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QIAGEN Acquires Genaco Biomedical Products, Inc.

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VENLO, The Netherlands, October 30 /PRNewswire-FirstCall/ — QIAGEN N.V. (Nasdaq: QGEN; Frankfurt, Prime Standard: QIA), a leading provider of molecular diagnostics products and the world's premier supplier of solutions for preanalytical sample preparation, today announced that it acquired all outstanding shares of Genaco Biomedical Products, Inc. (Genaco). Genaco is an early-stage company applying a proprietary PCR-based multiplexing technology, Tem-PCR, to develop Templex™ molecular diagnostic tests. Genaco is based in Huntsville, Alabama.

Multiplexing is a diagnostic testing approach in which multiple (i.e. more than 10) targets are screened for in one single test. Multiplex assays are typically applied in situations in which one or more of several pathogens or disease markers could be present in one sample. Depending on the number of markers present in a sample, the Templex™ products provide a qualitative and a semi-quantitative answer. Multiplexing is typically used in cases where patients present symptoms which could be caused by one or more out of a significant number of different pathogens or other causes.

For example, with the Templex™ panel approach a patient sample can now be tested against a panel of 10 or more pathogens to rapidly determine the identity of the cause of infection. In a second step, a highly sensitive and quantitative qPCR test can then be used to confirm the identity and quantify the amount of pathogens present in the sample.

Multiplexing is therefore not only a rapidly emerging segment in molecular diagnostics but also highly synergistic with QIAGEN's portfolio of qPCR-based molecular diagnostic assays which in the segment of infectious disease diagnostics is considered to be the broadest in the world.

Multiplexed molecular tests are widely adopted in genetic and HLA (Human Leukocyte Antigen) testing. Newer applications include testing for viral and bacterial panels, testing for hospital acquired infections and testing for bacterial drug resistance mutations.

Genaco has developed multiplex testing products currently used by medical researchers to investigate respiratory (ResPlex™ I; II, III), hospital-acquired, and bacterial (StaphPlex™) infections as well as additional panels for other pathogens. These products are currently available as for research use only products. The ResPlex™ III multiplex panel that is designed to differentiate between different subtypes of Influenza (H1, H2, H3, H5, H7, H9, N1, N2) from a single sample. Genaco is in the process of completing clinical studies in order to submit a 510k application to the FDA for its H5N1 avian flu assay, which is a subset of its ResPlex™ III panel product.

"Genaco has developed a truly innovative approach to sensitive and high-level multiplex testing," said Peer M. Schatz, QIAGEN's Chief Executive Officer. "We believe that multiplexed molecular diagnostic testing is increasingly attractive due to current trends in molecular diagnostics and research, where identifying pathogens and disease markers against a broad panel of potential markers in a quick and in a cost efficient manner is developing into a significant need. The Genaco solutions leverage and employ QIAGEN preanalytical and assay technologies and offer novel and highly attractive molecular diagnostics solutions to our customers in clinical research, applied testing and molecular diagnostics."

Genaco's proprietary Tem-PCR technology employs a combination of so-called nested- and super-primers and thereby solves many of the issues associated with the current limitations of

end-point and real-time PCR-based multiplexing. The technology is suitable for use on a wide array of detection instruments. It is currently optimized and marketed for use on the widely accepted Luminex detection system which QIAGEN has also been selling since 2000. Through this acquisition, QIAGEN is uniquely positioned to provide an automated, complete molecular diagnostics multiplexing solution to its research, applied testing and diagnostic customers.

“The acquisition of Genaco is a further milestone in the execution of our strategy of expanding our market and technology leadership in molecular diagnostics. Genaco’s portfolio of products and its growing reputation in an increasingly important market segment are a perfect fit for QIAGEN,” Peer M. Schatz continued. “QIAGEN provides a comprehensive direct-sales and service channel as well as a complete and complementary product portfolio to increase the value for customers in the emerging area of multiplexed molecular diagnostic testing.”

Under the terms of the share purchase agreement, QIAGEN acquired 100% of the outstanding shares of Genaco for US$22 million in cash plus 125,000 shares of restricted QIAGEN stock which are issued to the founder and chief scientist of Genaco. In addition QIAGEN will pay up to US$18 million in milestones which to a significant extent are triggered by the receipt of anticipated grants and comparable funding in the same amount. QIAGEN expects to incur one-time charges of approximately US$0.02 in EPS in the fourth quarter 2006. These charges primarily relate to in-process research and development and the write-off of certain assets. In addition, based on preliminary analyses, QIAGEN expects this transaction to contribute approximately US$200,000 in sales in the last quarter of 2006 and approximately US$3 million in sales for the full year of 2007. On an adjusted basis excluding one-time charges, integration and restructuring costs and amortization of acquisition related intangible assets, the acquisition is expected to reduce EPS in the fourth quarter of 2006 by approximately US$0.01 and to be dilutive to EPS by up to US$0.03 in 2007, largely due to the costs associated with conducting clinical trials and filing for regulatory approvals for the infectious disease panels. Beyond 2008, revenues for this product line are expected to grow rapidly and to contribute significant accretion to net income as multiplex panels are accepted and become a growing segment of the infectious disease diagnostic market and as the panels receive regulatory approval.

“We are very pleased and excited to join forces with QIAGEN - the world’s leading provider of preanalytical solutions and the broadest portfolio of highly synergistic qPCR-based molecular diagnostic assays. Given leadership in molecular diagnostics and strong technology, sales and operational resources, we believe the combined companies can expand and accelerate getting our technologies into the market and into the hands of more customers,” said Dennis Grimmaud, Chief Executive Officer of Genaco.

Financial Highlights of the Acquisition:

- Transaction was signed and closed on October 27, 2006.

- Expected to add revenues of approximately US$3 million in 2007.

- Expected one-time charges: approx. US$0.02 in EPS in the fourth quarter 2006.

- Expected impact of acquisition: reduces adjusted EPS in the fourth quarter 2006 by approx. US$0.01 and by up to US$0.03 in 2007, accretive beyond 2008.

- No material change to QIAGEN’s expected margins.

- Early, pre-commercialization stage company.

About QIAGEN:

QIAGEN N.V., a Netherlands holding company, is a leading provider of innovative technologies and products for pre-analytical sample preparation and molecular diagnostics solutions.

QIAGEN has developed a comprehensive portfolio of more than 500 proprietary, consumable products and automated solutions for sample collection, and nucleic acid and protein handling, separation, and purification. QIAGEN also supplies diagnostic kits, tests, and assays for human and veterinary molecular diagnostics. The company's products are sold to academic research markets, and to leading pharmaceutical and biotechnology companies; as well as to diagnostics laboratories. QIAGEN also provides purification and testing solutions to applied testing markets: such as forensics, animal or food testing, and pharmaceutical process control.

QIAGEN employs more than 1,800 people worldwide. QIAGEN products are sold through a dedicated sales force and a global network of distributors in more than 40 countries.

Further information about QIAGEN can be found at http://www.qiagen.com

About Genaco Biomedical Products, Inc.:

Genaco Biomedical Products, Inc. located in Huntsville, Alabama provides diagnostics technologies for rapid and accurate identification of diseases. Genaco is an innovator in the development of multiplex diagnostic assays through the incorporation of proprietary technologies with the Luminex xMAP platform.

Further information about Genaco can be found at http://www.genaco.com.

Certain of the statements contained in this news release may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. To the extent that any of the statements contained herein relating to QIAGEN's products, markets, strategy or operating results are forward-looking, such statements are based on current expectations that involve a number of uncertainties and risks. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations and risks of dependency on logistics), variability of operating results, the commercial development of the applied testing markets, clinical research markets and proteomics markets, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for QIAGEN's, products (including fluctuations due to the level and timing of customers' funding, budgets, and other factors), our ability to obtain regulatory approval of our infectious disease panels, difficulties in successfully adapting QIAGEN's products to integrated solutions and producing such products, the ability of QIAGEN to identify and develop new products and to differentiate its products from competitors' products, market acceptance of QIAGEN's new products and the integration of acquisitions of technologies and businesses. For further information, refer to the discussions in reports that QIAGEN has filed with, or furnished to, the U.S. Securities and Exchange Commission (SEC).

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