it is virtually certain.

2.2.19. Recognition and presentation of turnover

In accordance with the requirements of standard IAS 18 "Income from ordinary activities", the Company's turnover results from the sale of diagnostic products, services and licenses.

The income from ordinary activities corresponds to the fair value of the consideration received or receivable as assets and services sold in the usual framework of the Company's activities. The income from ordinary activities are net of value added tax, product returns, rebates and discounts, and deductions made from intra-group sales.

The Company records income when the amount of income can be measured reliably, it is likely that the company will receive future economic benefits and that the specific criteria are met for each of the Company's activities. So that the amount can be considered to be measured reliably, all any eventualities relating to the sale should have been lifted.

For product sales, the turnover is recorded upon delivery.

For revenue from sub-license contracts:

- the amounts chargeable under signing the contract (upfront), which pay for access to technology and "Business Development" investments, are immediately registered in turnover when the contract comes into effect;
- the amounts chargeable when meeting some objectives (milestones) are registered in turnover when these objectives are actually achieved;
- royalties are registered in turnover according to the substance of the contract, usually on the declarative base provided by the sub-licensee of their turnover made from using the licensed technology.

For services, the turnover is recorded in the advancement of costs.

2.2.20. Classification of operating expenses

The cost of sales includes the cost of raw materials consumed, including the forwarding costs, the costs of direct and indirect staff for production services, the depreciation related to the manufacture, external charges of all kinds related to production activities such as the payment of royalties from the acquisition of licenses.

The marketing and sales costs include the cost of the Marketing, Sales and Business Administration Department. These charges also take into account the bonuses and commissions on sales paid to employees of commercial services or to independent agents as well as the advertising and sales promotion costs.

Research and development costs include the internal and external costs of the studies conducted with a view to the research and development of new products as well as the expenses related to regulatory affairs and intellectual property including depreciation.

The overheads and administrative costs include the costs of the functions of General Management and Support (general secretariat, finance, etc.).

The indirect costs are allocated in proportion to the production, marketing, sales and business administration, research and development and management and administration staff. They basically include quality assurance costs, the joint laboratory service, insurance premiums, rent as well as the rental charges, network administration and technical support costs.

Other operating expenses are only isolated within operating expenses:

- in connection with a major event which occurred during the accounting period; and
- when the non-presentation of its impacts separately from the other elements of the profit distort the reading of the Company's performance of the Company;
- and the expenses concerned are potentially reversible provisions/depreciations and the incomes concerned are linked to the reversal.

2.2.21. Payments in shares

The Company recognizes the goods or services received or acquired in the context of a transaction in which the payment is based on shares, at the time when it receives the goods or to the extent that it receives the services. The fair value of the services rendered by the employees and physical suppliers of the services, in exchange for granting share subscription options, is recognized in expenses. The Company records in return either an increase in equity if the goods or services have been received in the context of a transaction in which the payment is based on shares and which is settled in equity instruments, or a liability if the goods or services have been acquired in the context of a transaction in which the payment is based on shares and which is cash-settled.

The fair value of the stock options granted to employees is determined by applying the Black-Scholes option pricing model for options. The same is true for options granted to other individuals providing similar services, the market value of the latter cannot be determined. The total amount recorded as an expense on the acquisition period is determined with reference to the fair value of the options granted, without taking into account the conditions for acquiring the rights that are not under market conditions (such as the scientific publication objectives). The latter are integrated with assumptions of the number of options to become exercisable. At each balance sheet date, the Company reviews the number of options to become exercisable. Where appropriate, it recognizes in the Income Statement the impact of the revision of its estimates in return for a corresponding adjustment to equity.

The sums received when the options are exercised, are credited to the items "Share capital" (nominal value) and "Issue premiums", net of directly attributable transaction costs.

2.2.22. Other elements of overall profit

The income and expenses items for the period accounted for directly in equity, are presented in the table "Statement of overall profit".

2.2.23. Information on the sector

Standard IFRS 8, Operational sectors provides that the information on the sector published is drafted based on the data used internally for evaluating the segment performance and the allocation of resources to various sectors.

The main methods for implementing this standard are described in Note 2.30.

2.2.24. Assets, group of assets and subsidiary held for sale

A non-current asset, or a group of alienable elements, is classified as held for sale if its carrying amount will be recovered primarily through a sales transaction, rather than by its continued use. When the Company is engaged in a plan of sale involving the loss of control of a subsidiary, all assets and liabilities of the subsidiary are classified as held for sale.

Non-current assets or disposal groups held for sale are measured and recognized at the lower of their net carrying amount and their fair value less the costs of disposal. The gain or loss previously unrecognized at the time of the sale of an asset not aware (or group of alienable elements), will be recognized at the date of disposal of the assets of the Company.

The institution is not paid for the asset flow while not classified as held for sale, or as part of a group of alienable elements classified as held for sale. However, both continue to recognize the interests and other expenses attributable to the liabilities of alienable a group of elements that have been classified as held for sale.

The Company shows on the balance sheet, separately from the rest of the assets, both non-current assets classified as held for sale as the assets of a group of alienable elements classified as held for sale. The liabilities that are part of a group of alienable elements classified as held for sale, will also be presented in the balance separately from the other liabilities. These assets and liabilities will not be offset, nor will be presented as a single amount.

Subsidiaries only held for a disposal in a near future are included in the consolidation perimeter up to the effective date of loss of control in regards of the following criteria:

- in the balance sheet, no consolidation item by item of assets and liabilities, but combination of assets on the caption « Assets held for sale » and liabilities on the caption « Liabilities Assets held for sale » ;
- in the income statement, consolidation item by item of incomes and expenses except for discontinued activities.

A discontinued activity is a component of an entity that has been alienated or has provided him by another source, or that has been classified as held for sale, and

- represents a line of business or geography, which is significant and can be considered separate from the rest;
- is part of an individual plan and coordinated to dispose or arrange for another way of a line of business or a geographical area of operation that is significant and can be regarded as separate from the rest, or
- is an entity solely dependent acquired in order to resell it.

The entity shall disclose the income statement, an amount that includes only the total:

- after tax result of discontinued operations;
- the result after tax recognized by the valuation at fair value less selling costs, either by sale or other disposition by way of assets or groups disposition of elements that constitute the activity interrupted.

2-3: Determining accounting estimates and judgments

The Company made estimates and assumptions concerning the future. The accounting estimates derived from them are, by definition, rarely equivalent to the actual results which come to light later. The management also exercises its judgment in the application of the accounting methods. The estimates and judgments that could cause a significant adjustment to the book value of the assets and liabilities in the following period, as well as the judgments of the management in the application of accounting methods with a significant impact on the amounts recorded, are broken down below.

DEVELOPMENT COSTS AND RELEVANT PUBLIC AID

The development costs are included in the assets in the implementation of the principles described in Note 2.2.6. They are amortized in a straight-line over their useful life. It is assimilated in the current period until the date of expiry of the patent attached to the product. Indeed, in the Company's business sector the useful life of the bio-marker products is very long. Development costs not put into service are the subject of an impairment test, whose arrangements reflect the Company's experience of launching new products and obtaining approval on new markets.

The proportion of research tax credit relating to fixed development costs is accounted for in Pre-paid income and recovered in the Income Statement at the same rate as amortization or any depreciation of the development costs.

At 31 December 2012, the net book value of the development costs amounted to 5,094 K€; it was 4,032 K€ at 31 December 2011. On the same date, the net income amount recorded in advance of the research tax credit was of 1,366 K€ (1,078 K€ at 31 December 2011).

PRESENTATION OF THE SALE IMPACT OF IPSOGEN INC.

The Board of Directors of the Company held 18 December 2012 has authorized the sale of 100% of IPSOGEN Inc.’s shares to QIAGEN Inc. as of January, 1st 2013 for a global amount of USD 3.7 million. This sale is part of the new distribution network organization within the QIAGEN Group achieved by the signature of a distribution agreement from that same date. This agreement allowing the continuation and the development of the distribution activities in the North America area, the Company has not considered as a discontinued operation towards IFRS 5 norm and principles described in Note 2.2.24.

PROVISIONS

In 2011, in the context of the acquisition, QIAGEN proceeded, with the support of the Company's management, with a review of the IPSOGEN's relations with third party entities in the field of contracts for licenses to use patents. In 2011, this review had led to a consideration that the Company would be liable for additions of royalties related to the period prior to 30 June 2011. This contingent liability of €2.6 million has been recognized as a provision at 31 December 2012. The provision has been booked in « other operating expense ».

In 2012, since there is no more risk of having to pay additional royalties to third party relationships, the provision of €2.6 million booked in December 31st, 2011 was entirely reversed and classified as « other operating income ».

2-4: Cash and cash equivalents

The entry cash and cash equivalents are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Short-term bank deposits	2,394	3,339
Cash equivalents	612	611
Total	**3,006**	**3,950**
Of which unrealized capital gains	0	0

Cash equivalents primarily comprise shares of short-term monetary Investment Mutual Funds.

2-5: Instruments financiers de placement

Financial investment instruments include cash investments in securities investments whose maturity is greater than 3 months originally. Maturities greater than 1 year at the end of the financial year are presented in the Balance Sheet on the line Non-current financial instruments.

The financial investment instruments are broken down, by a) nature and by b) maturity in the following way:

a)

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Negotiable debt securities	0	50
Fixed term bank accounts	6,148	6,514
Unit trust funds and mutual investment finds	55	55
Total	**6,203**	**6,619**

b)

Of which:	31.12.2012	31.12.2011
Current financial instruments	0	3,549
Non-current financial instruments	6,203	3,070
Total	**6,203**	**6,619**

2-6: Net customer receivables

This entry is broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Gross customer receivables	3,072	2,037
Depreciation		
Net customer receivables	**3,072**	**2,037**

The Company sells its products to more than 400 customers across the world. In 2012, its first customer represented less than 7% of its turnover. Furthermore, the company has set up procedures for monitoring of the outstanding amounts owed by customers which limit the risk in case a customer defaulting.

A significant part of its customers are in public hospitals whose default risks are very low or even zero.

The dating of receivables that have reached maturity is not significant.

2-7: Net stocks

Net stocks are broken down as follows:

(Amounts in thousands of euros)	31.12.2011	Increase	Decrease	Depreciation	31.12.2012
Raw materials and supplies	235	233	-235		233
Products in course	196	176	-196		176
Finished products	426	587	-426	-19	568
Total	**857**	**996**	**-857**	**-19**	**977**

No stock has not been offered as collateral.

2-8: Short-term receivables and prepaid expenses

Short-term receivables and prepaid expenses are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Prepayments to suppliers	58	39
Tax Agencies (VAT)	208	446
Other receivables	3	4
Prepaid expenses	118	162
Total	**387**	**651**

2-9: Tangible fixed assets

The tangible fixed assets are broken down as follows (after correction of transfers of "inter-company" fixed assets):

(Amounts in thousands of euros)	31.12.2011	Incr.	Decr.	Reclass. IFRS 5	Conver-sion	31.12.2012
General facilities and fixtures for constructions	1,378	460	2	-618	-13	1,205
Laboratory equipment	1,346	186		-4	-1	1,527
Computer equipment and furniture	411	34	1	-72		372
Assets under construction	0	285	0			285
Total, brut	**3,135**	**965**	**3**	**-694**	**-14**	**3,389**
Accumulated depreciation of general facilities and fixtures for constructions	834	102		-618	-12	306
Accumulated depreciation of laboratory equipment	797	186		-4	-1	978
Accumulated depreciation of computer equipment and furniture	320	52		-72	5	305
Total of accumulated depreciation	**1,951**	**340**	**0**	**-694**	**-8**	**1,589**
Net total	**1,184**	**625**	**3**	**0**	**-6**	**1,800**

The increase of the entry "general facilities and fixtures for constructions" is due to the new logistic unit, building renovations.

The assets financed in the framework of leases or long-term rentals corresponding to the leasing, financing contracts are recorded in tangible fixed assets in accordance with IAS 17. Laboratory equipment includes under this heading the following amounts:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Gross value	713	594
Depreciation	316	204
Net total	**397**	**390**

No loss of value was observed under the application of IAS 36, and there was no use of fair value as an assumed cost for a tangible fixed asset.

No tangible fixed assets have been offered as collateral.

2-10: Intangible fixed assets

Intangible fixed assets are broken down as follows:

(Amounts in thousands of euros)	31.12.2011	Incr.	Decr.	Conver-sion	IFRS 5	31.12.2012
Patents, licenses	763	184				947
Software	128	27				155
Development costs	2 116	880		-3	-303	2 690
Development costs under construction	2 944	380				3 324
Total acquisition cost	**5 951**	**1 471**	**0**	**-3**	**-303**	**7 116**
Accumulated depreciation of patents, licences	189	45				234
Accumulated depreciation of software	125	8				133
Accumulated amortization and depreciation of the development costs	1 028	150			-238	940
Total accumulated depreciation	**(1 342)**	**(203)**			**238**	**(1 307)**
Net total	**4 609**	**1 268**	**0**	**-3**	**(65)**	**5 809**

Allocations to depreciation of intangible fixed assets represent an insignificant share of the production cost on the financial years presented.

The development costs related to the genomic grade test project (breast cancer) and implemented for the preparation of a test targeting the American market, have been deprecated in full for a total of 782 K€. This depreciation is still justified as of December 31st, 2012.

No loss of value was recorded, and there was no use of fair value as the assumed cost of an intangible fixed asset.

2-11: Non-current financial instruments

Non-current financial instruments are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Fixed term accounts	6,148	3,014
Mutual investment fund	55	55
Total	**6,203**	**3,069**

2-12: Other non-current assets

The other non-current assets are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Deposits and bonds	42	158
Fixed term accounts pledged	200	200
Liquidity contract	-	255
Total	**242**	**613**

Deposits and bonds paid have not been the subject of a discount, in view of the insignificant impact and in the absence of a recovery schedule.

The Company terminated the liquidity contract on 27 January 2012.

2-13: Assets held for sale, associated liabilities: sale of IPSOGEN Inc.

The Board of Directors of the Company held 18 December 2012 has authorized the sale of 100% of IPSOGEN Inc.'s shares to QIAGEN Inc. as of January, 1st 2013 for a global amount of USD 3.7 million. This sale is part of the new distribution network organization within the QIAGEN Group achieved by the signature of a distribution agreement from that same date. This agreement allowing the continuation and the development of the distribution activities in the North America area, the Company has considered as a discontinued operation towards IFRS 5 norms.

The impact of this transaction on 2012 consolidated accounts, in accordance with the principles described in note 2.2.24, can be summarized as follows:

- all IPSOGEN Inc.'s current and non-currents assets at 31 December 2012 have been classified in caption « Assets held for sale » for 1,192 K€. The categories of assets concerned are:
    - Intangibles assets for 65 K€;
    - Current financial instruments for 114 K€;
    - Accounts receivable for 728 K€;
    - Cash and cash equivalents for 282 K€;
    - Prepaid expenses for 3 K€.

- all IPSOGEN Inc.'s liabilities at 31 December 2012 have been classified in caption « Liabilities associated with assets held for sale » pour 247 K€. The categories of liabilities concerned are:
    - Accounts payable for 19 K€;
    - Social debts for 9 K€;
    - Other current liabilities for 219 K€.

No gain or loss have been book in relation to this transaction for the year ended 31 December 2012. A gain will be booked when the disposal of IPSOGEN Inc.'s shares from the Company's property will be effective.

2-14: Other current liabilities

The other non-current liabilities are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Customers, advances and payments on account, assets to be established	57	8
Prepaid income	35	-
Expenses to be paid and others	3	193
Total other current liabilities	**96**	**201**

2-15: Tax and employee-related debts

The tax and employee-related debts break down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Tax debts	166	359
Employee-related debts	1,663	1,458
Total tax and employee-related debts	**1,829**	**1,817**

Employee-related debts include the provision for paid leave and the corresponding employee-related expenses, the employee-related costs for the month of December and the 4th quarter to be paid by 15 January 2013, as well as the bonuses to be paid to staff and the corresponding employee-related expenses. These bonuses include variable remuneration in the form of incentives and bonuses.

2-16: Financial debts, advances and leasing

FINANCIAL DEBTS

Financial debts are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
CIC borrowing	156	205
MM borrowing	143	196
OSEO PTZI borrowing	710	680
Total	**1,009**	**1,081**
Advances – Share due within a year	290	103
Advances – Share due over a year	719	978

The two loans obtained from the CIC and the bank Martin Maurel amount each to €300,000 originally. Each of these loans is guaranteed by the collateral of fixed term accounts for €100,000, or €200, 000 in total (see Note 2.12). The average interest rate rose to 4.9% per year.

A new zero rate loan (PTZI loan) has been obtained from OSEO to fund the development of promising diagnostic tests. This loan amounts to 850 K€. Its duration is 30 quarters of which 11 quarters are deferred dated from 14 December 2011. This loan granted by the government has been recognized and measured according to the provisions of IAS 39. As a result, the debt has been recorded at its fair value i.e. with tax relief so as to reduce its effective interest rate (EIR) to that of a normal debt estimated at 4.5% a year. The return for the tax relief i.e. the advantage granted is treated as a subsidy according to the provisions of standard IAS 20. In the application of these principles, the debt has been initially estimated at 680 K€ and the subsidy corresponding to the relief granted to 170 K€. This amount has been recorded in prepaid income (see Note 2-20).

ADVANCES

This entry includes OSEO financing, all or part of which is refundable according to the technical or commercial success of the projects financed.

The projects financed are mainly focused on the development of a range of molecular analysis tests of breast tumours by DNA chips.

For this reason, a total of 740 K€ has been granted by OSEO, paid in full at 31/12/2010.

Repayment on this advance was made in September 2011 and in September 2012 for an amount of respectively 100 K€ and 140 K€. The repayments are spread out until 2015, 150 K€ of which in September 2013.

LEASE FINANCING

The minimum future commitments for leasing contracts outstanding at 31 December 2011 are broken down as follows:

(Amounts in thousands of euros)	
Within a year	157
From 1 to 5 years	290
Over 5 years	-
Total minimum commitments	447
Minus: representative share of interest	21
Minus: representative share of interest	426
Minus: maturities within a year	145
Leasing commitments - Share due within a year	281

The current value of the minimum future commitments for leasing contracts outstanding at 31 December 2012 is broken down as follows:

(Amounts in thousands of euros)	
Within a year	145
From 1 to 5 years	281
Over 5 years	-
Current value of the minimum commitments	426

2-17: Provisions

The change in provisions is broken down as follows:

(Amounts in thousands of euros)	31.12.2011	Increase	Recovery used	Recovery not used	31.12.2012
Provisions for disputes	2 594	18		2 578	34
Total	2 594	18		2 578	34

At December 31st 2012, this post related to disputes with employees and a service provider.

Since there is no more risk of having to pay additional royalties to third party relationships, the provision of 2,578 K€ booked in December 31st, 2011 was entirely reversed in 2012.

2-18: Provision for retirement packages

Retirement packages are the only defined benefit plan for Company employees. No funds have been established to cover the corresponding commitment.

The main actuarial assumptions used in the assessment of retirement packages are the following:

- collective agreement for the manufacture and sale in products for pharmaceutical use, para pharmaceutical and veterinary;
- discount rate: 3% as at 31 december 2012 (4,75% as at 31 december 2011);
- retirement age: 62 years for non-executives and 64 years old for executives;
- future annual wage increase: 3 %;
- expected long-term inflation rate: 2%;
- INSEE TD/TV mortality table 2007 – 2009;
- employers tax and employee-related expenses rate: average rate for the entire staff calculated by the company;
- graduated staff rotation depending on seniority.

The analysis of the amounts recorded during the financial years ended December 31, 2012 and 2011 is presented in the following table:

CHANGE IN THE VALUE OF COMMITMENTS

€ 1,000	**2012**	**2011**
Value of commitments at the start of the year	(100)	(74)
Cost of services	(18)	(15)
Cost of discounting	(5)	(3)
Benefits paid		
Acquisition / transfer		
Change of plan		
Changes of assumptions	(55)	2
Reductions / terminations		
Actuarial (losses) and gains linked to the experience	(15)	(9)
Value of commitments at the close of the year	(192)	(100)
Expense for the year		
Cost of services	(18)	(15)
Cost of discounting	(5)	(3)
Expected return from insurance funds		
Amortisation from changes of plans		
Amortisation of the value of the initial commitments		
Amortisation of (losses) and actuarial gains		
Reductions / terminations		
Total	(23)	(19)
Change in the provision recognised in the Financial Statements		
Provision at the start of the year	(102)	(84)
Expense for the year	(23)	(19)
Benefits paid for by the employer		
Employer contributions for the year		
Provision at the close of the year	(125)	(102)
Financial hedging		
Value of commitments at the close of the year	(192)	(100)
Value of funds at the close of the year		
(Shortage) / Surplus	(192)	(100)
Changes of plans remaining to be amortised		
Value of the initial commitments remaining to be amortised		
Actuarial losses and (gains) remaining to be amortised	67	(3)
Provision recognised on the balance sheet	**(125)**	**(102)**

2-19: Share capital, issue premiums and reserves

a) Issued capital

At 31 December 2012, the share capital amounts to €1,089,116.60: 5,445,583 of shares with a nominal value of €0.2

b) Share warrants and stock options in start-up company with tax privileges, subscription options or purchase of shares

At 31 December 2012, there are no more warrants in circulation.

c) Issue premiums and reserves

The constituent elements of the reserves and issue premiums are described in the table of Statement of Changes in Consolidated Equity.

A dividend is not proposed to the Shareholders' Meeting for the approval of the accounts for the financial year ended at 31 December 2011.

in accordance with applicable regulation, are available for distribution at 31 December 2012 premiums linked to capital, and registered in individual accounts of QIAGEN Marseille, for a global amount of €29,008,417 minus own share for an amount of €321,964 (art. L225-210, al.3) and development costs not amortized for an amount of €5,095,828 (art. R.123-187). No dividend distribution will be proposed to the Shareholders' Meeting for the approval of the accounts for the financial year ended at 31 December 2012.

2-20: Subsidies and public funding

The Company receives aid from the French State, the European Union and local French public communities in several forms:

- conditioned advances refundable under certain conditions;
- investment or operating subsidies;
- research tax credit.

a) Conditioned subsidies and public funding

Conditioned advances and loans from public authorities are subject to a contract with the National Agency for Research Development (ANVAR or OSEO).

Aid for innovation amounting to 740 K€ was granted in December 2008 for the breast cancer project. See Note 2.16 "Advances").

b) Operating subsidies

Since its inception, the Company has received, due to its innovative character, a number of aid packages or subsidies from the State or public authorities intended to finance its operation or specific recruitment.

Unlike conditioned advances:

- the Company has the assurance of complying with the conditions attached to these subsidies;
- these subsidies are not repayable.

These subsidies are recognized in the Income Statement for the financial year relating to the charges or corresponding expenses.

c) Research tax credit

The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the General Tax Code relating to research tax credit. In accordance with the principles described in Note 2.2.14, the research tax credit is accounted for in public funding for research expenditure in the year to which the eligible research expenditure relates.

The proportion of research tax credit related to fixed development costs is accounted for in Pre-paid income and recovered in the Income Statement at the same rate as amortization, where applicable, depreciation and the development costs associated with it. At 31 December 2012, this fraction amounted to 1,366 K€.

The immediate repayment of the payable due to research tax credit, introduced without the framework of measures to boost the economy in 2008, has been continued in 2010 for companies that comply with the definition of SMEs in the EU.

d) Zero rate loan (PTZI)

A zero rate loan (PTZI) was awarded by OSEO in December 2011 for an amount of 850 K€. As indicated in Note 2-15, the financial benefit corresponding to the absence of interest has been treated as an investment subsidy. It appears in Prepaid income at 31 December 2012 for 170 K€.

2-21: Staff expenses

The Company employed 72 people at 31 December 2012; 74 employed by QIAGEN Marseille SA and 7 by IPSOGEN Inc.

The staff costs are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Wages and salaries	5,053	4,558
Employee-related expenses	1,856	1,557
Payments in shares	0	203
Total staff expenses	6,909	6,318

The breakdown of nature of expense is presented in Note 2-29.

2-22: Payments in shares

Since the end of the financial year 2011, no warrants (BSA/BSPCE) remain not exercised.

As of December 31st 2012, the payments in shares affect all warrants (BSA/BSPCE) assigned to employees or to service providers. They have been registered in expenses

The key assumptions used for determining the expense resulting from payments in shares by application of the Black-Scholes option pricing model for options were the following:

- risk-free interest rate: interest rate on State loans for the period corresponding to the plan considered, in force at the date of the allocation,
- dividend: nil, and
- volatility: 40%.

The exercise price, estimated useful life and fair value of the underlying shares on the date of allocation of the warrants have been used for measuring each category of remuneration in shares.

The corresponding expense is broken down in the analytical sections, like the other elements of remuneration, as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Production costs Products		2
Production costs Services		
Marketing and commercial costs		89
Research and development costs:		26
Overhead and administrative costs		86
Total of expenses IFRS 2	0	203

2-23: Other operating income and expenses

The other operating incomes at 31 December 2012 concern the reversal of the provision hedging a risk of having to release additional royalties to third party relationships (note 2-17) for 2,578 K€.

The other operating expenses at 31 December 2011 concerned:

- provision hedging a risk of having to release additional royalties to third party relationships for the period before 30 June 2011 for 2,578 K€;
- depreciation on the development costs linked to the genomic grade test dedicated to the North America market for 777 K€.

2-24: Other operating expenses

Financial income / (expenses) are broken down as follows:

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Financial income	373	207
Financial expenses	116	55
Net financial income and expenses	**257**	**152**

The financial income resulting from capital gains and interest income generated by investment securities and financial investments (fixed term accounts).

The total interest income on fixed term accounts amounted to 268 K€ for 2012 (163 K€ in 2011).

Difference in exchange amounted to a net gain of 51 K€ for 2012 (a net gain of 18 K€ in 2011). According to the execution of the reimbursement schedule of the loan granted to the subsidiary IPSOGEN Inc and in application of the method of the net investment in a foreign operation described in Note 2.2.4, the exchange difference of 135 K€ for 2012 has been recognized within the financial products.

The interest expense was 67 K€ for 2012 (36 K€ for 2011), including 31 K€ of interest expense on the zero rate loan (PTZI) (notes 2-16 and 2-20).

During the first half year of 2012, the Company has opted for hedging techniques: derivative financial instruments. In order to partially prevent variances between Euro / US Dollar, the Company has subscribed a Forex hedging contract for a global amount of €0.5 million. For the derivative, an unrealized loss of 3 K€ has been booked.

2-25: Corporation tax

According to the law in force in France, the Company has indefinitely reportable tax deficits totaling €15.8 million at 31 December 2012. In view of the history of tax losses and its stage of development, which does not allow you to make projections of profit deemed sufficiently reliable, the Company does not account for deferred tax assets corresponding to these tax deficits in France. At 31 December 2012, the tax rate applicable in France was 33.33%.

The tax check concerning the financial years 2007, 2008 and 2009, which was completed at the beginning of financial year 2011 did not give rise to any recovery.

According to the legislation in force in the USA, the Company had reportable tax deficits as follows at 31 December 2012:

- USD 3.9 million of deficits for federal tax reportable for 20 years from the date of creation at a rate of 15%;

- USD 8.7 million on the local tax reportable from 5 to 20 years and at a different rate depending on the State concerned.

In view of the history of tax losses and the sale of the activity of the group in the United States in January 2013, the Company does not account for deferred tax assets corresponding to these tax deficits in United States.

2-26: Commitments

OBLIGATIONS UNDER PURCHASING LICENSE RIGHTS CONTRACTS

Contracts for purchasing license right signed by the Company are in general its responsibility for all or part of the filing costs, the review and patent extension as well as those concerning their protection and make the company liable to the owner of the license for lump sum payments upon acquisition and royalties based on sales made or steps achieved.

OBLIGATIONS UNDER LICENSE OPTIONS CONTRACTS

The Company signs contracts for options on licenses under which it obtains a right to obtain, in the long-term, a license according to predefined conditions (access costs, fees, payments for any steps, etc.). The option agreement ensures exclusive access to the technology for a given period which allows the company to assess the technology. Exercising the option is at the Company's initiative. In return the Company bears part of the access costs to the technology and an additional amount when exercising the option.

OBLIGATIONS UNDER THE CO-OWNERSHIP OF INTELLECTUAL PROPERTY RIGHT

Co-exclusive license agreements on markers or technologies typically lead to the Company paying a lump sum upon signing the contract and then royalties on sales often coupled to minimums. In addition, the Company may share past, present and future intellectual property costs on the rights that are the subjects of the agreement.

OBLIGATIONS UNDER A LONG-TERM SUPPLY AND PRODUCTION CONTRACT

None.

OBLIGATIONS UNDER SIMPLE LEASE CONTRACTS

The Company has contracted a commercial lease for 9 years for the rental of its facilities in Marseille which began on 24 November 2003 and has been prolonged in 2012 for one year. The contract concerns approximately 900 m² which are installed in the offices and research and development laboratories. The rent is the subject of an automatic annual update from the first day of the term on the basis of the construction cost index. For the financial year 2012, the rent charges were 104 K€.

In order to accompany its growth, and to accommodate its new production unit, the Company signed a new lease at the end of 2009 for an area of approximately 500 m2 is located opposite the premises above. The lease signed is for a minimum duration of 6 years and on the basis of an advantageous price, in return the Company ensures the finishing of the premises. For the year 2012, the rental cost for this building amounted to 55 K€ including charges.

In April 2011 the Company signed a lease for a period of 9 years and for an area of approximately 300 m². The annual rent stipulated is 27 K€, however a total exemption has been obtained until 30 June 2012 given that the premises have been rented unfurnished. For the year 2012, the rental cost for this second building amounted to 24 K€ including charges.

In the framework of the planned closure of premises in Stamford, the rent to be paid without consideration of occupation and all of the costs associated with the end of the lease have been provided for in the accounts. There is no residual commitment at 31 December 2012.

2-27: Relations with related parties

In accordance with standard IAS 24, this note lists a comprehensive statement of the transactions and balances between the Company, its main shareholders and some of its directors.

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Members of the Board of Directors (wages and salaries)	396	406
Attendance fees	-	-
Payments in shares to members of the Board of Directors	-	15

The table above does not include the impact of services are detailed below:

- In January 2012, the Company renewed the consultant contract which had been concluded with Mr Guillaume Connan, a member of the Board of Directors. In the framework of this contract, Mr Connan assisted the company in the areas of evaluation, and implementation of decisions over financial and strategic orders for a monthly cost of €2,000. This renewed contract has given rise to the payment of €24,000 over the financial year 2012.
- In August 2011, a service agreement has been signed between the Company and QIAGEN Shared Services Inc. in the United-Stares. QIAGEN is assisting IPSOGEN Inc. in administration and finance for a monthly amount of 5,000 US dollars, excluding charges, started October,1st 2011 (8,000 US dollars the first two months – August and September 2011). This agreement was charging 75,434 US dollars or €58,676 in 2012.

Patents license agreements, signed by the group QIAGEN for the completeness of its activities, substituted themselves for those signed before by the Company with the same third party relationships. Thus, royalties due to the concerned third party relationships are from now on declared by QIAGEN and recharged by QIAGEN to the Company. The Company considers that these transactions are not included in the perimeter of the information required by the standard IAS 24, as it is conducted on terms equivalent to those prevailing in an arms length transactions.

With the implementation of the Distribution agreement and, especially other ancillary agreements, services have been invoiced at full cost with or without mark-up in 2012 for a global amount of 585 K€. Under these contracts, QIAGEN has invoiced to the Company services for a global amount of 98 K€ in 2012.

Kit sales to companies within the group QIAGEN are show as follows:

(Amounts in thousands of euros)	31.12.2012
QIAGEN GMBH	492
ATQ Biotechnology	457
QIAGEN MANCHESTER LTD	45
Total	**994**

2-28: Earnings per share

BASIC EARNINGS

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in circulation during the financial year

	31.12.2012	31.12.2011
Profit for the year (in thousands of euros)	4,296	-5,648
Weighted average number of shares in circulation (in thousands)	5,446	5,069
Basic earnings per share (€/share)	0.79	-1.11

DILUTED EARNINGS

The diluted earnings per share is calculated by increasing the weighted average number of shares in circulation by the number of shares which would result from the conversion of all ordinary shares with a potentially dilutive effect. At the end of December 2012, no share warrants and stock options in start-up Company with tax privileges (BSA and BSPCE) remain not exercised.

	31.12.2012	31.12.2011
Profit for the year (in thousands of euros)	4,296	(5,648)
Weighted average number of shares in circulation (in thousands)	5,446	5,069
Adjustment for dilutive effect of share warrants	-	-
Basic earnings per share (€/share)	0.79	-1.11

2-29: Expenses by nature

(Amounts in thousands of euros)	31.12.2012	31.12.2011
Purchases of goods and raw materials	1,284	1,004
Stock changes	2	41
Other purchases and external expenses	3,274	4,283
Taxes and duties	269	154
Wages and salaries	5,054	4,761
Employee-related expenses	1,857	1,557
Allocation to depreciation	578	493
Allocation to provisions	41	19
Other expenses	1,680	1,139
Total operating expenses	14,039	13,451
Financial expenses	173	55
Exceptional expenses	26	4,165
Corporation tax	-	-
Total expenses	**14,238**	**17,671**

2-30: Segment information

The Company applies standard IFRS 8 "Operational sectors". The main methods for implementing this standard are described below.

Organizational base

The Company is primarily organized to monitor its turnover on a geographical basis, distinguishing North America by means of IPSOGEN Inc. and the rest of the world by means of QIAGEN Marseille SA, this reflects both the existence of distinct sector managers whose coordination of decisions is provided by the executive committee, and specific regulatory environments. Within the legal entities significant geographic areas are distinguished.

The Board do not follow result indicators by entities.

Expenses by function are the subject of a reporting to operational decision-makers in support of the different functions (sales and marketing, research and development, intellectual property and administration), with information from the Managing Director.

Until December 31st, 2011, through delegation contracts, revenues of sub-license were booked in the subsidiary IPSOGEN Inc. Since January 1st, 2012, theses contracts have been amended and royalties are recognized in the revenues of QIAGEN Marseille SA.

Types of products and services

The products of the regular activities of the Group in the geographic areas identified above come from, at this stage of its development, primarily from marketing molecular diagnostic tests in blood cancer. The marketing, historically carried out directly by the Company, is now also the subject of sub-license contracts in the United States in order to accelerate the market penetration.

Assessment of operational sectors

The performance of the geographic areas is primarily assessed by the executive committee on the basis of the turnover achieved with clients external to the Group, for the main categories of bio-markers. No customer represents 7% or more of the income form the Group's regular activities.

Since it has been established on the basis of accounting data, the reporting does not present a significant difference with the Income Statement.

INFORMATION ON THE SECTOR

Turnover by bio-markers

(Amounts in thousands of euros)		Turnover	
Biomarker		Financial year closed at 31.12.2012	Financial year closed at 31.12.2011
Biomarkers	JAK2	6,687	5,071
	BCR-ABL	3,409	2,309
	Other	3,130	2,123
Total turnover		**13,226**	**9,503**

Turnover by legal entity and geographical area

(Amounts in thousands of euros)		Financial year closed at 31.12.2012	Financial year closed at 31.12.2011
QIAGEN Marseille SA *	France	1,087	871
	European Union excluding France	3,789	2,801
	Rest of the world	1,738	1,283
IPSOGEN Inc. **	North America	3,609	2,423
Licenses	North America	2,460	2,125
	European Union excluding France	359	
Services	France	1	4
	European Union excluding France	137	75
	Rest of the world	46	
Turnover		**13,226**	**9,503**
QIAGEN Marseille SA	Public funding for research expenses France	640	603
Operating income		**13,866**	**10,106**

* without revenues or sub-licenses in 2012
** without revenues or sub-licenses in 2011

III. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended on 31 December 2012

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying consolidated financial statements of QIAGEN Marseille SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

ACCOUNTING PRINCIPLES AND POLICIES

When evaluating the appropriateness of accounting policies used, we examined:

- the criteria for initial recognition, amortization and impairment of deferred development costs;
- the accounting for research tax credit;
- the presentation of the disposal of IPSOGEN Inc.;
- the criteria for recognizing deferred income tax assets;

and we obtained assurance that notes "2.2.6 Intangible fixed assets", "2.2.7 Impairment of assets other than financial", "2.2.12 Income tax and deferred income tax", "2.2.14 Research tax credit", "2.2.24 Assets classified as held for sale or of a disposal group and subsidiaries held for sale", "2-3 Critical accounting estimates and assumptions" and "2-25 Corporate income tax" to the consolidated financial statements include adequate disclosure.

ACCOUNTING ESTIMATES

Note "2-3 Critical accounting estimates and assumptions" to the financial statements describes judgements and estimates made by management when selecting assumptions relating to the initial recognition, amortization and impairment of deferred development costs, as well as for the evaluation of provisions. Note "2.2.7 Impairment of assets other than financial" discloses significant assumptions used to determine the recoverable amount of assets.

Our audit involved evaluating data, assumptions and parameters supporting management's estimates, reviewing calculation made and obtaining assurance that notes to the consolidated financial statements provide adequate disclosure of material assumptions.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Marseille, 30 April 2013

The statutory auditors
French original signed by :

Grant Thornton **Grant Thornton French member of** **Grant Thornton International**	**Christian Davoult**
Lionel HATET	Vincent PAPAZIAN
Partner	Partner

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IV. INDIVIDUAL ACCOUNTS AND ANNEXES

1. Individual accounts

Balance sheet Assets

(Amounts in thousands of euros)	Financial year N 31/12/2012			Financial year N-1 31/12/2011	Difference N / N-1	
	Gross	Amt. et Depre	Net	Net	in Keuros	in %
INTANGIBLE FIXED ASSETS						
Development costs	2 689	386	2 303	1 609	694	43,13%
Licenses, patents and similar rights	1 075	368	708	553	155	28,03%
Goodwill	5		5	5	0	0,00%
Other intangible fixed assets	3 348	555	2 793	2 416	377	15,60%
TANGIBLE FIXED ASSETS						
Land						
Buildings	27	21	6	9	(3)	-33,33%
Technical installations Equipment and tooling	816	649	167	191	(24)	-12,57%
Other tangible fixed assets	1 497	560	937	577	360	62,39%
Fixed assets under construction	285		285		285	100,00%
FINANCIAL FIXED ASSETS						
Other holdings	3 401	597	2 804	2 972	(168)	-5,65%
Receivables associated to holdings	213		214	741	(527)	-71,12%
Other financial fixed assets	433		433	688	(255)	-37,06%
TOTAL II	**13 790**	**3 136**	**10 655**	**9 761**	**894**	**9,16%**
INVENTORIES						
Raw materials, supplies	233		233	235	(2)	-0,85%
Goods in course of production	176		176	196	(20)	-10,20%
Intermediate and finished products	586	19	567	401	166	41,40%
RECEIVABLES						
Trade and Other	3 616		3 616	1 450	2 166	149,38%
Other receivables	1 759		1 759	1 329	430	32,36%
Security investment	6 667		6 667	7 167	(500)	-6,98%
Available funds	2 543		2 543	3 288	(745)	-22,66%
Prepaid expenses	249		249	265	(16)	-6,04%
TOTAL III	**15 828**	**19**	**15 809**	**14 331**	**2 372**	**10,31%**
GENERAL TOTAL (I+II+III)	**29 619**	**3 155**	**26 464**	**24 092**	**2 372**	**9,85%**

Balance sheet Liabilities and Equity

(Amounts in thousands of euros)	Financial year N	Financial year N-1	Difference N /N-1	
	31/12/2012	31/12/2011	in KEuros	in %
Capital	1 089	1 089	0	0,00%
Issue, merger and acquisition premiums	29 008	29 008	0	0,00%
Revaluation reserves				
RESERVES				
Legal reserve				
Statuary or contractual reserves				
Regulated reserves				
Other reserves				
Profit carried forward	(13 874)	(9 705)	(4 170)	42,97%
PROFIT FOR THE YEAR				
(Profit or loss)	**4 414**	**(4 170)**	**8 584**	**-205,85%**
Investment subsidies				
Regulated provisions	9	41	(32)	-78,05%
TOTAL I	**20 646**	**16 264**	**4 382**	**26,94%**
Income from issues of non-voting shares				
Conditioned advances	500	640	(140)	-21,88%
TOTAL II	**500**	**640**	**(140)**	**-21,88%**
Provisions for risks	159	2 696	(2 537)	-94,10%
Provisions for expenses				
TOTAL III	**159**	**2 696**	**(2 537)**	**-94,10%**
FINANCIAL DEBTS				
Convertible bond loans				
Other bond loans				
Loans with credit institutions	1 149	1 251	(102)	-8,15%
Bank loans and overdraft	1	1	0	0,00%
Various loans and financial debts	0	0		
Advances and prepayments received on orders in progress				
OPERATING DEBTS				
Trade accounts payable and related payables	2 109	1 571	538	34,25%
Tax and employee-related debts	1 830	1 660	170	10,24%
Fixed asset payable and related payables				
Other debts	35	8	27	337,50%
Prepaid income	35		35	100,00%
TOTAL IV	**5 159**	**4 492**	**667**	**14,85%**
GENERAL TOTAL (I+II+III+IV)	**26 464**	**24 092**	**2 372**	**9,85%**

Income statement

(Amounts in thousands of euros)	Financial year N 31/12/2012 France	Exports	Total	Financial year N-1 31/12/2011	Difference N / N-1 KEuros	%
OPERATING INCOME						
Sales of goods						
Sale of finished goods	1 029	7 495	8 524	6 299	2 225	35,32%
Sale of services	7	472	479	678	(199)	-29,35%
NET TURNOVER	**1 036**	**7 967**	**9 003**	**6 977**	**2 026**	**29,04%**
Stored production			155	157	(2)	-1,27%
Capitalised production			1 365	1 364	1	0,07%
Operating subsidies			6	7	(1)	-14,29%
Write-backs on depreciation, provisions (and amortisation), transfers of expenses				94	(23)	-24,47%
Other income				775	2 071	267,23%
TOTAL OPERATING INCOME (I)			**13 446**	**9 375**	**4 071**	**43,42%**
OPERATING EXPENSES						
Purchases of goods						
Inventory change (goods)						
Purchases of raw materials and other supplies			1 146	738	408	55,28%
Inventory changes (raw materials and other supplies)			2	41	(39)	-95,12%
Other purchases and external expenses			2 885	3 639	(754)	-20,72%
Taxes, duties and similar payments			256	149	107	71,81%
Wages and salaries			4 311	3 776	535	14,17%
Employee-related expenses			1 856	1 557	299	19,20%
Allocations to amortisation and depreciation						
On fixed assets: allocations to amortisation			438	383	55	14,36%
On fixed assets: allocations to depreciation						
On working capital: allocations to depreciation			8	5	3	60,00%
Allocations to provisions			41	19	22	115,79%
Other expenses			1 680	1 139	541	47,50%
TOTAL OPERATING EXPENSES (II)			**12 625**	**11 445**	**1 180**	**10,31%**
1- OPERATING PROFIT (I-II)			**821**	**(2 070)**	**2 891**	**-139,66%**

(Amounts in thousands of euros)	Financial year N 31/12/2012	Financial year N-1 31/12/2011	Difference N / N-1 KEuros	%
FINANCIAL INCOME				
Financial income from holdings	14	122	(108)	-88,52%
Income and other securities and receivables from fixed assets				
Other interests and similar income	268	163	105	64,42%
Write-backs on depreciation and provisions, transfers of expenses				
Positive exchange differences	8	10	(2)	-20,00%
Net income on disposals of investment securities	1	7	(6)	-85,71%
TOTAL FINANCIAL INCOME (V)	**291**	**302**	**(11)**	**3,64%**
FINANCIAL EXPENSES				
Allocations to amortisation, depreciation and provisions	168			
Interest and similar expenses	23	26	(3)	-11,54%
Negative exchange differences	44	12	32	266,67%
Net expenses from disposals of investment securities				
TOTAL FINANCIAL EXPENSES (VI)	**235**	**37**	**198**	**532,43%**
2. FINANCIAL PROFIT (V-VI)	**56**	**265**	**(209)**	**-78,87%**
3. CURRENT PRE-TAX PROFIT	**877**	**(1 805)**	**2682**	**-148,59%**
EXCEPTIONAL INCOME				
Exceptional income on operating operations	25	5	20	400,00%
Exceptional income on capital operations				
Allocations to amortisation, depreciation and provisions	2 614	6	2 608	NS
TOTAL EXCEPTIONAL INCOME (VII)	**2 639**	**11**	**2 628**	**NS**
EXCEPTIONAL EXPENSES				
Exceptional expenses on operating operations	19	110	(91)	-82,73%
Exceptional expenses on capital operations	7	0	7	100,00%
Allocations to amortisation, depreciation and provisions	4	3 119	(3 115)	-99,87%
TOTAL EXCEPTIONAL INCOME (VIII)	**30**	**3 230**	**(3 200)**	**-99,07%**
4. EXCEPTIONAL PROFIT (VII-VIII)	**2 609**	**(3 218)**	**5827**	**-181,08%**
Employee share of company profit (IX)				
Tax on the profit (X)	(928)	(854)	(74)	8,67%
TOTAL INCOME (I+III+V+VII)	**16 376**	**9 688**	**6 688**	**69,03%**
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**11 962**	**13 858**	**(1 896)**	**-13,68%**
5. PROFIT OR LOSS (TOTAL INCOME - TOTAL EXPENSES)	**4 414**	**(4 170)**	**8 584**	**-205,85%**

2. Annexe – Individual accounts

FINANCIAL YEAR FROM 01/01/2012 TO 31/12/2012

Annex to the balance sheet before distribution of the financial year, the total of which is €26,463,982 and to the Income Statement for the financial year presented in list form, with a turnover of €9,003,159 and releasing a profit of €4,413,799.

The financial year lasts for 12 months, covering the period from 01/01/2012 to 31/12/2012.

The notes and tables presented below, are an integral part of the annual accounts.

KEY EVENTS OF THE FINANCIAL YEAR

(Commerce Code Art. R 123-196 3)

END OF THE DELEGATION CONTRACTS WITH IPSOGEN INC.

Until December 31st, 2011, through delegation contracts, revenues of sub-license were booked in the subsidiary IPSOGEN Inc. Since January 1st, 2012, theses contracts have been amended and royalties are recognized in the revenues of QIAGEN Marseille SA.

REVERSAL OF THE ACCRUAL FOR ROYALTIES' RISK

Since there is no more risk of having to pay additional royalties to third party relationships, the provision of €2.6 million booked in December 31st, 2011 was entirely reversed and classified as « Allocations to amortization, depreciation and provisions » in the exceptional income. In 2011 the provision was classified as « Allocations to amortization, depreciation and provisions » in the exceptional expense.

SIGNIFICANT EVENTS SUBSEQUENT TO CLOSURE

CHANGE IN THE COMPANY'S NAME

According to the Shareholders General Meeting held November, 14th 2012, the Company IPSOGEN S.A. has changed its company name into QIAGEN Marseille S.A. starting January 1st 2013.

SALE OF THE SUBSIDIARY IPSOGEN INC

January 1st 2013, the Company carried out a sale transaction of its subsidiary IPSOGEN Inc. to QIAGEN Inc. for a global amount of USD 3.7 million. The depreciation of IPSOGEN Inc.'s shares has been adjusted to reflect this transaction as of the 2012 closing rate.

ACCOUNTING RULES AND METHODS

(Commercial Code - Art. R 123-196 1 and 2; General Accounting Plan Art. 531-1/1)

General principles and conventions

The accounts for the financial year ended were prepared and presented in accordance with the accounting rules which comply with the principles laid down by Articles 120-1 and subsequent of the General Accounting Plan 2005.

The basic method chosen for evaluating the elements entered in the accounts is the historical costs method.

The accounting policies have been applied in compliance with the provisions of the Companies Act, the accounting decree of 29/11/83 and the ARC regulations relating to the rewriting of the general accounting plan 2005 applicable to the closure of the financial year.

Permanence of methods

The evaluation methods adopted for this financial year have not been modified in relation to the previous year.

ADDITIONAL INFORMATION CONCERNING THE FINANCIAL STATEMENTS

Statement of fixed assets

(Amounts in thousands of euros)	Gross value at beginning of the year	Increases	
		Reevaluations	Acquisitions
Facilities and development costs			
TOTAL	**1 845**		**844**
Other intangible fixed asset entries			
TOTAL	**3 837**		**592**
General facilities and fitting-out of buildings	27		
Technical installations, Industrial equipment and tooling	748		68
General facilities and miscellaneous fittings	719		458
Office equipment and computer hardware, Furniture	285		35
Assets under construction	0		285
TOTAL	**1 780**	**0**	**846**
Other holdings	4 142		
Loans, other financial fixed assets	688		
TOTAL	**4 830**	**0**	**0**
GENERAL TOTAL	**12 291**	**0**	**2 282**

(Amounts in thousands of euros)	Decreases	Gross value
		at the end
	Disposals	of the year
Facilities and development costs		
TOTAL		**2 689**
Other intangible fixed assets		
TOTAL		**4 429**
General facilities and fittings for buildings		27
Technical installations, Industrial equipment and tooling		816
General facilities and miscellaneous fittings		1 177
Office equipment and computer hardware, Furniture		320
Assets under construction		285
TOTAL	**0**	**2 625**
Other holdings	528	3 614
Loans, other financial fixed assets	255	433
TOTAL	**783**	**4 047**
GENERAL TOTAL	**783**	**13 790**

The increase of the entry "general facilities and fixtures for constructions" is due to the new logistic unit and building renovations.

« Other holdings » includes IPSOGEN Inc.'s shares for 3 401 K€ and the intercompany loan with IPSOGEN Inc. for 213 K€.

Statement of amortization

(Amounts in thousands of euros) Situations and movements for the year	Amount at beginning of the year	Allocations for the year	Recovery Decreases	Amount at year-end
Research development establishment costs **TOTAL**	**236**	**150**		**386**
Other intangible fixed assets **TOTAL**	**330**	**61**		**391**
General facilities and fittings for buildings	19	2		21
Technical installations, Industrial equipment and tooling	557	92		649
General facilities and miscellaneous fittings	185	99		284
Office equipment and computer hardware, Furniture	242	34		276
GENERAL TOTAL	**1 002**	**227**	**0**	**1 230**

(Amounts in thousands of euros) Breakdown of the allocations for the financial year	Straight-line depreciation	Digressive depreciation	Exceptional depreciation	Special depreciation	
				Allocations	Write-backs
Research development estab. costs **TOTAL**	**150**				
Other intang. fixed assets **TOTAL**	**61**				
General facilities and fittings for buildings	2				
Technical installations, Industrial equipment and tooling	92			4	36
General facilities and miscellaneous fittings	99				
Office equipment, computer hardware	34				
GENERAL TOTAL	**227**			**4**	**36**

Statement of provisions

(Amounts in thousands of euros) Regulated provisions	Amount at beginning of the year	Increases Allocations	Decreases Amounts used	Decreases Amounts unused	Amount at year-end
Special depreciation	41	4	36		9
TOTAL	**41**	**4**	**36**	**0**	**9**

(Amounts in thousands of euros) Provisions for risks and charges	Amount at beginning of the year	Increases Allocations	Decreases Amounts used	Decreases Amounts unused	Amount at year-end
Disputes	2 578			2 578	0
Other provisions for risks and charges	119	40			159
TOTAL	**2 697**	**40**	**0**	**2 578**	**159**

(Amounts in thousands of euros) Provisions for depreciation	Amount at beginning of the year	Increases Allocations	Decreases Amounts used	Decreases Amounts unused	Amount at year-end
On intangible fixed assets	532				532
On share investments	429	168			597
Inventories	11	8			19
On accounts receivable	0				0
TOTAL	**972**	**176**	**0**	**0**	**1 148**
GENERAL TOTAL	**3 710**	**220**	**36**	**2 578**	**1 316**
Of which allocations and write-backs:					
- from operations		48			
- financial		168			
- exceptional		4	36	2 578	

Regulated provisions

An exceptional depreciation was found on the equipment and tooling assigned to research. For investments made for this reason, the company has opted for the application of the accelerated digressive coefficient. The amount of the provision for exceptional depreciation amounted to 9 K€ at 31/12/2012.

Provisions for risks and charges

This entry relates to:

- a provision for a dispute with a former employee (16 K€)
- a provision for a dispute with a service provider (18 K€)
- a provision for retirement packages (125 K€)

Depreciation on intangible fixed asset

The Company has maintained the depreciation all the development costs for the product GGI-PCR taking into account the risks of abandonment of this product (532 K€).

Statement of payable maturities and payables

(Amounts in thousands of euros) Statement of receivables	Gross amount	Within 1 year at most	Beyond 1 year
Receivables associated to holdings	214	214	
Other financial fixed assets	433	191	242
Other trade receivables	3 616	3 616	
Staff and accounts receivable			
Tax on profit	928	928	
VAT	208	208	
Various state and other public authorities	3	3	
Various debtors	620	620	
Prepaid expenses	249	249	
TOTAL	**6 271**	**6 029**	**242**

(Amounts in thousands of euros) Statement of payables	Gross amount	Within 1 year at most	From 1 to 5 years old	Beyond 5 years
Loans, payables and credits due a maximum of 1 year originally	1	1		
Loans, payables and credits due a maximum of 1 year originally	1 149	108	996	45
Various loans and financial debts				
Suppliers and accounts receivable	2 109	2 109		
Staff and accounts receivable	907	907		
Social security and other employee-related bodies	757	757		
VAT	2	2		
Other duties, taxes and similar	164	164		
Group and associates				
Other debts	70	70		
TOTAL	**5 159**	**4 118**	**996**	**45**

The receivable associated with IPSOGEN Inc is presented in more than a year ago because it has been fully reimbursed in January 2013 in accordance with the share purchase agreement signed with QIAGEN Inc. before the 2012 closing.

Composition of share capital

(Commercial Code - Art. R 123-197; General Accounting Plan Art. 531-3 and 532-12)

Different categories of securities	Nominal values in euros	Number of securities			
		At beginning	Created	Paid off	At end
Ordinary shares		5,445,583			5,445,583

Variation des capitaux propres

(Amounts in thousands of euros)	31/12/2011	Allocation of profit from the financial year 2011	Net profit for the financial year 2012	Special amortisation	31/12/2012
Capital	1,089				1,089
Issue premiums	29,008				29,008
Profit carried forward	(9,705)	(4,170)			(13,875)
Net profit for the year	(4,170)	4,170	4,414		4,414
Regulated provisions	41			(32)	9
Total shareholders' equity	**16,264**	**0**	**4,414**	**(32)**	**20,646**

Securities that provide access to the capital

All of the share warrants (BSA) and stock options in start-up company with tax privileges (BSPCE) and stock options issued previously have been assigned and exercised during the year 2011. As a result, there were no securities that provide access to the capital at 31/12/2012.

Applied research and development costs

(GENERAL ACCOUNTING PLAN ART. 531-2/2.1)

Development costs are included in the asset when they relate to clearly distinctive projects, with serious chances of technical success and commercial viability and which the company can demonstrate:

- the technical capacity to complete the intangible asset with a view to its implementation in service or on its sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits. The company must demonstrate in particular the existence of a market for the output of the intangible asset or for the intangible asset itself or, if the latter should be used internally, its usefulness;
- the availability of resources (technical, financial or other) that are appropriate to complete the development and use or sell the intangible asset;

- the ability to reliably evaluate the expenditures attributable to the intangible asset during its development.

The costs that are directly attributable to the production of the intangible asset can be capitalised, which include:

- the historical cost of the equipment consumed;
- the direct production costs including:
- the cost of the equipment and services used or consumed to generate the intangible asset;
- the wages and expenses of the staff hired to generate the asset;
- the registration rights and costs of filing a patent;
- the depreciation of patents acquired and licenses used to generate the asset;
- a fraction of the indirect production costs to the extent that they are directly attributable to them.

The expenses are only activated from the date on which the conditions for activating the intangible asset are met. The expenses cease to be entered in the asset when the intangible asset is ready to be used. This end development date is absorbed by that on which the first sales relating to the project are made. This date is also the starting point of the depreciation.

The development costs borne by the asset are amortized in a straight-line over their duration of usefulness. The latter is assimilated into the current period up to the date of expiration of patents for inventions attached to products, which is spread out until 2031.

Amortized assets are subjected to an impairment test when, due to events or special circumstances, the recoverability of their book value is in doubt. Intangible assets not put into service are the subject of an annual impairment test, whose arrangements reflect the Company's experience of launching new products and obtaining approval on new markets.

A depreciation is recorded up to a limit of the excess of the book value on the recoverable amount of the asset. The recoverable amount of an asset corresponds to its fair value less disposal costs or its value of usefulness, if the latter is higher.

The recoverable amount of development costs not put into service has been determined on the basis of cash-flow projections estimated (« DCF ») and according to the following assumptions:

- a discount rate of 11 % taking into account a Beta values of the selected comparable companies and the industry benchmarks;

- a cash flow projection estimated on a coherent duration with the intellectual property protection, without an discounted terminal value;

- a technical risk by project.

The main evidences of impairments have been investigated in order to determine no impairment loss on intangibles assets available for use, are the following:

- market persistent,

- ability for sales to absorb the assets amortization in regard to prices recorded,

- maintenance of intellectual property rights.

Other intangible fixed assets

(Commercial Code Art. R123-186)

The patents, licenses, and other intangible fixed asset values were evaluated at their historical cost, but excluding costs incurred for their acquisition.

These elements are amortized over the period of their use by the company to find out:

	Values	Amortization rate (%)
Patents	54	20
Software	137	100
Patent licenses	884	5
Other		
Total	**1,075**	

Evaluation of tangible fixed assets

(Commercial Code Art. 123-196 1)

The gross value of the tangible elements of the fixed assets corresponds to the input value of the goods in the assets and liabilities taking account of the necessary costs to make these goods usable, but excluding the costs incurred for their acquisition.

Evaluation of depreciation

(Commercial Code Art. 123-196 2)

The methods and the depreciation periods used were the following:

Category	Mode	Duration
Fixtures and fittings	Straight-line	10 years
Technical installations	Straight-line / Digressive	4/5 years
Equipment and tooling	Straight-line / Digressive	4/5 years
Office equipment	Straight-line	3/5 years
Furnishings	Straight-line	5 years

Note that the company opted for accelerated digressive depreciation for equipment and tooling assigned to research acquired on or after 01/01/2004.

Own shares

The number of QIAGEN Marseille shares registered on behalf of the Company at 31 December 2012 was 25,675. Their market value was 322 K€ and their book value was 190 K€.

There were no transactions in 2012.

Fixed securities

(General Accounting Plan Art. 531-2/21 and 532-6)

Fixed securities as well as the other fixed securities, were valued at the price at which they were purchased, excluding the costs incurred for their purchase.

In the event of the sale of a set of securities of the same nature granting the same rights, the entry value of the securities sold has been estimated at the weighted average purchase price.

The securities of the United States subsidiary, IPSOGEN Inc., as well as the associated receivables were depreciated in their entirety at 31 December 2008 in the light of its negative net position. The inventory value of the investment in IPSOGEN Inc., including the securities and the associated receivables, a provision has been took against the sale price to QIAGEN Inc. of 3.7 MUSD. Thus an additional depreciation of 168 K€ has been booked at 31 December 2012.

The associated receivables associates to the securities of the subsidiary has been entirely paid or reimbursed in January 2013.

Fixed receivables

(Commercial Code - Art. R 123-196; General Accounting Plan Art. 531-2 7)

Loans, deposits and other receivables have been assessed at their nominal value.

Fixed receivables have, where appropriate, been depreciated by way of provision to take account of their current value at the close of the financial year.

The securities of the United States subsidiary, IPSOGEN Inc, as well as the associated receivable were depreciated in their entirety at 31/12/2008. As shown in the preceding paragraph, an addition depreciation of 168 K€ has been booked in 2012.

Valuation of materials and goods

(Commercial Code - Art. R 123-196 4; General Accounting Plan Art. 531-2)

Materials and goods were valued at their historical cost under the weighted average purchase cost method.

The storage costs have not been taken into account for the stock valuation.

Valuation of products under construction

(Commercial Code - Art. R 123-196 4; General Accounting Plan Art. 531-2)

Products and products under construction were valued at their production cost. The indirect production costs have been taken into account on the basis of the company's regular production capacities excluding all sub-activity and storage costs.

Stock depreciation

(Commercial Code - Art. R 123-196 2; General Accounting Plan Art. 531-2/3.2 and 531-2/6)

Stocks and stocks under construction have, where appropriate, been depreciated by way of provision to take account of their current value at the closing date of the financial year.

Valuation of receivables and payables

(Commercial Code Art. 123-196)

Receivables and payables have been valued for their nominal value.

Receivables depreciation

(General Accounting Plan Art.531-2/3)

Receivables have, where appropriate, been depreciated by way of provision to take account of the difficulties of collection which they were likely to give rise to.

Valuation of investment securities

(Commercial Code Art. 123-196)

Investment securities were valued at their historical cost, excluding costs incurred for their acquisition.

In the event of the sale of a set of securities of the same nature granting the same rights, the value of the securities has been estimated according to the FIFO (first in, first out) method.

Available funds in euros

(Commercial Code Art. R 123-196 1 and 2)

The cash available in cash or at the bank have been valued for their nominal value.

Available funds in foreign currencies

(General Accounting Plan Art. 342-7)

Immediate cash flows in foreign currencies have been converted to euros on the basis of the last exchange rate price prior at the close of the financial year. Exchange rate differences have been directly recorded in the profit for the year in exchange rate loss or gain.

Income to be received

(Commercial Code Art. R 123-196)

Amount of income to be received included in the following items of the balance sheet	Amounts in thousands of euros
Trade and other receivables	
Other receivables	580
Available funds	148
Total	**728**

Other receivables:

- Subsidies to be received: 3 K€
- JAK2 Royalties: 577 K€

Available funds:

- Accrued interest on term deposit account: 148 K€

Expenses to be paid

(Commercial Code Art. R 123-196)

Amount of expenses to be paid included in the following items of the balance sheet	Amounts in thousands of euros
Loans and debts with credit institutions	1
Trade accounts payable and related payables	1,422
Tax and employee-related debts	1,491
Total	**2,914**

Loans and debts with credit institutions:

- Bank charges: 1 K€

TRADE ACCOUNTS PAYABLE AND RELATED PAYABLES:

- Insurance: 28 K€
- Fees: 108 K€
- Licenses: 1,148 K€
- Maintenance: 3 K€
- Rentals: 5 K€
- Travel costs: 24 K€
- Service agreement with QIAGEN: 82 K€
- Other: 24 K€

TAX AND EMPLOYEE-RELATED DEBTS:

- Paid leave provision and corresponding expenses: 503 K€
- Incentive provision and corresponding expenses: 420 K€
- Bonuses provision and corresponding expenses: 404 K€
- Provision for taxes for payroll taxes: 164 K€

Prepaid income and expenses

(Commercial Code Art. 123-196)

Prepaid expenses	Amounts in thousands of euros
Operating expenses	249
Total	**249**

Prepaid expenses:

- R&D consumables: 129 K€
- Insurance: 27 K€
- Maintenance: 51 K€
- Rentals: 20 K€
- Congress registration fees: 9 K€
- Miscellaneous: 13 K€

Prepaid income	Amounts in thousands of euros
Operating revenue	35
Total	**35**

Research Tax Credit

The Research Tax Credit is accounted as tax income on profits in the year declared.

Industrial property income and expenses

The royalties acquired and paid for industrial property licenses are recorded respectively in other operating income and other operating expenses.

ADDITION INFORMATION ON THE INCOME STATEMENT

Breakdown of net turnover

(Commercial Code Art. R 123-198 4; General Accounting Plan Art. 531-2/15)

Distribution by business sector	Amounts in thousands of euros
Oncodiagnostic turnover	8,570
Services turnover provided to the QIAGEN group	134
Miscellaneous turnover (carriage, operating expenses, IPSOGEN Inc)	299
Total	**9,003**

Distribution by geographical sector	Amounts in thousands of euros
Turnover France	1,036
Turnover Export	7,967
Of which 2 205 K€ with the American subsidiary	
Total	**9,003**

Managers remuneration

(Commercial Code - Art. 123-196, General Accounting Plan Art. 531-3, 532-11, 532-12)

Remuneration allocated to the members	Amounts in thousands of euros
of the management or steering bodies	396
of the administration bodies	24
Total	**420**

Average staffing levels

(Commercial Code - Art. R 123-198, General Accounting Plan Art. 531-3)

	Salaried staff	Staff available to the company
Executives	38	
Control agents and technicians	19	
Employees	6	
Total	**63**	**0**

Financial income and expenses concerning related businesses

(Commercial Code Art. R 123-197, General Accounting Plan Art. 531-2, 532-12)

(Amounts in thousands of euros)	Financial expenses	Financial income
Total		14
Of which related businesses		**14**

Impact of special tax-based valuations

(Commercial Code Art. R 123-198, General Accounting Plan Art. 531-2/19, 532-11)

	Amounts in thousands of euros
Profit for the year	4,413
Tax on profit	(928)
Pre-tax profit	3,485
Change in regulated provisions: special depreciation	(32)
Profit excluding special tax-based valuations before tax	**3,453**

Auditors' fees

The total amount of auditors' fees featuring in the Income Statement amounts to 64 K€, of which 64 K€ is for the statutory audit part.

FINANCIAL COMMITMENTS AND OTHER INFORMATION

Debts secured with collateral

(Commercial Code - Art. R 123-196, General Accounting Plan Art. 531-2/9)

Term deposit accounts are pledged up to a ceiling of €200,000 in order to ensure the two loans of €300,000 each which were awarded during the financial year 2009.

Leasing

(Monetary-Financial Code R 313-14; General Accounting Plan Art.531-2/9)

(Amounts in thousands of euros) Nature	Land	Buildings	Instal. Equipment And Tooling	Other	Total
Original value			743		743
Amortisations					
- total previous years			217		217
- allocations for the year			121		121
Royalties paid					
- total previous years					
- financial year			271		271
Royalties paid			124		124
Royalties still to be paid					
- within a year at most			145		145
- between 1 and 5 years			280		280
Total	**0**	**0**	**425**		**425**

Retirement package

(Commercial Code Art. R 123-197; General Accounting Plan Art. 531-2/9, Art. 532-12)

The retirement package provision amount amounted to 125 K€ at 12/31/2012.

Assumptions for calculations used:

The employees of the company receive pensions benefits provided by law in France:

- receipt of an allowance at the end of their career, paid by the company when their retirement starts (defined benefit plan). This plan is not funded by an insurance contract;
- payment of pensions by social security organizations, which are financed by contributions from businesses and employees (defined contributions plan).

For defined benefit plans, the costs of the pension benefits are estimated by using the projected unit credit method. According to this method, the cost of pensions is recorded in profit in the way it is distributed evenly over the length of service of employees, in accordance with the advice of qualified actuaries performing an annual review of the costing of these plans. The pension liabilities are valued at the present value of estimated future payments, by using the interest rate on government bonds whose maturity is approximately that of the corresponding liability.

Any actuarial gains are amortized over the likely average duration of residual active life of employees according to the corridor method.

The company's payments for defined contribution plans are recorded in expenses in the Income Statement for the period they are linked to.

Individual right to training

In the framework of the individual right to training established by Law 2004-391 of 4 May 2004 on vocational training throughout life, at 31/12/2012, the amount of training hours accumulated on the acquired rights and not exercised is of 3,239 hours.

List of subsidiaries and shareholdings

(Commercial Code Art. L 233-15 and Art. R 123-197, General Accounting Plan Art. 531-3 and 532-12)

(Amounts in thousands of euros)	Capital	Share of capital held in %	Loans and advances granted and not paid off	Turnover of the last financial year	Net profit for the previous financial year*
- Subsidiaries with more than 50% owned:					
IPSOGEN Inc.	3,413,617	100	214	3,584	(263)
- Capital : 4 503 926 $ - Equity: (631 256 $) - Turnover 2012 : 4 608 398 $ - Profit 2012 : (338 373 $)					

* The amounts relating to the accounts of IPSOGEN Inc in the table above are from the accounts prepared according to the accounting principles in force in the United States (US GAAP).

ADDITIONAL INFORMATION

Exceptional income and expenses

(General Accounting Plan Art.531-2/14)

In its company accounts the company applies the concept of exceptional profit endorsed by the General Accounting Plan.

In application of this concept, the exceptional profit for the financial year 2012 is broken down as follows:

		At
(Amounts in thousand of euros)	31/12/2012	31/12/2011
Exceptional income		
- Transfers/asset elements		
- Insurance reimbursement on claim		
- Special depreciation	36	6
- Income from previous years	25	5
- Royalties provision	2 578	
- Miscellaneous		
Total	**2 639**	**11**
Exceptional expenses		
- Special depreciation	4	9
- Expenses from previous years	15	102
- Penalties and fines		6
- Miscellaneous	11	2
- Depreciation of assets		532
- Royalties provision		2 578
Total	**30**	**3 229**

Transfers of expenses

(General Accounting Plan Art. 531-2/14)

Nature	Amounts in thousand of euros
Benefits in kind	33
ANRT (National Association for Technological Research) reimbursement	9
IPC reimbursement	3
OPCA DEFI reimbursement	12
Travel costs reimbursement	1
GENERALI reimbursement	10
Miscellaneous	2
Total	**70**

V. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended at 31 December 2012

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying financial statements of QIAGEN Marseille SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

When evaluating the appropriateness of accounting policies used and estimates made by management, we examined the criteria for initial recognition, amortization and impairment of deferred development costs, and we obtained assurance that the note “Deferred development costs” to the financial statements includes adequate disclosure. Our audit also involved evaluating data, assumptions and parameters supporting management’s estimates, reviewing calculation made and obtaining assurance that notes to the financial statements provide adequate disclosure of material assumptions.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors (mandataires sociaux) and any other commitments made in their favour, we have verified its consistency with the financial statements and, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Marseille, 30 April 2013

The statutory auditors
French original signed by :

Grant Thornton
Grant Thornton French member of
Grant Thornton International

Lionel HATET

Partner

Christian Davoult

Vincent PAPAZIAN

Partner