Inspiration. Challenge. Eppendorf.

Annual Report 2007

eppendorf

Processes in the Life Science Laboratory

1. Sample extraction
Tissue, microbial contaminated samples, food and environmental samples, bacteria and cell cultures

2. Sample handling
Liquids, solutions, emulsions, suspensions

3. Sample pulping and purification
DNA, RNA, proteins, cell compartments and other biomolecules

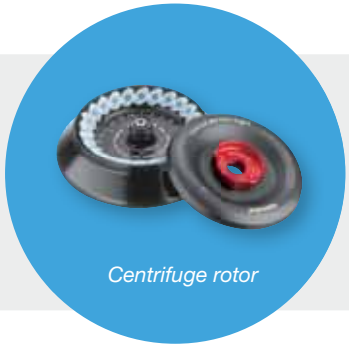
Liquid handling


Reaction tubes


Pipette tips
Manual pipettes


Dispensers
Combitips

Sample preparation


Centrifuge rotor


Microcentrifuges

PCR


Multipurpose centrifuges

Cell manipulation


Micromanipulators


Microinjectors


Automated pipetting

Cell growth and sample storage

Product portfolio of New Brunswick Scientific Co., Inc.

Fermenters and bioreactors

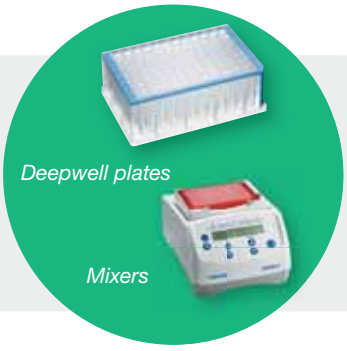
CO_2 incubators

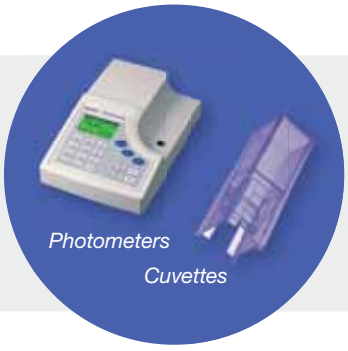
Biological shakers

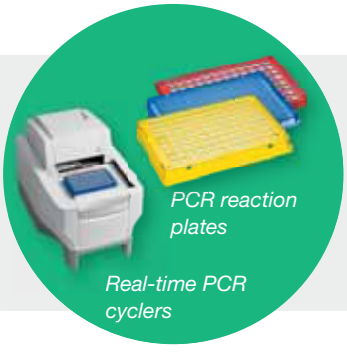
Ultra-low temperature freezers

4. Experiments
Information retrieval on function and interaction in biological processes

5. Analysis
Qualitative and quantitative data collection and validation







Real-time PCR

Microarray systems

Objectives

Industrial research and application
- New drugs
- New diagnostic methods
- New therapies
- New agricultural and environmental technologies

Academic research
- Enhancing the scientific knowledge base for fundamental research

Governmental labs
- Reliable diagnostics
- Efficient testing and inspection
- Forensic evidence

Key Financials (IFRS)

		2003	2004	2005	2006	2007	Change in %
Total net sales	€ '000	**270,058**	**286,517**	**320,889**	**314,476**	**346,016**	**10.0**
North America	%	50.8	51.7	54.4	45.7	41.4	
Europe	%	36.1	34.0	32.1	37.2	39.5	
Asia/Pacific	%	11.8	12.8	11.6	14.8	16.9	
Other regions	%	1.3	1.5	1.9	2.3	2.2	
EBIT	€ '000	**36,908**	**40,118**	**50,405**	**73,175**	**62,506**	**–14.6**
EBIT margin	%	13.7	14.0	15.7	23.3	18.1	
Net income[1]	€ '000	**22,268**	**24,388**	**31,183**	**45,491**	**38,129**	**–16.2**
Cash flow	€ '000	**37,762**	**39,452**	**31,986**	**49,265**	**60,913**	**23.6**
Equity ratio[2]	%	49.0	49.6	49.0	54.9	53.7	
Total assets	€ '000	**237,560**	**254,525**	**296,704**	**312,849**	**363,818**	**16.3**
R&D expenses	€ '000	**19,651**	**19,529**	**20,976**	**18,445**	**19,861**	**7.7**
Earnings per share	€	**0.41**	**0.45**	**0.58**	**0.84**	**0.71**	**–15.5**
Number of employees, annual average		**1,725**	**1,748**	**1,804**	**1,838**	**2,036**	**10.8**

[1] Net income attributable to equity holders of the parent
[2] Incl. minority interests

Profile

Eppendorf is a life science company which develops, produces and distributes systems for use in life science research laboratories worldwide. Its product range includes pipettes, dispensers and centrifuges as well as consumables such as micro test tubes and pipette tips. In addition, Eppendorf provides automated devices for liquid handling, complete equipment for DNA amplification, instruments and systems for cell manipulation, and biochips.

Eppendorf products are aimed at academic and commercial research institutes as well as industrial companies in the field of biotechnology and in other sectors that use biotech research processes.

Klaus Fink, Chairman of the Management Board

Ladies and Gentlemen,

As you can see from this Annual Report, 2007 was another successful year for our company. We increased our operating profit by 28 percent compared with 2006, again outperforming the industry average in all regions. In this context, the biggest advances were realized in Europe and Asia. In addition, we also recorded further growth in the United States. This momentum has been facilitated by both steady investments in the large growth markets and our very close ties to researchers.

In the scientific community, our brand name has long stood for excellent research instruments. This makes us very proud. On the following pages, we would like to acquaint you with the challenges faced by the biotech industry. And we would like to show to you how Eppendorf responds to these demands and which products our company offers scientists in order to make their work easier.

In 2007, we made important strategic decisions in order to safeguard our leading position in the future. One outstanding measure was the acquisition of New Brunswick Scientific (NBS), a US-based manufacturer of biotech equipment. With this enterprise from New Jersey, the Eppendorf family has grown by more than 400 employees. The combination is a perfect fit for our portfolio and will strengthen our innovative power even further.

Eppendorf is a global leader in innovative technologies. We increased our research and development budget further last year, from €18.4 million to €19.9 million. The result of these endeavors is exemplified by “MixMate,” a new type of mixer for small sample sizes.

As a globally operating high-tech company, we have a special obligation with respect to the promotion of young scientists. We therefore support particularly talented young researchers with two international awards.

I would like to take this opportunity to thank all of our customers and business partners for the trust they have placed in our work. Thanks are also due to our shareholders, as well as to our employees whose knowledge and creativity are among our greatest assets. Their expertise and commitment help to shape Eppendorf’s positive image around the world.

With this in mind, I look forward to our future collaboration and another successful fiscal year.

Yours truly,

Klaus Fink
Chairman of the Management Board

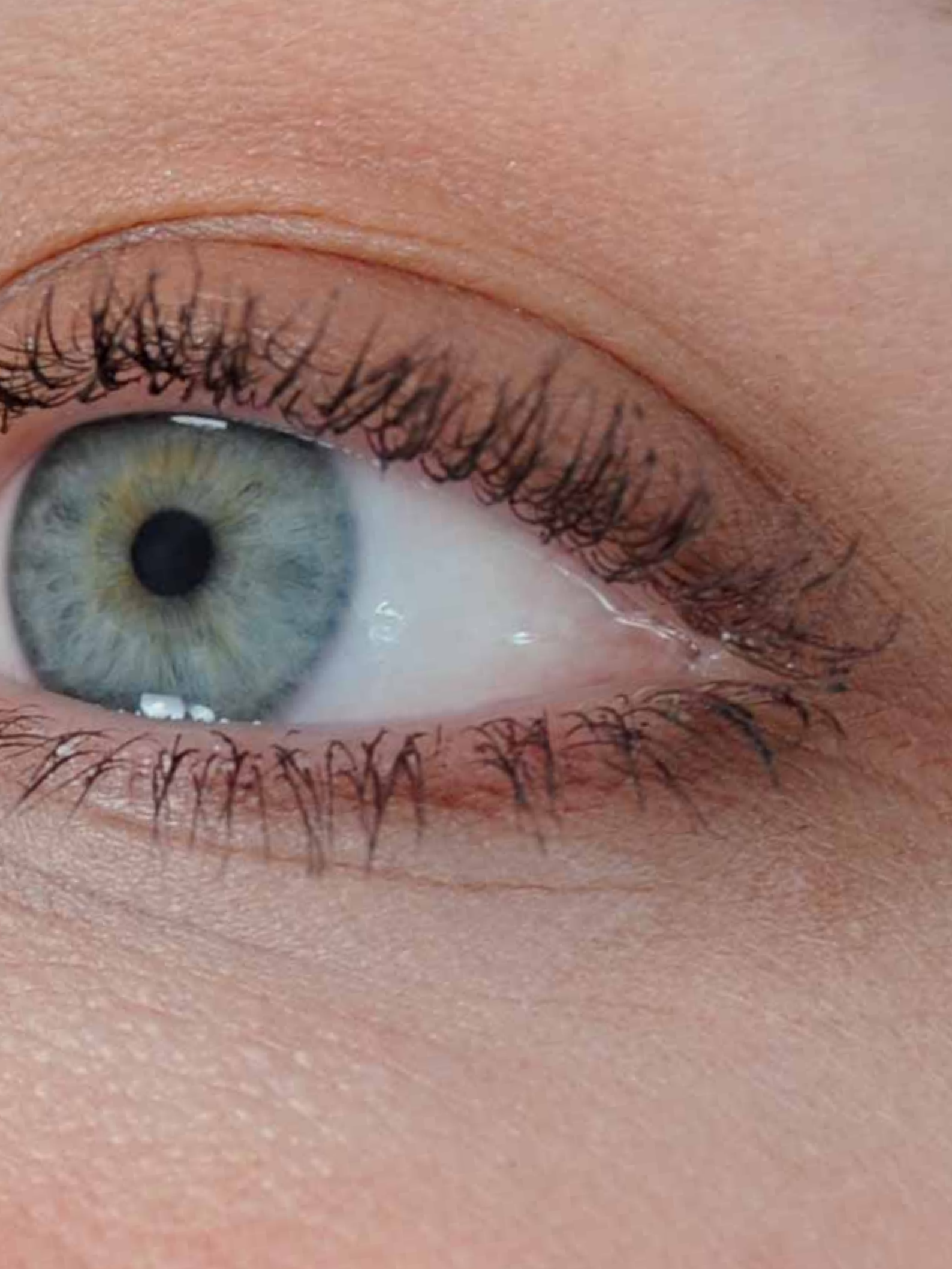
Contents

Will we live longer and healthier lives in the future?

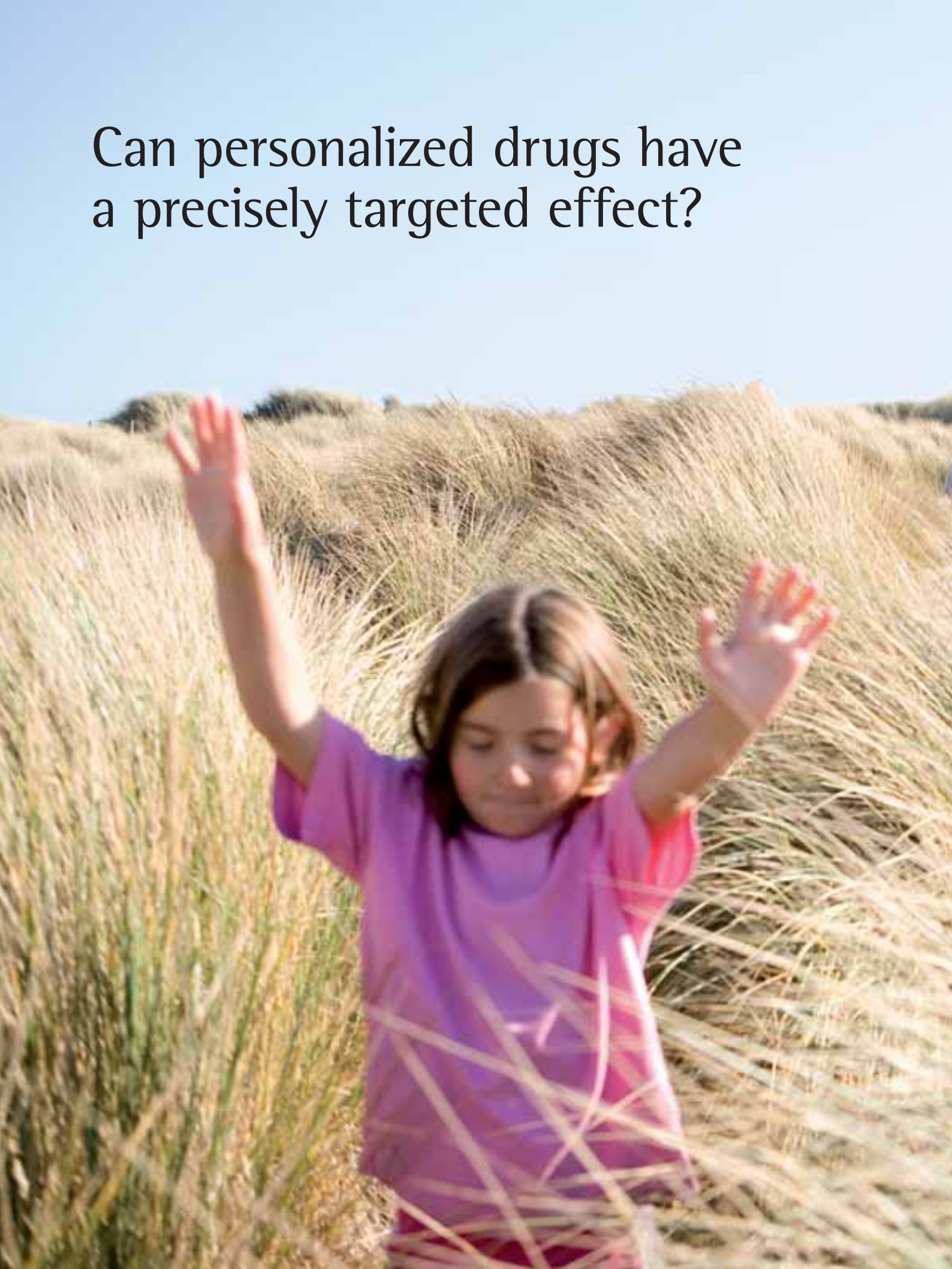
The life expectancy of humankind is increasing. New treatment methods for age-related illnesses might soon enhance our chances of a long and healthy old age. Efforts to combat genetic diseases with the help of molecular-biological research play an important role in this context. Eppendorf provides the necessary instruments and system solutions for this.

Can we diagnose diseases from a teardrop?

Molecular diagnostics is regarded as the diagnostic method of the future. Innovative biochips permit concurrent realization of a wide variety of experiments with very small sample sizes. In the future, a single teardrop may provide us information of a person's predisposition to specific diseases or give us insights into diseases that may have already inflicted a patient. Eppendorf biochips bring this possibility within tangible reach.

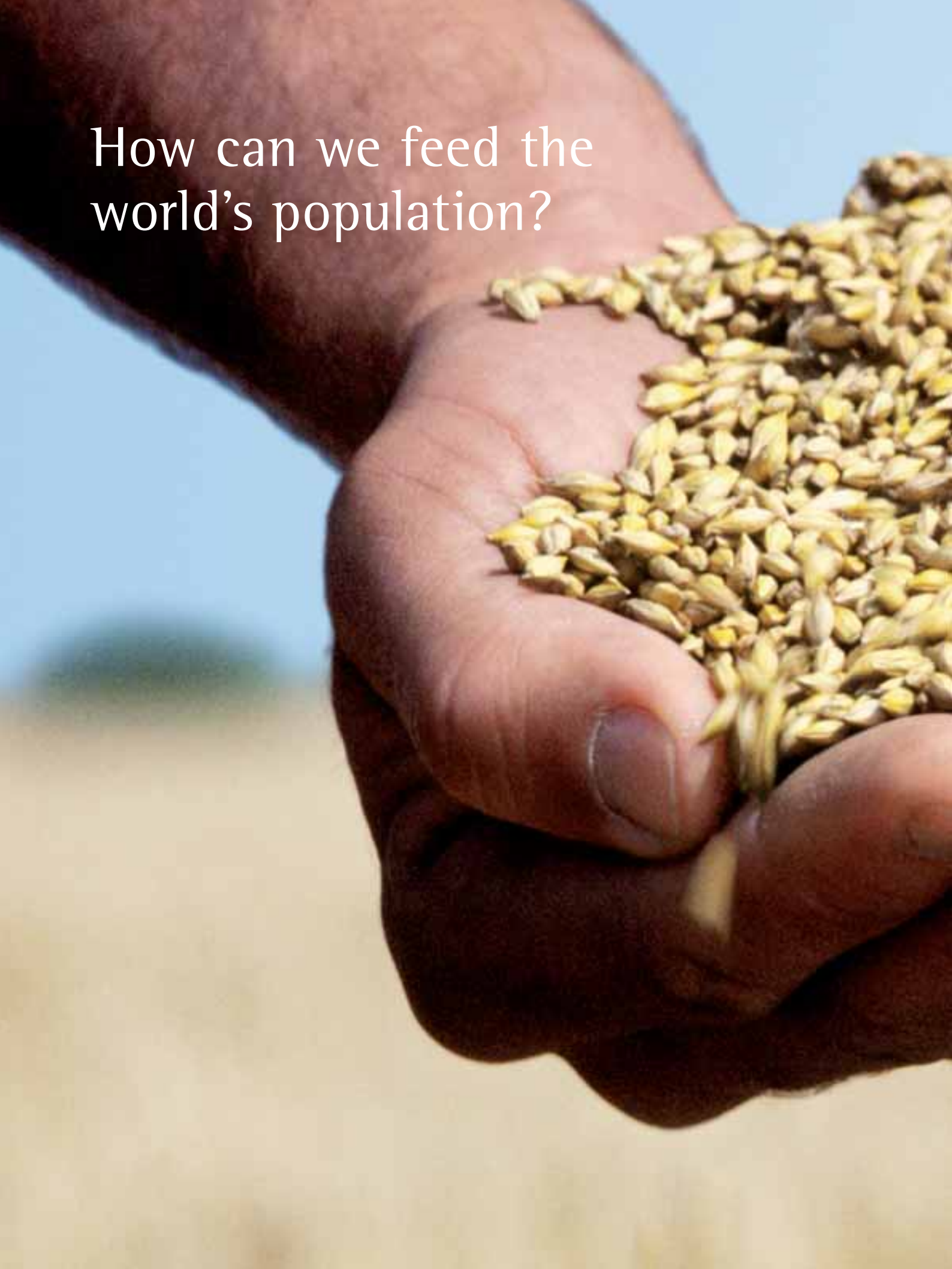


Can personalized drugs have a precisely targeted effect?



In our efforts to fight the roughly 60,000 diseases plaguing mankind, we have adopted a shotgun approach relying on about 500 active substances. However, patients differ in their responses because of their individual genetic patterns and lifestyles. Substances developed with biotechnological methods might allow us to produce personalized drugs in the future, thus avoiding intolerance. Eppendorf instruments assist researchers around the world in this task.

How can we feed the world's population?



Seven billion people live on this planet. And this number is growing rapidly. Agricultural acreage is limited, however. Genetic manipulation of plants provides us with an opportunity to enhance quality and increase future yields. Eppendorf's product portfolio helps scientists explore and possibly realize this potential.

“Our employees are the source of our expertise”

Klaus Fink, Chairman of the Management Board of Eppendorf AG, and his colleagues – Detmar Ammermann, Heinz Gerhard Köhn and Michael Schroeder – talk about corporate mergers, the future of the industry and the company’s capabilities.

Klaus Fink, Chairman of the Management Board, Master of Business and Engineering

Last year, you acquired the US-based biotech company New Brunswick Scientific (NBS). After the general euphoria witnessed at the beginning of the globalization process, the difficulties involved in such mergers are, however, now well known. Many combinations fail because employees have insufficient understanding of the concerns of the new “relatives” resulting from this union. Isn’t there a risk that this might happen with NBS, too?

Klaus Fink: It is always a challenge to combine two independently grown companies with their own cultures and their ways of addressing issues and driving things forward. Many negative examples could be cited here. However, we are not making the mistake of positioning ourselves as acquirers. We will continue to manage NBS in the manner practiced by its leadership so far. We will support them in areas where our help is requested and appreciated. Among other things, this applies to our distribution channels, which are significantly more advanced than those of NBS. We have already received a wealth of positive feedback in this respect.

What opportunities does the combination offer Eppendorf?

K. Fink: Our product portfolios complement each other ideally. While Eppendorf is traditionally strong in research and biotechnology, NBS adds considerable expertise in both the pharmaceutical market and microbiological applications. Our products can be combined to create complete system solutions. In addition, the combination will expand our sales potential by an additional US$100 million. This will position us for continued growth in the major life science markets and further strengthen our innovative power.

Including the 400 newly added NBS employees, Eppendorf now has a workforce of about 2,500. However, this size is still critical for a globally operating company. How do you assess the risk of becoming another company’s acquisition target one day?

K. Fink: In our case, the risk is relatively slight. This is not a particular threat for us. After all, the families of our company’s founders, Netheler and Hinz, are still majority shareholders. Although they are no longer involved in the operating business, they still have close psychological ties to the company. This gives us a certain degree of protection.

How long did it take for the acquisition of New Brunswick Scientific to be signed and sealed?

K. Fink: A period of four months elapsed from the first day of negotiations to the signing of the contract. The bankers accompanying the transaction were highly astonished. They said they had never seen anything like it. This may also have been due to the fact that we paid the purchase price of US$110 million in cash.

Is going public still an option for the future?

K. Fink: Going public might play a role if a specific funding need existed. This is currently not the case, so we have decided to grow organically for the time being.

You generate 90 percent of your sales in international markets – more than half of that in the US. However, the strong euro has been placing a burden on German exports for quite some time now. What measures has Eppendorf taken to avert harm, and what strategy will the company pursue in the future?

Detmar Ammermann: In this context, it is very important to reach a stage where natural-hedge effects are realized in the long term. This involves adding value in the countries of the US$ area not only by having our own sales subsidiaries but also by sourcing and producing locally. In this way, we balance the revenues with costs in the same foreign currency. We have made intensive efforts in this direction in the last few years, for example, the opening of our new plant in Enfield, Connecticut, USA, where we produce plastic parts, or the acquisition of New Brunswick Scientific.

As a German company, what difficulties do you face when you purchase in Asia, for example?

D. Ammermann: This is a difficult task in many respects. Communication is complicated due to language problems, cultural differences and varying technical standards. You need to invest a lot of time in briefing discussions with your business partners. Despite this, the quality of the supply shipments often fluctuates at the beginning of a partnership. This means that you have to file complaints, renegotiate and again invest considerable time. However, in our experience, these efforts are worthwhile in the medium and long term.

"Our product portfolios complement each other ideally. While Eppendorf is traditionally strong in research and biotechnology, NBS adds considerable expertise in both the pharmaceutical market and microbiological applications." Klaus Fink

Detmar Ammermann, Chief Financial Officer, Master of Business Administration

Eppendorf has set up its own sites in 20 countries around the world, but its headquarters and the majority of its production facilities are located in Germany. What keeps a globally operating company like yours in this country?

Michael Schroeder: First of all, our history. The company was founded in 1945 on the premises of the Hamburg-Eppendorf University Medical Center. You might call it one of the first German “spin-offs”. It goes without saying that we have very strong ties to this location. What is more, our highly qualified employees here in Germany are the source of our expertise.

In the competition for young talent, medium-sized enterprises are often upstaged by large corporations with resounding names. For a company whose strategic strength is research and development, a lack of qualified employees would be a real growth impediment. What does Eppendorf do for its “man-power”?

M. Schroeder: We are fortunately in a very strong position here. As the global market leader for laboratory equipment in the life science segment, we benefit from our sound reputation. Our staff fluctuation is low. Our size is particularly interesting for many employees in research and development. We are less complex than large corporations and at the same time more attractive than small businesses. Career opportunities are excellent, and our 50 subsidiaries around the world offer opportunities to spend a few years abroad. In addition, qualification of our employees through training programs and product seminars plays an important role.

Michael Schroeder, Chief Marketing & Sales Officer, Master of Agricultural Biology, PhD

How about a forecast for the period until 2020: what will be the next technological quantum leaps?

M. Schroeder: By 2020, chip technology will have revolutionized the laboratory. The buzzword is the “lab on a chip”: miniaturization in biotechnology will make so much progress that entire series of experiments with hundreds of samples will be processed on a single chip.

The biotechnology sector has been characterized by a gold rush atmosphere in the last few years. How will the industry evolve in the future?

Heinz Gerhard Köhn: That's difficult to say. The trend is in the direction of ever smaller samples that have to be processed at increasing speeds and in growing numbers. The key to the future will be to offer suitable equipment and methods.

What strategies do you pursue in order to come out as winners in this race?

H. G. Köhn: What counts most is the superior quality of our products. Eppendorf instruments lead the way worldwide. In addition, our broad product range distinguishes us from the competition and puts us in a better position than other contenders when it comes to offering system solutions, which will play an increasingly significant role in the future. A further important strategy focuses on very close ties to biotechnological research and development. We have established our own Scientific Advisory Committee to foster these relationships. And we bank on the high qualifications of our employees. Last but not least, our strong degree of international agility and willingness to make decisions are of major importance.

Mr. Fink, Mr. Ammermann, Mr. Köhn, Mr. Schroeder, we would like to thank you for this interview.

Heinz Gerhard Köhn, Chief Technology & Production Officer, Master of Chemistry, PhD

"What counts most is the superior quality of our products. Eppendorf instruments lead the way worldwide. In addition, our broad product range distinguishes us from the competition and puts us in a better position than other contenders when it comes to offering system solutions, which will play an increasingly significant role in the future." H. G. Köhn

The Challenges faced by Biotechnology

With the deciphering of the genome, the work of molecular biologists had just begun. Since then, their efforts have been directed towards meticulous analysis of the details of DNA. Eppendorf develops suitable instruments for them. Read the following pages to find out more about the challenges we are facing.

Automation

In the past, sophisticated individual experiments were the order of the day in university research. Today, however, scientists track down genetic information with the help of mass screenings. For such screening methods, they need equipment suitable for running automated and safe routine processes. Corporate research and development departments, e.g. in the area of food analytics, need user technologies capable of testing large numbers of samples of, say, genetically manipulated foodstuffs or allergens with absolute precision. This applies in particular to small sample sizes that are almost impossible to handle manually.

Example: the Eppendorf epMotion Workstation

In the past, laboratory assistants pipetted samples manually. A tedious task often leading to dispensing errors. Today, automated pipetting devices from the epMotion series handle this job. The system guarantees rapid test results and absolute precision. The equipment is very easy to use and can be deployed flexibly thanks to a large number of modules. Its services range from simple pipetting to dilution to automatic preparation of complex applications such as nucleic acid purification. The highlight: epMotion can be docked on to users' own PCs.

Miniaturization

Less is more. This is the motto of researchers working with minute samples. The rationale is economic: the smaller the amount of reagents, the less expensive the test series. In addition, their thirst for knowledge also drives scientists to the miniature realms. Molecular biologists often need only a fraction of a cell to derive information about the tissue in question. By analyzing individual cells or a handful of cells, they try to identify the various types of tumors in breast cancer, for instance, in order to permit personalized treatment. For this work, they need extremely small test formats.

Example: Microarrays

Whether in medicine, genetics or molecular technology: complete series of experiments take place on a single biochip. So-called “microarrays” are able to concurrently evaluate hundreds of analytical readings from extremely small quantities of sample material. Within a very short period, bacteria strains such as those causing pneumonia in intensive-care patients can be rapidly analyzed, while existing antibiotic resistances are simultaneously detected. For breast cancer, medical researchers use mini labs in their efforts to identify the relevant tumor type already at an early stage and initiate personalized treatments.

Speed

The number of samples and substances that need to be analyzed is increasing rapidly. Scientists therefore have to carry out and complete more and more tests within increasingly shorter periods. A Herculean task that can only be harnessed with the help of accelerated processes and evaluation methods. What is more, several users often share one and the same device in academic research for cost reasons. The faster it works, the more people have access to the technology in a single day. Eppendorf translates these requirements into reliable working equipment and effective system solutions.

Example: the Centrifuge 5430

When it comes to separating substances such as ribonucleic acid (RNA) from other cell materials using centrifugation, every minute counts. This has led Eppendorf to develop an innovative microcentrifuge that is among the fastest devices in the market. Centrifuge 5430 has an rpm potential corresponding to 30,000 times the gravity of the earth (30,000 x g). Its motor accelerates up to 17,500 revolutions per minute. In addition, the small device is amazingly versatile. Eight different rotors support virtually unlimited application possibilities.

Reproducibility

What all scientists learn in their basic courses applies all the more to industrial research institutes and development departments: every test must be reproducible and lead to identical results on the same equipment configuration. Naturally, the need for reproducibility places extremely high demands on the manufacturers of instruments and laboratory systems. As sample volumes become ever smaller in the era of miniaturization, they are more susceptible to variation. When millions of parameters must be tested in mass screenings, the technical equipment must be absolutely reliable and guarantee stable processes.

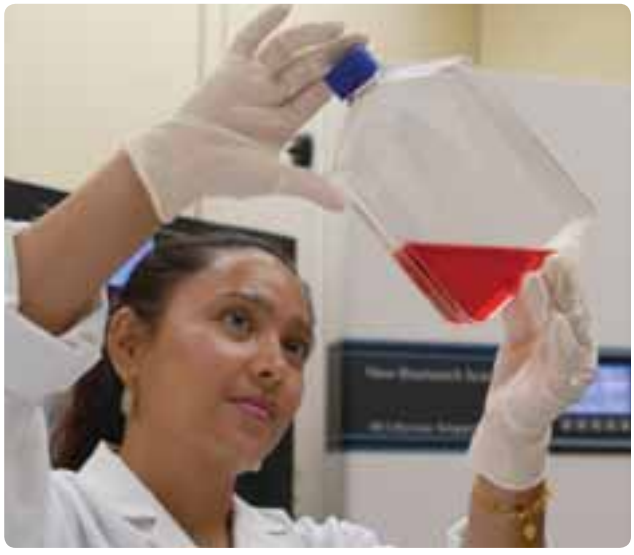
Example: Polymerase Chain Reaction (PCR)

PCR is the most important method used in molecular biology to duplicate DNA genetic material in the laboratory. Millions of copies of individual genes can be produced with this method. This allows scientists to clearly identify bacteria or viruses and thus provide evidence of pathogens or, for that matter, tumors. The problem: enzymes, which play a key role in PCR, sometimes develop a life of their own, leading to a high risk of error. Laboratory equipment, on the other hand, must guarantee error-free operation and produce secure results millions of times.

A perfect fit

A new member has joined the Eppendorf family. With the acquisition of New Brunswick Scientific, Eppendorf has further consolidated its leading market position. The company's 400 employees manufacture products for the life science industry.

The speed of the negotiations astonished even business experts. It took only four months to complete the acquisition of New Brunswick Scientific (NBS), a biotech specialist based in Edison, New Jersey. The transaction was typical of Eppendorf's style: fast and efficient. Presentation rounds, in which the two companies familiarized themselves with each other, were followed by a due diligence review performed by Eppendorf together with Deutsche Bank. The review led to a positive assessment. On July 13, the Hamburg-based company submitted an acquisition bid of US$110 million to the shareholders of NBS. Both James Orcutt, Chief Executive Officer of NBS, and David Freedman, cofounder and one of the shareholders of the US group supported the deal. "Their favorable endorsement induced shareholders to accept the offer unbelievably fast," states Klaus Fink, Chairman of the Management Board at Eppendorf.



What does New Brunswick Scientific manufacture?

High-quality, innovative laboratory equipment for research and development as well as pilot production runs in the areas of life sciences and biotechnology.

Its product range encompasses:

- Incubator shakers (benchtop, console and stackable models)
- Platform shakers
- Water bath shakers
- Ultra-low laboratory freezers -86 °C (upright and chest models)
- Bioreactors for cell cultures and fermentation
- CO_2-incubators

Complementary product lines

While Eppendorf develops instruments and systems for research and biotechnology, NBS focuses on the pharmaceutical industry and the cell-culture segment. "Our product portfolios ideally complement each other," says Klaus Fink. "This will position us for continued growth in the major life science markets and further strengthen our innovative power." At the same time, Eppendorf's broad product range and excellent international sales network will help NBS gain even greater exposure for its products. "With Eppendorf, we will be able to realize our vision of growth," adds James Orcutt, Chief Executive Officer of NBS.

Clear strategy

Eppendorf has outstanding market shares all over the world. We want to safeguard this success through four strategies:

Technological superiority

With the rapid advances that have been made, our technology leadership can only be realized through sustained high innovation power. We ensure this through professional knowledge management, a suitable human resources policy and very close ties to the research community.

Sustainable growth

Alongside our leading position in Western Europe, we have gained a foothold as a premium supplier in North America. We have set our sights on sustainable expansion of our capacities in this region. This also applies to the dynamic markets in Central and South America, Eastern Europe, the Middle East and Asia.

Global presence

More than 650 Eppendorf specialists cultivate customer contacts in sales and service organizations worldwide. Powerful marketing departments in Hamburg, New York and Kuala Lumpur, and offices in Dubai and Moscow support them in their efforts.

Collaborations

Close collaborations with other leading companies, research facilities and medical institutions are a top priority for Eppendorf. Our tightly knit network helps us establish close ties to the research community, exploit synergies and tap new markets.

A tradition of quality

This makes collaboration easier: the German and US companies show surprising resemblances in their history and culture. Both were established as family-owned companies shortly after the Second World War. Eppendorf was founded in 1945 as a 2-man shop, building equipment in a shed on the premises of the Hamburg-Eppendorf University Medical Center. The Freedman brothers launched NBS one year later as a tool and mold outfit in New Brunswick, New Jersey, USA. Decades of rapid growth followed. Eppendorf has meanwhile advanced to the position of world market leader for laboratory technology, with a workforce of 2,000 employees.

NBS has made a name for itself as a prime supplier of innovative systems in the cell culture area. The success of both companies is based on the same philosophy: their brands stand for top quality, reliability, technological superiority and customer-oriented solutions. Given this perfect fit, founder David Freedman can live with the separation from “his shop”: “While there is always some sadness in selling the company that we have built, I am pleased that Eppendorf is the buyer.”

Mixing in miniature formats

Eppendorf's MixMate sets standards in the mixing of small-volume samples

Its area is smaller than a DIN-A4-format sheet of paper, and it can be operated as easily as a dishwasher. This highly compact and intelligent device has a lot to offer, however. Eppendorf's MixMate unites a plate and tube mixer with a vortex function and can be used for all small-volume samples. Alongside this versatility, users appreciate its speed. With up to 3,000 revolutions per minute, this mixer performs its tasks in record time. "No other device in the field comes anywhere near its power," says Manuel Mayer, the expert project manager in the Hamburg development team.

In a manner of speaking, MixMate is the technological answer to the rapidly progressing trend towards miniaturization in laboratories, where an increasing number of samples is being processed in ever smaller containers. Where ten-milliliter tubes were used for bacterial culture in the past, researchers now use honeycomb-type plates with 96 or 384 cavities known as "wells". Extremely small sample volumes are pipetted into these wells. The new formats place high requirements on the technical equipment. Sample preparation is a particularly sensitive area. The mixers must process even the smallest sample volumes completely and without loss. Be it a protein sample or the PCR method for DNA copying, optimized mixing of the expensive reagents is the basis of meaningful test results.

Top performance without contamination

MixMate sets new standards. This is illustrated by applications in the area of microbiology. In a process known as resuspension, for instance, bacteria that have previously been separated from a liquid and centrifuged into solid pellets are suspended again. This process requires high mixing performance, which traditional mixers frequently fail to deliver. Tests have shown, on the other hand, that the MixMate's mixing performance is so high that bacteria pellets can be resuspended in less than one minute. In addition, uncontrolled mixing movements in traditional mixers frequently cause wetting of tube lids with sample fluids, leading to a very high contamination risk. MixMate, in contrast, works flawlessly. In tests, the device completely resuspended the bacterial strains in the various tubes in less than one minute, without any lid wetting.

Eppendorf developers have won high praise for the controlled mixing process. MixMate performs a circular, horizontal orbital movement, without any vertical up or down movements. This innovative anti-spill technology prevents spillage of sample fluids. Even in applications requiring the mixing of DNA samples in a PCR plate with open containers, the sample fluid does not spill over the individual tube rims. This banishes the risk of what is known as "cross-contamination" of adjacent samples through uncontrolled mixing movements.

MixMate is particularly easy to use. To make customers' lives easier, the engineers have equipped the mixer with direct-selection buttons. Each type of tube has its own dedicated button with individually aligned mixing frequency and processing time. Should a manual setting nevertheless lead to excessive speed, the automatic imbalance detector comes into play. A beeping signal indicates the error. The device automatically reduces the mixing speed, preventing plates from coming off their holders and loss of valuable samples.

Excellent documentation

Should any questions arise in the handling of the device, the instruction manual will certainly be helpful for users. In 2007, the Eppendorf Technical Writing Team was presented with the renowned Docu Award, conferred by the German Professional Association for Technical Communication and Information Development. Test rating: 1.8.

Broad range, leading technology

The figures below bear testimony to our high innovation power and broad product range.

Inventions	240
Patents pending	399
Patents granted	420
Products	977

reddot design award
winner 2007

Prestigious award for Eppendorf laboratory technology

Last year, Eppendorf Mastercycler ep realplex won the coveted red dot design award. In laboratories, the device carries out the polymerase chain reaction (PCR), a procedure for in-vitro amplification of DNA and, hence, one of the most important methods used in state-of-the-art molecular biology. The Mastercycler combines a compact design with extremely high working speeds and easy-to-use programming.

Every year, the red dot award honors exceptional industrial product designs from around the world. In 2007, an international jury of renowned design experts selected the above Eppendorf device in the "Lab Technology" category. Companies from 43 countries with a total of 2,548 products participated in the competition.

Eppendorf Mastercycler ep realplex

Up-and-coming researchers

Two scientists, one from Portugal and one from the United States, are the latest winners of the coveted Eppendorf scientific awards. With these prizes, the company supports talented young researchers worldwide.

Dr. Mónica Bettencourt-Dias

Dr. Mónica Bettencourt-Dias is the 13th winner of this distinguished award recognizing young talent. In every year since 1995, the company has teamed up with the renowned scientific journal Nature to confer this award on young European researchers who are no older than 35 years of age. “With this award, we reward scientists who have set new standards in biomedical research and distinguished themselves by their independent way of working and their creativity,” says Axel Jahns, who heads the team responsible for the concept and organization of the awards at Eppendorf in Hamburg.

“Science in Portugal has become very strong and international in the last few years,” says Dr. Mónica Bettencourt-Dias. The daughter of a mathematician and a teacher has played an important role in this trend. The 34-year-old cell researcher, who studied biochemistry in Lisbon, obtained her PhD at the University College in London and did postdoctoral research on cell cycle regulation with David Glover at the University of Cambridge, returned to the prestigious Instituto Gulbenkian de Ciencia in Oeiras near Lisbon after her years of travel. There, she has been in charge of the team researching cell proliferation control since 2006. Her research has been crowned with success. Last year, she was awarded the 2007 Eppendorf Young Investigator Award, which offers a cash prize of €15,000, for her innovative research method and the discovery of previously unknown molecules of the “Drosophila” fruit fly.

An independent scientific jury chaired by Professor Kai Simons, Director of the Max Planck Institute of Molecular Cell Biology and Genetics in Dresden, chooses the winner. “As a company, we stay completely out of the decision, because we do not pursue any commercial interests with these awards,” says Axel Jahns. The positive external impact and the image gain associated with the renowned award is, of course, appreciated. Further benefits result from the brilliant careers of competition winners and finalists. “They are very interesting to us because they will sooner or later hold key positions in the research community. Close ties to research are an important prerequisite for ensuring our company’s technology leadership,” comments Axel Jahns. For this reason, Eppendorf cultivates contacts with the help of professional “Winner Relationship Management”.

This also applies to the company's second competition, the international Eppendorf & Science Prize for Neurobiology. In intensive cooperation with the renowned journal Science, Eppendorf awards a cash price of US$25,000 to a talented young scientist from the field of neurobiology research. Another independent jury chaired by the Editor-in-Chief of Science magazine evaluates the work submitted.

Last year's winner was Dr. Rachel Wilson from Harvard Medical School, Boston, USA. When informed of the award in a phone conversation with Editor-in-Chief Kennedy, the 34-year-old neurobiologist was initially left speechless. "I was so surprised that I didn't manage to utter a single sentence that made sense," she recalls. Within no time, the award winner's e-mail box was overflowing with congratulatory messages from scientists all around the world.

In her award-winning work, Dr. Wilson investigated the way in which the sense of smell is controlled by the brain. In the future, her findings might help engineers develop so-called "electronic noses". These devices will serve the purpose of detecting volatile substances in complex mixtures and thus revolutionize medical diagnostics. About 20 of these volatile substances, for instance, are found in the chest of lung-cancer patients. A device capable of reading their chemical signature would permit early diagnosis of the disease.

The Eppendorf & Science Prize for Neurobiology has attracted greater attention to Dr. Rachel Wilson and her colleagues. "The award is seen as prestigious in the community," says the researcher, who has noticed increased response to her work since the award ceremony and has frequently been invited to hold speeches. "In this respect, the award has given my career a great boost."

Dr. Rachel Wilson

Focused on young talent

Eppendorf owes its leading position in the global market to the outstanding skills of its employees. For us, the support for talented young people is therefore a very precious responsibility. Apart from first-rate training of skilled employees, we are dedicated to professional orientation. Every year, 20 high-school and university students and graduates take internships at Eppendorf. Competitions are another important tool we use in order to promote talents. In addition to the scientific awards, Eppendorf hands out prizes to Medical Technical Assistants (MTAs) every two years. As one of the main sponsors of the International Biology Olympics, Eppendorf also supports the German Federal Ministry for Education and Research in the funding of this popular student competition, which selects the top four biology students of the year out of a total of 500 participants.

Highlights 2007

January

Switzerland: Eppendorf acquires a majority interest in Vaudaux

On January 1, 2007, the Eppendorf Group increases its participation in Vaudaux-Eppendorf AG to 75 percent. Based in Basel, Vaudaux has been Eppendorf's exclusive distribution partner in Switzerland since 1953. As far back as 15 years ago, Eppendorf acquired a minority interest in the company, which has been called "Vaudaux-Eppendorf" ever since.

Life Science Research Working Group commences its activities

Eight life science research manufacturers establish Life Science Research Working Group. Alongside Eppendorf AG, the list includes Promega, Qiagen, Roche Diagnostics and other well-known companies in the industry.

The goal of this working group is to make German research more competitive and organize a European life sciences trade show in Germany.

February

Market launch of ep Dualfilter T.I.P.S.

With ep Dualfilter T.I.P.S., Eppendorf introduces the most efficient product of its kind. ep Dualfilter T.I.P.S. offers double contamination protection. The first filter retains splashes and larger aerosols, the second filter prevents penetration of smaller aerosols and biomolecules.

Biology Olympics

For the tenth time, Eppendorf sponsors the International Biology Olympics (IBO).

March

Biochip Service Center established

A Biochip Service Center is opened at the Diagnostics Center of "Universitätsklinikum Eppendorf" (UKE, the Hamburg-Eppendorf University Medical Center). The microarray technology used here, also known as biochips, measures the activity of or changes in genes, allowing scientists to evaluate hundreds to thousands of test results simultaneously.

June

Novel Eppendorf Deepwell Plates® 96 and 384 set new standards

New product features permit unique efficiency in sample storage, preparation, mixing and transportation.

July

Eppendorf and New Brunswick Scientific sign an acquisition agreement

The two companies offer product portfolios for the pharmaceutical industry and life science research that complement each other ideally and can be combined to create complete system solutions.

Collaboration with Roche

In the future, Roche and Eppendorf will jointly market their protein expression products. Roche will contribute its RTS (Rapid Translation System) reagents portfolio, while Eppendorf's Thermomixer comfort system will be used as a standard solution.

red dot design award

The Eppendorf Mastercycler ep realplex is the recipient of the world famous "red dot design award".

September

New worksite childcare facility

The foundation stone of the Eppendorf worksite childcare facility is laid.

Eppendorf Austria

The well-known Marketing Office Austria becomes the Eppendorf Austria GmbH. The new company will provide optimum market support through enhanced sales and service capabilities.

Biotechnica

Biotechnica, Europe's leading fair for the biotechnology sector and also one of the most important events of its kind for Eppendorf, is now held annually.

October

NBS acquisition completed

The total value of the deal, including the cash compensation for stock options, amounts to approximately US$110 million.

Successful validation of Eppendorf's DualChip® GMO microarray by the EU

Eppendorf's DualChip GMO kit is the first fully validated microarray-based technology for the parallel screening of genetically modified organisms (GMO) in a single test.

November

Eppendorf Award

At the Medica Trade Show, the Eppendorf Award for Young European Investigators is awarded to Portuguese researcher Mónica Bettencourt-Dias.

Eppendorf & Science Prize for Neurobiology

Dr. Rachel Wilson from Harvard Medical School, USA, is awarded the Eppendorf & Science Prize for Neurobiology.

MixMate® instruction manual

The instruction manual of the MixMate offered by Eppendorf AG receives the 2007 Docu Award of the German Professional Association for Technical Communication and Information Development.

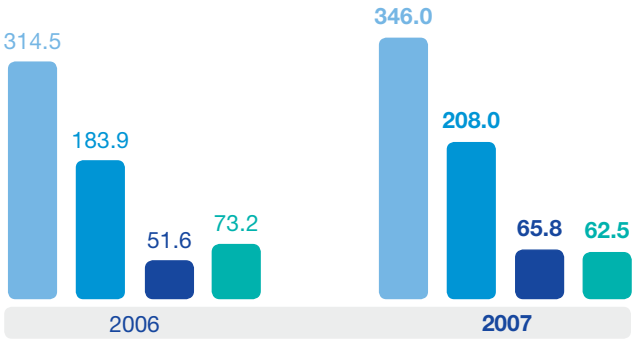
Bio Europe

Eppendorf is one of the main sponsors of BIO-Europe, the world's largest independent biotech partnering conference.

Report on the Financial Situation of the Eppendorf Group

- Expansion of the life science market continues
- Profitable growth
  - Sales: +10 percent
  - Operating profit: +28 percent
- Eppendorf acquires New Brunswick Scientific Co., Inc. (NBS) in New Jersey, USA

Key data performance in millions of €



- Sales
- Gross profit
- Operating profit
- EBIT

Economic environment

Overall, the expansion of the life science markets proved robust in 2007.

The strongest growth was recorded in the Asian/Pacific markets. The European economies also continued to grow vigorously. Only the United States showed initial signs of an economic cooldown.

Business trend

We continued our profitable expansion course in fiscal year 2007. With a growth rate that outpaced the market, we again succeeded in winning market shares. The biggest gains were recorded in Europe and Asia. Steady investments in the major growth markets have made this momentum possible.

2007 was a very successful year for us, not only in terms of operating performance, but also from a strategic perspective. The acquisition of NBS in September 2007 enabled us to strengthen our business potential. NBS is among the market leaders in the development, manufacture and distribution of innovative systems for cell growth, detection and storage. The company generated sales of US$75 million in 2006. The acquisition has allowed us to combine two product portfolios for the pharmaceuticals industry and life science research that complement each other perfectly and can be used to create complete system solutions.

Earnings situation

Key data income statement in millions of €

	2006	%	2007	%
Net sales	314.5	100.0	346.0	100.0
Cost of sales	–130.6	–41.5	–138.0	–39.9
Gross profit	**183.9**	**58.5**	**208.0**	**60.1**
Selling and marketing expenses	–84.8	–27.0	–89.6	–25.9
Research and development expenses	–18.4	–5.9	–19.9	–5.8
Administrative expenses	–29.1	–9.2	–32.7	–9.4
Operating profit	**51.6**	**16.4**	**65.8**	**19.0**
Other expenses/income	21.6	6.9	–3.3	–0.9
EBIT	**73.2**	**23.3**	**62.5**	**18.1**

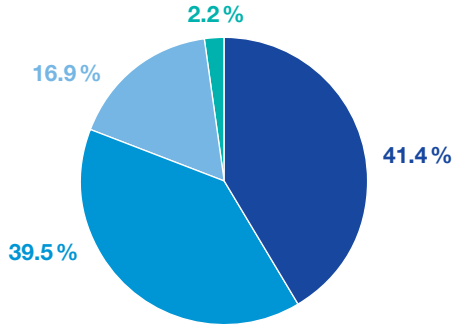
Sustainable sales growth of 10 percent

In fiscal year 2007, we again succeeded in expanding our sales considerably.

On a like-for-like basis, i.e. after adjustment for currency and portfolio fluctuations, we recorded sales growth of 11.3 percent. We gained additional market shares in all major regions. In Asia and Europe, in particular, we were again clearly in the double digits, with 21.5 and 11.0 percent, respectively. The increase in North America came to 8.6 percent.

All in all, we realized consolidated sales of €346.0 million (prior year: €314.5 million).

Sales by region 2007 in millions of €



	2006	2007	%
North America	143.8	143.3	–0.3
Europe	116.8	136.8	17.1
Asia/Pacific	46.6	58.5	25.5
Other regions	7.3	7.4	1.4
Total	**314.5**	**346.0**	**10.0**

Gross profit margin climbs to 60 percent

The favorable revenue trend and continuous productivity gains are the basis of our high gross profit margin. Compared with the prior year, we succeeded in boosting our gross profit margin by 1.6 points to its current level of 60.1 percent.

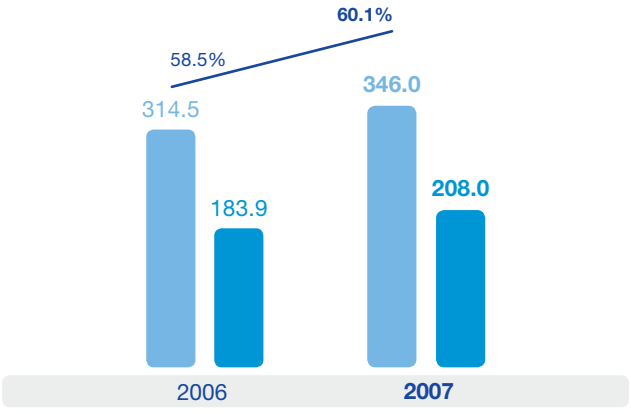
Gross profit as a percentage of sales increased 13.1 percent, to €208.0 million (prior year: €183.9 million).

Global marketing and sales presence

A global presence is of great strategic significance for a supplier to the international research community. Sales and support organizations ensuring close proximity to customers are a major prerequisite for sustained sales growth. Our global network in this area comprised an average of 944 employees (prior year: 854). This corresponded to a year-on-year increase of 11 percent.

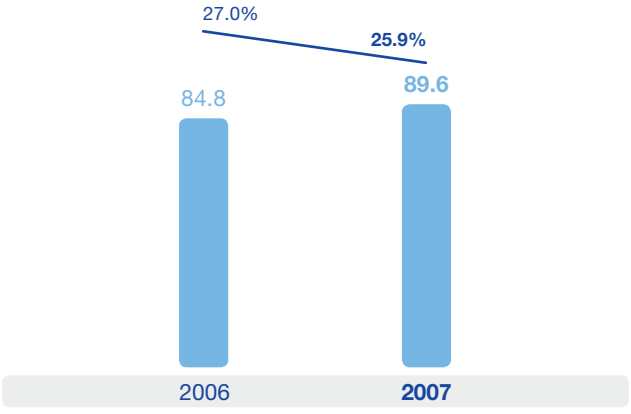
All in all, expenses for sales and marketing activities amounted to €89.6 million (prior year: €84.8 million). Due to our strong growth, the ratio of costs to sales declined to 25.9 percent (prior year: 27.0 percent).

Gross profit in millions of €



- Sales
- Gross profit
- Gross profit as a percentage of sales

Selling and marketing expenses in millions of €



- Selling and marketing expenses
- Ratio of costs to sales

Technology leadership in core competencies

In 2007, we invested €19.9 million (prior year: €18.4 million) in research and development activities. Apart from the steady optimization of our product portfolio and our production processes, the development of innovative products that can strengthen our core business played a particularly important role.

In our established competence centers in Europe, 147 employees (prior year: 143) worked on the further development of group technologies at the end of the year under review.

The acquisition of NBS has allowed us to enhance our expertise in adjacent technologies. This will strengthen our innovation power and create additional business opportunities. NBS has competence centers in the US and the UK.

All in all, our international research and development network is now comprised of 185 employees.

Profitable growth

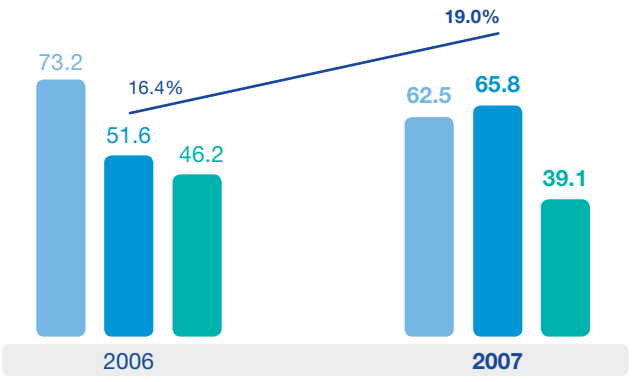
Thanks to earnings improvement in all product segments, the operating profit of €65.8 million (prior year: €51.6 million) exceeded the year earlier level by 27.5 percent.

Operating profit as a percentage of sales came to 19.0 percent (prior year: 16.4 percent). Despite the continued depreciation of the dollar, the margin thus exceeded its high prior-year level.

EBIT (operating profit) stood at €62.5 million (prior year: €73.2 million).

The 2006 operating profit included non-recurrent income from the sale of the “Brinkmann” trading business.

Key data performance in millions of €



Financial situation and capital expenditure

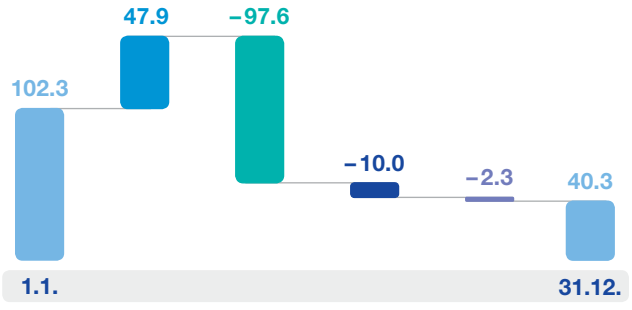
Our positive business performance resulted in an increase in our gross cash flow by 23.6 percent to €60.9 million.

Clearly targeted investments in our sales structure led to an increase in working capital. Net cash from operations (net cash flow) nevertheless climbed to €47.9 million (prior year: €32.2 million).

The acquisition of all shares in NBS accounted for €77.7 million of the funds used in investing activities. The deal had a value of approximately US$110 million.

Due to our excellent liquidity position, we were able to finance this transaction from our own funds. Against this background, net cash held in bank accounts of €40.3 million at December 31, 2007, reflects our strong internal financing capabilities.

Change in cash position 2007 in millions of €



- Cash and cash equivalents
- Net cash from operating activities
- Net cash from investing activities
- Net cash used in financing activities
- Effect of change in exchange rates on cash

Asset and capital structure

Assets in millions of €

	2006	%	2007	%
Cash and cash equivalents	102.3	32.7	40.3	11.1
Trade accounts receivable	51.6	16.5	63.7	17.5
Inventories	58.3	18.6	77.5	21.3
Property, plant, equipment and intangible assets	70.9	22.6	145.2	39.9
Other assets	29.7	9.6	37.1	10.2
Total assets	**312.8**	**100.0**	**363.8**	**100.0**

Equity and liabilities in millions of €

	2006	%	2007	%
Trade accounts payable	11.5	3.7	15.6	4.3
Short-term provisions	34.8	11.1	37.6	10.3
Provisions for pensions	80.5	25.7	84.2	23.1
Other liabilities	14.2	4.6	31.2	8.6
Total equity	171.8	54.9	195.2	53.7
Total equity and liabilities	**312.8**	**100.0**	**363.8**	**100.0**

Trade accounts receivable increased by €12.1 million to €63.7 million. The receivables portfolio of the NBS Group corresponded to €11.1 million at the end of the year.

Inventories came to €77.5 million (prior year: €58.3 million). €13.7 million of this total were contributed by the NBS Group, which was acquired in the year under review.

Property, plant, equipment and intangible assets included goodwill of €34.1 million (prior year: €8.9 million) and intangible assets from corporate acquisitions of €37.4 million (prior year: €4.9 million). The latter are mainly attributable to acquired customer bases, brands and technologies.

Net income generated increased shareholders' equity by 13.6 percent to €195.2 million. Based on total assets of €363.8 million (prior year: €312.8 million), the equity ratio was 53.7 percent on the reporting date (prior year: 54.9 percent).

Short-term provisions of €37.6 million (prior year: €34.8 million) largely consisted of liabilities due to customers and employees. The short-term provisions of the NBS Group amounted to €5.2 million on the reporting date.

Eppendorf has a defined benefit pension plan for most current and former employees in Germany. The provisions for pensions and other employee benefits of €84.2 million (prior year: €80.5 million) are largely associated with this pension plan.

Exchange rate fluctuations

December 2005 – December 2007

— Reporting date exchange rate
-- Average annual exchange rate

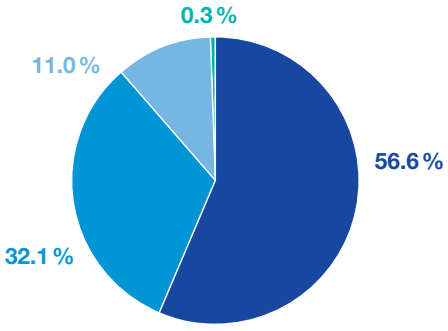
We generate quite a considerable portion of our sales in regions in which the US$ is the dominant currency, while the share of expenses not denominated in euros is considerably lower.

On an annual average, the euro appreciated by 9.2 percent to US$/€1.3705 (prior year: US$/€1.2556). The increasing weakness of the US$ had a correspondingly negative effect on our sales growth. At constant currency rates, our sales growth would have been well into the double digits, i.e. 15.0 percent.

The company's asset and capital structure is dependent on the exchange rate valid on the respective reporting date. Compared to the prior-year reporting date, the euro's exchange rate had risen by as much as 11.8 percent, to US$/€1.4721. The assets of the subsidiaries headquartered in dollar-dominated territories thus saw a correspondingly strong devaluation at the 2007 reporting date.

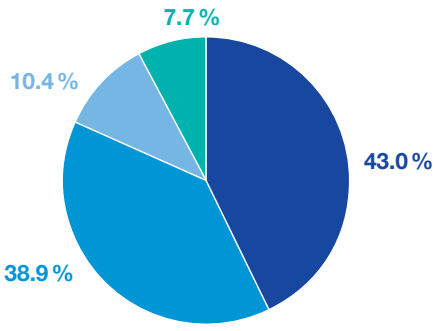
Employees

by region at December 31, 2007



	2006	2007
Europe	1,160	1,356
North America	462	769
Asia/Pacific	223	263
Other regions	8	8
Total	**1,853**	**2,396**
Annual average	1,838	2,036

by function at December 31, 2007



	2006	2007
Sales and marketing	861	1,031
Production	649	932
Administration	200	248
Research and development	143	185
Total	**1,853**	**2,396**
Annual average	1,838	2,036

At year end 2007, the Eppendorf Group employed 2,396 persons worldwide (prior year: 1,853). The increase was largely due to the first-time inclusion of the workforce of NBS, which had 446 staff members at the end of the year.

On an annual average, Eppendorf employed 2,036 persons (prior year: 1,838). This figure includes the NBS employees on a pro-rata-temporis basis.

Risk management

Apart from the general business risk, Eppendorf is exposed to specific risks largely associated with its global business, its customer base, technological developments and its products.

As a globally operating company with a high share of exports, we are exposed to the risk of exchange rate fluctuations. A relatively large share of our sales transactions is billed in US$.

Increased product manufacturing in dollar-denominated territories partially compensates for the exchange rate risk. We enter into currency hedging transactions on a case-by-case basis.

In addition, economic and political changes in individual country-specific markets may impact the company's profitability negatively. Our regional sales management constantly monitors local market trends in order to initiate any necessary measures. Dealer bonus systems also have a stabilizing, or risk-equalizing, effect.

Our customers are mainly from the biotechnology as well as the pharmaceutical and chemical industries. Their cuts in R&D budgets, capital expenditure or public/private funding may negatively impact our sales.

It is part of Eppendorf's strategy to continuously introduce innovative products onto the market. This often involves introducing new cutting-edge technologies with limited available experience of their use. If these products are lacking in maturity and quality, they may result in warranty and product liability obligations. New technologies from competing products may render our own technology ineffective; third-party patents may delay our own product development or the introduction of new products to the market. To protect against such risks Eppendorf has introduced a comprehensive quality assurance and project management system.

Subsequent events

No developments or events occurred after the close of the fiscal year under review that might influence the company's situation as presented in these consolidated financial statements.

Outlook

Economic environment

Overall, the Institute for the World Economy expects global economic growth of 4.5 percent in 2008.

However, growth rates will differ widely from region to region. The crisis in the financial markets does not seem to be over and might continue to burden economic performance, especially in the industrial nations. All in all, growth of 1.9 percent is expected for the industrial nations.

Economic momentum in Asia will presumably remain strong, although the rates of expansion will probably decline somewhat in this region as well. Growth rates of 10.7 percent and 8.0 percent are thus predicted for China and India, respectively.

The life science markets are expected to grow in line with the global economy. Asia also offers the greatest growth opportunities in this sector.

Eppendorf

Our goals are growth in our core business and the strengthening of our global marketing position. Our efforts in this direction are focused on the markets with the largest growth potential. On the basis of a still favorable market situation and the continuous renewal of our product portfolio, we expect the positive overall performance of our business to continue in fiscal year 2008.

Sales and operating profit in the first few months of the new fiscal year confirm this trend.

Hamburg, February 29, 2008

Eppendorf AG
The Management Board

Consolidated financial statements according to IFRS (abbreviated version)

The information below provides an overview of the consolidated financial statements in accordance with IFRS, which were audited by Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft Stuttgart, Hamburg office, and received an unqualified auditor's opinion.

Consolidated Balance Sheet

at December 31

Assets in € '000

	2005	2006	**2007**
Cash and cash equivalents	63,370	102,311	40,276
Trade accounts receivable	61,992	51,629	63,677
Inventories	68,056	58,284	77,511
Other current assets	3,528	4,833	9,436
Current assets	**196,946**	**217,057**	**190,900**
Property, plant, equipment and intangible assets	60,678	57,081	73,631
Goodwill and intangible assets from equity investments	14,716	13,822	71,531
Investments in associates	496	589	–
Other non-current assets	901	4,624	7,298
Deferred tax assets	22,967	19,676	20,458
Non-current assets	**99,758**	**95,792**	**172,918**
Total assets	**296,704**	**312,849**	**363,818**

Equity and liabilities in € '000

	2005	2006	**2007**
Short-term borrowings from banks	–	–	–
Trade accounts payable	16,918	11,544	15,614
Provisions for income taxes	10,070	3,882	7,245
Other short-term provisions	36,224	34,809	37,618
Other current liabilities	7,728	7,507	6,780
Current liabilities	**70,940**	**57,742**	**67,257**
Provisions for pensions	77,971	80,536	84,217
Other non-current liabilities	184	178	271
Deferred tax liabilities	2,256	2,571	16,911
Non-current liabilities	**80,411**	**83,285**	**101,399**
Common stock	53,893	53,893	53,893
Retained earnings and other reserves	83,347	112,736	132,741
Minority interests	8,113	5,193	8,528
Total equity	**145,353**	**171,822**	**195,162**
Total equity and liabilities	**296,704**	**312,849**	**363,818**

Consolidated Income Statement

in € '000	2005	2006	2007
Net sales	**320,889**	**314,476**	**346,016**
Cost of sales	–146,707	–130,535	–138,051
Gross profit	**174,182**	**183,941**	**207,965**
Selling and marketing expenses	–89,070	–84,795	–89,634
Research and development expenses	–20,976	–18,445	–19,861
Administrative expenses	–28,784	–29,129	–32,641
Other income	15,487	22,328	–220
Amortization of intangible assets from investment activities	–434	–725	–3,103
Income from operations (EBIT)	**50,405**	**73,175**	**62,506**
Financial results	1,075	1,884	2,484
Share of profit of associates	209	277	–
Income before tax	**51,689**	**75,336**	**64,990**
Income taxes	–20,052	–29,166	–25,848
Net income	**31,637**	**46,170**	**39,142**
Thereof attributable to			
- Equity holders of the parent	31,183	45,491	38,129
- Minority interests	454	679	1,013

Consolidated Cash Flow Statement

in € '000	2005	2006	2007
Cash flow[1]	**31,986**	**49,265**	**60,913**
Changes in short-term assets and liabilities	–11,407	–17,047	–12,996
Net cash provided by operating activities	**20,579**	**32,218**	**47,917**
Net cash from/used in investing activities	5,800	18,507	–97,657
Net cash used in financing activities	–22,685	–7,026	–9,969
Effects of changes in exchange rates on cash	908	–4,758	–2,326
Net change in cash and cash equivalents	**4,602**	**38,941**	**–62,035**
Cash and cash equivalents			
Beginning of year	58,768	63,370	102,311
End of year	63,370	102,311	40,276

[1] Net income adjusted for non-cash expenses/income

International Presence

Europe

Eppendorf AG,
Hamburg / Germany

Eppendorf Array Technologies S.A.,
Namur / Belgium

Eppendorf Instrumente GmbH,
Hamburg / Germany

Eppendorf Liquid Handling GmbH,
Hamburg / Germany

Eppendorf Polymere GmbH,
Oldenburg in Holstein / Germany

Eppendorf Zentrifugen GmbH,
Leipzig / Germany

NBS Cryo-Research Ltd.,
Tollesbury / UK

RS Biotech Laboratory Equipment Ltd.,
Irvine / UK

Eppendorf Austria GmbH,
Vienna / Austria

Eppendorf Biochip Systems GmbH,
Hamburg / Germany

Eppendorf Czech & Slovakia s.r.o.,
Prague / Czech Republic

Eppendorf France S.A.R.L.,
Paris / France

Eppendorf Ibérica S.L.U.,
Madrid / Spain

Eppendorf Nordic ApS,
Copenhagen / Denmark

Eppendorf s.r.l.,
Milan / Italy

Eppendorf UK Ltd.,
Cambridge / UK

Eppendorf Vertrieb Deutschland GmbH, Cologne / Germany

New Brunswick Scientific BV,
Nijmegen / Netherlands

New Brunswick Scientific (UK) Ltd.,
St. Albans / UK

Vaudaux-Eppendorf AG,
Basel / Switzerland

America

New Brunswick Scientific Co., Inc.,
Edison / USA

Eppendorf Canada Ltd.,
Toronto / Canada

Eppendorf do Brasil Ltda.,
São Paulo / Brazil

Eppendorf North America, Inc.,
Westbury / USA

USA Scientific, Inc.,
Ocala / USA

Eppendorf Manufacturing Corp.,
Enfield / USA

Asia / Pacific

Eppendorf Asia Pacific Sdn. Bhd.,
Kuala Lumpur / Malaysia

Eppendorf Biotechnology International Trade (Shanghai) Company Ltd.,
Shanghai / China

Eppendorf China Ltd.,
Hongkong / China

Eppendorf Co., Ltd.,
Tokyo / Japan

Eppendorf India Ltd.,
Chennai / India

Eppendorf Middle East FZ-LLC,
Dubai / United Arab Emirates

Eppendorf South Pacific Pty. Ltd.,
Sydney/Australia

Head Office
Competence Centers
Sales Subsidiaries
Center of Excellence

Report of the Supervisory Board

In the year under review, the Management Board of Eppendorf AG provided the Supervisory Board with regular, timely and comprehensive information about the company's business performance and major business transactions. The Supervisory Board continuously monitored and advised the Management Board. The Chairman of the Supervisory Board was kept constantly informed by the Chairman of the Management Board and consulted in cases of doubt or far-reaching decisions. In fiscal 2007, the Supervisory Board convened for a total of four meetings, at which it looked closely at the financial situation and business development of the Group. The emphasis was on the revenue trend and earnings situation of the company and its affiliated businesses. In addition, discussions revolved around development projects, capital expenditure plans and other business transactions that were of particular significance for the Group. Transactions requiring the approval of the Supervisory Board were reviewed in detail and discussed jointly by the Supervisory and Management Boards. The consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). These accounts as well as the annual financial statements of Eppendorf AG and the management reports for the company and group were examined by the auditor, Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. The auditor, who was elected by the Annual General Meeting and commissioned by the Supervisory Board, issued an unqualified opinion. The annual financial statements and management report for the company, the consolidated annual financial statements and management report for the Group as well as the audit reports were made available to all members of the Supervisory Board and were discussed, including the appropriate reports prepared by the Management Board. The auditor informed the Supervisory Board of the results of its audit. The Supervisory Board concurred with the audit result and concluded, on the basis of its own review, that no objections had to be raised. The Supervisory Board approved the annual financial statements of Eppendorf AG and the consolidated financial statements prepared by the Management Board. The annual financial statements are hereby established. In addition, the Supervisory Board also reviewed and approved the profit appropriation resolution.

The Supervisory Board would like to thank the Management Board and all domestic and international employees of the Eppendorf Group for their dedicated efforts and successful work for the company in fiscal 2007.

Hamburg, April 3, 2008

Ernst Arp
Vice Chairman of the Supervisory Board

Boards

Supervisory Board

Dr. Robert Mann
Chairman

Ernst Arp
Vice Chairman

Adrian Déteindre

Hans Hinz

Marlis Kripke-Wallon
Employee representative

Peter Schmidt
Employee representative

Management Board

Klaus Fink
Chairman

Detmar Ammermann

Dr. Heinz Gerhard Köhn

Dr. Michael Schroeder

Committees

Scientific Advisory Committee

Prof. Rolf D. Schmid
Spokesman

Prof. Konrad Beyreuther

Prof. Cornelius Knabbe

Prof. Frieder W. Scheller

As at: December 31, 2007

Credits

Concept, text and design
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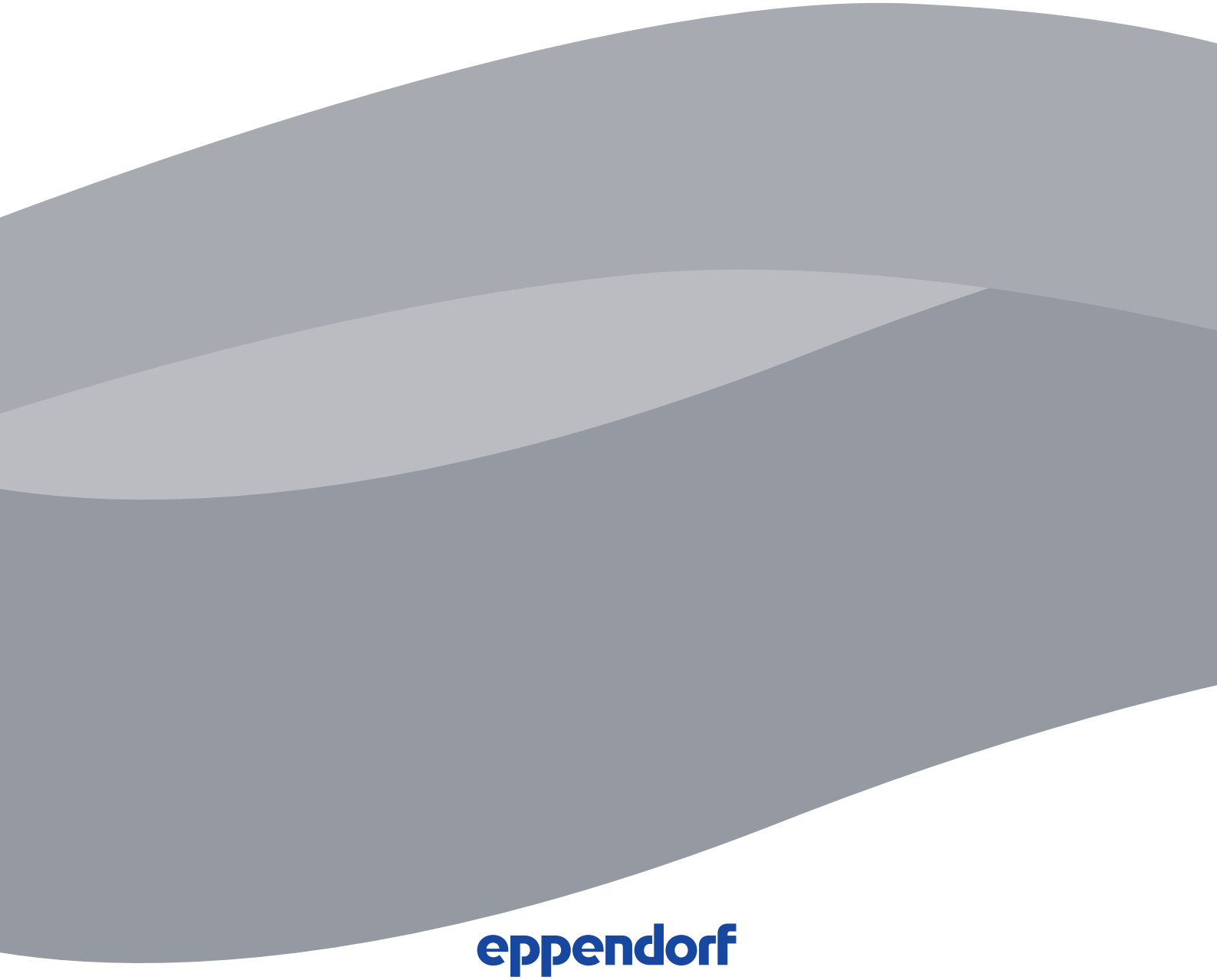

eppendorf

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Eppendorf AG · 22331 Hamburg · Germany · Phone +49 40-53801-0 · Fax +49 40-53801-556
E-Mail: eppendorf@eppendorf.com · Internet: www.eppendorf.com