3,350,000 Shares
QIAGEN N.V.

Common Shares
(par value NLG .03 per share)

Of the 3,350,000 Common Shares offered, 2,345,000 shares are being offered hereby in the United States and 1,005,000 shares are being offered in a concurrent international offering outside the United States. The initial public offering price and the aggregate underwriting discount per share are identical for both offerings. See ''Underwriting''.

Of the 3,350,000 Common Shares offered, 2,514,000 shares are being sold by the Company and 836,000 shares are being sold by the Selling Shareholders. See ''Principal and Selling Shareholders''. The Company will not receive any of the proceeds from the sale of the shares being sold by the Selling Shareholders.

Prior to this offering, there has been no public market for the Common Shares of the Company. For factors considered in determining the initial public offering price, see ''Underwriting''.

See ''Risk Factors'' beginning on page 7 for certain considerations relevant to an investment in the Common Shares.

The Common Shares have been approved for quotation on the Nasdaq National Market under the symbol ''QGENF''.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Initial Public Offering Price	Underwriting Discount(1)	Proceeds to Company(2)	Proceeds to Selling Shareholders(2)
Per Share	$12.00	$0.84	$11.16	$11.16
Total(3)	$40,200,000	$2,814,000	$28,056,240	$9,329,760

(1) The Company and the Selling Shareholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(2) Before deducting expenses of $1,798,320 and a Netherlands capital issuance tax of $301,680 payable by the Company.

(3) The Company has granted the U.S. Underwriters an option for 30 days to purchase up to an additional 351,750 Common Shares at the initial public offering price per share, less the underwriting discount, solely to cover over-allotments. Additionally, the Company has granted the International Underwriters a similar option with respect to an additional 150,750 Common Shares as part of the concurrent international offering. If such options are exercised in full, the total initial public offering price, underwriting discount and proceeds to the Company and proceeds to the Selling Shareholders will be $46,230,000, $3,236,100, $33,664,140 and $9,329,760, respectively. See ''Underwriting''.

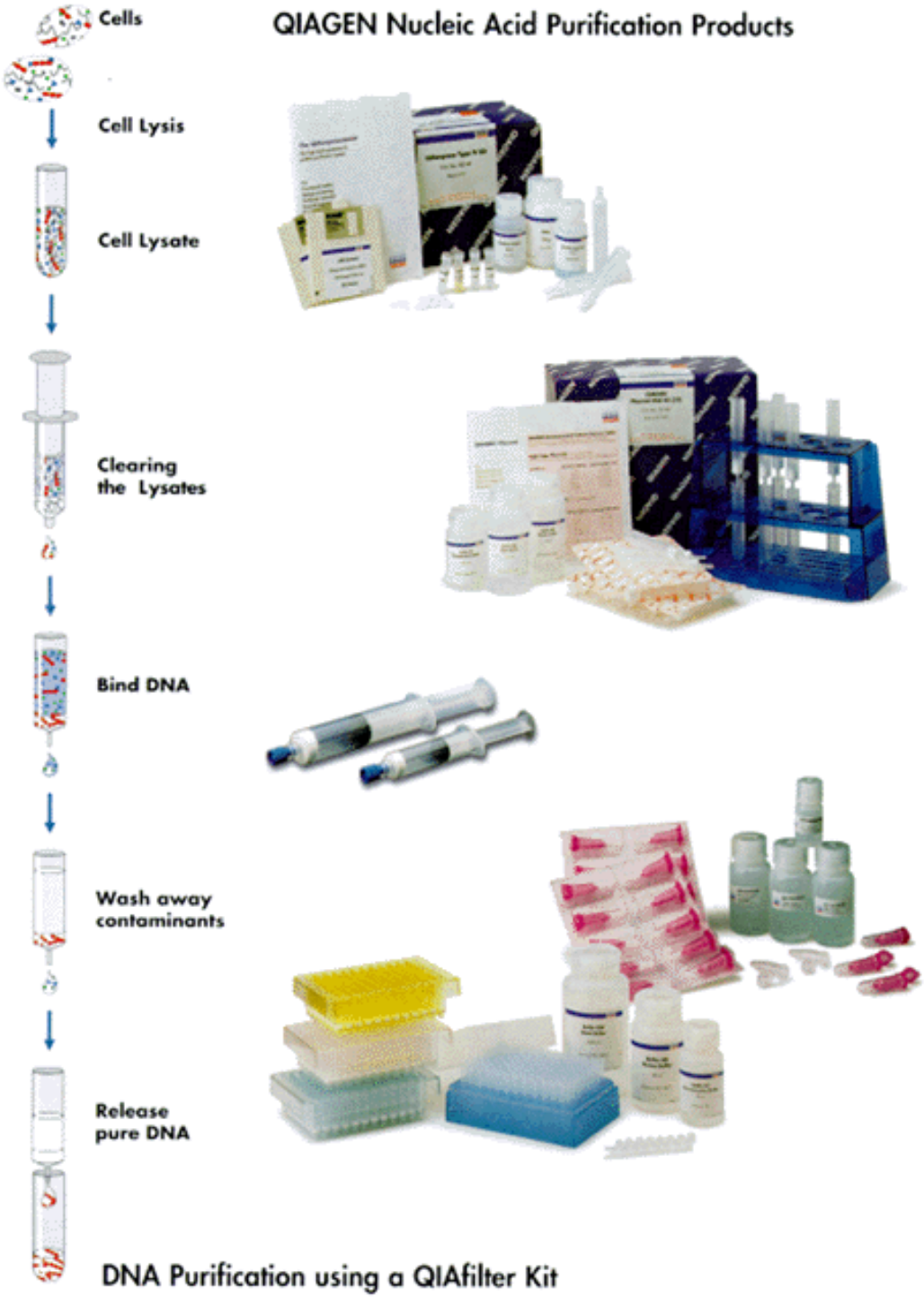
The shares offered hereby are offered severally by the U.S. Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that certificates for the shares will be ready for delivery in New York, New York, on or about July 3, 1996, against payment therefor in immediately available funds.

Goldman, Sachs & Co.

Alex. Brown & Sons
INCORPORATED

Montgomery Securities

The date of this Prospectus is June 27, 1996.



QIAGEN Nucleic Acid Purification Products

DNA Purification using a QIAfilter Kit

Pure Nucleic Acids are Required
for Clinical Diagnostic Procedures

cGMP Contract DNA Production
for Human Gene Therapy Trials

The QIAGEN BioRobot 9600

IN CONNECTION WITH THE OFFERINGS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON SHARES OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

The Company is incorporated under the laws of The Netherlands and a substantial portion of the Company's assets are located outside the United States. In addition, members of the Managing and Supervisory Boards of the Company and certain experts named herein reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company or such other persons, or to enforce outside the United States judgments obtained against such persons in United States courts, in any action, including actions predicated upon the civil liability provisions of United States securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the United States securities laws. See ''Risk Factors — Enforcement of Judgments''.

The Company has been advised by legal counsel in The Netherlands, De Brauw Blackstone Westbroek, that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would not be directly enforceable in The Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in The Netherlands, such party may submit to the Netherlands court the final judgment which has been rendered in the United States. If the Netherlands court finds that the jurisdiction of the federal or state court in the United States has been based on grounds which are internationally acceptable and that proper legal procedures have been observed, the Netherlands court will, in principle, give binding effect to the final judgment which has been rendered in the United States unless such judgment contravenes Netherlands principles of public policy. Based on the foregoing, there can be no assurance that United States investors will be able to enforce against the Company or members of the Managing or Supervisory Boards or certain experts named herein who are residents of The Netherlands or countries other than the United States any judgments obtained in United States courts in civil and commercial matters, including judgments under the federal securities laws. In addition, there is doubt as to whether a Netherlands court would impose civil liability on the Company or on the members of the Company's Managing or Supervisory Boards in an original action predicated solely upon the federal securities laws of the United States brought in a competent court in The Netherlands against the Company or such members, respectively.

U.S. GAAP AND U.S. DOLLAR PRESENTATIONS

The Company intends to furnish to its shareholders annual reports in English containing audited consolidated financial statements prepared in conformity with United States generally accepted accounting principles (''U.S. GAAP'') and quarterly reports containing unaudited interim consolidated financial information prepared in conformity with U.S. GAAP for the first three quarters of each fiscal year of the Company. The Company will also comply with its obligations under Netherlands law to publish and distribute its annual accounts.

The Company's reporting currency in its consolidated financial statements is U.S. dollars. In this Prospectus, references to ''U.S. dollars'' and ''$'' are to United States dollars, references to ''German marks'' and ''DM'' are to the currency of Germany and references to ''guilders'' or ''NLG'' are to Dutch guilders. For the convenience of the reader, this Prospectus contains translations of certain NLG and DM amounts into U.S. dollars. See Note 2(i) to Consolidated Financial Statements for the method of translation.

The exchange rate used for German marks was the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Board of New York. The rate at December 31, 1995 was approximately DM .697 per $1. The Company was not incorporated in the Netherlands until April 29, 1996. Any translations of Dutch guilders to U.S. dollars were done at a rate of NLG 1.713 per $1, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on May 2, 1996. On June 6, 1996, these rates were NLG 1.715 per $1 and DM .653 per $1.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and Consolidated Financial Statements and Notes thereto appearing elsewhere in this Prospectus. As used in this Prospectus, references to ''QIAGEN'' and the ''Company'' include QIAGEN N.V. and its consolidated subsidiaries. Where the context so requires, references to ''QIAGEN'' and the ''Company'' in relation to periods prior to April 29, 1996 mean QIAGEN GmbH and its consolidated subsidiaries. References to prices for the Company's products are based on its 1996 U.S. catalog.

Unless otherwise indicated, all information in this Prospectus assumes no exercise of the Underwriters' over-allotment options and has been adjusted to give effect to (i) the corporate reorganization described in ''Certain Transactions and Corporate Reorganization'' and (ii) amendments to the Articles of Association of the Company providing for, among other things, an authorized capital of 32.5 million Common Shares, 37.5 million Preference Shares and 5 million Financing Preference Shares and the 1-for-3 reverse share split of the Company's Common Shares, approved June 3, 1996. See ''Certain Transactions and Corporate Reorganization''.

See ''Glossary of Technical Terms'' immediately preceding the back cover page for definitions of certain technical terms.

The Company

QIAGEN believes, based on the innovative nature of its products and technologies and on its United States and European market shares as supported by independent market studies, that it is the world's leading provider of innovative enabling technologies and products for the separation and purification of nucleic acids. Since 1986 the Company has developed and marketed a broad range of proprietary products for the academic and industrial research market. More recently, the increased understanding of nucleic acid structure and function combined with the development of innovative technologies such as Polymerase Chain Reaction (''PCR'') has resulted in a rapid expansion in the potential uses of nucleic acids beyond the research market into developing commercial markets. These include: (1) DNA sequencing and gene-based drug screening (genomics), (2) nucleic acid-based clinical diagnostics, and (3) genetic vaccination and gene therapy. The Company believes that by targeting its enabling nucleic acid separation and purification technologies to numerous participants in each of these developing commercial markets, it will optimize and diversify its opportunities for growth. QIAGEN has experienced significant growth in the past, and since 1993 has had a compound annual growth of approximately 50% in net sales and 82% in net income.

Nucleic acids are the fundamental regulatory molecules of life. They take two forms, DNA and RNA, which contain and convey the instructions that govern all cellular activities, including protein manufacture and cell reproduction. A defect in DNA or RNA may disrupt cell or protein function and lead to a major disease such as cancer, diabetes or atherosclerosis. As a result, molecular biology research over the past 20 years has focused on developing a better understanding of the central role of nucleic acids in regulating life at the cellular level. This research has resulted in major advances in the understanding of nucleic acids, creating significant potential for their use in a number of therapeutic and diagnostic applications.

The molecular biology research market and related developing commercial markets all require highly purified nucleic acids. Purity is critical for reliable and reproducible molecular biology experiments in both academic and industrial research laboratories, for accurate results in nucleic acid-based clinical diagnostics, and for the safety of nucleic acid-based drugs and vaccines for human use. Research markets have historically relied on traditional methods for separation and purification of nucleic acids. However, traditional methods used to achieve high purity have significant limitations. They are time consuming, labor intensive, use hazardous reagents and expensive equipment, and are not suitable for high throughput processing.

QIAGEN has addressed the limitations of these traditional methods by developing a comprehensive portfolio of over 200 products for nucleic acid separation and purification, including consumables, instruments and services. These products are based on the Company's proprietary technologies and are designed to satisfy varied customer needs regarding purity, speed, yield, reliability, sample throughput and ease of use. QIAGEN's consumable products are sold in kit format to maximize convenience and reduce user error, thereby increasing customer satisfaction and retention. QIAGEN introduced its automated BioRobot 9600 in 1995 in response to the markets' growing need for high throughput sample preparation. This instrument automates the use of QIAGEN's purification products and provides the Company with a strategic opportunity to establish an installed instrumentation base from which to

expand its consumable products sales. QIAGEN also offers contract services for cGMP DNA production and for DNA sequencing.

The Company sells its products directly to customers through wholly-owned subsidiaries in the United States, Germany, the United Kingdom, Switzerland, France and Australia, employing a dedicated field sales force of 60 people. QIAGEN also utilizes specialized independent distributors to sell and support its products in over 25 other countries.

The Company's objective is to expand its technology and market leadership position by employing the following strategies: (1) leverage its position in the research market to expand successfully into developing new commercial markets, (2) maintain technology leadership, (3) provide a comprehensive portfolio of products for nucleic acid purification, (4) accelerate consumable sales through an installed base of automated instruments, and (5) emphasize customer contacts and technical service. QIAGEN believes that having firmly established itself as the technology leader in the academic and industrial research market, it will continue to capture market share as researchers convert from more traditional purification methods to QIAGEN products. As new commercial applications based on nucleic acids emerge from the research market, QIAGEN believes it is well positioned to also become the leading provider of nucleic acid separation and purification products to these potentially large commercial markets.

QIAGEN considers the protection of its proprietary technologies and products as key to the success of its business. The Company relies on a combination of patents, licenses and trademarks to establish and protect its proprietary rights in its technologies and products. The Company currently owns 4 issued patents in the United States, 13 issued patents in Germany and 23 issued patents in other major industrialized countries, and has over 40 pending patent applications.

The Company's principal executive offices are located at Johannes Vermeerplein 9-1, 1071 DV Amsterdam, The Netherlands, telephone number +31 (0) 20 664 5500. The offices of QIAGEN GmbH, the Company's principal operating subsidiary, are located at Max-Volmer-Strasse 4, 40724 Hilden, Germany, telephone number +49 (0) 2103 892 0.

Risk Factors

The Common Shares offered hereby involve a high degree of risk. See ''Risk Factors'' on pages 7 through 12.

The Offerings

The 2,345,000 Common Shares initially being offered in the United States (the ''U.S. Offering'') and the 1,005,000 Common Shares concurrently being offered outside the United States (the ''International Offering'') collectively are referred to as the Offerings.

Common Shares offered by the Company:	2,514,000 shares
Common Shares offered by Selling Shareholders	836,000 shares
Common Shares to be outstanding after the Offerings	16,224,000 shares
Nasdaq National Market Symbol	''QGENF''
Use of proceeds	To build a manufacturing and research facility in the United States and expand existing facilities in Europe, to fund further research and development of the Company's products, to increase the Company's marketing, sales and distribution efforts, to expand the Company's information systems, and for working capital and general corporate purposes.

Summary Consolidated Financial Data
(amounts in thousands, except per share data)

	Year Ended December 31,					Three Months Ended March 31,	
	1991	1992	1993	1994	1995	1995	1996
	(unaudited)					(unaudited)	
Consolidated Statement of Income Data:							
Net sales	$ 7,746	$11,428	$16,524	$24,115	$36,992	$ 7,893	$12,480
Cost of sales	2,528	4,067	5,336	7,288	9,550	2,211	3,336
Gross profit	5,218	7,361	11,188	16,827	27,442	5,682	9,144
Operating expenses							
Research and development	731	1,639	2,356	2,758	4,414	907	1,293
Sales and marketing	1,025	1,542	3,352	5,323	9,369	1,739	3,324
General and administrative	2,873	4,471	4,488	5,281	8,981	1,670	2,603
Total operating expenses	4,629	7,652	10,196	13,362	22,764	4,316	7,220
Income (loss) from operations	589	(291)	992	3,465	4,678	1,366	1,924
Net income	$ 525	$ 55	$ 720	$ 1,284	$ 2,395	$ 313	$ 955
Net income per common and common equivalent share(1)	$ 0.04	$ 0.00	$ 0.06	$ 0.10	$ 0.18	$ 0.02	$ 0.07
Weighted average number of common and common equivalent shares outstanding(2)	12,886	12,886	12,886	13,132	13,623	13,623	13,672

	As of March 31, 1996	
	Actual	As Adjusted(3)
	(unaudited)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 3,715	$29,671
Working capital	9,993	35,949
Total assets	27,407	53,363
Long-term liabilities, including current portion	7,394	7,394
Total shareholders' equity	13,063	39,019

(1) Computed on the basis described for net income per Common Share in Notes 2 and 12 to Consolidated Financial Statements.
(2) Does not include 279,900 shares reserved for issuance at a price of $9.50 per share upon the exercise of options outstanding as of May 1, 1996. See ''Management — Stock Option Plan''.
(3) Adjusted to reflect the sale of the 2,514,000 Common Shares offered by the Company hereby at the initial public offering price of $12.00 per share and the application of the net proceeds therefrom, after deducting the underwriting discount and estimated offering expenses payable by the Company.

RISK FACTORS

In addition to the other information in this Prospectus, prospective purchasers of the Common Shares offered hereby should consider carefully the following risk factors in evaluating the Company and its business. This Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below.

Expansion of Operations and Management of Growth

The Company's business has grown rapidly in the last five years, with total net revenues increasing from $7.7 million in 1991 to $37.0 million in 1995. The Company has recently upgraded its operating and financial systems and expanded the geographic area of its operations, resulting in substantial growth in the number of its employees, as well as increased responsibility for both existing and new management personnel. The rapid expansion of the Company's business and growth in personnel may place a strain on the Company's management and operational systems. The Company's future operating results will depend on the ability of its management to continue to implement and improve its research, product development, sales and marketing and customer support programs, enhance its operational and financial control systems, and expand, train and manage its employee base. There can be no assurance that the Company will be able to manage its recent or any future expansion successfully, and any inability to do so could have a material adverse effect on the Company's results of operations. See ''Management — Directors and Executive Officers'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations''.

International Operations

The Company's products are currently marketed in over 30 countries throughout the world, and a significant portion of the Company's business is conducted in currencies other than U.S. dollars. Foreign currency transaction gains and losses arising from normal business operations are credited to or charged against earnings in the period incurred. As a result, fluctuations in value relative to the U.S. dollar of the currencies in which the Company conducts its business have caused and will continue to cause foreign currency transaction gains and losses. Due to the number of currencies involved, the variability of currency exposures and the potential volatility of currency exchange rates, the Company cannot predict the effects of exchange rate fluctuations upon future operating results. While the Company engages in foreign exchange hedging transactions to manage its foreign currency exposure, there can be no assurance that the Company's hedging strategy will adequately protect its operating results from the effects of future exchange rate fluctuations. See ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and Note 2(i) to Consolidated Financial Statements.

The Company's operations are also subject to other risks inherent in international business activities, such as general economic conditions in the countries in which it operates, overlap of different tax structures, unexpected changes in regulatory requirements, compliance with a variety of foreign laws and regulations, and longer accounts receivable payment cycles in certain countries. Other risks associated with international operations include import and export licensing requirements, trade restrictions, exchange controls and changes in tariff and freight rates. See ''Business — International Operations''.

Dependence on Key Personnel

The Company's success depends, to a significant extent, on the Company's Managing Director and Chief Executive Officer, Dr. Metin Colpan, and on other key members of its management and scientific staff. The loss of Dr. Colpan or any of such other employees could have a material adverse effect on the Company. The Company's ability to recruit and retain qualified skilled personnel to perform future research and development work will also be critical to the Company's success. Due to the intense competition for experienced scientists from numerous pharmaceutical and biotechnology companies and academic and other research institutions, there can be no assurance that the Company will be able to

attract and retain such personnel on acceptable terms. The Company's planned activities will also require additional personnel, including management, with expertise in areas such as manufacturing and marketing, and the development of such expertise by existing management personnel. The inability to acquire such personnel or develop such expertise could have a material adverse impact on the Company's operations. See ''Business'' and ''Management — Directors and Executive Officers''.

Variability of Operating Results

The Company's operating results may vary significantly from quarter to quarter and from year to year, depending on factors such as the level and timing of customer research and commercialization efforts, the timing of the Company's research and development and sales and marketing expenses, the introduction of new products by the Company or its competitors, competitive conditions, exchange rate fluctuations and general economic conditions. The Company's expense levels are based in part on its expectations as to future revenues. Consequently, revenues or profits may vary significantly from quarter to quarter or from year to year, and revenues and profits in any interim period will not necessarily be indicative of results in subsequent periods. See ''Management's Discussion and Analysis of Financial Condition and Results of Operations''.

Competition

The Company's primary competition stems from traditional separation and purification methods which utilize widely available reagents and other chemicals. The success of the Company's business depends in part on the continued conversion of current users of such traditional methods to the Company's nucleic acid-based separation and purification technologies and products. There can be no assurance, however, as to how quickly such conversion will occur. The Company also experiences, and expects to continue to experience, increasing competition in various segments of its nucleic acid-based separation business from companies providing nucleic acid-based separation products in kit form. Many of such competitors have substantially greater financial, research and development, sales and marketing and personnel resources than the Company, and may have significantly more experience in developing, manufacturing, marketing and supporting new products. There can be no assurance that such companies will not develop products that are directly competitive with the Company's current or planned products or that they will not be able to penetrate markets more rapidly than the Company. To the extent that the Company's sales depend on future sales of diagnostic or therapeutic products by its customers, the Company may also be adversely affected by the intense competition in the pharmaceutical and biotechnology industries. See ''Business — Competition''.

Technological Change

The Company's business environment is characterized by extensive research and technological change, and new developments are expected to continue at a rapid pace. There can be no assurance that developments by others will not render the Company's technologies and products uneconomical or obsolete.

Patents, Licenses and Proprietary Technologies

The Company's success will depend to a large extent on its ability to develop proprietary products and technologies and to establish and protect its patent and trademark rights with respect thereto. The Company currently owns 4 issued patents in the United States, 13 issued patents in Germany and 23 issued patents in other major industrialized countries. In addition, the Company has over 40 pending patent applications, and intends to file applications for additional patents as its products and technologies are developed. However, the patent positions of technology-based companies, including QIAGEN, involve complex legal and factual questions and may be uncertain, and the laws governing the scope of patent coverage and the periods of enforceability of patent protection are continuing to evolve. In addition, patent applications in the U.S. are maintained in secrecy until patents issue, and publication of discoveries in the scientific or patent literature tend to lag behind actual discoveries by several months.

Therefore, no assurance can be given that patents will issue from any patent applications owned by or licensed to QIAGEN or, if patents do issue, that the claims allowed will be sufficiently broad to protect the Company's technology. In addition, no assurance can be given that any issued patents owned by or licensed to the Company will not be challenged, invalidated or circumvented, or that the rights granted thereunder will provide competitive advantages to the Company.

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

Certain of the Company's products incorporate patents and technologies that are licensed from third parties. These licenses impose various commercialization, sublicensing and other obligations on the Company. Failure by the Company to comply with these requirements could result in the conversion of the applicable license from being exclusive to nonexclusive in nature or, in some cases, termination of the license.

The Company also relies on trade secrets and proprietary know-how which it seeks to protect through confidentiality agreements with its employees and consultants. There can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any breach or that the Company's trade secrets will not otherwise become known or be independently developed by competitors.

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

See ''Business — Patents, Licenses and Proprietary Technologies''.

Collaborative Commercial Relationships

QIAGEN's long-term business strategy includes entering into strategic alliances or marketing and distribution arrangements with corporate partners relating to the development, commercialization, marketing and distribution of certain of its potential products. There can be no assurance that the Company will be able to negotiate such collaborative arrangements on acceptable terms, or that any such relationships will be scientifically or commercially successful. In addition, there can be no assurance that the Company's collaborative partners will not pursue or develop competing products or technologies, either on their own or in collaboration with others.

Future Capital Requirements

The Company's future capital requirements and level of expenses will depend upon numerous factors, including the scope and success of the Company's marketing, sales and customer support efforts and of its research and development activities, as well as the demand for the Company's products and services. To the extent that the net proceeds of the Offerings, together with existing resources, are

insufficient to fund the Company's activities, the Company may need to raise additional funds through public or private financings of debt or equity securities. No assurance can be given that such additional financings will be available or, if available, can be obtained on terms acceptable to the Company. If adequate funds are not available, the Company may have to reduce expenditures for research and development, production or marketing, which could have a material adverse effect on the Company. See ''Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources''.

Government Regulation

The Company is subject to various laws and regulations generally applicable to businesses in the different jurisdictions in which the Company operates, including laws and regulations applicable to the handling and disposal of hazardous substances. The Company does not expect compliance with such laws to have a material effect on its capital expenditures, earnings or competitive position. Although the Company believes that its procedures for handling and disposing of hazardous materials comply with the standards prescribed by applicable regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any damages that result, and any such liability could have an adverse effect on the Company.

Sales volumes of certain of the Company's products in development may be dependent on commercial sales by its customers of diagnostic and pharmaceutical products, which will require preclinical studies and clinical trials. Such trials will be subject to extensive regulation by governmental authorities in the United States and other countries. See ''Business — Government Regulation''.

Potential Product Liability Exposure

The marketing and sale of nucleic acid-based products and services for certain applications entail a potential risk of product liability, and there can be no assurance that product liability claims will not be brought against the Company. QIAGEN currently carries product liability insurance coverage which is limited in scope and amount, but which the Company believes is currently appropriate for its purposes. There can be no assurance, however, that the Company will be able to maintain such insurance at reasonable cost and on reasonable terms, or that such insurance will in fact be adequate to protect the Company against any or all potential claims or losses.

Control by Existing Shareholders

Upon completion of the Offerings, the Company's directors, executive officers and principal shareholders and their affiliates, will beneficially own approximately 66% of the Company's outstanding Common Shares. As a result, these shareholders, if acting together, will have the ability to control the outcome of corporate actions requiring shareholder approval, including the election of directors and the approval of certain mergers and other significant corporate transactions, such as a sale of substantially all of the Company's assets, irrespective of how other shareholders of the Company may vote. This concentration of ownership may have the effect of delaying or preventing a change in control of the Company. See ''Management'' and ''Principal and Selling Shareholders''.

Possible Anti-takeover Effects

The Company's Articles of Association (the ''Articles of Association'') and the applicable laws of The Netherlands contain provisions that may have anti-takeover effects. Among other things, the Articles of Association provide that the joint meeting of the Supervisory Board and Managing Board of the Company (the ''Joint Meeting'') may make binding nominations for the election of directors, which can only be overridden by shareholders with a two-thirds majority of the votes cast, which majority must represent more than 50 percent of the outstanding shares; that preference shares may in certain instances be issued to third parties selected by the Company giving such parties preferred dividend rights and placing additional votes in hands friendly to the Board; that significant transactions such as a merger or sale of substantially all the assets of the Company can only be approved by specified super-

majority votes unless such transactions were proposed to the general meeting by the Supervisory Board; and that the Articles of Association can only be amended based on a proposal of the Company's Supervisory Board. Such provisions may have the effect of delaying, deterring or preventing a change in control that might otherwise be considered to be in the best interest of shareholders. See ''Management'' and ''Description of Share Capital''.

Risk of Adverse Tax Consequences Due to Passive Foreign Investment Company Status

The Internal Revenue Code of 1986, as amended (the ''Code''), contains special rules relating to passive foreign investment companies (''PFICs''). A U.S. person (as that term is defined in the Code) who owns stock in a PFIC generally suffers adverse tax consequences under these rules. These rules do not apply to non-U.S. persons. The Company does not believe that it is currently a PFIC, and therefore a U.S. person who purchases Common Shares offered hereby should not be subject to the rules governing PFICs with respect to such Common Shares. However, the Company's determination with respect to PFIC status could be challenged by the Internal Revenue Service (''IRS''), and there can be no assurance that the Company will not constitute a PFIC for 1996 or subsequent years. See ''Taxation — United States Federal Income Tax Considerations''.

No Prior Public Market; Possible Volatility of Share Price

Prior to the Offerings, there has been no public market for the Common Shares, and there can be no assurance that an active trading market will develop or, if one does develop, that it will be sustained after the Offerings. The initial public offering price of the Common Shares was determined by negotiations between the Company and the representatives of the Underwriters and may not be indicative of future market prices. See ''Underwriting'' for a discussion of the factors considered in determining the initial public offering price.

The market price of the Common Shares may be subject to significant fluctuations as a result of different events or developments, including announcements of technological innovations or new products by the Company or its competitors, developments in the Company's relationships with collaborative partners, quarterly variations in the Company's operating results, changes in government regulations or patent laws, developments in patent or other proprietary rights and general market conditions relating to the pharmaceutical and biotechnology industries. The stock market has from time to time experienced extreme price and volume fluctuations that have affected particularly the market for technology-based companies and that have not necessarily been related to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Common Shares.

Holding Company Structure

The Company was incorporated under Dutch law as a public limited liability company and is organized as a holding company. Currently, the Company's material assets are the outstanding shares of its subsidiaries. The Company therefore is dependent upon payments, dividends and distributions from its subsidiaries for funds to pay its operating and other expenses and to pay future cash dividends or distributions, if any, to holders of the Common Shares. Dividends or distributions by subsidiaries to the Company in a currency other than the U.S. dollar may result in a loss upon a subsequent conversion or disposition of such foreign currency, including a subsequent conversion into U.S. dollars.

No Anticipated Dividends on Common Shares

The Company has not paid cash dividends since its inception and does not anticipate paying any cash dividends on the Common Shares for the foreseeable future. Any cash dividends paid in a currency other than the U.S. dollar will be subject to the risk of foreign currency transaction losses. See ''Dividend Policy'' and ''Description of Share Capital — Dividends''.

Shares Eligible for Future Sale

Sales of substantial amounts of Common Shares in the public market after the Offerings could adversely affect the market price of the Common Shares. Of the 16,224,000 Common Shares to be outstanding after the Offerings (assuming no exercise of the Underwriters' over-allotment options), 5,431,321 Common Shares will be eligible for resale without restriction or further registration under the Securities Act of 1933 in the public markets immediately following the effective date of the Registration Statement of which this Prospectus is part by persons other than affiliates of the Company. However, all of the existing shareholders of the Company, who will own an aggregate of 12,874,000 Common Shares after the Offerings, have agreed with the representatives of the Underwriters not to sell any Common Shares, other than the Common Shares offered in the Offerings by the Selling Shareholders, or securities convertible into or exchangeable for Common Shares, for a period of 180 days following the date of this Prospectus, without the consent of Goldman, Sachs & Co. After such time, or earlier with the written consent of Goldman, Sachs & Co., approximately 12,040,667 shares will become eligible for sale in the public market by existing shareholders, including approximately 9,959,346 shares owned by affiliates of the Company which are subject to the resale volume limitations imposed under Rule 144 under the Securities Act of 1933. See ''Shares Eligible for Future Sale''.

Dilution

The initial public offering price is substantially higher than the book value per Common Share. Investors purchasing Common Shares in the Offerings therefore will experience immediate and substantial dilution in net tangible book value per share of $9.59. See ''Dilution''.

Enforcement of Judgments

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

THE COMPANY

QIAGEN N.V. was incorporated under the laws of The Netherlands on April 29, 1996 as a holding company for its subsidiaries QIAGEN GmbH, QIAGEN Inc., QIAGEN Ltd., QIAGEN AG, QIAGEN S.A. and QIAGEN Pty. Ltd. See ''Certain Transactions and Corporate Reorganization''. The Company's principal executive offices are located at Johannes Vermeerplein 9-I, 1071 DV Amsterdam, The Netherlands, telephone number +31 20 664 5500. The offices of QIAGEN GmbH, the Company's principal subsidiary, are located at Max-Volmer-Strasse 4, 40724 Hilden, Germany, telephone number +49 2103 892 0.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 2,514,000 Common Shares being offered by the Company, based on the initial public offering price of $12.00 per share, after deducting the underwriting discount, estimated offering expenses and the 1% capital issuance tax payable to The Netherlands, are estimated to be $25,956,240 ($31,564,140, if the Underwriters' over-allotment options are exercised in full).

The Company currently intends to use approximately $3 million of such net proceeds to build a manufacturing and research facility in the United States and to expand its existing facilities in Europe, approximately $1 million of such net proceeds to fund further research and development of the Company's products, approximately $1 million of such net proceeds to increase the Company's marketing, sales and distribution efforts and approximately $1 million of such net proceeds to expand the Company's information systems. Although the Company does not currently have specific plans for the remainder of such net proceeds (approximately $20 million), the Company intends to use such net proceeds for working capital and general corporate purposes. The Company has experienced significant growth in the past, and since 1993 has had a compound annual growth of approximately 50% in net sales and 82% in net income. Such growth is expected to continue. The principal purposes of the Offerings at this time are to provide working capital in order to support the Company's anticipated future growth and enhance its flexibility in responding to increased dynamics in its markets, as well as to take advantage of favorable market conditions.

While the Company has not yet formulated a specific program for the construction or expansion of facilities described above, the Company expects to develop such a program following the consummation of the Offerings. Such construction and expansion is currently expected to be completed by 1999.

The amounts actually expended by the Company for each purpose described above will vary depending upon a number of factors, including future sales growth, the amount of cash generated by the Company's operations and the progress of the Company's product development efforts. Proceeds may also be used to acquire technologies or companies that complement the business of QIAGEN, although no such acquisitions are currently pending or anticipated.

Pending such utilization of the net proceeds to the Company from the Offerings, the net proceeds will be invested by the Company in short-term and medium-term investment-grade interest-bearing instruments available in the capital markets or from major international banks.

The Company will not receive any of the proceeds from the sale of Common Shares by the Selling Shareholders.

EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING SECURITY HOLDERS

There are currently no limitations either under the laws of The Netherlands or in the Company's Articles of Association, to the rights of shareholders from outside The Netherlands to hold or vote Common Shares. Under current foreign exchange regulations in The Netherlands, there are no material limitations on the amount of cash payments that may be remitted by the Company to residents of foreign countries.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of March 31, 1996 and as adjusted to give effect to the sale of the Common Shares being offered by the Company at the initial public offering price of $12.00 per share and after deducting the 1% capital issuance tax payable to the Netherlands, the underwriting discount and estimated offering expenses payable by the Company. See ''Use of Proceeds'' and Note 13 to Consolidated Financial Statements.

	As of March 31, 1996	
	Actual	As Adjusted
	(in thousands)	
Short-term debt (including current portion of long-term debt and capital lease obligations)	$ 2,275	$ 2,275
Long-term debt, net of current portion	$ 1,243	1,243
Capital lease obligations, net of current portion	4,879	4,879
Total long-term debt and capital lease obligations	6,122	6,122
Shareholders' equity(1)		
Common, preference and financing preference shares, par value NLG .03 ($.0175) per share; 30,000,000 common shares authorized(2); 13,710,000 Common shares issued and outstanding (16,224,000 Common shares outstanding as adjusted)	240	284
15,000,000 preference shares and 5,000,000 financing preference shares authorized, none issued		
Additional paid-in capital	9,233	35,145
Retained earnings	3,420	3,420
Receivables from sale of shares	(1,729)	(1,729)
Cumulative translation adjustment	1,899	1,899
Total shareholders' equity	13,063	39,019
Total capitalization	$19,185	$ 45,141

(1) On June 3, 1996, the Company's shareholders approved, effective upon the consummation of the Offerings, an increase in the Company's authorized share capital to a total of 75 million shares divided into 32.5 million Common Shares, 37.5 million Preference Shares and 5.0 million Financing Preference Shares. See ''Description of Share Capital'' and Note 13 to Consolidated Financial Statements.

(2) Includes 1,371,000 shares reserved for issuance pursuant to the Company's Stock Option Plan. See Note 13 to Consolidated Financial Statements.

DIVIDEND POLICY

The Company has never paid cash dividends on its share capital. The Company currently intends to retain any earnings to finance the growth and development of its business and, therefore, does not intend to pay dividends on its share capital for the foreseeable future. See ''Description of Share Capital — Dividends''.

DILUTION

The net tangible book value of the Company's Common Shares under U.S. GAAP as of March 31, 1996 was $13.1 million, or approximately $0.95 per share. Net tangible book value per share represents the amount of total tangible assets of the Company, reduced by the amount of its total liabilities, divided by the number of Common Shares outstanding. After giving effect to the sale of 2,514,000 Common Shares by the Company in the Offerings at the initial public offering price of $12.00 per share (after deducting the 1% capital issuance tax payable to The Netherlands and the underwriting discount and estimated offering expenses payable by the Company), the pro forma net tangible book value of the Company as of March 31, 1996 would have been $39.0 million or $2.41 per share. This represents an immediate increase in net tangible book value of $1.46 per share to existing shareholders and an immediate dilution in net tangible book value of $9.59 per share to new investors purchasing Common Shares in the Offerings. The following table illustrates this per share dilution:

Initial public offering price per share		$ 12.00
Net tangible book value per share at March 31, 1996, before giving effect to the Offerings	$ 0.95	
Increase per share attributable to the Offerings	1.46	
Net tangible book value per share at March 31, 1996, after giving effect to the Offerings		2.41
Dilution per share to new investors		$ 9.59

The following table sets forth, on a pro forma basis, as of March 31, 1996, the number of Common Shares purchased from the Company, the total consideration paid to the Company and the average price paid per share by existing shareholders and by new investors purchasing Common Shares in the Offerings (at the initial public offering price of $12.00 per share):

	Common Shares Purchased		Total Consideration		Average Price Per Common Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Existing shareholders	13,710,000	85%	$ 9,473	24%	$ 0.69
New investors	2,514,000	15%	$30,168	76%	$12.00
Total	16,224,000	100%	$39,641	100%	$ 2.44

The foregoing assumes no exercise of outstanding options. As of May 1, 1996 there were outstanding options to purchase 279,900 Common Shares under the Stock Option Plan at an exercise price of $9.50 per share. As of May 1, 1996, 1,371,000 Common Shares were reserved for future issuance pursuant to the exercise of outstanding and future options under the Stock Option Plan. See ''Management — Stock Option Plan''.

SELECTED CONSOLIDATED FINANCIAL DATA
(amounts in thousands, except per share data)

The selected consolidated financial data below should be read in conjunction with ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and the Consolidated Financial Statements, Notes thereto and other financial information included elsewhere in this Prospectus. The selected consolidated financial data for each of the three fiscal years in the period ended December 31, 1995 are derived from the Consolidated Financial Statements of the Company which have been audited and reported upon by Arthur Andersen LLP, independent public accountants. The data presented for the fiscal years ended December 31, 1991 and 1992, and for the three month periods ended March 31, 1995 and 1996, are derived from unaudited consolidated financial statements and include, in the opinion of the Company's management, all adjustments necessary to present fairly the data for such periods. The results for an interim period are not necessarily indicative of the results to be expected for a full fiscal year.

	Year Ended December 31,					Three Months Ended March 31,	
	1991	1992	1993	1994	1995	1995	1996
	(unaudited)					(unaudited)	
Consolidated Statement of Income Data:							
Net sales	$7,746	$11,428	$16,524	$24,115	$36,992	$ 7,893	$12,480
Cost of sales	2,528	4,067	5,336	7,288	9,550	2,211	3,336
Gross profit	5,218	7,361	11,188	16,827	27,442	5,682	9,144
Operating expenses							
Research and development	731	1,639	2,356	2,758	4,414	907	1,293
Sales and marketing	1,025	1,542	3,352	5,323	9,369	1,739	3,324
General and administrative	2,873	4,471	4,488	5,281	8,981	1,670	2,603
Total operating expenses	4,629	7,652	10,196	13,362	22,764	4,316	7,220
Income (loss) from operations	589	(291)	992	3,465	4,678	1,366	1,924
Other income (expense), net	134	427	625	(525)	(153)	(695)	16
Income before provision for income taxes	723	136	1,617	2,940	4,525	671	1,940
Provision for income taxes	198	81	897	1,656	2,130	358	985
Net income	$ 525	$ 55	$ 720	$ 1,284	$ 2,395	$ 313	$ 955
Net income per common and common equivalent share(1)	$ 0.04	$ 0.00	$ 0.06	$ 0.10	$ 0.18	$ 0.02	$ 0.07
Weighted average number of common and common equivalent shares outstanding(2)	12,886	12,886	12,886	13,132	13,623	13,623	13,672

	December 31,					March 31,
	1991	1992	1993	1994	1995	1996
	(unaudited)					(unaudited)
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 362	$ 803	$ 446	$ 3,612	$ 5,305	$ 3,715
Working capital	4,614	4,083	4,725	8,303	9,920	9,993
Total assets	6,743	12,565	14,820	19,450	26,203	27,407
Total long-term liabilities, including current portion	90	4,614	6,791	7,279	7,800	7,394
Total shareholders' equity	5,774	5,504	5,685	9,120	12,208	13,063

(1) Computed on the basis described for net income per Common Share in Notes 2 and 12 of the Notes to Consolidated Financial Statements.

(2) Does not include 279,900 shares reserved for issuance at a price of $9.50 per share upon the exercise of options outstanding as of May 1, 1996. See ''Management — Stock Option Plan''.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

QIAGEN believes, based on the innovative nature of its products and technologies and on its United States and European market shares as supported by independent market studies, that it is the world's leading provider of innovative enabling technologies and products for the separation and purification of nucleic acids. The Company was established to develop, manufacture and market a portfolio of proprietary technologies and products to address these needs, which include purity, speed, yield, reliability, throughput and ease of use. QIAGEN's products enable customers to reliably and rapidly produce high purity nucleic acids without using hazardous reagents or expensive equipment. QIAGEN offers over 200 products, including a broad range of consumables, as well as instruments and services, for a variety of applications in nucleic acid separation and purification.

The Company has experienced significant growth in the past, and since 1993 has had compound annual growth of approximately 50% in sales and 82% in net income. In 1995, the Company recorded $2.4 million of net income and $37.0 million of net sales, and has to date funded its growth through internally generated funds, debt and an aggregate of $9.5 million from the private sale of equity.

Results of Operations

The following table sets forth certain income and expense items as a percentage of net sales for the periods indicated:

				Three Months Ended March 31,	
	1993	1994	1995	1995	1996
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	32.3	30.2	25.8	28.0	26.7
Gross profit	67.7	69.8	74.2	72.0	73.3
Operating expenses:					
Research and development	14.3	11.4	11.9	11.5	10.4
Sales and marketing	20.3	22.1	25.3	22.0	26.6
General and administrative	27.1	21.9	24.3	21.2	20.9
Total operating expenses	61.7	55.4	61.5	54.7	57.9
Income from operations	6.0	14.4	12.7	17.3	15.4
Other income (expense):	3.8	(2.2)	(0.4)	(8.8)	0.1
Income before provision for income taxes	9.8	12.2	12.3	8.5	15.5
Provision for income taxes	5.4	6.9	5.8	4.5	7.9
Net income	4.4%	5.3%	6.5%	4.0%	7.6%

Fiscal Years Ended December 31, 1995 and 1994

Net Sales. Net sales increased 53% (or $12.9 million) to $37.0 million in 1995 from $24.1 million in 1994. Net sales in the United States increased 34% (or $5.3 million) to $21.0 million, and net sales outside the United States increased 90% (or $7.6 million) to $16.0 million. The overall increase in net sales was primarily attributable to increased market penetration of QIAGEN's existing products. All of the Company's major products experienced significant sales growth from 1994 to 1995. In addition, in 1995 the Company introduced several new consumable products, and in the second half of the year, the Company introduced the BioRobot 9600 instrument. A material portion of the Company's sales continue to be attributable to the Company's range of products designed for plasmid DNA applications.

Gross Profit. The Company's gross profit increased from $16.8 million (70% of net sales) in 1994 to $27.4 million (74% of net sales) in 1995. The increase was primarily due to production efficiencies that resulted from increased unit volume and the increased use of automated equipment. In 1995, the Company continued to invest in, and realize the benefits of, the increased level of production automation

through the purchase and installation of custom-engineered, modular production equipment. Gross profit margin was also positively affected by the establishment of sales subsidiaries in the United Kingdom and Switzerland, which commenced operations in August 1994 and January 1995, respectively. This resulted in a shift to higher margin net sales by wholly owned subsidiaries from lower margin net sales to distributors.

Research and Development. Research and development expenses increased 60% from $2.8 million (11% of net sales) in 1994 to $4.4 million (12% of net sales) in 1995. The increase resulted primarily from greater personnel expenses, as the Company continued the expansion of its new product development capabilities. The Company has a strong commitment to research and development and expects its expenses in this area to continue to increase significantly.

Sales and Marketing. Sales and marketing expenses increased 76% from $5.3 million (22% of net sales) in 1994 to $9.4 million (25% of net sales) in 1995. The increase was associated with increased volume of net sales, including expenditures for additional personnel, commissions, promotions, publications and advertising and the introduction of the BioRobot 9600. A portion of these expenses were incurred as a result of the establishment of marketing and sales activities in the Company's United Kingdom and Swiss sales subsidiaries.

General and Administrative. General and administrative expenses increased 70% from $5.3 million (22% of net sales) in 1994 to $9.0 million (24% of net sales) in 1995. The increase was due to the expansion of the Company's administrative infrastructure to accommodate sales growth. A significant portion of the increase, totalling approximately $1.0 million, was incurred in connection with the addition of the United Kingdom and Swiss sales subsidiaries.

Other Income (Expense). Other income (expense) decreased from a net expense of $525,000 in 1994 to a net expense of $153,000 in 1995. The largest component of this decrease was attributable to research and development grants totalling $790,000 received from German federal and state authorities and the European Community in 1995. QIAGEN's research and development activities are currently principally carried out in Germany, and the Company expects to continue to apply for such research and development grants in the future. Other income (expense) also included $310,000 and $560,000 in expenses in 1994 and 1995, respectively, from foreign currency transactions. This net expense results from conducting business in a currency other than the functional currency of the entity. The Company's reporting currency is the U.S. dollar. See Note 2(i) to Consolidated Financial Statements.

Provision for Income Taxes. The Company's effective tax rate decreased from 56% in 1994 to 47% in 1995. The decrease was primarily attributable to the Company's access to lower effective tax rates in the United Kingdom and Switzerland through its sales subsidiaries in those jurisdictions.

Fiscal Years Ended December 31, 1994 and 1993

Net Sales. Net sales increased approximately 46% (or $7.6 million) to $24.1 million in 1994 from $16.5 million in 1993. Net sales in the United States increased 47% (or $5.0 million) to $15.7 million, and net sales outside the United States increased 44% (or $2.6 million) to $8.4 million. The overall increase in net sales was primarily attributable to both increased market penetration of QIAGEN's existing products, as well as the introduction of new products.

Gross Profit. The Company's gross profit increased from $11.2 million (68% of net sales) in 1993 to $16.8 million (70% of net sales) in 1994. The increase was primarily due to production efficiencies that resulted from increased unit volume and the increased use of automated equipment. In 1994, the Company undertook a significant effort to increase the level of its production automation through the purchase and installation of custom-engineered, modular production equipment.

Research and Development. Research and development expenses increased 17% from $2.4 million (14% of net sales) in 1993 to $2.8 million (11% of net sales) in 1994. The increase resulted

primarily from greater personnel expenses, as the Company continued the expansion of its new product development capabilities.

Sales and Marketing. Sales and marketing expenses increased 59% from $3.4 million (20% of net sales) in 1993 to $5.3 million (22% of net sales) in 1994. The increase was due to increased volume of net sales as the Company's business continued to expand. In addition, the Company incurred increased expenses in connection with the establishment of a marketing communications department to enhance the Company's marketing capabilities and efficiencies.

General and Administrative. General and administrative expenses increased 18% from $4.5 million (27% of net sales) in 1993 to $5.3 million (22% of net sales) in 1994. The increase reflected the Company's cautious expansion of administrative resources pending the anticipated receipt of additional working capital in the form of a capital increase in the second half of 1994.

Other Income (Expense). Other income (expense) decreased from income of $625,000 in 1993 to an expense of $525,000 in 1994. The largest factor contributing to income in 1993 was a non-recurring gain of $604,000 from the sale to a related party of certain patents that were not related to the Company's core business. Research and development grants received from German federal and state authorities and the European Community were relatively constant, totalling $234,000 in 1993 and $296,000 in 1994. In addition, foreign currency transactions resulted in $169,000 of income in 1993 and $310,000 of expense in 1994.

Provision for Income Taxes. The Company's effective tax rate remained substantially the same between 1993 and 1994 at approximately 56%.

Quarters Ended March 31, 1996 and March 31, 1995

Net Sales. Net sales for the quarter ended March 31, 1996 increased by 58% (or $4.6 million) to $12.5 million, compared with net sales of $7.9 million in the first quarter of 1995. Net sales in the United States increased 51% (or $2.4 million) to $7.1 million, and net sales outside the United States increased 69% ($2.2 million) to $5.4 million. The overall increase in net sales was primarily attributable to increased market penetration of existing and new products.

Gross Profit. The Company's gross profit increased from $5.7 million (72% of net sales) in the first quarter of 1995 to $9.1 million (73% of net sales) in the first quarter of 1996. The increase was principally due to efficiencies realized from increased unit volume and the automation of the Company's production processes. The Company anticipates further additions to its modular production equipment during 1996. The Company has also commenced installation of a computerized production planning and control system which will be integrated with its SAP AG business process software. The Company believes this will continue to improve its production efficiencies and internal controls.

Research and Development. Research and development expenses increased 43% from $0.9 million (11.5% of net sales) in the period ended March 31, 1995 to $1.3 million (10.4% of net sales) in the comparable period of 1996. The increase resulted primarily from greater personnel expenses as the Company continued to expand its research and product development capabilities.

Sales and Marketing. Sales and marketing expenses increased 91% from $1.7 million (22% of net sales) in the first quarter of 1995 to $3.3 million (27% of net sales) in the first quarter of 1996. The increase was due primarily to the continued increase in expenses required to staff and administer the recently established United Kingdom and Swiss sales subsidiaries, additional expenses for promotional materials and also reflects increased sales and marketing efforts associated with the BioRobot 9600.

General and Administrative. General and administrative expenses for the quarter ended March 31, 1996 increased 56% from $1.7 million to $2.6 million, but decreased as a percentage of net sales from 21.2% to 20.9%. The increase was primarily due to higher administrative expenses to support the increased volume of net sales, as well as increasing general and administrative expenditures at the Company's United Kingdom and Swiss sales subsidiaries.

Other Income (Expense). Other income (expense) increased from $695,000 of expense in the quarter ended March 31, 1995 to income of $16,000 in the first quarter of 1996. The increase was primarily due to a $115,000 gain in foreign currency transactions in the 1996 quarter, as compared with a $615,000 foreign currency loss in the comparable period of 1995.

Provision for Income Taxes. The Company's effective tax rate decreased from 53% in the quarter ended March 31, 1995 to 51% in the first quarter of 1996. The decrease was primarily attributable to the Company's access to lower effective tax rates in the United Kingdom and Switzerland.

Currency Hedging

In the normal course of business, the Company from time to time purchases exchange traded put options on U.S. dollars to mitigate foreign currency exposure. As of March 20, 1996, the Company had outstanding put options on $4.4 million to hedge DM 6.4 million. Such options expire on various dates through September 1996.

Liquidity and Capital Resources

To date, the Company has funded its business primarily through debt and the private sale of equity and, since 1993, through cash generated from operations. The Company generated net cash from operating activities of approximately $3.9 million in 1995 and used approximately $1.6 million in cash in the first quarter of 1996. The Company's investing and financing activities used $2.8 million during 1995 and used approximately $236,000 in the quarter ended March 31, 1996. Since its inception, the Company has received aggregate proceeds of approximately $9.5 million from the sale of equity securities.

As of December 31, 1995 and March 31, 1996, the Company had cash and cash equivalents of approximately $5.3 million and $3.7 million, respectively, and working capital of approximately $9.9 million and $10.0 million, respectively. The Company has lines of credit totalling approximately $3.8 million, of which $1.1 million was utilized as of March 31, 1996. The Company believes that its sources of liquidity, together with the proceeds of the Offerings and the anticipated funds provided by operations, will be sufficient to finance its planned operations for at least the next two years. These include planned expenditures to build a manufacturing and research facility in the United States and expand its existing facilities in Europe, to further research and development of the Company's products, to increase the Company's marketing, sales and distribution efforts and to expand the Company's information systems. See ''Use of Proceeds''.

BUSINESS

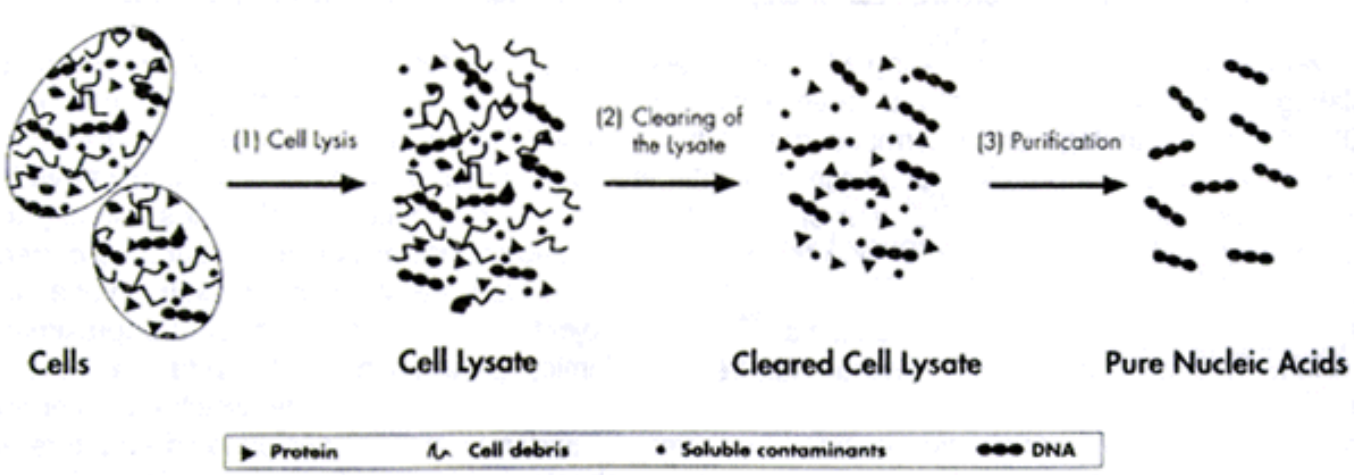
Industry Background

Nucleic acids are the fundamental regulatory molecules of life. They take two forms, DNA and RNA, which contain and convey the instructions that govern all cellular activities, including protein manufacture and cell reproduction. DNA and RNA consist of linear strands of nucleotide bases, the specific sequences of which constitute the genetic information in the cell. The unique genetic blueprint for all living organisms, from bacteria to human beings, is encoded in the DNA, which is organized into functional units called genes. In order for a cell to read the genetic blueprint, the genetic information encoded in the DNA must first be copied to a specific type of RNA, messenger RNA (''mRNA''). The mRNA transmits this information throughout the cell, where it acts as the template for protein production. Proteins carry out the cellular functions encoded in the RNA copy of the DNA. Any defect or mutation in the sequence of nucleotide bases in the DNA or RNA can disrupt cell or protein function and lead to disease.

Over the past 20 years, developing a better understanding of the fundamental role of nucleic acids in regulating life at the cellular level has been a major focus of basic molecular biology research. In the 1980's, the biotechnology and pharmaceutical industries used the results of this research to develop therapeutic recombinant proteins such as insulin, interferon and human growth hormone. Major advances continue to be made in the development of technologies to isolate specific nucleic acids, identify their sequences and structures, and determine their functions. Basic molecular biology research is currently conducted in more than 40,000 academic and commercial laboratories worldwide. An example of a major international initiative in this area is the Human Genome Project with an estimated cost of approximately $1 billion. This project involves several hundred academic, governmental and industrial research laboratories all working to identify the estimated 100,000 genes in the human body, which are comprised of approximately 3 billion nucleotide bases. The increased understanding of nucleic acid structure and function, coupled with the expanding use of innovative technologies such as Polymerase Chain Reaction (''PCR''), has created significant potential for the use of nucleic acids in a broad array of therapeutic and diagnostic applications.

These new potential applications have resulted in emerging commercial markets for nucleic acid-based technologies and products, including: (1) DNA sequencing and gene-based drug screening (genomics), (2) nucleic acid-based clinical diagnostics, and (3) genetic vaccination and gene therapy. *DNA sequencing* determines the specific order of nucleotide bases and is used to identify and understand the regulation and function of genes and their relationship to diseases such as obesity and type II diabetes. This understanding facilitates *gene-based drug screening*, a more targeted screening for drugs that may have the ability to affect the regulation and function of the genes themselves. *Nucleic acid-based clinical diagnostics* represent a new generation of technologies for applications such as genetic ''fingerprinting'' and the detection of genetic or infectious diseases such as tuberculosis and hepatitis. Targeting the unique nucleic acid sequence of disease-causing agents offers significantly greater specificity and sensitivity than current immunoassay approaches. Commercial development in this area has been advanced by the availability of amplification technologies such as PCR, which exponentially increase the quantity of the target nucleic acid sequence, enhancing detection. *Genetic vaccination and gene therapy* are applications under development which may eventually lead to the prevention and treatment of diseases by using nucleic acids themselves as vaccines and drugs. In genetic vaccination, diseases such as hepatitis, AIDS and influenza may be combated using a nucleic acid sequence as the vaccine, instead of using a recombinant protein or an inactivated infectious agent. Medical researchers believe that through gene therapy, diseases such as cancer, diabetes, asthma or coronary artery disease may someday be cured by replacing disease-causing genes with genes containing the correct DNA sequences.

Molecular biology research and its related developing commercial markets all require highly purified nucleic acids. The availability of pure nucleic acids is critical for the reliability and reproducibility of molecular biology experiments in both academic and industrial research laboratories, for the accuracy of results in nucleic acid-based clinical diagnostics and for the safety of nucleic acid-based vaccines and drugs for human use. Nucleic acids are fragile molecules which must be rapidly isolated from other cellular components in order to maintain their structural integrity and biological activity, making the separation and purification of nucleic acids a complex and sensitive process. Current separation and purification methods can be divided into three basic steps: (1) cell lysis, in which cells are broken open to release the nucleic acids, (2) clearing of the lysate, which involves the removal of insoluble cellular debris from the soluble nucleic acids and (3) purification, which involves the separation of the target nucleic acids from other soluble contaminants. These steps are illustrated below:



There are several traditional methods to perform each of the three steps required for nucleic acid separation and purification. Cell lysis can be achieved either mechanically or with chemicals, followed by clearing of the lysate, usually by centrifugation. Purification of the nucleic acids can be performed through a variety of methods, which can be used either alone or in combination, depending on the requirements of the application. The traditional purification methods are phenol extraction, cesium chloride density gradient centrifugation and precipitation. *Phenol extraction* is the most commonly used traditional method for nucleic acid purification. Although this method uses inexpensive materials, it is time consuming and labor intensive, requires considerable technical skill, uses hazardous reagents which are increasingly expensive to dispose of, and produces only medium purity nucleic acids. *Cesium chloride density gradient centrifugation* is used to prepare large amounts of highly pure DNA. However, this method requires two time consuming rounds of separation (24-48 hours in total) in expensive ultracentrifuge equipment, demands substantial technical skill and involves the use of hazardous reagents. *Precipitation* is often used to separate nucleic acids from proteins and other contaminants by centrifugation, using chemicals that render either the nucleic acids or the contaminants insoluble. This procedure is fast, inexpensive and suitable for high throughput processing, but provides very crude separation and therefore limited purity.

Each of these traditional methods, whether used alone or in combination, has significant limitations. High purity can only be achieved by using hazardous reagents and expensive equipment, while the more convenient and safe methods suitable for high throughput processing result in reduced purity.

The QIAGEN Solution

QIAGEN recognized that the traditional methods for separation and purification of nucleic acids do not adequately address the varied and expanding market needs, including purity, speed, yield, reliability, throughput and ease of use. In response, the Company developed a comprehensive portfolio of technologies and products to address these needs, enabling customers to reliably and rapidly produce high purity nucleic acids without using hazardous reagents or expensive equipment.

QIAGEN's patented *anion-exchange resins* yield nucleic acids of a purity equivalent to that obtained with two rounds of cesium chloride density gradient centrifugation, in just a fraction of the time (2 hours compared with 24-48 hours). These ultrapure nucleic acids are necessary for many sensitive applications in research and potential commercial markets, including DNA sequencing, genetic vaccination and gene therapy.

QIAGEN's proprietary *selective silica adsorption technologies* enable the rapid, convenient and economical preparation of highly pure nucleic acids. Nucleic acids purified with QIAGEN products utilizing this technology are suitable for use in molecular biology applications where economy, speed and high throughput are more important than ultrapurity. These applications include screening, cloning and amplification of DNA and RNA.

The Company's proprietary *filtration technologies* are specifically designed for rapid clearing of the lysate. These products replace centrifugation, and reduce the time required for clearing of the lysate to five minutes from one hour.

QIAGEN has exclusively licensed a technology for *hybrid capture on latex beads*. Hybrid capture is used to purify specific target nucleic acid sequences. Hybrid capture on latex beads, in contrast to traditional methods for hybrid capture on cellulose, is an innovative system which increases both the speed and efficiency of purification. It is most commonly used for purification of mRNA for gene expression applications.

The Company's proprietary *endotoxin removal system*, used in conjunction with the anion-exchange resins, produces ultrapure nucleic acids free of virtually all endotoxin contaminants. Endotoxin-free DNA is essential for safety in clinical applications such as genetic vaccination and gene therapy.

Strategy

QIAGEN believes, based on the innovative nature of its products and technologies and on its United States and European market shares as supported by independent market studies, that it is the world's leading provider of innovative enabling technologies and products for the separation and purification of nucleic acids. The Company's objective is to expand its leadership position by employing the following strategies:

Leverage Leadership in the Research Market. QIAGEN believes that the research market is the incubator for most developing commercial applications of nucleic acid-based technologies. Having established itself as the technology leader in the academic and industrial research market through its broad array of nucleic acid separation and purification products, the Company believes it is well positioned to become an early entrant and leading provider of nucleic acid separation and purification products and enabling technologies to developing commercial markets. QIAGEN believes that its leadership in the broad research market diversifies its opportunities for future growth into an array of developing commercial markets.

Maintain Technology Leadership. QIAGEN continues to invest significant resources in research and development to maintain and enhance its technology leadership. The Company believes that the competitive advantages offered by its innovative products and technologies for the separation and purification of nucleic acids will allow it to continue to increase its market share. The Company also seeks to develop or acquire complementary technologies as a means to leverage the market potential of its proprietary technology platform.

Provide a Comprehensive Portfolio of Products. QIAGEN combines its range of separation and purification technologies into high quality products addressing the varied needs of customers performing specific nucleic acid purification applications. QIAGEN was the first to offer nucleic acid purification products in a kit format, and today most of its products are available as kits. QIAGEN's kits maximize convenience and reduce the possibility of user error, thereby increasing customer satisfaction and retention. By combining its technologies into a broad array of off-the-shelf products, the Company is able to provide its customers with complete separation and purification systems, eliminating the need to use products from other suppliers.

Accelerate Consumable Sales through Automation Process. In response to identified market demand for automation of nucleic acid separation and purification for high throughput applications, QIAGEN introduced its BioRobot 9600 in late 1995. The Company believes that automating the use of its consumable products will lead to increased revenues as the Company develops an installed base of instruments resulting in recurring sales of its consumables.

Emphasize Customer Contacts and Service. The Company's sales and marketing philosophy is focused on providing its customers with high quality products and superior service. The Company provides experienced technical support, both in-house and in the field, to answer customer questions and provide advice. This ongoing communication helps the Company to identify customer needs and product requirements, promote customer satisfaction and loyalty, and gain insight into scientific research and related commercial opportunities. The high quality of the products and associated service allows QIAGEN to confidently offer its quality guarantee on, and to command a premium price for, its products.

QIAGEN's Products

QIAGEN offers over 200 products, which include a broad range of consumables as well as instruments and services, for a variety of applications in nucleic acid separation and purification. These products enable QIAGEN's customers to efficiently pursue their research and commercial goals which require the use of nucleic acids. Major applications for the Company's consumable nucleic acid products are plasmid DNA purification, genomic and viral nucleic acid purification (principally for PCR amplification), RNA purification and products for DNA clean-up after PCR. QIAGEN offers most of these products in kit form to maximize customer convenience and reduce user error. These kits contain QIAGEN's proprietary disposable separation and purification devices, all necessary reagents and buffers, and a technical handbook which includes a detailed protocol and background information. Each kit is covered by the Company's quality guarantee. In 1995, QIAGEN introduced its BioRobot 9600 for automated nucleic acid preparation to provide its customers with the ability to perform high throughput and reliable DNA sample preparation. Also in 1995, QIAGEN began offering customers DNA sequencing and cGMP DNA production services on a contract basis. In addition, the Company offers specialized protein purification products which complement the Company's nucleic acid separation and purification technologies and products.

Consumable Nucleic Acid Separation and Purification Products

QIAGEN offers a wide range of consumable nucleic acid separation and purification products based on its platform of proprietary technologies. These are targeted to a number of nucleic acid purification applications and markets as set forth below.

Plasmid DNA Purification. Plasmid DNA purification is the most common and basic technique in molecular biology, encompassing a wide range of quality, throughput and pricing needs. Plasmid DNA is a small circular piece of bacterial DNA capable of moving from one cell to another. This property, in conjunction with an ability to acquire new pieces of genetic information (recombination), makes plasmid DNA a basic prerequisite for cloning, sequencing, transfection and many other molecular biology applications.

QIAGEN offers a wide range of products for plasmid DNA purification, each tailored to the needs of a specific application. For convenient, large scale ultrapure plasmid preparations, the Company offers

QIAGEN, QIAfilter and EndoFree Plasmid Kits, which are based on the Company's proprietary anion-exchange, filtration and endotoxin removal technologies. These kits are used in the molecular biology research, DNA sequencing, and genetic vaccination and gene therapy research markets, and range in price from $135 to $680 per kit. QIAGEN believes that future applications for these products will be large scale plasmid purification for the commercial genetic vaccination and gene therapy markets.

For ultrapure, high throughput plasmid DNA minipreparations (purification of small amounts of DNA), QIAGEN offers QIAwell Plasmid Kits, which are based on the Company's anion-exchange, selective adsorption to silica and filtration technologies. These products, which are available in single well, 8-well and 96-well formats, are used in the molecular biology research and DNA sequencing markets. QIAwell Plasmid Kits range in price from $160 to $1,490 per kit. QIAGEN believes that applications for these products will expand with the development of the commercial DNA sequencing and gene-based drug screening markets.

For high purity, high throughput plasmid DNA minipreparations, QIAGEN offers QIAprep Plasmid Kits which use the Company's proprietary selective adsorption to silica and filtration technologies. These products, which are also available in single well, 8-well and 96-well formats, are used in the molecular biology research and DNA sequencing markets. QIAprep Plasmid Kits range in price from $50 to $495 per kit. QIAGEN believes that future applications for these products will be in the commercial DNA sequencing and gene-based drug screening markets.

Genomic and Viral Nucleic Acid Purification. Reliable clinical diagnostics and genetic analysis require reproducible preparation of genomic and viral nucleic acids as the templates for the PCR amplification process that frequently precedes a diagnostic procedure. For purification of these nucleic acids from starting materials such as blood, tissue, mucus, or stool, QIAGEN offers the QIAamp Blood, Viral and Tissue Kits, which use its selective adsorption to silica technology and proprietary cell lysis procedures. These products are used in the molecular biology and clinical diagnostic research markets and range in price from $75 to $695 per kit. QIAGEN believes that future applications for these products for PCR template purification will expand significantly with the commercialization of the nucleic acid-based clinical diagnostics market and will include gene-based drug screening.

RNA Purification. RNA purification requires rapid and efficient removal of contaminants which can destroy the fragile RNA molecules. For rapid, small scale RNA purification, QIAGEN offers the RNeasy product line, which uses its selective adsorption to silica technology. For specific purification of mRNA, QIAGEN offers Oligotex Kits based on its proprietary technology for hybrid capture on latex beads. These products are used in the molecular biology and clinical diagnostic research markets, and range in price from $70 to $900 per kit. QIAGEN believes that applications for these products will expand significantly as the clinical diagnostics market adopts nucleic acid-based testing.

DNA Clean-up. DNA clean-up products are used to remove reagents or contaminants such as primers, nucleotides and enzymes from PCR-amplified DNA fragments before they are used in cloning or sequencing. QIAGEN offers a range of QIAquick and QIAEX kits for specific clean-up applications. QIAquick and QIAEX Kits are based on QIAGEN's selective adsorption to silica technology and are used in the molecular biology research, DNA sequencing and clinical diagnostic research markets. These kits range in price from $65 to $300 per kit. QIAGEN believes that applications for these products will expand as the DNA sequencing and clinical diagnostics markets develop.

Instrumentation

Both academic and industrial research laboratories are actively seeking automation of routine procedures to free scientists and technicians for more sophisticated tasks, eliminate human error and increase throughput. This demand for automation is being fueled by the DNA sequencing market, the Human Genome Project, gene-based drug screening and nucleic acid-based clinical diagnostics, all of which require tremendous numbers of routine nucleic acid sample preparations and enzymatic reactions. In response to this market demand, QIAGEN introduced the BioRobot 9600 in 1995, bringing automation to its nucleic acid separation and purification products. The QIAGEN BioRobot 9600 is a benchtop

workstation, complete with pre-programmed software for automation of most QIAGEN purification products, such as QIAwell and QIAprep. The QIAsoft software included in the BioRobot 9600 provides user friendly point-and-click control. The current list price of a BioRobot 9600 is approximately $70,000, and each installed instrument is expected to generate additional annual consumable sales of approximately $10,000 to $40,000. The BioRobot 9600 gives QIAGEN a strategic opportunity to establish a large installed instrumentation base, thereby promoting recurring sales of QIAGEN's consumable products. The BioRobot 9600 is used in the molecular biology research and DNA sequencing markets. The Company believes future markets for this instrument will include clinical diagnostics and gene-based drug screening.

Contract Services

QIAGEN offers contract services for cGMP DNA production and for DNA sequencing as an additional way to market its products, and to expand and promote its technologies. Some customers who require the ultrapure DNA provided by QIAGEN products are not equipped to produce it in the large amounts necessary for their pre-clinical and clinical studies. QIAGEN offers these customers contract DNA production under the cGMP conditions required by the FDA and other regulatory agencies. In addition, QIAGEN's expertise in DNA sequencing allows it to offer this as another contract service to its customers. These services are currently provided to the molecular biology research market for DNA sequencing, genetic vaccination and gene therapy, and also for preclinical trials. The Company expects future markets for these services to be in genetic vaccination and gene therapy, clinical diagnostics, and DNA sequencing and gene-based drug screening.

Recombinant Protein Purification Products

Purification of recombinant proteins is a necessary step in most molecular biology research projects, and is therefore performed by most of QIAGEN's customer base. QIAGEN offers its customers the QIAexpress products, which use a unique purification technology based on metal chelate affinity chromatography on Ni-NTA resin for small scale one-step purification of recombinant proteins. The QIAexpress line also includes products for protein expression and a proprietary protein detection system based on metal chelate affinity technology. QIAexpress products are used in the molecular biology and clinical diagnostic research markets. The average QIAexpress product costs approximately $300. QIAGEN believes that applications for these products will expand with growth in the DNA sequencing and gene-based drug screening market.

Summary of QIAGEN Products and Services

Products and Services	Existing Markets	Developing Markets
Nucleic Acid Purification Products		
Plasmid DNA Purification		
QIAGEN, QIAfilter, and EndoFree Plasmid Kits	Molecular Biology Research Genetic Vaccination Research Gene Therapy Research	Genetic Vaccination and Gene Therapy
QIAwell Plasmid Kits	Molecular Biology Research DNA Sequencing	DNA Sequencing and Gene-based Drug Screening
QIAprep Plasmid Kits	Molecular Biology Research DNA Sequencing	DNA Sequencing and Gene-based Drug Screening
Genomic and Viral Nucleic Acid Purification		
QIAamp Blood Kits, Viral Kits and Tissue Kits	Molecular Biology Research Clinical Diagnostic Research	Clinical Diagnostics DNA Sequencing and Gene-based Drug Screening
RNA Purification		
RNeasy Kits	Molecular Biology Research Clinical Diagnostic Research	Clinical Diagnostics
Oligotex mRNA Kits	Molecular Biology Research Clinical Diagnostic Research	Clinical Diagnostics
DNA Clean-up		
QIAquick Kits and QIAEX Kits	Molecular Biology Research Clinical Diagnostic Research DNA Sequencing	Clinical Diagnostics DNA Sequencing and Gene-based Drug Screening
Instrumentation Products		
BioRobot 9600	Molecular Biology Research Clinical Diagnostic Research DNA Sequencing	Clinical Diagnostics DNA Sequencing and Gene-based Drug Screening
Contract Services		
cGMP DNA Production	Molecular Biology Research Gene Therapy Research Genetic Vaccination Research Pre-clinical Trials	Genetic Vaccination and Gene Therapy
DNA Sequencing	Molecular Biology Research DNA Sequencing Clinical Diagnostic Research	DNA Sequencing and Gene-based Drug Screening Clinical Diagnostics
Recombinant Protein Purification Products		
QIAexpress Kits, Ni-NTA Resins and Detection Systems	Molecular Biology Research	DNA Sequencing and Gene-based Drug Screening

Product Development

QIAGEN's product development efforts are focused on expanding its existing products and developing innovative new products in selected areas where it has expertise and has identified substantial unmet market needs. The product development team, located in Germany, consists of 7 project managers and 54 research staff members, 18 of whom have Ph.D.s. Each project manager has responsibility for understanding and monitoring customer needs, marketing and updating existing products and developing ideas for new products.

QIAGEN has focused its product development efforts in the following key areas:

Consumables

QIAGEN intends to maintain its technology leadership position through investments in product improvements, product extensions and innovative new approaches. Recent examples of its efforts have

included the addition of QIAfilter technology to its plasmid purification products, the introduction of QIAquick products in a 96-well format and the development of a large scale RNeasy Kit. New consumable products currently in development are PCR enzymes and reagents and DNA transfection reagents.

PCR Enzymes and Reagents. PCR has become a widely used tool for amplification of nucleic acids in molecular biology, making them easier to detect. As a result, a profitable new market segment has developed for companies licensed to sell products covered by PCR-related patents. In December 1995, the Company acquired a non-exclusive license from Hoffmann-La Roche for the use, production and sale of enzymes and reagents required for PCR in the research market. This license allows QIAGEN to market kits that include its existing products for pre-PCR sample preparation and post-PCR DNA clean-up bundled with PCR enzymes and reagents. The Company believes it is well situated to penetrate the rapidly growing PCR research market by capitalizing on its leadership position in sample preparation and reputation for innovative and high quality products. The PCR license therefore allows the Company to offer customers in the research market a fully integrated solution to their nucleic acid purification and amplification needs.

DNA Transfection Reagents. QIAGEN has identified a new product opportunity in the transfection of plasmid DNA into mammalian cells. Transfection is currently the major application for ultrapure plasmid DNA purified with QIAGEN products. The Company is developing innovative reagents for efficient transfection which it can bundle with its existing plasmid purification products for the research market.

Instrumentation

QIAGEN launched its BioRobot 9600 as a technology platform for automation of its nucleic acid separation and purification consumable products. The Company is currently working on upgrading the existing BioRobot model and developing new versions for the automation of new applications, such as enzymatic reactions.

Upgrades to the existing BioRobot will include modifications of the software to incorporate developments in existing protocols or allow completely new protocols to be performed. The Company anticipates that new versions of the BioRobot will include hardware modifications, such as the addition of a bar code reader or a larger number of pipetting needles, which will enhance the use of the BioRobot for higher throughput applications such as DNA sequencing, gene-based drug screening and nucleic acid-based clinical diagnostics. QIAGEN believes that developments in instrumentation will strengthen its leadership position in the automation of nucleic acid-based applications and generate an increased demand for its consumable products.

Genetic Vaccination and Gene Therapy

The commercialization of gene therapy for human use will require significant quantities of ultrapure DNA, which must be endotoxin-free in order to comply with FDA and other regulatory requirements. In response to this need, QIAGEN is developing a new resin and modifying its existing purification technology to allow for a significant improvement in the efficiency of production of very large amounts of ultrapure cGMP-grade DNA.

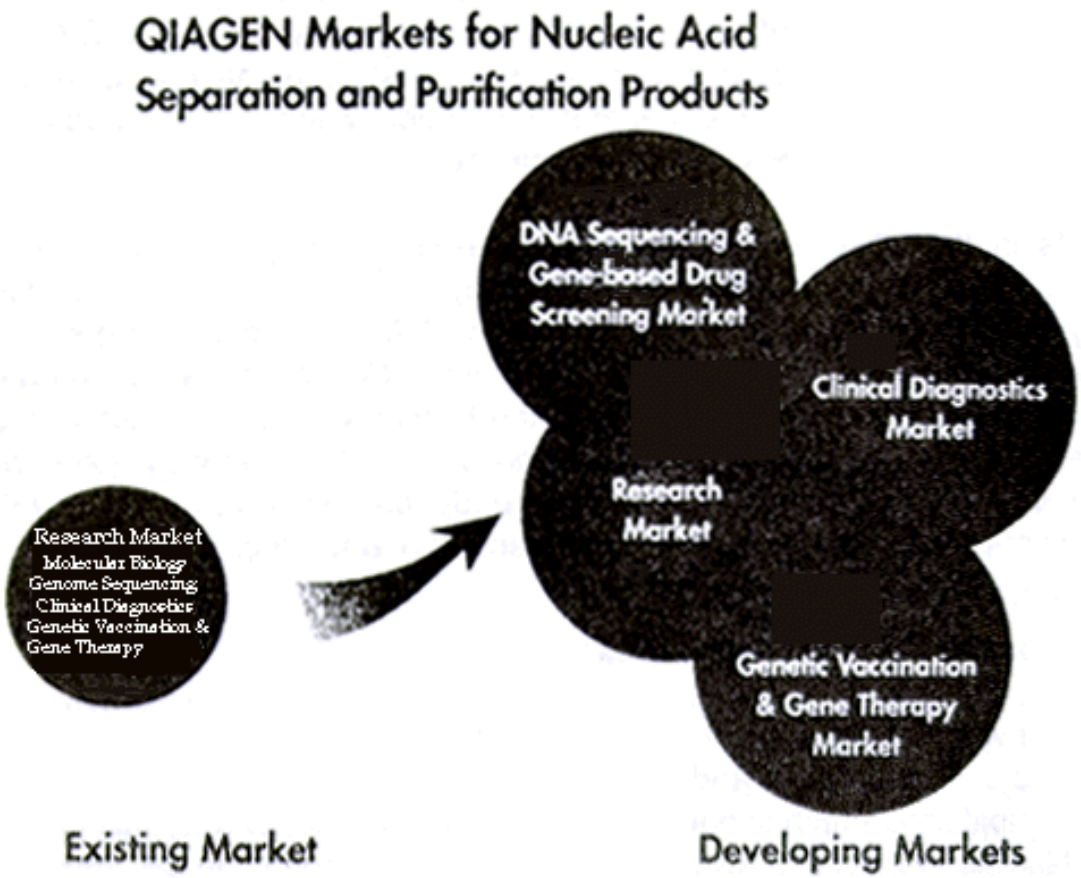
QIAGEN believes that genetic vaccination will be a commercial market before gene therapy. The Company is working with leading researchers using QIAGEN-purified DNA to test the feasibility of genetic vaccination in veterinary applications.

Nucleic Acid-based Clinical Diagnostics

The development of nucleic acid-based clinical diagnostics depends on the availability of nucleic acid purification technologies which can provide high throughput sample processing without cross-contamination or carryover between samples. QIAGEN is developing modifications to its existing QIAamp product line to increase throughput further, to reduce cross-contamination and carryover, and to enable automation of the genomic and viral nucleic acid purification process.

Markets Served

From its inception, QIAGEN has believed that nucleic acids would play an increasingly important role in molecular biology and that major new commercial uses of nucleic acids would be developed. QIAGEN has been supplying researchers with proprietary products for the separation and purification of nucleic acids since 1986. Customers include major academic institutions and governmental laboratories such as the United States National Institutes of Health ("NIH"), as well as leading pharmaceutical and biotechnology companies. In addition, fundamental developments in recent years have created significant new opportunities for QIAGEN in the emerging markets of DNA sequencing and gene-based drug screening, nucleic acid-based clinical diagnostics and genetic vaccination and gene therapy. In response to these opportunities, the Company is currently targeting its products and marketing activities to each of these markets.



Research Market

The worldwide research market for nucleic acid separation and purification products is comprised of an estimated 40,000 academic and industrial research laboratories with more than 150,000 researchers from leading academic institutes, biotechnology companies and pharmaceutical companies. Subsegments of this market include the research markets for DNA sequencing, nucleic acid-based clinical diagnostics, and genetic vaccination and gene therapy. A substantial portion of this market continues to utilize traditional, labor intensive methods for nucleic acid separation and purification, and QIAGEN estimates that 30% of all molecular biology research time is spent on such processes. QIAGEN recognized early on the opportunity to replace the traditional methods with reliable, fast and high quality nucleic acid separation and purification technologies and products. The Company concentrated its product development and marketing efforts on this market and now offers in excess of 200 nucleic acid separation and purification products to customers. The Company also offers innovative protein expression and purification products to these customers. The Company believes that it is the technology leader

in this growing research market and that it is well positioned for further market penetration. Based on estimates of the number of sample preparations being performed each year, QIAGEN believes that the current worldwide research market for its products exceeds $400 million annually. In addition, approximately $200 million is spent annually in this market on PCR enzymes and reagents for which the Company is developing a range of products. QIAGEN believes that it is well positioned to increase sales and expand its share of the research market as laboratories convert from traditional methods to QIAGEN products.

DNA Sequencing and Gene-based Drug Screening

QIAGEN believes the DNA sequencing and gene-based drug screening market offers a significant growth opportunity for the Company's consumable and instrumentation products. This developing market is characterized by its need for large numbers of ultrapure nucleic acid samples as well as for efficient protein expression and purification for functional analysis. In particular, high throughput sequencing is both costly and highly dependent on DNA purity for the quality of results. QIAGEN's consumable and instrumentation products provide for both reliable and fast preparation of ultrapure DNA samples. The combination of QIAGEN's DNA sample preparation products with the automated BioRobot 9600 gives the Company a strong competitive position in this market.

Participants in the DNA sequencing and gene-based drug screening market include academic research laboratories, numerous major biotechnology and pharmaceutical companies which have research and/or drug development programs based on DNA sequencing and gene-based drug screening, as well as smaller companies with genomics and other DNA sequencing-related businesses. One of the major efforts currently underway in this area is the Human Genome Project with an estimated cost of approximately $1 billion. This project involves several hundred laboratories worldwide, working to identify all of the estimated 100,000 genes in the human body, consisting of approximately 3 billion nucleotide bases. Other discovery targets include animal, plant, viral and other genomes.

Nucleic Acid-based Clinical Diagnostics

QIAGEN believes that the clinical diagnostics market represents a significant but largely untapped market for nucleic acid separation and purification products. The Company believes that the advent of PCR and other amplification technologies has made the prospect of nucleic acid-based clinical diagnostics feasible. Nucleic acid-based clinical diagnostics have fundamental advantages over traditional immunoassay diagnostics in both specificity and sensitivity. This new generation of clinical diagnostics can be used, for example, to detect or identify micro-organisms, cancer cells, bacteria and viruses (including the HIV virus) by searching for their nucleic acid sequences. In order to prove that a disease is present in a patient, the unique sequence of the target nucleic acid causing the disease must be known, and the sequence must be amplified to facilitate detection. Potential commercial applications for nucleic acid-based clinical diagnostics include genetic testing for predisposition to cancers and other common diseases, HLA typing for bone marrow and organ transplantation, genetic ''fingerprinting'' and infectious disease diagnostics in blood banks.

The success of nucleic acid-based clinical diagnostics will depend on its ability to be performed using purified nucleic acid samples drawn from a variety of specimens, including blood, tissue, mucus and stool, and to be automated so that many hundreds of samples can be handled concurrently. Other key factors will be the convenience, versatility and reliability of the nucleic acid separation and purification procedures. In order to broadly address the market for nucleic acid preparation in clinical diagnostics, the Company anticipates entering into partnerships or other agreements with established companies in the clinical diagnostics market. Possible arrangements could include the supply by QIAGEN of its nucleic acid sample preparation products for inclusion in the diagnostic kits sold by diagnostic companies in their markets.

Genetic Vaccination and Gene Therapy

QIAGEN believes that the potential use of nucleic acids as vaccines or drugs represents the largest untapped market for nucleic acid separation and purification products. The worldwide effort underway to discover all of the genes comprising the human genome may result in the identification of genes and gene mutations that are responsible for many common diseases and conditions, such as cancer, coronary artery disease, asthma and obesity. Scientists believe that these discoveries may lead to the development of a new generation of drugs, based either on the delivery of non-mutated genes to prevent or cure disease, or on the development of therapeutics which can mimic the biological functions of genes. A further application which may emerge from ongoing gene research is the development of genetic vaccination. Studies suggest that vaccination against diseases may be more effective using nucleic acid fragments from the disease-causing organisms rather than conventional vaccination approaches using recombinant proteins or the inactivated infectious agent. The commercialization of these drugs and vaccines will depend on the availability of large scale production of ultrapure nucleic acids. QIAGEN believes it is currently the only supplier of cGMP grade DNA for clinical studies. The Company believes that the use in clinical testing of nucleic acids purified using its technologies and products will give it a strong position in this market once genetic vaccination and gene therapy products become commercially available.

QIAGEN Technologies

Nucleic Acid Separation and Purification Technologies

QIAGEN has developed a core set of technologies to provide a comprehensive approach to the nucleic acid separation and purification process. These technologies can be used alone or in combinations to achieve the best solution for a given application. In particular, the Company's proprietary technologies for solid-phase anion-exchange purification and selective adsorption to silica particles or membranes significantly enhance the purification step, the most difficult, critical and labor intensive step in the nucleic acid separation and purification process. QIAGEN believes that its technologies represent substantial advances in the speed, reliability, and ease of use of nucleic acid separation and purification procedures and the purity and yield of the resulting nucleic acids.

Solid-phase Anion-exchange Technology. QIAGEN's patented anion-exchange technology was specifically developed for nucleic acid purification. This technology involves selective binding of nucleic acids to a macroporous silica gel particle coated with a very high density of positively charged anion-exchange groups. The nucleic acids bind tightly to this surface, which allows contaminating substances to be efficiently washed away. Finally, the binding is selectively reversed to release different classes of ultrapure DNA or RNA. QIAGEN believes that its anion-exchange technology is widely viewed as state-of-the-art for obtaining ultrapure nucleic acids. QIAGEN's anion-exchange technology also offers the additional benefits of convenience, speed, reproducibility and high yield. Techniques which require the use of ultrapure nucleic acids include transfection, microinjection, DNA sequencing and gene therapy research. QIAGEN's anion-exchange technology is employed in a number of its products, including QIAGEN Plasmid Kits, QIAGEN EndoFree Plasmid Kits and the QIAwell System.

Selective Adsorption to Silica Particles or Membranes. QIAGEN's proprietary technology is based on the ability to selectively and efficiently adsorb specific types of nucleic acids to silica particles or membranes and separate them from contaminating substances. This technology is particularly suitable for use in molecular biology applications where price, speed and throughput are more important than ultrapurity, such as DNA minipreparations for screening, cloning and PCR. QIAGEN employs this technology in a number of its products, including QIAprep, QIAamp, QIAquick and RNeasy.

Filtration. QIAGEN has introduced proprietary rapid filtration technology for clearing of the lysate in a single step process that takes just five minutes. The filtered cell lysate containing nucleic acids can then be immediately purified using QIAGEN's anion-exchange or selective adsorption to silica technologies. QIAGEN's filtration technology replaces the time consuming centrifugation process, which is difficult to automate and does not allow high throughput sample processing. QIAGEN employs filtration

technology in its line of QIAfilter products, which substantially increase productivity in DNA sequencing and nucleic acid-based clinical diagnostics, where high throughput nucleic acid purification is required, as well as in large scale production of nucleic acids for genetic vaccination and gene therapy.

Hybrid Capture on Latex Beads. QIAGEN has exclusively licensed a patented technology for hybrid capture on latex beads. Hybrid capture allows isolation of specific nucleic acid sequences directly from a crude biological sample containing a variety of nucleic acids and other contaminants by hybridization to a complementary sequence attached to an insoluble particle. Hybrid capture on latex beads is an innovative system which, in comparison to traditional hybrid capture on cellulose, increases both the speed and efficiency of purification of specific nucleic acid sequences. The most typical application for hybrid capture is the isolation of mRNA. QIAGEN applies this technology in its Oligotex Kits.

Endotoxin Removal. QIAGEN has developed a proprietary system which incorporates effective endotoxin removal into the purification process. Endotoxins are produced in bacteria and often appear in trace amounts in purified nucleic acids since they cannot be effectively removed by most nucleic acid purification systems. Although low-level endotoxin contamination has little or no effect on most molecular biology procedures, even trace amounts can induce toxic reactions in humans. Therefore, nucleic acids for human use must be endotoxin-free. QIAGEN's selective endotoxin removal technology uses a special reagent system in conjunction with the Company's anion-exchange resin and reduces endotoxin contamination of nucleic acids to a level well below the maximum level allowed by the FDA for use in genetic vaccination and gene therapy. QIAGEN employs this technology in its line of EndoFree Plasmid Kits and its contract cGMP DNA production services.

Other Technologies

QIAGEN has exclusively licensed a patented affinity purification system for recombinant proteins, which allows rapid one-step purification of proteins labeled with a specific affinity ''tag''. QIAGEN's proprietary *metal chelate affinity chromatography system* uses a patented high affinity chelating ligand (the NTA ligand), which provides highly efficient detection and purification of specific recombinant proteins carrying an affinity tag. These tagged recombinant proteins can be produced with the Company's proprietary bacterial expression system or any other expression system. QIAGEN believes that the high affinity of its NTA ligand provides significant advantages over other metal chelate systems in terms of purity, speed and convenience. QIAGEN has developed additional NTA metal chelate affinity systems for color-based detection of specific recombinant proteins, and for directional immobilization of antigens onto solid surfaces for screening purposes. QIAGEN employs this technology in its line of QIAexpress products.

Sales and Marketing

QIAGEN markets its products in more than 30 countries throughout the world. The Company has established wholly-owned subsidiaries in the markets which it believes have the greatest sales potential, including the United States, Germany, the United Kingdom, Switzerland, France and Australia. QIAGEN has established a network of highly experienced marketing staff and employs a dedicated field sales force of 60 people, who sell its products and provide direct support to customers. QIAGEN's marketing and sales staff are all experienced scientists with academic degrees in molecular biology or related areas. QIAGEN also has specialized independent distributors in over 25 countries.

QIAGEN's marketing strategy is focused on maintaining its reputation as a provider of innovative, high quality products which offer customers unique advantages. QIAGEN has developed a range of marketing tools designed to provide customers with direct access to technical support on a frequent basis, as well as to enhance the Company's reputation for technical excellence, high-quality products and commitment to customer service. Frequent communication with customers enables the Company to

identify market needs, to gain early insight into new developments and business opportunities and to respond with new products. QIAGEN's marketing tools include:

Customer Hotlines. All of the Company's product literature prominently displays a customer service hotline number, offering customers the opportunity to discuss a wide range of technical questions regarding the Company's products and related molecular biology procedures. These telephone lines are manned by Ph.D. and M.Sc. scientists, who provide this advice and training without charge to either existing or potential customers. While primarily a customer service and marketing tool, the hotline provides QIAGEN with important customer and market feedback. In the U.S. alone, QIAGEN's customer hotline personnel speak, on average, with over 150 customers per day.

QIAcabinet. The QIAcabinet is a storage cabinet owned by QIAGEN and placed in customer laboratories at their request. The QIAcabinet is stocked with QIAGEN products, offering customers the convenience of immediate access, thereby reducing product reorder procedures and shipping costs. QIAGEN monitors cabinet inventory and bills the customers at regular intervals. The Company believes that its QIAcabinet can be an effective barrier to competitor entry, while also reducing distribution costs and increasing QIAGEN's visibility in the laboratory.

QIAGEN News. This quarterly international publication is distributed to over 130,000 scientists worldwide and includes new product information, product updates and articles on new applications contributed by customers and by QIAGEN scientists.

QIAGEN Mailings. Direct mailings, which announce new products or offer special sales promotions, are sent out approximately every three weeks to over 130,000 existing and potential customers, providing an efficient vehicle for disseminating information.

Other Marketing Tools. QIAGEN places over 130 full-page advertisements per year in leading scientific journals such as *Nature, Science* and *Cell.* In addition, the Company also holds numerous scientific seminars, in which its scientists present technical information at leading academic and industrial research institutes worldwide. In addition, the Company is establishing a user network and informational data base accessible through its World Wide Web site (at http://www.QIAGEN.com).

Customers

QIAGEN has a broad and diversified base of over 17,000 customer accounts, each consisting of up to 50 laboratories. These include major academic institutions and governmental laboratories such as the NIH, as well as the top ten pharmaceutical companies and top ten biotechnology companies. Apart from the NIH, no single customer account represents more than 5% of the Company's sales. In addition, the Company has specialized distributors in more than 25 countries. The Company operates in markets characterized by short lead times and the absence of significant backlogs. The Company does not have an order backlog that is material to its business.

Production, Manufacturing and Facilities

QIAGEN's production and manufacturing facilities are located in Hilden, Germany. Over the last two years, the Company has made substantial investments in automated and interchangeable production equipment to increase its production capacity and improve efficiency. QIAGEN's production and manufacturing operations are highly integrated and benefit from sophisticated inventory control. The Company is also in the process of installing production planning systems which will be included in its integrated information and control system from SAP AG. The Company's production management is highly qualified and many have engineering degrees.

QIAGEN's production operations employ 80 people in two overlapping shifts. The key tasks carried out are resin synthesis, column packing, preparation of buffers, reagents and accessories, kit assembly, quality control and packaging. The Company believes that its existing production facilities can support its planned production needs for the next 18 months. The Company plans to increase its production capacity through the expansion of its U.S. facilities. See ''Use of Proceeds''.

The Company's facilities in Germany currently occupy 92,611 square feet and are leased pursuant to separate contracts expiring between the years 2002 and 2014. An additional 24,210 square feet are currently under construction in an adjacent lot held pursuant to the same lease. QIAGEN also leases cGMP production facilities in Belgium.

The Company's U.S. distribution facilities are located in Chatsworth, California, and are held pursuant to a lease expiring in September 1996 which includes an option to extend the term of the lease for an additional three years. The Company intends to expand its U.S. operations to approximately 90,000 square feet. Subsidiaries in other countries lease small amounts of warehouse and office space.

The Company's production and manufacturing operations are subject to various federal, state, and local laws and regulations. See ''— Government Regulation''.

Patents, Licenses and Proprietary Technologies

QIAGEN considers the protection of its proprietary technologies and products for the separation and purification of nucleic acids as key to the success of its business. The Company relies on a combination of patents, licenses and trademarks to establish and protect its proprietary rights in its technologies and products. The Company currently owns 4 issued patents in the United States, 13 issued patents in Germany and 23 issued patents in other major industrialized countries, and has over 40 pending patent applications. QIAGEN's policy is to file all patents in Western Europe, the United States and Japan. U.S. patents have a term of 17 years from the date of issue for patents issued from applications submitted prior to June 8, 1995 and 20 years from the date of filing of the application in the case of patents issued from applications submitted on or after June 8, 1995. Patents in most other countries have a term of 20 years from the date of filing of the patent application. The Company intends to aggressively prosecute and enforce its patents and otherwise protect its proprietary technologies. QIAGEN also relies on trade secrets, know-how, continuing technological innovation and licensing opportunities to develop and maintain its competitive position.

In 1981, prior to the formation of QIAGEN, Dr. Metin Colpan and Dr. Detlev Riesner granted limited non-transferable access to an early patent for an anion-exchange resin, which is now owned by QIAGEN, to the owner of Macherey-Nagel GmbH & Co. Macherey-Nagel was an investor in QIAGEN from 1985 to 1988. Macherey-Nagel's right to use this anion-exchange resin is limited in both sales volume and format of the product. QIAGEN also has independent proprietary patent positions on a range of substantial improvements to this early technology.

In 1990, Hoffmann-La Roche granted QIAGEN a worldwide exclusive license for the research and industrial market for a novel protein expression and purification technology based on a Histidine affinity tag and Ni-metal chelate affinity chromatography. This technology was combined with QIAGEN technology and incorporated in QIAGEN's QIAexpress protein expression and purification product line.

In September 1991, QIAGEN obtained a worldwide (with the exception of Japan) exclusive license for Hoffmann-La Roche's Oligotex dT30 technology for hybrid capture on latex beads, which has been further developed and incorporated in QIAGEN's Oligotex product line.

In December 1995, the Company acquired a license from Hoffmann-La Roche for the use, production and sale of reagents required for PCR in the research market. This license allows QIAGEN to bundle its sample preparation and DNA clean-up products with PCR reagents and enzymes into complete PCR kits and other innovative PCR systems.

QIAGEN's strategy includes the use of strategic alliances to augment its product development efforts with complementary technologies and to leverage its marketing and distribution capabilities with respect to select market opportunities. In 1990, 3M granted QIAGEN exclusive and world-wide rights for nucleic acid separation and purification applications using 3M's Empore™ membrane technology (originally developed for medical applications). QIAwell, a key product targeting the DNA sequencing market, combines Empore technology with QIAGEN's anion-exchange technology. In addition, 3M has

made substantial investments in production facilities which now produce 8-well and 96-well consumable components exclusively for QIAGEN.

QIAGEN's practice is to require its employees, consultants, outside scientific collaborators and sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with the company. These agreements provide that all confidential information developed by or made known to the individual during the course of the individual's relationship with QIAGEN is to be kept confidential and not disclosed to third parties, subject to a right to publish certain information in the scientific literature in certain circumstances and subject to other specific exceptions. In the case of employees, the agreements provide that all inventions conceived by the individual while employed by QIAGEN will be the exclusive property of the Company.

The patent positions of QIAGEN, like similar technology based companies, involve complex legal factual questions and may be uncertain. In addition, patent applications in the U.S. are maintained in secrecy until patents issue, and publications of discoveries in the scientific or patent literature tend to lag behind actual discoveries by several months. Consequently, no assurance can be given that patents will issue from any of the Company's applications or, if patents do issue, that the claims allowed will be sufficiently broad to protect the Company's technology. Further, no assurance can be given that any issued patents owned by or licensed to the Company will not be challenged, invalidated or circumvented, or that the rights granted thereunder will provide competitive advantages to the Company. In addition, there can be no assurance that any confidentiality agreements between QIAGEN and its employees, consultants, outside scientific collaborators and sponsored researchers and other advisors will provide meaningful protection for the Company's trade secrets or adequate remedies in the event of unauthorized use or disclosure of such information. See ''Risk Factors — Patents, Licenses and Proprietary Technologies''.

Competition

QIAGEN believes that its primary competition stems from traditional separation and purification methods, such as phenol extraction, cesium chloride density gradient centrifugation and precipitation. These methods utilize widely available reagents and other chemicals supplied by companies such as Sigma Chemical Company and Boehringer Mannheim GmbH. QIAGEN competes with such methods through its innovative technologies and products. These offer a comprehensive solution for nucleic acid separation and purification needs providing significant advantages over traditional methods including speed, reliability, convenience and ease of use. See ''— QIAGEN Technologies''.

QIAGEN also experiences, and expects to continue to experience, competition in different segments of its business from other companies providing nucleic acid separation and purification products in kit form. Competitors include private companies such as Promega Corp., Macherey-Nagel GmbH and Genomed GmbH. The Company believes that these competitors do not provide the broad range and depth of products and services offered by QIAGEN, and do not have the same comprehensive approach to nucleic acid separation and purification. QIAGEN believes that its proprietary technologies and products offer significant advantages over competitors products, with regard to purity, speed, reliability and throughput. These advantages allow the Company to command premium prices.

The Company's continued future success will rely in large part on its ability to maintain its technological advantage over competing products, expand its market presence and preserve customer loyalty. There can be no assurance that QIAGEN will be able to compete effectively against its existing or future competitors or that developments by others will not render its technologies or products non-competitive. See ''Risk Factors — Competition''.

International Operations

The Company's business involves operations in several countries. Its principal production and manufacturing facilities are located in Hilden, Germany. The Company operates a U.S. sales and distribution facility in Chatsworth, California through its U.S. subsidiary. The Company also has estab-

lished sales subsidiaries in the United Kingdom, France, Switzerland and Australia. In addition, the Company's products are sold through independent distributors in more than 25 other countries.

Conducting operations on a international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. The Company has invested heavily in computerized information systems in order to manage more efficiently the widely dispersed components of its operations.

As a result of its international operations, a significant portion of the Company's business is conducted in currencies other than the U.S. dollar. In 1995, approximately 43% of the Company's net sales were denominated in currencies other than the U.S. dollar. In addition, certain expenses associated with the Company's production and manufacturing facilities in Germany, including capital lease obligations, are denominated in German marks. Consequently, the Company's operations are subject to fluctuations in the value of the German mark, as well as the other currencies in which the Company's business is conducted, relative to the U.S. dollar.

International business is subject to various risks, including general economic conditions in the countries in which the Company operates, overlap of various tax structures, unexpected changes in regulatory requirements, compliance with a variety of foreign laws and regulations, and longer accounts receivable payment cycles in certain countries. Other risks that may be associated with the Company's international operations include import and export licensing requirements, trade restrictions, exchange controls and changes in tariff and freight rates.

Government Regulation

The Company is not subject to direct regulation other than regulation generally applicable to businesses pursuant to various laws and regulations as in effect in the different jurisdictions in which the Company operates, including laws and regulations applicable to environmental matters including the handling and disposal of hazardous wastes. QIAGEN's research and development activities involve the controlled use of small amounts of hazardous materials, chemicals and radioactive compounds. Although the Company believes that its safety procedures for handling and disposing of such materials comply with the standards prescribed by applicable regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any damages that result and any such liability could have a material effect on the Company. However, the Company does not expect that compliance with the governmental regulations to which it is subject will have a material effect on its capital expenditures, earnings or competitive positions.

Sales volumes of certain of the Company's products in development may be dependent on commercial sales by its customers of diagnostic and pharmaceutical products, which will require preclinical studies and clinical trials. Such trials will be subject to extensive regulation by governmental authorities in the United States, including the FDA and equivalent agencies in other countries, and involve substantial uncertainties. See ''Risk Factors — Government Regulation''.

Employees

As of April 30, 1996, the Company employed 334 individuals, 18% of whom worked in research and development, 27% in sales, 30% in production / logistics, 13% in marketing and 12% in administration.

None of the Company's employees is represented by a labor union or is subject to a collective bargaining agreement. The Company believes that its relations with its employees are good.

Legal Proceedings

The Company is not currently a party to any material legal proceedings.

MANAGEMENT

Supervisory Board

Under Dutch law and the Articles of Association of the Company, the management of the Company is entrusted to the Managing Board under the supervision of the Supervisory Board. The Supervisory Board is responsible for supervising the policies pursued by the Managing Board and the general course of affairs of the Company and its business. In fulfilling their duties, the members of the Supervisory Board must serve the interests of the Company and its business.

The Supervisory Board consists of such number of members as the joint meeting of the Supervisory Board and the Managing Board (the ''Joint Meeting'') may determine, with a minimum of three members. The supervisory directors are appointed by a general meeting of shareholders of the Company (the ''General Meeting''), subject to the authority of the Supervisory Board itself to appoint up to one-third of its members as described below. The Joint Meeting may make a binding nomination to fill each vacancy on the Supervisory Board. The General Meeting may at all times overrule the binding nature of a nomination by resolution adopted with a majority of at least two-thirds of the votes cast, if such majority represents more than half the issued share capital. Supervisory directors are appointed for the period beginning on the date following the annual General Meeting up to and including the date of the annual General Meeting held in the following fiscal year. If during a fiscal year a vacancy occurs on the Supervisory Board, the Supervisory Board may appoint a supervisory director who will cease to hold office at the next following annual General Meeting held as described above. The Supervisory Board may appoint in this way up to one-third of the number of supervisory directors as determined by the Joint Meeting.

The Supervisory Board appoints a chairman from among its members. Subject to the Articles of Association, the Supervisory Board may adopt rules governing the internal organization of the Supervisory Board and establish such committees as it shall deem appropriate. The powers and authority of such committees must be set forth in such rules. In order to be validly adopted, resolutions of the Supervisory Board require a simple majority of the votes cast in a meeting at which a majority of the supervisory directors is present or represented. The Supervisory Board must meet upon the request of two or more of its members or of the Managing Board.

A supervisory director must retire at the latest on the day on which the annual General Meeting is held in the fiscal year in which he reaches 72 years of age. A supervisory director may at any time be suspended or dismissed by the General Meeting. A resolution of the General Meeting to suspend or dismiss a supervisory director requires the adoption by two-thirds of the votes cast, if such majority represents more than half the issued share capital, unless the proposal for suspension or dismissal was made by the Joint Meeting, in which case a simple majority of votes cast is sufficient. A General Meeting must be held within three months after a suspension to either dismiss the supervisory directors, terminate the suspension or extend the suspension for a maximum period of another three months.

The compensation of the members of the Supervisory Board is determined by the Supervisory Board. Expenses incurred by the supervisory directors in performing their duties on the Supervisory Board are reimbursed by the Company.

The Supervisory Board has established an Advisory Committee consisting of certain designees, who will generally have the right to attend meetings of the Supervisory Board to provide advice and participate in deliberations, but not to vote as members of the Supervisory Board. Current Advisory Committee members are Dr. Metin Colpan and Peer M. Schatz.

The Supervisory Board has also appointed an Audit Committee and a Compensation Committee. The Audit Committee reviews and reports to the Supervisory Board on the scope and results of audits by the Company's external auditors, recommends the firm of certified public accountants to serve as the Company's external auditors (subject to nomination by the Supervisory Board and ratification by the shareholders), authorizes all audit and other professional services rendered by the auditor, and periodically reviews the independence of the auditor. The Compensation Committee will approve the compensation arrangements with the Company's executive, managerial and other employees, subject to

Supervisory Board approval, appraise their performance on a regular basis, review and recommend to the Supervisory Board any additions to or revisions of the Company's incentive compensation plans, and approve any options or grants under such plans.

Three of the Company's sets of shareholders, Euroventures Benelux I and II B.V., Erste and Zweite Beteiligungs-KG der TVM Techno Venture Management Gesellschaft mbH, & Co. KG and S-Kapitalbeteiligungsgesellschaft Düsseldorf mbH have agreed to vote their shares in favor of the election to the Supervisory Board of their respective designees. Such shareholders will hold an aggregate of 5,750,667 shares, representing 35.4% of the outstanding Common Shares, after the consummation of the Offerings.

Managing Board

The management of the Company is entrusted to the Managing Board under the supervision of the Supervisory Board. Authority to represent the Company is vested in the Managing Board. In addition, each member of the Managing Board individually is authorized to represent the Company. The Articles of Association provide that the Supervisory Board may specify by resolution that certain specified actions by the Managing Board require the prior approval of the Supervisory Board. Actions of the Managing Board shall require the approval of the General Meeting if required by law and the provisions of the Articles of Association.

The Managing Board has one or more members, as determined by the Supervisory Board. Managing directors are appointed annually by the General Meeting. The Joint Meeting may make a binding nomination to fill each vacancy on the Managing Board. The General Meeting may at all times overrule the binding nature of a nomination by resolution adopted with a majority of at least two-thirds of the votes cast, if such majority represents more than half the issued share capital.

The sole member of the Managing Board is Dr. Metin Colpan, the Company's Chief Executive Officer.

Subject to the Articles of Association, the Supervisory Board may adopt rules governing the internal organization of the Managing Board. The Supervisory Board may in addition divide the duties among the members of the Managing Board and give directions to the Managing Board with respect to the general financial, economic, personnel and social policy of the Company. The Supervisory Board appoints one of the members of the Managing Board as chairman with the title Chief Executive Officer. In order to be validly adopted, resolutions of the Managing Board require a simple majority of votes cast. One of the votes in favor of a proposal must be from the chairman.

The General Meeting may at any time suspend or dismiss a managing director. A resolution to suspend or dismiss requires the adoption by two-thirds of the votes cast, if such majority represents more than half the issued share capital, unless the proposal for suspension or dismissal was made by the Joint Meeting, in which case a simple majority of the votes cast is sufficient. The Supervisory Board may also at any time suspend (but not dismiss) a member of the Managing Board. A General Meeting must be held within three months after a suspension to either terminate or extend the suspension for a maximum period of another three months. The managing director must be given the opportunity to account for his actions at that meeting.

If a managing director is temporarily prevented from acting, the remaining members or member of the Managing Board will be temporarily responsible for the management of the Company. If all the members of the Managing Board are prevented from acting, one or more persons appointed by the Supervisory Board will be temporarily responsible for the management.

The Supervisory Board determines the compensation and other terms and conditions of employment of the managing directors.

The Joint Meeting

The Joint Meeting consists of the members of the Supervisory Board and the members of the Managing Board. The sole responsibilities of the Joint Meeting shall be to determine the number of supervisory directors, make a binding nomination for each vacancy in the Managing and Supervisory

Boards, and to propose to the General Meeting to suspend or dismiss a director. The chairman of the Supervisory Board is the chairman of the Joint Meeting. The Joint Meeting appoints one of its members as secretary. The Joint Meeting may only adopt resolutions if the majority of the members of the Supervisory Board and the majority of the members of the Managing Board are present or represented in such meeting. In order to be validly adopted, resolutions of the Joint Meeting require a simple majority of the votes cast. The Joint Meeting adopts rules regarding the internal organization of the Joint Meeting.

Executive Officers

As a legal matter, the executive officers of the Company support the Managing Board in its management of the Company.

Directors and Executive Officers

The supervisory directors, managing director and executive officers of the Company, and their ages as of April 30, 1996, are as follows:

Name	Age	Position
Dr. Metin Colpan	41	Managing Director, Chief Executive Officer
Peer M. Schatz	30	Chief Financial Officer
Prof. Dr. jur. Carsten P. Claussen(1)	68	Chairman of the Supervisory Board, Supervisory Director
Peter Kaleschke(1)(2)	59	Supervisory Director
Martijn Kleijwegt(1)(2)	41	Supervisory Director
Prof. Dr. Detlev H. Riesner	54	Supervisory Director
Jochen Walter(2)	48	Supervisory Director
Dr. Franz A. Wirtz	63	Supervisory Director

(1) Member of the Compensation Committee.
(2) Member of the Audit Committee.

Dr. Metin Colpan is a co-founder of the Company and has been Chief Executive Officer since 1985. Dr. Colpan obtained his Ph.D. and M.Sc. in Organic Chemistry and Chemical Engineering from the Darmstadt Institute of Technology in 1983. Prior to founding QIAGEN, Dr. Colpan was an Assistant Investigator at the Institute for Biophysics at the University of Düsseldorf. Dr. Colpan has had wide experience in separation techniques and in the separation and purification of nucleic acids in particular, and has filed many patents in the field. The Company has obtained a key man life insurance policy on the life of Dr. Colpan in the amount of DM 1.5 million.

Peer M. Schatz joined the Company as Chief Financial Officer in 1993. Mr. Schatz was previously a partner in a private management buyout group in Switzerland and worked in finance and systems positions in Sandoz, Ltd. and Computerland AG as well as in finance, operations, management and sales positions in various start-up companies in the computer and software trading industry in Europe and the United States. Mr. Schatz graduated from the University of St. Gall, Switzerland, with a Master's degree in Finance in 1989 and obtained an M.B.A. in Finance from the University of Chicago Graduate School of Business in 1991.

Professor Dr. jur. Carsten P. Claussen has been Chairman of the Board of QIAGEN since 1988. For many years he has pursued a career in private banking. Between 1976 and 1987, Professor Claussen was a member of the Executive Board of Norddeutsche Landsbank, Hannover, and Chairman of the Hannover Stock Exchange. Since 1987 he has been a lawyer in Düsseldorf and senior advisor to IKB Deutsche Industriekreditbank, Düsseldorf. At present he is a partner in the law firm of Hoffmann Liebs and Partner and specializes in corporate law and capital market transactions. He is a Chairman of the Board of Deinhard & Co. K.G. and Germania Epe AG and is a member of other boards. Professor Claussen received his Ph.D. in law from the University of Cologne.

Peter Kaleschke has been a member of QIAGEN's Board since 1991. Since 1984 he has been a Managing Partner of TVM Techno Venture Management. Prior thereto, he worked with Siemens AG in the field of mergers and acquisitions particularly in the USA, and also as Treasurer of the Polygram Group of Companies in The Netherlands. Mr. Kaleschke received a degree in Economics from the University of Munich, Germany.

Martijn Kleijwegt joined QIAGEN's Board in 1995. Mr. Kleijwegt joined Euroventures Benelux in 1985 and has been a general partner of that firm since 1988. In his capacity as a general partner of Euroventures Benelux, Mr. Kleijwegt has participated in several trans-European transactions and serves on the Board of a number of high-technology companies in The Netherlands, Germany, and elsewhere in Europe. Before joining Euroventures Benelux, Mr. Kleijwegt worked for two years as a financial economist at Philips International. Mr. Kleijwegt holds a Masters degree in economics from the University of Amsterdam.

Professor Dr. Detlev H. Riesner is a co-founder of QIAGEN and has been on the Company's Board since 1984. Professor Riesner has held the Chair of Biophysics at the Heinrich-Heine-University in Düsseldorf since 1980. In 1996, he was also appointed to the position of Vice President of Research at the University of Düsseldorf. Prior to that he was Professor of Biophysical Chemistry at the Darmstadt Institute of Technology and from 1975 to 1977 Lecturer of Biophysical Chemistry at Hannover Medical School. He has held guest professorships at the Institute of Microbiology, Academia Sinica, Beijing and the Department of Neurology at the University of California, San Francisco. He received his M.S. in Physics from Hannover Institute of Technology and his Ph.D. from the University of Braunschweig, with post-graduate work at Princeton University.

Jochen Walter joined the Board of QIAGEN in 1988. Since 1985 Mr. Walter has been the Managing Director of RBS GmbH & Co. KG (previously called Innovatives Düsseldorf), a venture capital company which is the management company for S-Kapitalbeteiligungsgesellschaft Dusseldorf mbH. Since 1968 he has been involved in a wide range of management positions in commercial banking. Mr. Walter holds a diploma in banking management from the Banking Institute in Bonn.

Dr. Franz A. Wirtz has been a member of QIAGEN's board since 1989. Dr. Wirtz is Executive Director (Partner) of Grünenthal GmbH, Aachen, Germany, a large, private pharmaceutical company with a strong research base. Grünenthal owns 50% of Takeda Pharma GmbH, Aachen, the most successful entry by a Japanese company into the German market. For 10 years Dr. Wirtz was treasurer of the German Pharmaceutical Industry Association. Dr. Wirtz holds a doctorate degree in Chemistry from the Institute of Technology in Aachen.

Compensation of Directors and Officers

The aggregate amount paid by the Company in fiscal 1995 to the supervisory directors, managing director and executive officers of the Company as a group (8 persons) was approximately $610,000. See Note 10 to Consolidated Financial Statements.

Stock Option Plan

In April 1996 the Supervisory Board adopted the QIAGEN N.V. 1996 Employee, Director and Consultant Stock Option Plan (the ''Option Plan''), which was approved by the Company's shareholders on June 3, 1996. Pursuant to the Option Plan, options to purchase the Company's Common Shares may be granted to employees and consultants of the Company and its subsidiaries and to supervisory directors. An aggregate of 1,371,000 Common Shares have been reserved for issuance pursuant to the Option Plan, subject to certain antidilution adjustments. Options granted pursuant to the Option Plan may either be incentive stock options within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the ''Code''), or non-qualified stock options. The Option Plan is administered by the Compensation Committee of the Supervisory Board (the ''Compensation Committee''), which selects participants from among eligible employees, consultants and directors and determines the number of shares subject to the option, the length of time the option will remain outstanding, the manner and time of the option's exercise, the exercise price per share subject to the option and other terms and

conditions of the option consistent with the Option Plan. The Compensation Committee's decisions are subject to the approval of the Supervisory Board.

The Compensation Committee has the power, subject to Supervisory Board approval, to interpret the Option Plan and to adopt such rules and regulations (including the adoption of ''sub plans'' applicable to participants in specified jurisdictions) as it may deem necessary or appropriate. The Compensation Committee or the Supervisory Board may at any time amend the Option Plan in any respect, except that (i) no amendment that would adversely affect the rights of any participant under any option previously granted may be made without such participant's consent and (ii) no amendment shall be effective prior to approval by the shareholders of the Company to the extent such approval is required to ensure favorable tax treatment for incentive stock options or to ensure compliance with Rule 16b-3 under the United States Securities Exchange Act of 1934, as amended (the ''Exchange Act'') at such times as any participants are subject to Section 16 of the Exchange Act.

As of May 1, 1996, options to purchase an aggregate of 279,900 shares of Common Stock have been granted under the Option Plan to employees, officers and directors of the Company, including 50,000 to officers and directors of the Company as a group. All such options are currently outstanding. These options were granted with an exercise price of $9.50 per share which the Supervisory Board determined in good faith was the fair market value of the Common Shares as of the date of grant. The options have a term of ten years, subject to earlier termination in the event of death, disability or other termination of employment. The outstanding options will become exercisable in cumulative annual installments of 33⅓% each, beginning on the first anniversary date of the grant.

CERTAIN TRANSACTIONS AND CORPORATE REORGANIZATION

Certain Transactions

In March 1996, QIAGEN GmbH, issued and sold to its directors and certain officers shares representing in aggregate 6.08% of its outstanding share capital following such issuances. The issuance and sale was initially approved by the Company's Board in June 1995, at which time the purchase price was determined, and a subscription agreement was entered into between the Company and the purchasers in September 1995. The aggregate consideration for such shares will be DM 2,575,000, of which DM 25,000 was paid in cash at the time of issuance and the remaining DM 2,550,000 of which is payable no later than December 31, 1998. All of such shares were exchanged for shares of QIAGEN N.V. as part of the April 1996 reorganization, see ''— Corporate Reorganization''.

In 1991, the Company entered into a long-term credit agreement with IKB KreditBank. As of March 31, 1996, DM 2.3 million ($1.6 million) was outstanding under such agreement. The loan bears interest at a floating rate which, at March 31, 1996, was equal to 6.75%. Dr. Metin Colpan has personally guaranteed DM 500,000 ($348,000) of such loan, in consideration for which the Company pays Dr. Colpan 3% of the guaranteed amount as an annual guaranty fee.

In 1993, the Company sold patents that were not related to the Company's core business to a shareholder of the Company, for a purchase price of $604,000.

Corporate Reorganization

On April 29, 1996, QIAGEN N.V., was incorporated as a public limited liability company under the laws of The Netherlands, to become the holding company for QIAGEN GmbH and its subsidiaries. QIAGEN N.V. acquired all of the outstanding shares of QIAGEN GmbH in exchange for the issuance of new shares of QIAGEN N.V., and as a result, became the parent of QIAGEN GmbH and its subsidiaries. See Note 13 to Consolidated Financial Statements.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Shares as of May 1, 1996 and as adjusted to reflect the sale of Common Shares in the Offerings, by (i) each director, (ii) each Shareholder and Selling Shareholder, and (iii) all directors and officers of the Company as a group:

	Number of Common Shares Owned Prior to Offerings		Number of Common Shares	Common Shares Owned After Offerings	
Name and Country of Residence	**Number(1)**	**Percent**	**Offered**	**Number(1)**	**Percent**
Dr. Metin Colpan, Germany	1,243,333	9.1%	—	1,243,333	7.7%
Prof. Dr. Detlev H. Riesner, Germany	706,667	5.2%	—	706,667	4.4%
Alafi Capital Company, USA	1,886,667	13.8%	—	1,886,667	11.6%
Euroventures Benelux I and II B.V., The Netherlands(2)	1,660,000	12.1%	336,000(3)	1,324,000	8.2%
Elf Technologies, Inc., USA	1,290,000	9.4%	320,000	970,000	6.0%
S-Kapitalbeteiligungsgesellschaft Düsseldorf mbH, Germany(4)	2,086,667	15.2%	—	2,086,667	12.9%
Erste and Zweite Beteiligungs-KG der TVM Techno Venture Management Gesellschaft mbH & Co. KG(5)	2,340,000	17.1%	—	2,340,000	14.4%
Dr. Karsten Henco, Germany	643,333	4.7%	—	643,333	4.0%
Dr. Jürgen Schumacher, Germany	613,333	4.5%	180,000	433,333	2.7%
Peer M. Schatz, Germany	343,334	2.5%	—	343,334	2.1%
Dr. Franz A. Wirtz, Germany	316,667	2.3%	—	316,667	2.0%
Prof. Dr. jur. C.P. Claussen, Germany	316,667	2.3%	—	316,667	2.0%
Prof. Dr. Dr. Charles Weissmann, Switzerland	193,333	1.4%	—	193,333	1.2%
Martijn Kleijwegt, The Netherlands(6)	1,683,333	12.3%	—	1,347,333	8.3%
Peter Kaleschke, Germany(7)	2,363,333	17.2%	—	2,363,333	14.6%
Jochen Walter, Germany(8)	2,110,000	15.4%	—	2,110,000	13.0%
Directors and Officers as a group(9)	9,083,334	66.3%	—	8,747,334	53.9%

(1) Except as otherwise noted, each person or entity named in the table has sole voting and investment power with respect to all Common Shares listed and owned by such person or entity. The table assumes no exercise of the Underwriters' over-allotment options.

(2) Includes 760,000 shares held by Euroventures Benelux I B.V. ('Euroventures I'') and 900,000 shares held by Euroventures Benelux II B.V. (''Euroventures II''), each of which disclaims beneficial ownership of shares owned by the other. Does not include 23,333 shares owned by Martijn Kleijwegt, a supervisory director of the Company and a general partner of Euroventures I and Euroventures II. Mr. Kleijwegt disclaims beneficial ownership of shares owned by Euroventures I and Euroventures II.

(3) All of the 336,000 Common Shares are being sold by Euroventures I.

(4) Does not include 23,333 shares owned by Jochen Walter, a supervisory director of the Company and a Managing Director of RBS GmbH & Co. KG, the management company for S-Kapitalbeteiligungsgesellschaft Düsseldorf mbH. (''S-Kapital'').

(5) Includes 2,200,000 shares held by Erste Beteiligungs-KG der TVM Techno Venture Management Gesellschaft mbH & Co. KG (''TVM I'') and 140,000 shares held by Zweite Beteiligungs-KG der TVM Techno Venture Management Gesellschaft mbH & Co. KG (''TVM II''), each of which disclaims beneficial ownership of all shares held by the other. Does not include 23,333 shares held by Peter Kaleschke, a supervisory director of the Company and a Managing Partner of TVM Techno Venture Management. Mr. Kaleschke disclaims beneficial ownership of shares owned by TVM I and TVM II.

(6) Includes an aggregate of 1,660,000 shares owned by Euroventures I and Euroventures II, as to which Mr. Kleijwegt disclaims beneficial ownership. See notes 2 and 3.

(7) Includes an aggregate of 2,340,000 shares owned by TVM I and TVM II, as to which Mr. Kaleschke disclaims beneficial ownership. See note 5.

(8) Includes 2,086,667 shares owned by S-Kapital, as to which Mr. Walter disclaims beneficial ownership. See note 4.

(9) Includes an aggregate of 6,086,667 shares owned by Euroventures I, Euroventures II, TVM I, TVM II, and S-Kapital. See notes 2, 4 and 5.

DESCRIPTION OF SHARE CAPITAL

The Company was incorporated under Dutch law on April 29, 1996 as a public limited liability company (''naamloze vennootschap''). Set forth below is a summary of certain provisions of the Company's Articles of Association, as amended on June 3, 1996, and of Dutch law. Such summary does not purport to be complete and is qualified in its entirety by reference to the Articles of Association and such law.

Share Capital

Upon consummation of the Offerings, the authorized share capital of the Company will be NLG 2,250,000 ($1,312,500), consisting of 75,000,000 shares, par value NLG .03 ($.0175), divided into 32,500,000 Common Shares, 5,000,000 financing preference shares (the ''Financing Preference Shares'') and 37,500,000 preference shares (the ''Preference Shares''). 13,710,000 Common Shares have been issued. No Financing Preference Shares or Preference Shares have been issued. Following the consummation of the Offerings, there will be 16,224,000 Common Shares issued and outstanding.

Common Shares

Common Shares will be issued in registered form only. Common Shares are available either without issue of a share certificate (''Type I shares'') or with issue of a share certificate (''Type II shares''), in either case in the form of an entry in the share register. The Type II shares are registered with American Stock Transfer & Trust Company, the Company's transfer agent and registrar in New York (the ''New York Transfer Agent''). At the discretion of the Supervisory Board, Type I shares may be issued and will be registered with TMF Management B.V. in Amsterdam, The Netherlands. Only Type II shares will be issued in the Offerings and will be quoted for trading on the Nasdaq National Market.

The transfer of registered shares requires a written instrument of transfer and the written acknowledgement of such transfer by the Company (or, in the case of Type II shares, the New York Transfer Agent (in the name of the Company)), and surrender of the share certificates, if any, to the Company or (in the name of the Company) to the New York Transfer Agent. Upon surrender of a share certificate for the purposes of transfer of the relevant shares, the Company (or the New York Transfer Agent in the name of the Company) acknowledges the transfer by endorsement on the share certificate or by issuance of a new share certificate to the transferee, at the discretion of the Managing Board.

Financing Preference Shares

Following the Offerings, no Financing Preference Shares will be outstanding. If issued, Financing Preference Shares will be issued in registered form only. No share certificates are issued for Financing Preference Shares. Financing Preference Shares must be fully paid up upon issue. The preferred dividend rights attached to Financing Preference Shares are described under ''— Dividends'' below. The Company has no present plans to issue any such Financing Preference Shares.

Preference Shares

Following the Offerings, no Preference Shares will be outstanding. If issued, Preference Shares will be issued in registered form only. No share certificates are issued for Preference Shares. Only 25% of the par value thereof is required to be paid upon subscription for Preference Shares. The obligatory payable part of the nominal amount (call) must be equal for each Preference Share. The Managing Board may, subject to the approval of the Supervisory Board, resolve on which day and up to which amount a further call must be paid on Preference Shares which have not yet been paid up in full. The preferred dividend rights attached to Preference Shares are described under ''— Dividends'' below.

Preference Shares may only be issued in the event that (i) in the opinion of the Supervisory Board, any person who did not acquire shares at incorporation of the Company, shall, alone or pursuant to a mutual arrangement for co-operation jointly with one or more other persons, directly or indirectly, have

acquired or given notice of an intent to acquire (beneficial) ownership of an amount of Common Shares or Financing Preference Shares, which in aggregate equals 20% or more of the share capital of the Company then outstanding in the form of Common Shares and Financing Preference Shares; (ii) the Supervisory Board shall declare any person to be an ''adverse person'' upon a determination that such person, alone or together with its affiliates or associates, has become the (beneficial) owner of an amount of Common Shares or Financing Preference Shares which the Supervisory Board determines to be substantial (which amount shall in no event be less than 10% of the shares then outstanding), and a determination that (a) such ownership is intended to cause or pressure the Company to enter into transactions intended to provide such person with short-term financial gain under circumstances that would not be in the interest of the Company and its shareholders or (b) such ownership is reasonably likely to cause a material adverse impact on the business prospects of the Company.

Pre-emptive Rights

Under the Articles of Association, existing holders of Common Shares will have pre-emptive rights in respect of future issuances of Common Shares, in proportion to the number of Common Shares held by them, unless limited or excluded as described below. Holders of Common Shares shall not have pre-emptive rights in respect of future issuances of Financing Preference Shares or Preference Shares. Holders of Financing Preference Shares and Preference Shares shall not have pre-emptive rights in respect of any future issuances of share capital. Pre-emptive rights do not apply with respect to shares issued against contributions other than in cash or shares issued to employees of the Company or a group company of the Company. Under the Articles of Association, the Supervisory Board has the power to limit or exclude any pre-emptive rights to which shareholders may be entitled provided that it has been authorized by the General Meeting to do so. The Supervisory Board has been granted such authority through June 7, 2001. The authority of the Supervisory Board to limit or exclude pre-emptive rights can only be exercised if at that time the authority to issue shares is in full force and effect. The authority to limit or exclude pre-emptive rights may be extended in the same manner as the authority to issue shares. If there is no designation of the Supervisory Board to limit or exclude pre-emptive rights in force, the general meeting of shareholders shall have authority to limit or exclude such pre-emptive rights, but only upon the proposal of the Supervisory Board.

Resolutions of the General Meeting (i) to limit or exclude pre-emptive rights or (ii) to designate the Supervisory Board as the corporate body that has authority to limit or exclude pre-emptive rights, require a majority of at least two-thirds of the votes cast in a meeting of shareholders if less than 50% of the issued share capital is present or represented. For these purposes, issuances of shares include the granting of rights to subscribe for shares, such as options and warrants, but not the issue of shares upon exercise of such rights.

Acquisition by the Company of its Own Shares

The Company may acquire its own shares, subject to certain provisions of Dutch law and the Articles of Association, if (i) shareholders' equity less the payment required to make the acquisition does not fall below the sum of paid-up and called up capital and any reserves required by Dutch law or the Articles of Association and (ii) the Company and its subsidiaries would not thereafter hold shares with an aggregate par value exceeding one-tenth of the Company's issued share capital. Shares held by the Company in its own capital or shares held by a subsidiary of the Company may not be voted. An acquisition by the Company of shares in its own capital may be effected by the Managing Board, subject to the approval of the Supervisory Board. Acquisitions by the Company of shares in its own capital may only take place if the General Meeting has granted to the Managing Board the authority to effect such acquisitions. Such authority may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired. On June 3, 1996, the General Meeting granted this authority to the Managing Board for a period of 18 months. Under this authorization, the maximum number of shares that can be acquired cannot exceed the maximum amount authorized by law, and the price per share must be between NLG .01 and 150% of the price for such shares on a stock market, with respect to Common

Shares, and between NLG .01 and three times the issuance price with respect to Preference Shares and Financing Preference Shares.

Capital Reduction

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, upon the proposal of the Supervisory Board, resolve to reduce the issued share capital by (i) cancelling shares or (ii) reducing the par value of shares through an amendment of the Articles of Association. Cancellation with repayment of shares or partial repayment on shares or release from the obligation to pay up may also be made or given exclusively with respect to Common Shares, Financing Preference Shares or Preference Shares.

Annual Accounts

The Company has a calendar fiscal year. Netherlands law requires that within five months after the end of the Company's fiscal year, unless the General Meeting has extended this period by a maximum period of six months on account of special circumstances, the Managing Board must submit to the shareholders a report with respect to such fiscal year, including the Company's financial statements for such year accompanied by a report of an independent accountant. The annual report is submitted to the annual General Meeting for adoption.

Dividends

Subject to certain exceptions, dividends may only be paid out of profits as shown in the annual financial statements of the Company as adopted by the General Meeting. Distributions may not be made if the distribution would reduce shareholders' equity below the sum of the paid-up capital and any reserves required by Dutch law or the Articles of Association.

Out of profits, dividends must first be paid on any outstanding Preference Shares (the ''Preference Share Dividend'') in a percentage (the ''Preference Share Dividend Percentage'') of the obligatory amount (call) paid up on such shares as at the beginning of the fiscal year in respect of which the distribution is made. The Preference Share Dividend Percentage is equal to the weighted average of the continuation rates, as fixed by the Stock Exchange Association in Amsterdam (''Vereniging voor de Effectenhandel'') and published in its Official Price List (''Officiele Prijscourant''), during the fiscal year in respect of which the distribution is made, increased by 1.5. If and to the extent that profits are not sufficient to pay the Preference Share Dividend in full, the deficit shall be paid out of the reserves, with the exception of any reserve which was formed as share premium reserve upon the issue of Financing Preference Shares. If in any fiscal year the profit is not sufficient to make the distributions referred to and if no distribution or only a partial distribution is made from the reserves referred to, such that the deficit is not fully made good, no further distributions will be made as described below until the deficit has been made good.

Out of profits remaining after payment of any dividends on Preference Shares, such amounts shall be kept in reserve as determined by the Supervisory Board. Out of any remaining profits not allocated to reserve, a dividend (the ''Financing Preference Share Dividend'') shall be paid on the Financing Preference Shares in a percentage (the ''Financing Preference Share Dividend Percentage'') over the par value, increased by the amount of share premium that was paid upon the first issue of Financing Preference Shares, which percentage is related to the average effective yield on the prime interest rate on corporate loans in the United States as quoted in the Wall Street Journal. If and to the extent that the profits are not sufficient to pay the Financing Preference Share Dividend in full, the deficit may be paid out of the reserves if the Managing Board so decides with the approval of the Supervisory Board, with the exception of the reserve which was formed as share premium upon the issue of Financing Preference Shares.

Insofar as the profits have not been distributed or allocated to reserves as specified above, they are at the free disposal of the General Meeting provided that no further dividends will be distributed on the Preference Shares or the Financing Preference Shares.

The General Meeting may resolve, on the proposal of the Supervisory Board, to distribute dividends or reserves, wholly or partially, in the form of shares in the capital of the Company.

Distributions as described above are payable as from a date to be determined by the Supervisory Board. The date of payment on Type I shares may differ from the date of payment on Type II shares. Distributions will be made payable at an address or addresses in The Netherlands to be determined by the Supervisory Board, as well as at least one address in each country where the shares are listed or quoted for trading. The Supervisory Board may determine the method of payment of cash distributions, provided that cash distributions in respect of Type II shares will, subject to certain exceptions, be paid in the currency of a country where the shares of the Company are listed or quoted for trading, converted at the close of business on a day to be determined for that purpose by the Supervisory Board.

Shareholder Meetings and Voting Rights

The annual General Meeting is held within six months after the end of each fiscal year for the purpose of, among other things, adopting the annual accounts and the filling of any vacancies on the Managing and Supervisory Boards.

Extraordinary General Meetings are held as often as deemed necessary by the Managing Board or Supervisory Board, or upon the request of one or more shareholders and other persons entitled to attend meetings jointly representing at least 40% of the issued share capital of the Company or by one or more shareholders jointly representing at least 10% of the issued share capital as provided for under the laws of The Netherlands.

General Meetings are held in Amsterdam, Haarlemmermeer (Schiphol Airport), Arnhem, Maastricht, Rotterdam or The Hague. The notice convening a General Meeting must be given to the shareholders by mail and by advertisement in at least one national daily newspaper published in The Netherlands no later than the fifteenth day prior to the meeting. The notice will contain or be accompanied by the agenda for the meeting.

The agenda shall contain such subjects to be considered at the General Meeting as the persons convening or requesting the meeting shall decide. One or more shareholders representing at least 10% of the issued share capital may request the Managing Board or Supervisory Board in writing, at least sixty days but not more than ninety days before the anniversary of the date on which the prior year's meeting was convened, to include certain subjects in the agenda. No valid resolutions can be adopted at a General Meeting in respect of subjects which are not mentioned in the agenda.

General Meetings are presided over by the chairman of the Supervisory Board or, in his absence, by any person nominated by the Supervisory Board.

All shareholders and other persons entitled to vote at General Meetings are entitled to attend General Meetings, to address the meeting and to vote. They must notify the Managing Board in writing of their intention to be present or represented not later than on the third day prior to the day of the meeting, unless the Managing Board prescribes a later date for such notice. Subject to certain exceptions, resolutions may be passed by a simple majority of the votes cast.

A resolution of the General Meeting to amend the Articles of Association, dissolve the Company, issue shares or grant rights to subscribe for shares or limit or exclude any pre-emptive rights to which shareholders shall be entitled is valid only if proposed to the General Meeting by the Supervisory Board.

A resolution of the General Meeting to amend the Articles of Association is further only valid if the complete proposal has been made available for inspection by the shareholders and the other persons entitled to attend General Meetings at the offices of the Company as from the day of notice convening

such meeting until the end of the meeting. A resolution to amend the Articles of Association to change the rights attached to the shares of a specific class requires the approval of the relevant class meeting.

Resolutions of the General Meeting in a meeting that has not been convened by the Managing Board and/or the Supervisory Board, or resolutions included on the agenda for the meeting at the request of shareholders, will be valid only if adopted with a majority of two-thirds of votes cast representing more than half the issued share capital, unless the Articles of Association require a greater majority or quorum.

A resolution of the General Meeting to approve a legal merger or the sale of all or substantially all of the assets of the Company is valid only if adopted by a vote of at least two-thirds of the issued share capital, unless proposed by the Supervisory Board, in which case a simple majority of the votes cast shall be sufficient.

Liquidation Rights

In the event of the dissolution and liquidation of the Company, the assets remaining after payment of all debts and liquidation expenses will be distributed among registered holders of the Common Shares in proportion to the par value of their Common Shares, subject to liquidation preference rights of holders of Preference Shares and Financing Preference Shares, if any.

Transfer Agent and Registrar

The Transfer Agent and Registrar for the Common Shares is American Stock Transfer & Trust Company.

TAXATION

The following discussion generally summarizes material anticipated tax consequences of an investment in the Common Shares under U.S. federal income tax laws and Netherlands tax laws. The discussion does not deal with all possible tax consequences relating to an investment in the Common Shares. In particular, the discussion does not address the tax consequences under state, local and other (e.g., non-U.S., non-Netherlands) tax laws. Accordingly, each prospective investor should consult its tax advisor regarding the tax consequences to it of an investment in the Common Shares. The discussion is based upon laws and relevant interpretations thereof in effect as of the date of this Prospectus, all of which are subject to change.

Netherlands Tax Considerations

The following summarizes, in the opinion of Baker & McKenzie, Netherlands tax counsel to the Company, the material tax consequences under Netherlands law of an investment in the Common Shares. Such summary is based on current Netherlands law as interpreted under officially published case law, and is limited to the tax implications for an owner of Common Shares who is not, or is not deemed to be, a resident of The Netherlands for purposes of the relevant tax codes (a ''non-resident Shareholder'' or ''Shareholder'').

Dividend Withholding Tax

General. Dividends distributed by the Company are subject to a withholding tax imposed by The Netherlands at a rate of, generally, 25%. Dividends include dividends in cash or in kind, constructive dividends and liquidation proceeds in excess of, for Netherlands tax purposes, recognized paid-in capital. Stock dividends are also subject to withholding tax over the nominal value unless sourced out of the Company's paid-in share premium which is recognized for Netherlands tax purposes.

No withholding tax applies on the sale or disposition of Common Shares to persons other than the Company and affiliates of the Company.

A Shareholder can be eligible for a reduction or a refund of Netherlands dividend withholding tax under a tax convention which is in effect between the country of residence of the Shareholder and The Netherlands. The Netherlands has concluded such conventions with, among others, the United States, Canada, Switzerland, Japan and all EU Member States except Portugal. Under most of those conventions, Netherlands dividend withholding tax is reduced to 15% or a lower rate.

U.S. Shareholders. Under the Tax Convention between The Netherlands and the United States (the ''Convention''), the withholding tax on dividends paid by the Company to a resident of the United States (as defined in the Convention) who is entitled to the benefits of the Convention, may be reduced to 5% (in the case of a corporate U.S. Shareholder that holds 10% or more of the voting power of a Netherlands company) or 15% (in the case of other U.S. Shareholders). Dividends paid by the Company to U.S. pension funds and U.S. tax exempt organizations may be eligible for an exemption from dividend withholding tax.

Income Tax and Corporate Income Tax

General. A non-resident Shareholder will not be subject to Netherlands income tax with respect to dividends distributed by the Company on the Common Shares or with respect to capital gains derived from the sale or disposition of Common Shares in the Company, provided that:

(a) the non-resident Shareholder does not carry on a business in The Netherlands through a permanent establishment or a permanent representative to which or to whom the Common Shares are attributable or deemed to be attributable;

(b) the non-resident Shareholder does not have a direct or indirect substantial or deemed substantial interest (as defined in The Netherlands tax code) in the share capital of the Company or, in the event the Shareholder does have such a substantial interest, such interest is a business asset; and

(c) the non-resident Shareholder is not entitled to a share in the profits of an enterprise, to which the Common Shares are attributable and that is effectively managed in The Netherlands, other than by way of securities or through an employment contract.

In general terms, a substantial interest in the share capital of the Company does not exist if the Shareholder, alone or together with certain relatives, does not own, and has not owned in the preceding five years, one-third or more of the nominal paid-up capital of any class of shares in the Company. Under legislation recently proposed by the Dutch Ministry of Finance, a substantial interest would exist if the Shareholder owns alone, or together with certain relatives, 5% or more of all issued capital of, or any class of shares in, the Company or a beneficial interest in such shares. This legislation is proposed to be effective January 1, 1997. This legislation would not affect the availability of any exemption currently available under Dutch tax treaties with respect to capital gains or dividends.

U.S. Shareholders. Pursuant to the Convention, the gain derived by a U.S. Shareholder from an alienation of the Common Shares constituting a substantial interest of the Shareholder in the Company, not effectively connected or deemed connected with a permanent establishment or permanent representative of the Shareholder in The Netherlands, is not subject to Netherlands income tax or corporate income tax, provided that the gain from the alienation of the Common Shares is not derived by an individual Shareholder who has, at any time during the five-year period preceding such alienation, been a resident of The Netherlands according to Netherlands tax law and who owns, either alone or together with close relatives, at least 25% of any class of shares of the Company.

Net Wealth Tax

A non-resident individual Shareholder is not subject to Netherlands net wealth tax with respect to the Common Shares, provided the Shareholder does not carry on a business in the Netherlands through a permanent establishment or a permanent representative to which or to whom the Common Shares are attributable. Corporations are not subject to Netherlands net wealth tax.

Gift and Inheritance Tax

A gift or inheritance of Common Shares from a non-resident Shareholder will not be subject to a Netherlands gift and inheritance tax, provided that the Shareholder does not own a business which is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands to which or to whom the Common Shares are attributable.

United States Federal Income Tax Considerations

The following summarizes, in the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., U.S. counsel to the Company, the material U.S. federal income tax consequences of the ownership of Common Shares by an investor that purchases such Common Shares in connection with the Offerings and that will hold the Common Shares as capital assets. This summary does not purport to be a complete analysis or listing of all potential tax considerations and does not address holders subject to special treatment under U.S. federal income tax laws (including insurance companies, tax-exempt organizations, regulated investment companies, financial institutions, broker dealers or holders that own, actually or constructively, 10% or more of the voting shares of the Company).

As used herein, references to a ''U.S. Holder'' are to a holder of Common Shares that is (i) a citizen or resident of the United States, (ii) a corporation organized under the laws of the United States or any political subdivision thereof, or (iii) a person or entity otherwise subject to United States federal income taxation on a net income basis with respect to Common Shares (including a non-resident alien or foreign corporation that holds, or is deemed to hold, Common Shares in connection with the conduct of a U.S. trade or business); and references to a ''non-U.S. Holder'' are to a holder that is not a U.S. person for U.S. federal income tax purposes.

Taxation of Dividends

To the extent paid out of current or accumulated earnings and profits of the Company, as determined under U.S. federal income tax principles, distributions, if any, made with respect to Common Shares will be includable for U.S. federal income tax purposes in the income of a U.S. Holder as ordinary dividend income in an amount equal to the sum of any cash and the fair market value of any property distributed by the Company. To the extent that such distribution exceeds the current or accumulated earnings and profits of the Company, it will be treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted tax basis in Common Shares and thereafter as taxable capital gain. Dividends generally will be treated as income from sources outside the United States and generally will be passive income (or, in the case of certain holders, ''financial services income'') for purposes of the foreign tax credit limitation. Dividends paid by the Company will not be eligible for the dividends received deduction allowed to corporations in certain circumstances under the Code. A U.S. Holder may elect annually to either deduct The Netherlands withholding tax (see ''Taxation — Netherlands Tax Considerations — Dividend Withholding Tax'') against their income or take the withholding taxes as a credit against their U.S. tax liability, subject to U.S. foreign tax credit limitation rules.

Dividends paid by the Company in a currency other than the U.S. dollar will be included in the income of a U.S. Holder in a U.S. dollar amount based upon the exchange rate in effect on the date of receipt. A U.S. Holder will have a tax basis in such foreign currency for U.S. federal income tax purposes equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent disposition of such foreign currency (including a subsequent conversion into U.S. dollars) will be ordinary income or loss. Such gain or loss will generally be income from sources within the U.S. for foreign tax credit limitation purposes.

A non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on distributions with respect to Common Shares that are treated as dividend income for U.S. federal income tax purposes unless such dividends are effectively connected with the conduct of a trade or business within the United States by such non-U.S. Holder, and generally will not be subject to U.S. federal income

tax or withholding tax on distributions with respect to Common Shares that are treated as capital gain for U.S. federal income tax purposes unless such holder would be subject to U.S. federal income tax on gain realized on the sale or other disposition of Common Shares, as discussed below.

Taxation of Capital Gains

Subject to the PFIC rules discussed below, upon the sale or other disposition of Common Shares, a U.S. Holder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized in consideration for the disposition of Common Shares and the U.S. Holder's adjusted tax basis in Common Shares. Such gain or loss generally will be subject to U.S. federal income tax and will be treated as long-term capital gain or loss if the Common Shares have been held for more than one year. For U.S. federal income tax purposes, capital losses are subject to limitations on deductibility. Gain realized by a U.S. Holder on the sale or other disposition of Common Shares generally will be treated as income from sources within the United States for purposes of the foreign tax credit limitation.

A non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized on the sale or other disposition of Common Shares unless such holder is an individual who is present in the United States for 183 days or more in the taxable year of the sale, and certain other conditions are met.

Passive Foreign Investment Company Status

The Company may be classified as a ''passive foreign investment company'' (''PFIC'') for U.S. federal income tax purposes if certain tests are met. The Company will be a PFIC with respect to a U.S. Holder if for any taxable year in which the U.S. Holder held the Common Shares, either (i) 75% or more of its gross income for the taxable year is passive income; or (ii) the average value of its assets (during the taxable year) which produce or are held for the production of passive income is at least 50% of the average value of all assets for such year. Passive income means, in general, dividends, interest, royalties, rents (other than rents and royalties derived in the active conduct of a trade or business and not derived from a related person), annuities, and gains from assets which would produce such income other than sales of inventory. For the purpose of the PFIC tests, if a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated as owning its proportionate share of the assets of the other corporation, and as if it had received directly its proportionate share of the income of such other corporation. The effect of this special provision with respect to the Company and its ownership of its subsidiaries is that the Company, for purposes of the income and assets tests described above, will be treated as owning directly its proportionate share of the assets of the subsidiaries and of receiving directly its proportionate share of each of those companies' income, if any, so long as the Company owns, directly or indirectly, at least 25% by value of the particular company's stock. Active business income of the Company's subsidiaries will be treated as active business income of the Company, rather than as passive income. Based on its current income, assets and activities, the Company does not believe that it is currently a PFIC. No assurances can be made, however, that the IRS will not challenge this position or that the Company will not subsequently become a PFIC.

A determination as to PFIC status is made annually (although an initial determination that the Company is a PFIC will generally be binding on a shareholder who does not make the qualified election discussed below with respect to the first year such shareholder holds or is deemed to hold Common Shares). Whether the Company is a PFIC in any year and the tax consequences relating to PFIC status will depend on the composition of the income and assets of the Company. For example, the Company retains in its business a substantial amount of cash and cash equivalents (the amount of which may increase as a result of this Offering), and such cash balances are considered by the IRS to be passive assets, even if held as working capital for an active business. Accurate predictions of the composition of the Company's income are particularly difficult in light of the volatile nature of earnings patterns in technological industries. In addition, U.S. tax law is not entirely clear as to the proper classification of all types of income that the Company may realize or all types of assets that it may hold. The Company will, however, monitor its income and assets closely in order to make an annual determination as to whether it

is a PFIC. Following the close of any tax year, the Company intends to promptly send a notice to all shareholders of record at any time during such year, if the Company determines that it is a PFIC.

If the Company is a PFIC, each of the direct and certain indirect shareholders of the Company that is a U.S. person (''U.S. Shareholders'') either (i) may make an election to report currently its *pro rata* share of the Company's ordinary earnings and net capital gain even if no distributions are actually received from the Company (the ''qualified election''), or (ii) upon a disposition of Common Shares, including a disposition pursuant to an otherwise tax-free reorganization, or receipt of an ''excess distribution'' (as defined in the Code), will be subject to tax (including an interest charge) generally as if the gain or distribution were earned ratably over the period in which the Common Shares were held and face other adverse tax consequences. A shareholder who makes a qualified election may recognize ordinary income or loss as a result of currency fluctuations between the dates of deemed and actual distributions from the Company.

If the Company becomes a PFIC, each U.S. Shareholder would be required annually to file IRS Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with such shareholder's timely filed income tax return and with the Internal Revenue Service, whether or not the qualified election is made. A U.S. Shareholder choosing to make a qualified election must also include a shareholder election statement and the PFIC annual information statement provided by the Company (as described below) when filing IRS Form 8621 and its income tax return, and should send a copy of the shareholder election statement to the Internal Revenue Service. If the Company determines that it has become a PFIC, within two months after the end of each year it intends to supply the PFIC annual information statement necessary to make the qualified election for such year to each U.S. Shareholder of record at the end of such year. In such case, the Company also intends to supply the PFIC annual information statement to any shareholder or former shareholder who requests it.

Prospective purchasers of Common Shares should be aware that legislation is pending in the U.S. House of Representations (the ''Proposed Legislation'') that would substantially amend the PFIC provisions. The Proposed Legislation contains provisions that would require U.S. Shareholders, if the Company were considered to be a so-called ''passive foreign corporation'' (which would appear for purposes of this description to be substantially the same as a PFIC under present law), currently to account for unrealized appreciation in their Common Shares, including appreciation that accrued prior to the effective date of the Proposed Legislation, unless the qualified election were made with respect to their Common Shares. It is not known whether, or in what form, such Proposed Legislation ultimately will be enacted.

Prospective purchasers of Common Shares are urged to consult their tax advisors regarding the PFIC rules and the Proposed Legislation and their effect on an investment in Common Shares, with particular regard to the advisability of making the qualified election in the event that the Company notifies the shareholders that it has become a PFIC in any taxable year.

Backup Withholding and Information Reporting

Under current regulations, dividends paid on the Common Shares will not be subject to U.S. information reporting requirements or backup withholding unless the Company has a fiscal or paying agent in the United States. Under Treasury Regulations that have been proposed to be effective after 1997, however, dividends paid within the United States, or paid outside the United States by a U.S. payor or middleman, will be subject to U.S. backup withholding at a 31% rate unless applicable certification requirements are satisfied.

In addition, under current regulations, the payment of the proceeds of a sale of Common Shares to or through a U.S. office of a broker will be subject to both U.S. backup withholding and information reporting unless the holder or beneficial owner certifies its non-United States status under penalties of perjury or otherwise establishes an exemption. United States information reporting and backup withholding generally will not apply to a payment made outside the United States of the proceeds of a sale of Common Shares through an office outside the United States of a non-United States broker. However,

United States information reporting requirements (but not backup withholding) will apply to a payment made outside the United States of the proceeds of a sale of Common Shares through an office outside the United States of a broker that is a United States person, that derives 50% or more of its gross income for a specified three-year period from the conduct of a trade or business in the United States, or that is a ''controlled foreign corporation'' as to the United States, unless the broker has documentary evidence in its files that the holder or beneficial owner is a non-United States person or the holder or beneficial owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules from a payment to a holder will be refunded (or credited against such holder's U.S. federal income tax liability, if any), provided the required information is furnished to the IRS.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offerings, the Company will have outstanding 16,224,000 Common Shares (assuming no exercise of the Underwriters' over-allotment options). Of these shares, the 3,350,000 shares sold in the Offerings (plus any shares issued upon exercise of the Underwriters' over-allotment options) will be freely tradeable without restriction or further registration under the Securities Act of 1933, except for any shares held by an ''affiliate'' of the Company, as that term is defined in Rule 144 under the Securities Act of 1933 (''Rule 144''). Of the remaining 12,874,000 shares, 2,081,321 will be eligible for sale in the public market immediately following the Offerings, and an additional 9,959,346 will become eligible for sale in the public market commencing 90 days after the Offerings pursuant to Rule 144 under the Securities Act, in each case, subject to agreements with the representatives of the Underwriters as described below.

All of the Company's existing shareholders, who will own an aggregate of 12,874,000 Common Shares after the Offerings, have agreed with the representatives of the Underwriters that they will not offer, sell, contract to sell or otherwise dispose of any Common Shares, other than the Common Shares offered in the Offerings by the Selling Shareholders, or other securities of the Company for a period of 180 days from the date of this Prospectus without the prior written consent of Goldman, Sachs & Co. In addition, the Company has agreed not to offer, sell, contract to sell, or otherwise dispose of, directly or indirectly, any Common Shares or other securities of the Company (other than pursuant to the Stock Option Plan) for a period of 180 days from the date of this Prospectus without the prior consent of Goldman, Sachs & Co., other than the Common Shares offered in the Offerings. Following the expiration or waiver of the foregoing restrictions, 12,040,667 Common Shares will become eligible for sale in the public market, approximately 9,959,346 of which will be subject to the resale volume limitations of Rule 144.

In general, under Rule 144 as currently in effect, any person who may be deemed an ''affiliate'' of the Company would be entitled to sell in brokers' transactions or directly to market makers within any three-month period a number of Common Shares that does not exceed the greater of (i) 1% of the number of shares then outstanding (162,240 Common Shares based on the number of shares to be outstanding after consummation of the Offerings) or (ii) the average weekly trading volume of such shares during the four calendar weeks preceding the date on which notice of such sale is filed with the Securities and Exchange Commission, provided that certain current public information concerning the Company is then available and that the seller complies with certain manner of sale provisions and notice requirements. The above is a summary of certain provisions of Rule 144 and is not intended to be a complete description thereof or of the rights of any persons to sell Common Shares thereunder.

As of the date of this Prospectus, there are options to purchase 279,900 Common Shares outstanding, none of which are vested on the date hereof, and an aggregate of 1,371,000 Common Shares reserved for issuance pursuant to the Stock Option Plan.

Except as indicated above, the Company is unable to estimate the amount, timing or nature of future sales of outstanding Common Shares. Prior to the Offerings, there has been no public market for the

Common Shares of the Company, and no predictions can be made as to the effect, if any, that market sales of Common Shares, or the availability of Common Shares for sale, will have on the market price of the Common Shares. Sales of substantial amounts of the Common Shares in the public market could adversely affect the market price of the Common Shares and could impair the Company's future ability to raise capital through the sale of its equity securities.

LEGAL MATTERS

Certain legal matters in connection with the Offerings will be passed upon for the Company by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, U.S. counsel to the Company. The validity of the Common Shares offered hereby and other matters of Netherlands law will be passed upon for the Company by De Brauw Blackstone Westbroek, Amsterdam, The Netherlands. Matters of Netherlands tax law will be passed upon for the Company by Baker & McKenzie, Amsterdam, The Netherlands. The Underwriters are being represented as to U.S. matters by Sullivan & Cromwell, New York, New York.

EXPERTS

The consolidated financial statements of QIAGEN as of December 31, 1994 and 1995 and for each of the years in the three-year period ended December 31, 1995 included in this Registration Statement have been audited by Arthur Andersen LLP, independent public accountants, as set forth in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the ''Commission'') in Washington, D.C. a Registration Statement on Form F-1 (the ''Registration Statement'') under the Securities Act of 1933, as amended (the ''Securities Act''), with respect to the Common Shares offered hereby. This Prospectus, which constitutes part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules filed therewith, certain portions of which have been omitted as permitted by the rules and regulations of the Commission. For further information with respect to the Company and the Common Shares offered hereby, reference is made to such Registration Statement and to the exhibits and schedules filed therewith. Statements contained in this Prospectus regarding the contents of any contract, agreement or other document referred to are not necessarily complete; with respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

As a result of the filing of the Registration Statement with the Commission and its effectiveness, QIAGEN will become subject to the periodic reporting and other informational requirements of the Exchange Act, applicable to foreign private issuers, and in accordance therewith will be required to file reports and other information with the Commission. The Registration Statement (with exhibits), as well as such reports and other information filed by the Company, may be inspected and copied at the public reference facilities maintained by the Commission at its principal offices at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices located at Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 7 World Trade Center, 7th Floor, New York, New York 10048. Copies of such materials can be obtained upon written request from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of QIAGEN N.V.:

We have audited the accompanying consolidated balance sheets of QIAGEN N.V. (a Netherlands company) and subsidiaries as of December 31, 1994 and 1995, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of QIAGEN N.V. and subsidiaries as of December 31, 1994 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Los Angeles, California
June 20, 1996

QIAGEN N.V.

CONSOLIDATED BALANCE SHEETS

	December 31, 1994	December 31, 1995	March 31, 1996 (unaudited)
Assets			
Current Assets:			
Cash and cash equivalents	$ 3,612,000	$ 5,305,000	$ 3,715,000
Accounts receivable, net of allowance of $187,000, $284,000 and $350,000 in 1994, 1995 and 1996, respectively	3,004,000	4,680,000	6,127,000
Inventories	4,219,000	6,152,000	6,735,000
Prepaid expenses and other	481,000	758,000	1,139,000
Deferred income taxes	734,000	407,000	410,000
Total current assets	12,050,000	17,302,000	18,126,000
Property, plant and equipment, net	7,358,000	8,756,000	9,134,000
Other assets	42,000	145,000	147,000
Total assets	$19,450,000	$26,203,000	$27,407,000
Liabilities and Shareholders' Equity			
Current Liabilities:			
Line of credit	$ —	$ —	$ 1,092,000
Current portion of long-term debt	—	319,000	310,000
Current portion of capital lease obligations	696,000	868,000	873,000
Accounts payable	1,620,000	2,919,000	2,612,000
Accrued liabilities	1,129,000	1,755,000	2,331,000
Income taxes payable	302,000	1,521,000	915,000
Total current liabilities	3,747,000	7,382,000	8,133,000
Long-Term Liabilities:			
Long term debt, net of current portion	1,774,000	1,276,000	1,243,000
Capital lease obligations, net of current portion	4,741,000	5,248,000	4,879,000
Other	68,000	89,000	89,000
Total long-term liabilities	6,583,000	6,613,000	6,211,000
Commitments and Contingencies (Note 9)			
Shareholders' Equity:			
Common Shares, NLG .03 ($.0175) par value: Authorized — 30,000,000 shares Issued and outstanding — 12,876,667 shares in 1994 and in 1995 and 13,710,000 shares in 1996	225,000	225,000	240,000
Additional paid-in capital	7,502,000	7,502,000	9,233,000
Retained earnings	70,000	2,465,000	3,420,000
Receivables from sale of shares	—	—	(1,729,000)
Cumulative translation adjustment	1,323,000	2,016,000	1,899,000
Total shareholders' equity	9,120,000	12,208,000	13,063,000
Total liabilities and shareholders' equity	$19,450,000	$26,203,000	$27,407,000

See the accompanying Notes to Consolidated Financial Statements.

QIAGEN N.V.

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,			Three Months Ended March 31,	
	1993	1994	1995	1995	1996
				(unaudited)	
Net sales	$16,524,000	$24,115,000	$36,992,000	$ 7,893,000	$12,480,000
Cost of sales	5,336,000	7,288,000	9,550,000	2,211,000	3,336,000
Gross profit	11,188,000	16,827,000	27,442,000	5,682,000	9,144,000
Operating expenses:					
Research and development	2,356,000	2,758,000	4,414,000	907,000	1,293,000
Sales and marketing	3,352,000	5,323,000	9,369,000	1,739,000	3,324,000
General and administrative	4,488,000	5,281,000	8,981,000	1,670,000	2,603,000
Total operating expenses	10,196,000	13,362,000	22,764,000	4,316,000	7,220,000
Income from operations	992,000	3,465,000	4,678,000	1,366,000	1,924,000
Other income (expense):					
Interest income	8,000	16,000	76,000	8,000	19,000
Interest expense	(678,000)	(726,000)	(706,000)	(162,000)	(160,000)
Research and development grants	234,000	296,000	790,000	—	—
Gain (loss) on foreign currency transactions	169,000	(310,000)	(560,000)	(615,000)	115,000
Sale of patents	604,000	—	—	—	—
Other income (expense), net	288,000	199,000	247,000	74,000	42,000
	625,000	(525,000)	(153,000)	(695,000)	16,000
Income before provision for income taxes	1,617,000	2,940,000	4,525,000	671,000	1,940,000
Provision for income taxes	897,000	1,656,000	2,130,000	358,000	985,000
Net income	$ 720,000	$ 1,284,000	$ 2,395,000	$ 313,000	$ 955,000
Net income per common share	$ 0.06	$ 0.10	$ 0.18	$ 0.02	$ 0.07
Weighted average number of common shares	12,886,000	13,132,000	13,623,000	13,623,000	13,672,000

See the accompanying Notes to Consolidated Financial Statements

QIAGEN N.V.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 1993, 1994 and 1995 and for the Three Months Ended March 31, 1996 (unaudited)

	Common Shares		Additional Paid-In Capital	Retained Earnings (Deficit)	Receivables from Sale of Shares	Cumulative Foreign Currency Translation Adjustment	Total
	Shares	Amount					
Balance at December 31, 1992	12,140,000	$212,000	$6,266,000	$(1,934,000)	$ —	$ 960,000	$ 5,504,000
Net income	—	—	—	720,000	—	—	720,000
Translation adjustment	—	—	—	—	—	(539,000)	(539,000)
Balance at December 31, 1993	12,140,000	212,000	6,266,000	(1,214,000)	—	421,000	5,685,000
Issuance of Common Shares	736,667	13,000	1,236,000	—	—	—	1,249,000
Net income	—	—	—	1,284,000	—	—	1,284,000
Translation adjustment	—	—	—	—	—	902,000	902,000
Balance at December 31, 1994	12,876,667	225,000	7,502,000	70,000	—	1,323,000	9,120,000
Net income	—	—	—	2,395,000	—	—	2,395,000
Translation adjustment	—	—	—	—	—	693,000	693,000
Balance at December 31, 1995	12,876,667	225,000	7,502,000	2,465,000	—	2,016,000	12,208,000
Issuance of Common Shares	833,333	15,000	1,731,000	—	(1,729,000)	—	17,000
Net income	—	—	—	955,000	—	—	955,000
Translation adjustment	—	—	—	—	—	(117,000)	(117,000)
Balance at March 31, 1996 (unaudited)	13,710,000	$240,000	$9,233,000	$ 3,420,000	$(1,729,000)	$1,899,000	$13,063,000

See the accompanying Notes to Consolidated Financial Statements.

QIAGEN N.V.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,			Three Months Ended March 31,	
	1993	1994	1995	1995	1996
				(unaudited)	
Cash Flows From Operating Activities:					
Net income	$ 720,000	$ 1,284,000	$ 2,395,000	$ 313,000	$ 955,000
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization	791,000	1,158,000	1,803,000	345,000	554,000
Provision for losses on accounts receivable	132,000	140,000	142,000	6,000	19,000
Deferred income taxes	759,000	1,264,000	349,000	7,000	1,000
(Gain)/loss on disposition of property and equipment	(9,000)	55,000	49,000	—	—
Decrease (increase) in:					
Accounts receivable	(995,000)	(956,000)	(1,745,000)	(590,000)	(1,380,000)
Inventories	(1,771,000)	(656,000)	(1,772,000)	521,000	(699,000)
Prepaid expenses and other	(668,000)	536,000	(260,000)	(95,000)	(544,000)
Other assets	(35,000)	(2,000)	(103,000)	(8,000)	(1,000)
Increase (decrease) in:					
Accounts payable	592,000	(244,000)	1,208,000	(166,000)	(547,000)
Accrued liabilities	338,000	505,000	567,000	234,000	658,000
Income taxes payable	(32,000)	301,000	1,223,000	(169,000)	(596,000)
Net cash provided by (used in) operating activities	(178,000)	3,385,000	3,856,000	398,000	(1,580,000)
Cash Flows From Investing Activities:					
Purchases of property and equipment	(1,230,000)	(1,061,000)	(1,706,000)	(395,000)	(1,134,000)
Proceeds from sale of property and equipment	107,000	203,000	80,000	—	—
Net cash used in investing activities	(1,123,000)	(858,000)	(1,626,000)	(395,000)	(1,134,000)
Cash Flows From Financing Activities:					
Proceeds from line of credit	—	—	—	—	1,092,000
Principal payments on capital leases	(328,000)	(529,000)	(878,000)	(156,000)	(211,000)
Proceeds from debt	1,657,000	457,000	—	—	—
Repayment of debt	—	(1,330,000)	(320,000)	—	—
Issuance of common shares	—	1,249,000	—	—	17,000
Net cash provided by (used in) financing activities	1,329,000	(153,000)	(1,198,000)	(156,000)	898,000
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(385,000)	792,000	661,000	202,000	226,000
Net increase (decrease) in cash and cash equivalents	(357,000)	3,166,000	1,693,000	49,000	(1,590,000)
Cash and Cash Equivalents, beginning of period	803,000	446,000	3,612,000	3,612,000	5,305,000
Cash and Cash Equivalents, end of period	$ 446,000	$ 3,612,000	$ 5,305,000	$ 3,661,000	$ 3,715,000

See the accompanying Notes to Consolidated Financial Statements.

QIAGEN N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995

1. Basis of Presentation

The Company. QIAGEN N.V. and subsidiaries (the Company) produce and distribute biotechnology products, primarily for the separation and purification of nucleic acids (DNA and RNA). The Company also assembles and distributes certain robotic equipment to be used in connection with the Company's products. The Company's products are used by academic and industrial researchers. The Company consists of the Netherlands parent company and its wholly owned subsidiaries, QIAGEN GmbH in Hilden, Germany; QIAGEN Inc. in Los Angeles, United States; QIAGEN Ltd. in Dorking, England; and QIAGEN AG in Basel, Switzerland.

The Company's products are sold in countries throughout the world, primarily in the United States and in Europe. Similar to most companies in this line of business, the Company's products are subject to rapid technological change. Because of technological changes, the Company needs to continuously expend resources toward research and development.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingencies at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies

a. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of QIAGEN N.V. and its wholly owned subsidiaries, after elimination of all significant intercompany accounts and transactions.

b. Net Income per Common Share

Net income per common share for each of the three years ended December 31, 1995 is based on the weighted average number of common shares outstanding. For all periods presented, per share information was computed pursuant to the rules of the Securities and Exchange Commission (SEC), which require that common shares issued by the Company during the twelve months immediately preceding the Company's initial public offering plus the number of common shares issuable pursuant to the grant of options issued during the same period, be included in the calculation of the shares outstanding using the treasury stock method from the beginning of all periods presented.

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

	Years Ended December 31,		
	1993	1994	1995
Net income	$ 720,000	$ 1,284,000	$ 2,395,000
Weighted average common shares outstanding	12,828,000	13,074,000	13,565,000
Dilutive effect of stock options pursuant to SEC Rules	58,000	58,000	58,000
Weighted average common shares used to compute earnings per share	12,886,000	13,132,000	13,623,000
Net income per common share	$ 0.06	$ 0.10	$ 0.18

d. Credit Risk

The Company's accounts receivable are unsecured and the Company is at risk to the extent such amounts become uncollectible. As of December 31, 1994 and 1995, no single customer represented more than 10 percent of accounts receivable. For the years ended December 31, 1993, 1994 and 1995, no single customer represented more than 10 percent of consolidated net sales.

e. Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market and consist of materials, labor and overhead.

f. Property, Plant and Equipment

Depreciation is computed using the straight-line and declining balance methods over the following estimated useful lives: buildings for 25 years, machinery and equipment for three to seven years, computer software for five years, furniture and office equipment for three to seven years and leasehold improvements are computed on a straight-line method over the lesser of the life of the lease or the estimated useful life.

The Company follows the policy of capitalizing expenditures that materially increase asset lives and charging ordinary maintenance and repairs to operations as incurred. When property or equipment are disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in operations. Repairs and maintenance expense was $138,000, $172,000 and $266,000 in fiscal years 1993, 1994 and 1995, respectively.

g. Revenue Recognition

The Company recognizes revenue when products are shipped, except that revenue from instrumentation equipment is not recognized until customer acceptance.

h. Statements of Cash Flows

During fiscal years 1993, 1994 and 1995, the Company acquired property and equipment with a cost of $410,000, $1,060,000 and $1,155,000, respectively, through lease financing agreements. These non-cash transactions are excluded from the statements of cash flows.

Cash paid for interest was $622,000, $953,000 and $1,046,000 in 1993, 1994 and 1995, respectively. Cash paid for income taxes was $194,000, $117,000 and $599,000 in 1993, 1994 and 1995, respectively.

The Company considers all short-term investments with original maturities of three months or less to be cash equivalents.

i. Foreign Currency Translation

The Company's reporting currency is the United States dollar. The functional currency of QIAGEN N.V. is the United States dollar and the subsidiaries' functional currencies are the German mark, the United States dollar or the British pound.

Balance sheets prepared in a currency other than the functional currency are restated to the functional currency using the year-end exchange rates, except for prepayments, property, other long-term assets and shareholders' equity accounts, which are restated at rates in effect when these assets

were acquired. Revenues and expenses are restated at average rates during the year except for depreciation and amortization, which are translated at the historical rates.

Balance sheets prepared in their functional currency are translated to the reporting currency, the United States dollar, at exchange rates in effect at the end of the accounting period. Revenue and expense accounts are translated at a weighted average of exchange rates during the period. The cumulative effect of translation is a component of shareholders' equity.

The Company entered into certain foreign currency exchange contracts during 1995 to hedge against foreign currency fluctuations. No such contracts were outstanding at December 31, 1995. The Company incurred commissions relating to these contracts of approximately $120,000 during 1995.

j. Warranty

The Company warrants its products against defects in materials and workmanship for a period of one year. A provision for estimated future warranty is recorded when products are shipped.

k. Recent Accounting Pronouncements

In March 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 121, ''Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of'', which requires impairment losses to be recorded on long-lived assets used in operations when indications of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. The Company adopted SFAS 121 in the first quarter of 1996 and there was no impact on the Company's financial position and results of operations.

In October 1995, the FASB issued SFAS No. 123, ''Accounting for Stock-Based Compensation''. SFAS 123 encourages, but does not require, a fair value based method of accounting for employee stock options or similar equity instruments. It also allows an entity to elect to continue to measure compensation cost under Accounting Principles Board (APB) Opinion No. 25, ''Accounting for Stock Issued to Employees'', but requires pro forma disclosure of net income and earnings per share as if the fair value based method had been applied. The Company will be required to adopt this standard effective in 1996. While the Company is still evaluating SFAS 123, it currently expects to elect to measure compensation cost under APB 25 and comply with the pro forma disclosure requirements. Therefore, SFAS 123 will have no impact on the Company's financial position or results of operations.

3. Inventories

The components of inventories consist of the following as of December 31, 1994 and 1995:

	1994	1995
Raw materials	$2,066,000	$2,243,000
Work in process	621,000	1,459,000
Finished goods	1,532,000	2,450,000
	$4,219,000	$6,152,000

4. Property, Plant and Equipment

Property, plant and equipment are stated at cost and are summarized as follows as of December 31, 1994 and 1995:

	1994	1995
Land and buildings	$ 4,553,000	$ 5,125,000
Machinery and equipment	3,903,000	5,665,000
Computer software	146,000	1,027,000
Furniture and office equipment	2,694,000	2,920,000
Leasehold improvements	99,000	137,000
Construction in progress	60,000	12,000
	11,455,000	14,886,000
Less: Accumulated depreciation and amortization	(4,097,000)	(6,130,000)
	$ 7,358,000	$ 8,756,000

5. Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109. Under SFAS 109, deferred income tax assets or liabilities are computed based on the temporary difference between the financial statement and income tax bases of assets and liabilities using the enacted marginal income tax rate in effect for the year in which the differences are expected to reverse. Deferred income tax expenses or credits are based on the changes in the deferred income tax assets or liabilities from period to period.

The Company has recorded a gross deferred tax asset of $454,000 at December 31, 1995. Realization is dependent on generating sufficient taxable income in the future. Although realization is not assured, management believes it is more likely than not that all of the deferred tax asset will be realized.

The components of the net deferred tax assets at December 31, 1994 and 1995 are as follows:

	1994	1995
Deferred tax asset:		
Allowance for bad debts	$ 60,000	$ 92,000
Vacation accrual	29,000	44,000
Warranty accrual	—	15,000
Net operating loss carryforward	287,000	—
Inventory	344,000	195,000
United States state income taxes	24,000	47,000
Other	40,000	61,000
	784,000	454,000
Deferred tax liability — Depreciation	(50,000)	(47,000)
Net deferred tax asset	$ 734,000	$ 407,000

The provision for income taxes for the years ended December 31, 1993, 1994 and 1995 are as follows:

		1993	1994	1995
Current	— United States federal taxes	$108,000	$ 305,000	$ 545,000
	— United States state taxes...	29,000	85,000	159,000
	— Non-United States taxes ...	—	—	1,080,000
		137,000	390,000	1,784,000
Deferred	— United States federal taxes	(7,000)	(20,000)	(131,000)
	— United States state taxes...	—	1,000	29,000
	— Non-United States taxes ...	767,000	1,285,000	448,000
		760,000	1,266,000	346,000
Provision for income taxes		$897,000	$1,656,000	$2,130,000

Differences between the provision for income taxes and income taxes at the United States statutory federal income tax rate for the years ended December 31, 1993, 1994 and 1995 are as follows:

	1993		1994		1995	
	Amount	Percent	Amount	Percent	Amount	Percent
Income taxes at United States statutory federal rate	$550,000	34.0%	$1,000,000	34.0%	$1,539,000	34.0%
United States state income taxes, net of federal income tax effect	18,000	1.1%	53,000	1.8%	87,000	1.9%
Non-United States income taxes at rates greater than United States statutory federal rate	318,000	19.7%	580,000	19.7%	477,000	10.6%
Other items, net, none of which individually exceed 5 percent of federal income taxes at statutory rate	11,000	0.7%	23,000	0.8%	27,000	0.6%
	$897,000	55.5%	$1,656,000	56.3%	$2,130,000	47.1%

6. Accrued Liabilities

Accrued liabilities at December 31, 1994 and 1995 consist of the following:

	1994	1995
Payroll and related	$ 289,000	$ 531,000
Management bonuses	212,000	240,000
Warranty	88,000	237,000
Professional services	87,000	112,000
Sales and other taxes	59,000	114,000
Royalties	52,000	95,000
Other	342,000	426,000
	$1,129,000	$1,755,000

7. Debt

The Company has three separate lines of credit amounting to 5,500,000 German marks (approximately $3.8 million) with variable interest rates (8.75 percent and 9.00 percent at December 31, 1995). These lines of credit may be called without notice. No amounts were outstanding under these credit facilities at December 31, 1994 or 1995.

At December 31, 1995, long-term debt consists of a note payable for $1,595,000 which is secured by technical and other equipment. The note has a variable interest rate (6.75 percent at December 31, 1995) and is due in semi-annual payments of $159,500, with a final payment due in December 2000. One major shareholder has guaranteed approximately $348,000 of the loan.

Future principal maturities of long-term debt as of December 31, 1995 are as follows:

Year ending December 31,	
1996	$ 319,000
1997	319,000
1998	319,000
1999	319,000
2000	319,000
	$1,595,000

8. Business Segments

A summary of net sales, pre-tax income and identifiable assets for the Company's Germany, United States and other European operations is as follows:

	Germany	United States	Other European Countries	Sub-total	Eliminations	Total
1993:						
Sales	$11,491,000	$10,692,000	$ —	$22,183,000	$ (5,659,000)	$16,524,000
Pre-tax income	1,598,000	299,000	—	1,897,000	(280,000)	1,617,000
Identifiable assets	14,224,000	3,892,000	—	18,116,000	(3,296,000)	14,820,000
1994:						
Sales	$16,818,000	$15,702,000	$ 767,000	$33,287,000	$ (9,172,000)	$24,115,000
Pre-tax income	2,726,000	869,000	(117,000)	3,478,000	(538,000)	2,940,000
Identifiable assets	17,947,000	6,235,000	792,000	24,974,000	(5,524,000)	19,450,000
1995:						
Sales	$24,221,000	$20,972,000	$5,032,000	$50,225,000	$(13,233,000)	$36,992,000
Pre-tax income	2,115,000	1,419,000	824,000	4,358,000	167,000	4,525,000
Identifiable assets	22,635,000	7,448,000	1,828,000	31,911,000	(5,708,000)	26,203,000

European sales includes sales to distributors which are sold in countries other than Europe. The Company had no material operations in the Netherlands for any of the periods presented. The eliminations represent intercompany sales and investments, advances, interest charges, management fees and intercompany profit.

9. Commitments and Contingencies

a. Lease Commitments

The Company leases facilities and equipment under operating lease arrangements expiring in various years through 1999. Certain facility and equipment leases constitute capital leases. The accompanying consolidated financial statements include the assets and liabilities arising from these capital lease obligations.

Minimum future obligations under capital and operating leases at December 31, 1995 are as follows:

	Capital Leases	Operating Leases
1996	$ 1,426,000	$595,000
1997	1,228,000	254,000
1998	1,091,000	105,000
1999	894,000	24,000
2000	532,000	—
Thereafter	8,430,000	—
	13,601,000	$978,000
Less: Amount representing interest	(7,485,000)	
	6,116,000	
Less: Current portion	(868,000)	
	$ 5,248,000	

Rent expense under noncancelable operating lease agreements was $187,000, $535,000 and $608,000 for the years ended December 31, 1993, 1994 and 1995, respectively.

b. Purchase Commitments

At December 31, 1995, the Company had commitments with one vendor to purchase certain products during 1996 at a total cost of approximately $1 million.

c. Contingencies

The Company is a party to legal proceedings incidental to its business. Certain claims, suits or complaints arising out of the normal course of business have been filed or were pending against the Company. Although it is not possible to predict the outcome of such litigation, based on the facts known to the Company and after consultation with counsel, management believes that such litigation will not have a material adverse effect on its financial position or results of operations.

10. Retirement Plans

In September 1992, QIAGEN Inc. adopted the Employees 401(k) Savings Plan (the Plan). The purpose of the Plan is to provide retirement benefits to all eligible employees of the subsidiary. QIAGEN Inc. may make a matching contribution to the Plan at the discretion of the Board of Directors and can make a profit sharing contribution to the Plan at the Board's discretion. During 1993 and 1994, there were no contributions to the Plan. In 1995, the Company's total contribution to the Plan was approximately $45,000.

QIAGEN GmbH has a deferred compensation plan for one executive officer. The present value of the future compensation obligation of $68,000 and $89,000 has been accrued in the accompanying consolidated financial statements at December 31, 1994 and 1995, respectively.

11. Licensing Agreements

The Company has licensing agreements with two companies requiring certain up-front royalties and royalty payments on net product sales ranging from 3 to 10 percent of covered products. The accompanying consolidated financial statements include accrued royalties relating to these agreements in the amount of $52,000 and $95,000 at December 31, 1994 and 1995, respectively. Royalty expense

relating to these agreements amounted to approximately $87,000, $121,000 and $207,000 for the years ended December 31, 1993, 1994 and 1995, respectively. One of these agreements also has a minimum raw material purchase requirement.

During the year ended December 31, 1993, the Company recorded a gain of $604,000 on a sale of patents not related to the Company's core business to a former officer and shareholder of the Company.

12. Unaudited First Quarter Information

The unaudited financial statements for the three-month periods ended March 31, 1995 and 1996 reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly present the financial position, results of operations and changes in cash flows as of and for the periods presented. These unaudited financial statements should be read in conjunction with the audited financial statements and related notes thereto. The results for the interim periods presented are not necessarily indicative of results to be expected for the full year.

a. Net Income Per Common Share

Net income per common share for the three months ended March 31, 1995 and 1996 are based on the weighted average number of common shares outstanding and the dilutive effect of stock options outstanding.

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

	Three Months Ended March 31,	
	1995	1996
Net income	$ 313,000	$ 955,000
Weighted average common shares outstanding	13,565,000	13,614,000
Dilutive effect of stock options pursuant to SEC Rules	58,000	58,000
Weighted average common shares used to compute earnings per share	13,623,000	13,672,000
Net income per common share	$ 0.02	$ 0.07

b. Provision for Income Taxes

The provision for income taxes for the three months ended March 31, 1995 and 1996 is based upon the estimated annualized rate for each of the respective years.

c. Leases

Rent expense for the three months ended March 31, 1995 and 1996 was approximately $108,000 and $256,000, respectively.

d. Royalty Agreements

Royalty expense for the three months ended March 31, 1995 and 1996 was approximately $22,000 and $51,000, respectively.

e. Supplemental Cash Flow Information

For the three month periods ended March 31, 1995 and 1996, the Company paid taxes of approximately $290,000 and $1,592,000, respectively, and interest in the amount of $160,000 in each of the quarters.

f. Debt

The Company drew $1,092,000 on one of its line of credit facilities during the quarter ended March 31, 1996 at an interest rate of 9 percent.

g. Equity Transactions

During the three months ended March 31, 1996, the Company issued 25,000 (833,333 after reincorporation — See Note 13) shares of common stock to certain existing shareholders including certain executive officers for $1,746,000. $17,000 of the purchase price was paid in cash and the balance was financed through receivables, which are reflected as a reduction of equity in the balance sheet at March 31, 1996.

The stock was issued pursuant to a subscription agreement authorized by the Board of Directors in June 1995.

h. Hedging Transactions

On March 20, 1996, the Company entered into foreign currency hedging contracts in the amount of $4.4 million to hedge DM 6.4 million. The Company paid approximately $69,000 in commissions relating to these contracts, which expire on various dates through September 1996.

i. Business Segments

A summary of net sales, pre-tax income and identifiable assets for the Company's Germany, United States and other European operations at March 31, 1996 and for the three months then ended is as follows:

	Germany	United States	Other European Countries	Sub-total	Eliminations	Total
Sales	$ 7,571,000	$7,110,000	$1,347,000	$16,028,000	$(3,548,000)	$12,480,000
Pre-tax income	604,000	984,000	305,000	1,893,000	47,000	1,940,000
Identifiable assets	23,605,000	8,509,000	1,764,000	33,878,000	(6,471,000)	27,407,000

European sales includes sales to European distributors which are sold in countries other than Europe. The eliminations represent intercompany sales and investments, advances, interest charges, management fees and intercompany profit.

j. Commitments

Commitments for inventory and fixed asset purchases at March 31, 1996 amounted to approximately $1.8 million.

13. Subsequent Event

On April 30, 1996, the Company adopted the QIAGEN N.V. 1996 Employee, Director and Consultant Stock Option Plan (the Option Plan), subject to approval by the Company's shareholders. The Option Plan allows for incentive stock options as well as for non-qualified options with a term of generally 10 years, subject to earlier termination in certain situations. The exercise price of the options is determined by the Board or the Compensation Committee, but in the case of an incentive stock option, the exercise price may not be less than 100 percent of the fair market value at the date of grant. The Company has reserved 1,371,000 shares of common stock for issuance under this plan and as of May 1, 1996 has granted options to purchase 279,900 Common Shares. These options vest over a period of three years and have an exercise price of $9.50.

Prior to April 29, 1996, the Company operated as QIAGEN GmbH with subsidiaries QIAGEN Inc., QIAGEN Ltd. (since 1994) and QIAGEN AG (since 1994). On April 29, 1996, QIAGEN N.V. acquired all of the outstanding shares of QIAGEN GmbH in exchange for 41,130,000 newly issued shares of QIAGEN N.V. which continues as the parent of QIAGEN GmbH. In June 1996, the Company affected a reverse stock split of 1:3 shares, resulting in 13,710,000 shares outstanding with a par value NLG .03 per share. The effect of the reincorporation and related stock split has been retroactively reflected in the accompanying financial statements for all years presented. The newly created Dutch holding company has an authorized share capital of NLG 1,500,000 ($875,000) consisting of 50,000,000 shares, par value NLG .03 ($.0175) divided into 30,000,000 common shares, 15,000,000 preference shares and 5,000,000 financing preference shares. No preference or financing preference shares have been issued. Also in June 1996, the Company's Shareholders approved, effective upon the consummation of the initial public offering, an increase in the Company's share capital to a total of 75,000,000 shares, divided into 32,500,000 common shares, 37,500,000 preference shares and 5,000,000 financing preference shares.

In May 1996, the Company established an Australian subsidiary, QIAGEN Pty. Ltd., and is in the process of establishing a French subsidiary, QIAGEN S.A.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, the Company and the Selling Shareholders have agreed to sell to each of the U.S. Underwriters named below, and each of such U.S. Underwriters, for whom Goldman, Sachs & Co., Alex. Brown & Sons Incorporated and Montgomery Securities are acting as representatives, has severally agreed to purchase from the Company and the Selling Shareholders, the respective number of Common Shares set forth opposite its name below:

Underwriter	Number of Shares
Goldman, Sachs & Co.	555,000
Alex. Brown & Sons Incorporated	555,000
Montgomery Securities	555,000
Cowen & Company	170,000
Lehman Brothers Inc.	170,000
Punk, Ziegel & Knoell	170,000
Robertson, Stephens & Company LLC	170,000
Total	2,345,000

Under the terms and conditions of the Underwriting Agreement, the U.S. Underwriters are committed to take and pay for all of the shares offered, if any are taken.

The U.S. Underwriters propose to offer the Common Shares in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain dealers at such price less a concession of $0.42 per share. The U.S. Underwriters may allow, and such dealers may reallow, a concession not in excess of $0.10 per share to certain brokers and dealers. After the Common Shares are released for sale to the public, the offering price and other selling terms may from time to time be varied by the representatives.

The Company and the Selling Shareholders have entered into an underwriting agreement (the ''International Underwriting Agreement'') with the underwriters of the International Offering (the ''International Underwriters'') providing for the concurrent offer and sale of 1,005,000 Common Shares in an international offering outside the United States. The offering price and aggregate underwriting discounts and commissions per Common Share for the two offerings are identical. The closing of the Offering made hereby is a condition to the closing of the International Offering, and vice versa. The representatives of the International Underwriters are Goldman Sachs International, Alex. Brown & Sons Incorporated and Montgomery Securities.

Pursuant to an Agreement between the U.S. and International Underwriting Syndicates (the ''Agreement Between'') relating to the two offerings, each of the U.S. Underwriters named herein has agreed that, as a part of the distribution of the Common Shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the Common Shares, directly or indirectly, only in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the ''United States'') and to U.S. persons, which term shall mean, for purposes of this paragraph: (a) any individual who is a resident of the United States or (b) any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States. Each of the International Underwriters has agreed pursuant to the Agreement Between that, as a part of the distribution of the shares offered as a part of the International Offering, and subject to certain exceptions, it will (i) not, directly or indirectly, offer, sell or deliver Common Shares (a) in the United States or to any U.S. persons or (b) to any person who it believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons, and (ii) cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the International Underwriters of such number of Common Shares as may be mutually agreed. The price of

any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

The Company has granted to the U.S. Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 351,750 additional Common Shares solely to cover over-allotments, if any. If the U.S. Underwriters exercise their over-allotment option, the U.S. Underwriters have severally agreed, subject to certain conditions, to purchase approximately the same percentage thereof that the number of Common Shares to be purchased by each of them, as shown in the foregoing table, bears to the 2,345,000 Common Shares offered. The Company has granted the International Underwriters a similar option to purchase up to an aggregate of 150,750 additional Common Shares.

The Company and all of its existing shareholders have agreed that, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, they will not offer, sell, contract to sell or otherwise dispose of any securities of the Company (other than pursuant to employee stock option plans existing on the date of this Prospectus) which are substantially similar to the Common Shares or which are convertible or exchangeable into securities which are substantially similar to the Common Shares without the prior written consent of the representatives, except for the Common Shares offered in connection with the concurrent U.S. and International Offerings.

The representatives of the Underwriters have informed the Company that they do not expect sales to accounts over which the Underwriters exercise discretionary authority to exceed five percent of the total number of Common Shares offered by them.

Prior to this offering, there has been no public market for the Common Shares. The initial public offering price was negotiated among the Company and the representatives of the U.S. Underwriters and the International Underwriters. Among the factors considered in determining the initial public offering price of the Common Shares, in addition to prevailing market conditions, were the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to the market valuation of companies in related businesses.

The Common Shares have been approved for quotation on the Nasdaq National Market under the symbol ''QGENF''.

The Company and the Selling Shareholders have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

This Prospectus may be used by the Underwriters and dealers in connection with offers and sales of the Common Shares, including shares initially sold in the International Offering, to persons located in the United States.

GLOSSARY OF TECHNICAL TERMS

In this Prospectus, the following terms have the meanings indicated below, unless the context otherwise requires.

Antibody	a protein produced by the immune system in response to exposure to a specific foreign molecule (antigen).
Bioseparation	separation of biological substances.
Buffer	a solution which maintains (within limits) a stable pH when acidic or alkaline substances are added to it.
Cell lysis	breaking open or dissolving of cells to release their contents.
cGMP	a set of rules for manufacturing procedures designated by regulatory authorities as current Good Manufacturing Practice.
Chelate	a compound which binds metal ions.
Chromosome	linear arrays of very large numbers of genes (see ''Gene'' below).
Chromatography	separation of mixtures of substances based on differences in the relative affinities of the substances for two different materials, one a moving fluid and the other a porous solid or gel.
DNA (deoxyribonucleic acid)	a linear strand of nucleic acid (see below) which constitutes the primary genetic information in most organisms.
DNA sequencing	determination of the precise order of the nucleotide bases in a piece of DNA.
Endotoxin	a toxic component of some bacteria that is released during bacterial cell lysis.
Gene	the basic unit of heredity, consisting of a segment of DNA that provides the coded instructions for the synthesis of an mRNA molecule, which in turn directs the production of a protein.
Genome	all of the genetic information of a cell, organism, or virus.
Genomic DNA	the DNA comprising the genome of a cell or a DNA virus.
HLA typing	determination of genetic identity by classifying the type of HLA (Histocompatibility Locus A) sequences which are present.
Hybridization	the formation of a double-stranded nucleic acid from separated, single strands of DNA or RNA.
Large scale DNA purification	purification of more than 100 micrograms of DNA.
Ligand	a chemical group that acts to chelate metal ions.
Lysate	a complex mixture of cell components, both soluble and insoluble, released by cell lysis.
Lysate clearing	removal of insoluble cellular debris from the cell lysate, leaving soluble components such as nucleic acids in the lysate solution.
Microinjection	injection of DNA directly into individual cells.
Minipreparation	purification of up to 20 micrograms of DNA or RNA.
Molecular biology	a field of biology in which the structure and development of biological systems are analyzed at the molecular level through the study of nucleic acids, proteins and other large molecules.
mRNA	a specific type of RNA which acts as a template for protein production.

Nucleic acid	the fundamental regulatory molecules of life, DNA and RNA.
Nucleotide bases	the molecular building blocks of DNA and RNA.
PCR (Polymerase Chain Reaction)	a process by which a specific segment of DNA is amplified (copied) many millions of times.
Plasmid	a small, circular molecule of DNA found in bacteria that is used in molecular biology research.
Protein expression	the production of proteins from an RNA template.
Recombinant protein	a genetically engineered protein derived from DNA originating from more than one organism (see ''Gene''), usually from a piece of foreign DNA cloned in a plasmid.
RNA (ribonucleic acid)	a linear strand of nucleic acid (see above) which exists in several forms and functions in the synthesis of proteins and in the flow of genetic information through the cell. Some viruses contain RNA instead of DNA as their genetic material.
Throughput	the number of samples processed per unit time.
Transfection	the introduction of foreign DNA into cells.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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Through and including July 22, 1996 (the 25th day after the date of this Prospectus), all dealers effecting transactions in the Common Shares, whether or not participating in this distribution, may be required to deliver a Prospectus. This is in addition to the obligation of dealers to deliver a Prospectus when acting as Underwriters and with respect to their unsold allotments or subscriptions.

3,350,000 Shares

QIAGEN N.V.

Common Shares
(par value NLG .03 per share)

Goldman, Sachs & Co.

Alex. Brown & Sons
INCORPORATED

Montgomery Securities

Representatives of the Underwriters

3,350,000 Shares
QIAGEN N.V.

Common Shares
(par value NLG .03 per share)

Of the 3,350,000 Common Shares offered, 1,005,000 shares are being offered hereby in an international offering outside the United States and 2,345,000 shares are being offered in a concurrent United States offering. The initial public offering price and the aggregate underwriting discount per share are identical for both offerings. See ''Underwriting''.

Of the 3,350,000 Common Shares offered, 2,514,000 shares are being sold by the Company and 836,000 shares are being sold by the Selling Shareholders. See ''Principal and Selling Shareholders''. The Company will not receive any of the proceeds from the sale of the shares being sold by the Selling Shareholders.

Prior to this offering, there has been no public market for the Common Shares of the Company. For factors considered in determining the initial public offering price, see ''Underwriting''.

See ''Risk Factors'' beginning on page 7 for certain considerations relevant to an investment in the Common Shares.

The Common Shares have been approved for quotation on the Nasdaq National Market under the symbol ''QGENF''.

THIS INTERNATIONAL PROSPECTUS IS INTENDED FOR USE ONLY IN CONNECTION WITH OFFERS AND SALES OF THE COMMON SHARES OUTSIDE THE UNITED STATES AND IS NOT TO BE SENT OR GIVEN TO ANY PERSON WITHIN THE UNITED STATES. THE COMMON SHARES OFFERED HEREBY ARE NOT BEING REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 FOR THE PURPOSE OF SALES OUTSIDE THE UNITED STATES.

	Initial Public Offering Price	Underwriting Discount(1)	Proceeds to Company(2)	Proceeds to Selling Shareholders(2)
Per Share	$12.00	$0.84	$11.16	$11.16
Total(3)	$40,200,000	$2,814,000	$28,056,240	$9,329,760

(1) The Company and the Selling Shareholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(2) Before deducting expenses of $1,798,320 and a Netherlands capital issuance tax of $301,680 payable by the Company.

(3) The Company has granted the International Underwriters an option for 30 days to purchase up to an additional 150,750 Common Shares at the initial public offering price per share, less the underwriting discount, solely to cover over-allotments. Additionally, the Company has granted the U.S. Underwriters a similar option with respect to an additional 351,750 Common Shares as part of the concurrent U.S. offering. If such options are exercised in full, the total initial public offering price, underwriting discount and proceeds to the Company and proceeds to the Selling Shareholders will be $46,230,000, $3,236,100, $33,664,140 and $9,329,760, respectively. See ''Underwriting''.

The shares offered hereby are offered severally by the International Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that certificates for the shares will be ready for delivery in New York, New York on or about July 3, 1996, against payment therefor in immediately available funds.

Goldman Sachs International

Alex. Brown & Sons
INTERNATIONAL

Montgomery Securities

Westdeutsche Landesbank
Girozentrale

Dresdner Kleinwort Benson

The date of this Prospectus is June 27, 1996.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

The Company is incorporated under the laws of The Netherlands and a substantial portion of the Company's assets are located outside the United States. In addition, members of the Managing and Supervisory Boards of the Company and certain experts named herein reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company or such other persons, or to enforce outside the United States judgments obtained against such persons in United States courts, in any action, including actions predicated upon the civil liability provisions of United States securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the United States securities laws. See ''Risk Factors — Enforcement of Judgments''.

The Company has been advised by legal counsel in The Netherlands, De Brauw Blackstone Westbroek, that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would not be directly enforceable in The Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in The Netherlands, such party may submit to the Netherlands court the final judgment which has been rendered in the United States. If the Netherlands court finds that the jurisdiction of the federal or state court in the United States has been based on grounds which are internationally acceptable and that proper legal procedures have been observed, the Netherlands court will, in principle, give binding effect to the final judgment which has been rendered in the United States unless such judgment contravenes Netherlands principles of public policy. Based on the foregoing, there can be no assurance that United States investors will be able to enforce against the Company or members of the Managing or Supervisory Boards or certain experts named herein who are residents of The Netherlands or countries other than the United States any judgments obtained in United States courts in civil and commercial matters, including judgments under the federal securities laws. In addition, there is doubt as to whether a Netherlands court would impose civil liability on the Company or on the members of the Company's Managing or Supervisory Boards in an original action predicated solely upon the federal securities laws of the United States brought in a competent court in The Netherlands against the Company or such members, respectively.

U.S. GAAP AND U.S. DOLLAR PRESENTATIONS

The Company intends to furnish to its shareholders annual reports in English containing audited consolidated financial statements prepared in conformity with United States generally accepted accounting principles (''U.S. GAAP'') and quarterly reports containing unaudited interim consolidated financial information prepared in conformity with U.S. GAAP for the first three quarters of each fiscal year of the Company. The Company will also comply with its obligations under Netherlands law to publish and distribute its annual accounts.

The Company's reporting currency in its consolidated financial statements is U.S. dollars. In this Prospectus, references to ''U.S. dollars'' and ''$'' are to United States dollars, references to ''German marks'' and ''DM'' are to the currency of Germany and references to ''guilders'' or ''NLG'' are to Dutch guilders. For the convenience of the reader, this Prospectus contains translations of certain NLG and DM amounts into U.S. dollars. See Note 2(i) to Consolidated Financial Statements for the method of translation.

The exchange rate used for German marks was the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Board of New York. The rate at December 31, 1995 was approximately DM .697 per $1. The Company was not incorporated in the Netherlands until April 29, 1996. Any translations of Dutch guilders to U.S. dollars were done at a rate of NLG 1.713 per $1, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on May 2, 1996. On June 6, 1996, these rates were NLG 1.715 per $1 and DM .653 per $1.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Shares in any jurisdiction in which such offer or solicitation is unlawful. There are restrictions on the offer and sale of the Shares in the United Kingdom. All applicable provisions of the Financial Services Act 1986 and the Public Offers of Securities Regulations 1995 with respect to anything done by any person in relation to the Shares, in, from or otherwise involving the United Kingdom must be complied with. See ''Underwriting''.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, the Company and the Selling Shareholders have agreed to sell to each of the International Underwriters named below, and each of such International Underwriters, for whom Goldman Sachs International, Alex. Brown & Sons Incorporated and Montgomery Securities are acting as representatives, has severally agreed to purchase from the Company and the Selling Shareholders, the respective number of Common Shares set forth opposite its name below:

Underwriter	Number of Shares
Goldman Sachs International	255,000
Alex. Brown & Sons Incorporated	255,000
Montgomery Securities	255,000
Westdeutsche Landesbank Girozentrale	150,000
Kleinwort Benson Limited	90,000
Total	1,005,000

Under the terms and conditions of the Underwriting Agreement, the International Underwriters are committed to take and pay for all of the shares offered, if any are taken.

The International Underwriters propose to offer the Common Shares in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain dealers at such price less a concession of $0.42 per share. The International Underwriters may allow, and such dealers may reallow, a concession not in excess of $0.10 per share to certain brokers and dealers. After the Common Shares are released for sale to the public, the offering price and other selling terms may from time to time be varied by the representatives.

The Company and the Selling Shareholders have entered into an underwriting agreement (the ''U.S. Underwriting Agreement'') with the underwriters of the U.S. Offering (the ''U.S. Underwriters'') providing for the concurrent offer and sale of 2,345,000 Common Shares in an offering in the United States. The offering price and aggregate underwriting discounts and commissions per Common Share for the two offerings are identical. The closing of the Offering made hereby is a condition to the closing of the U.S. Offering, and vice versa. The representatives of the U.S. Underwriters are Goldman, Sachs & Co., Alex. Brown & Sons Incorporated and Montgomery Securities.

Pursuant to an Agreement between the U.S. and International Underwriting Syndicates (the ''Agreement Between'') relating to the two offerings, each of the U.S. Underwriters has agreed that, as a part of the distribution of the Common Shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the Common Shares, directly or indirectly, only in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the ''United States'') and to U.S. persons, which term shall mean, for purposes of this paragraph: (a) any individual who is a resident of the United States or (b) any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States. Each of the International Underwriters named herein has agreed pursuant to the Agreement Between that, as a part of the distribution of the shares offered as a part of the International Offering, and subject to certain exceptions, it will (i) not, directly or indirectly, offer, sell or deliver Common Shares (a) in the United States or to any U.S. persons or (b) to any person who it believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons, and (ii) cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the International Underwriters of such number of Common Shares as may be mutually agreed. The price of any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

The Company has granted to the International Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 150,750 additional Common Shares solely to cover over-allotments, if any. If the International Underwriters exercise their over-allotment option, the International Underwriters have severally agreed, subject to certain conditions, to purchase approximately the same percentage thereof that the number of Common Shares to be purchased by each of them, as shown in the foregoing table, bears to the 1,005,000 Common Shares offered. The Company has granted the U.S. Underwriters a similar option to purchase up to an aggregate of 351,750 additional Common Shares.

The Company and all of its existing shareholders have agreed that, during the period beginning from the date of this Prospectus and continuing to and including the date 180 days after the date of this Prospectus, they will not offer, sell, contract to sell or otherwise dispose of any securities of the Company (other than pursuant to employee stock option plans existing on the date of this Prospectus) which are substantially similar to the Common Shares or which are convertible or exchangeable into securities which are substantially similar to the Common Shares without the prior written consent of the representatives, except for the Common Shares offered in connection with the concurrent U.S. and International Offerings.

The representatives of the Underwriters have informed the Company that they do not expect sales to accounts over which the Underwriters exercise discretionary authority to exceed five percent of the total number of Common Shares offered by them.

Each International Underwriter has also agreed that (a) it has not offered or sold and prior to the date six months after the date of issue of the Common Shares will not offer or sell any Common Shares to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulation 1995, (b) it has complied, and will comply with, all applicable provisions of the Financial Services Act of 1986 of Great Britain with respect to anything done by it in relation to the Common Shares in, from or otherwise involving the United Kingdom, and (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of the Common Shares to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995 of Great Britain or is a person to whom the document may otherwise be lawfully issued or passed on.

Buyers of the Common Shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the initial public offering price.

Prior to this offering, there has been no public market for the Common Shares. The initial public offering price was negotiated among the Company and the representatives of the U.S. Underwriters and the International Underwriters. Among the factors considered in determining the initial public offering price of the Common Shares, in addition to prevailing market conditions, were the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to the market valuation of companies in related businesses.

The Common Shares have been approved for quotation on the Nasdaq National Market under the symbol ''QGENF''.

The Company and the Selling Shareholders have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

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Through and including July 22, 1996 (the 25th day after the date of this International Prospectus), all dealers effecting transactions in the Common Shares in the United States, whether or not participating in this distribution, may be required to deliver the U.S. Prospectus. This is in addition to the obligation of dealers to deliver the U.S. Prospectus when acting as Underwriters and with respect to their unsold allotments or subscriptions in transactions in the United States.

3,350,000 Shares

QIAGEN N.V.

Common Shares
(par value NLG .03 per share)

Goldman Sachs International

Alex. Brown & Sons
INTERNATIONAL

Montgomery Securities

Representatives of the Underwriters