Research. Technology. Eppendorf.

Annual Report 2008

eppendorf

Processes in the Life Science Laboratory

Cell growth and sample storage

Product portfolio of New Brunswick

Fermentors/ Bioreactors

CO_2 incubators

Biological shakers

Ultra-low temperature freezers

1. Sample extraction

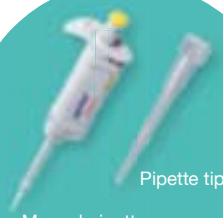
Tissue, microbially contaminated samples, food and environmental samples, bacteria and cell cultures

2. Sample handling

Liquids, solutions, emulsions, suspensions

Liquid handling

Reaction tubes



Pipette tips

Manual pipettes

Sample preparation

Centrifuge rotors

Microcentrifuges

Cell manipulation

Micromanipulators

Microinjectors

Target groups

Industrial research and application

- New drugs
- New diagnostic methods
- New therapies
- New agricultural and environmental technologies

3. Sample purification

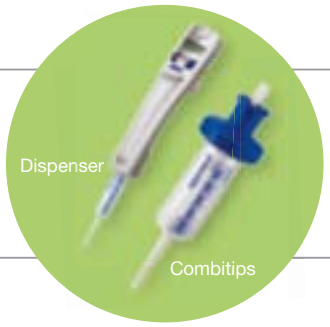
DNA, RNA, proteins, cell compartments and other biomolecules

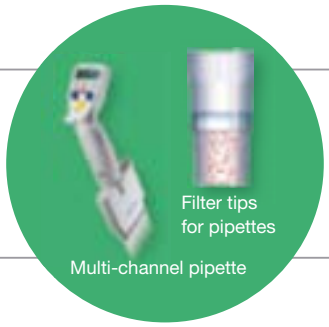
4. Experiments

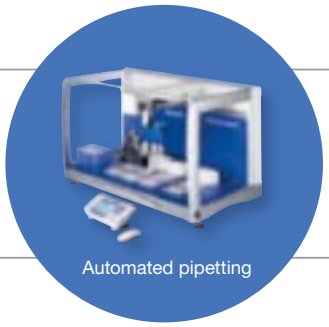
Information retrieval on function and interaction in biological processes

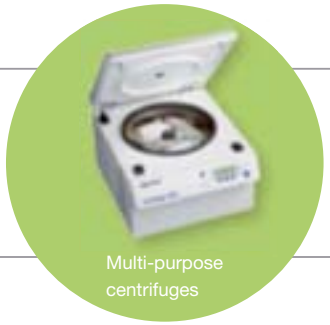
5. Analysis

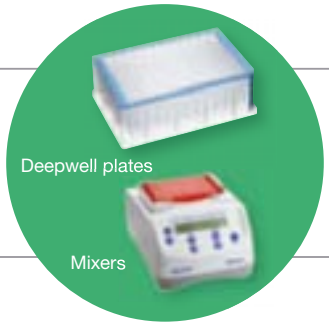
Qualitative and quantitative data collection and validation

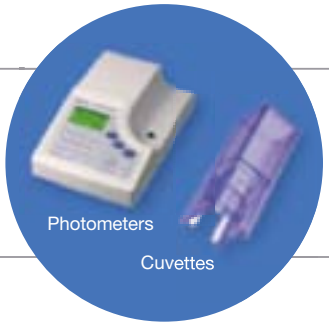




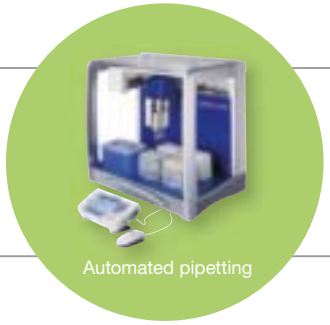


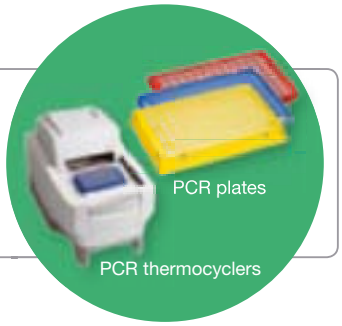




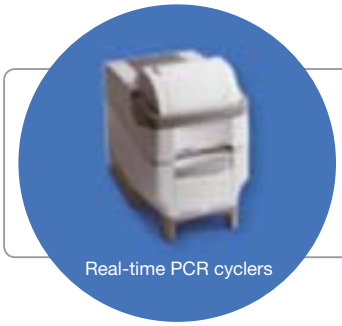


PCR

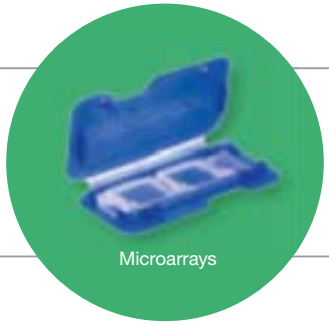


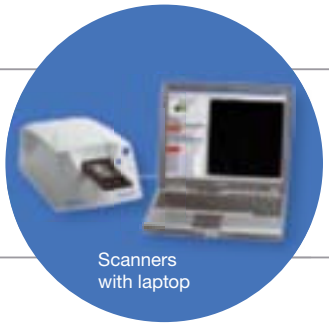


Real-time PCR



Microarray system





Academic research

- Enhancing the scientific knowledge base for fundamental research

Governmental labs

- Reliable diagnostics
- Efficient testing and inspection
- Forensic evidence

Key Financials (IFRS)

		2004	2005	2006	2007	2008	Change in %
Total net sales	€ '000	286,517	320,889	314,476	346,016	**410,262**	**+18.6**
Europe	%	34.0	32.1	37.2	39.5	**40.6**	
North America	%	51.7	54.4	45.7	41.4	**39.6**	
Asia/Pacific	%	12.8	11.6	14.8	16.9	**17.3**	
Other regions	%	1.5	1.9	2.3	2.2	**2.5**	
EBIT	€ '000	40,118	50,405	73,175	62,506	**71,906**	**+15.0**
EBIT margin	%	14.0	15.7	23.3	18.1	**17.5**	
Net income[1]	€ '000	24,388	31,183	45,491	38,129	**44,561**	**+16.9**
Cash flow	€ '000	39,452	31,986	49,265	60,913	**62,771**	**+3.1**
Equity ratio[2]	%	49.6	49.0	54.9	53.7	**49.1**	
Total assets	€ '000	254,525	296,704	312,849	363,818	**372,747**	**+2.5**
R&D expenses	€ '000	19,529	20,976	18,445	19,861	**24,123**	**+21.5**
Earnings per share	€	0.45	0.58	0.84	0.71	**0.85**	**+19.7**
Number of employees, annual average		1,748	1,804	1,838	2,036	**2,448**	**+20.2**

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

Profil

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,

Fiscal 2008 was another very successful year for Eppendorf. Once again, we increased our sales and profit considerably. On a global scale, we realized double-digit sales growth. The Asian market saw a particularly dynamic trend due to our strong presence throughout the region and our close ties to researchers.

The new member of our Eppendorf Group, New Brunswick, a US-based manufacturer of biotech equipment, also recorded pleasing performance. Eppendorf acquired this renowned company in 2007. In 2008, New Brunswick already doubled profits to US$ 16 million and boosted its sales by 22 percent.

Ever since the German medical scientist Heinrich Schnitger developed the first improvised piston-stroke pipette in 1958 and Eppendorf perfected this device, thus setting a new industrial standard, our brand name has stood for excellent research instruments. We are still committed to this tradition. Alongside performance, we attach special importance to the ergonomics and design of our equipment and as such many of our products have been honored with design awards. This also applies to our latest pipette, the Eppendorf Research® plus, which won the prestigious red dot design award 2009.

Eppendorf is a global leader in the development and manufacture of innovative laboratory systems, as shown by our growing research and development budget, which increased further last year from € 19.9 million to € 24.1 million. On the following pages, we address four of the most important research areas in the life science sector. We also present many examples of biotechnological research products that Eppendorf provides to scientists around the world to facilitate their work. Our customers' appreciation and loyalty encourage us to continue in our endeavors.

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. Special thanks are also due to our shareholders, as well as to our employees, whose expertise and commitment contribute to Eppendorf's positive image around the world every day.

With this in mind, I look forward to a continuation of our sound collaboration and another successful fiscal year.

Yours truly,

Klaus Fink
Chairman of the Management Board

Contents

Cellular All-rounders

All human cell types can develop from stem cells from a three-day-old embryo.

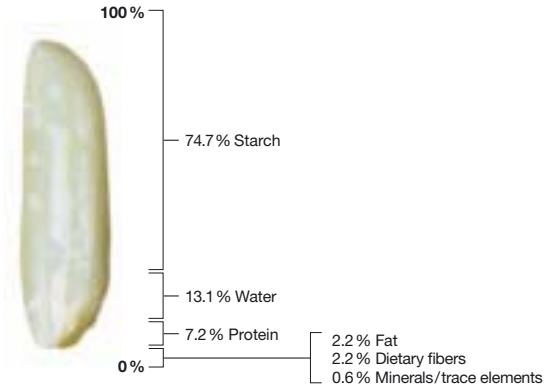
Embryonic stem cells

Targeted cultivation and analysis of embryonic cells *in vitro.*

Stem cells in culture medium

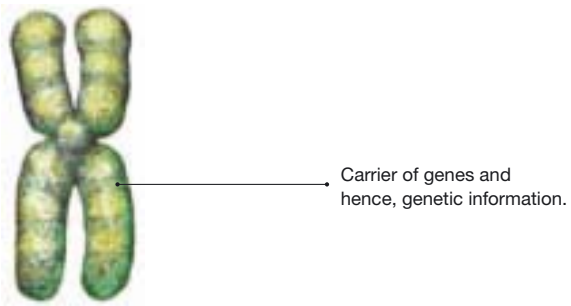
They contain the genetic information for all body parts. This is the reason why doctors and patients are pinning high hopes on stem cell research. One day, these cells will allow scientists to regenerate organs and tissues in a targeted manner, which may, for example, help a musician suffering from Parkinson's disease regain his former virtuosity. Researchers also see promising potential for the treatment of illnesses such as diabetes, myocardial infarction or paraplegia.

High-yielding Research



Rice grain*

**The exact nutrient composition may vary by rice type and method of preparation.*



Chromosome*

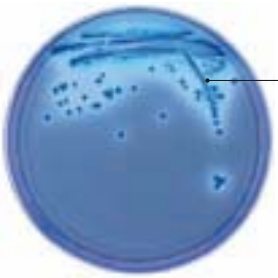
**The genome of the rice plant comprises 24 chromosomes.*

Fifty years from now, there will be ten billion people on this planet, almost twice as many as today. Genetic engineering could help secure their food supply. Researchers use this approach to make crops pest-resistant. In addition, they plan to use genes from other species to enrich rice grains with provitamin A in order to combat vitamin A deficiency in developing countries.

Water – The Elixir of Life

Water is the key element in the history of mankind and our most important food resource.

Drop of water



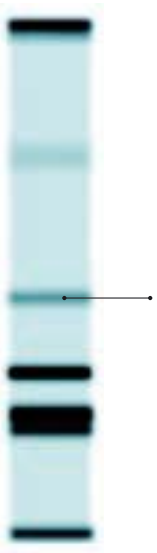
E. coli bacteria indicate drinking water contamination.

Bacterial culture in a petri dish

Microbiological and chemical analyses are used for intensive drinking water monitoring. Worldwide, the supply of clean drinking water is one of the major challenges of civilization. More than one billion people do not have access to springs, wells or water supply systems. Contaminated water contains numerous pathogens, affecting the very young in particular. Every day, some 4,500 children die of the consequences.

Molecular Biological Forensics

DNA double helix



Genetic fingerprint

They collect hairs and skin particles. They document saliva traces on cigarette butts and drinking glasses. Forensic specialists search crime scenes for human tissue. The genetic material contained therein may provide clues about the perpetrator. DNA analysis has become the most important tool of forensic investigations.


1

“Size is important if you want to stand your ground in the market”

Klaus Fink, Chairman of the Management Board of Eppendorf AG, and his colleagues – Detmar Ammermann, Heinz Gerhard Köhn and Michael Schroeder – talk about the challenges of corporate mergers, the economic crisis and the company's success.

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

Quite a number of German entrepreneurs have recently overstretched themselves dramatically with their acquisition deals. How has Eppendorf fared with the acquisition of US-based New Brunswick Scientific?
Klaus Fink: Very well, because we had a clear idea of the contribution an acquisition should make to our organization. It must broaden our portfolio and operate in the same market, so that we can share our capacities. After all, Eppendorf is among the global market leaders in its area and has the required distribution capacities. Addition of a suitable product range allows us to exploit synergy effects. This was the case in our merger with New Brunswick.

So the purchase price was a good investment?
Klaus Fink: Yes indeed. It's a simple equation. We paid US$ 110 million. Last year, New Brunswick increased its sales by 22 percent, after adjustment for currency fluctuations, and generated a profit of US$ 16 million. We thus earned a return that you couldn't match anywhere on the capital markets at present.

How did you achieve this?
Klaus Fink: Of course, we were lucky, too, because the fermentation sector saw an exceptional upswing last year, which contributed to growth. However, Eppendorf and New Brunswick have together also implemented a number of joint measures that have had a favorable effect.

Can you cite examples?
Klaus Fink: We use joint distribution channels. Eppendorf's and New Brunswick's sales organizations in Italy and India were merged in the fall, and in Germany and France at the start of the new year. On the other hand, New Brunswick has taken over our joint distribution in the Benelux countries, because the company has an excellent position there. In addition, we have joined forces in procurement, which has had a positive overall effect on earnings.

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

A successful merger is not something that can be taken for granted. At least one out of two corporate marriages fail. What are the key success factors of your union?

Klaus Fink: First, careful analysis is indispensable before you make such an investment. When we began to take a look at New Brunswick, we had already examined several candidates. Second, you have to be very careful in the way you handle a company that has a long tradition and its own corporate culture. You cannot storm in and plant the Eppendorf flag on the table. Instead, you have to adopt a cooperative and long-term approach. You must not try to change everything ad hoc, and you must take people's fears seriously.

How did you succeed in reducing these fears?

Klaus Fink: We avoided everything that would have made a negative impression on people. There were no layoffs and we will probably be taking on more staff in the future. In addition, both management teams are united in their efforts to gradually align the two cultures. Eppendorf managers can be found on the Supervisory Boards of New Brunswick enterprises, and New Brunswick representatives on the Supervisory Boards or Boards of Directors of Eppendorf companies. We benefit from our joint growth and try to communicate to our employees that there are scarcely any risks, only opportunities. And that's how they see things, too. Initial doubts have now been replaced by amicable trust.

The international financial crisis has driven the prices of companies to lows not seen in a long time. This seems to be a favorable time for mergers. Do you plan to make further acquisitions?

Klaus Fink: Yes, we are continually looking for targets. This is an important prerequisite for remaining a player in the global market with its dramatic consolidation situation. The big corporations are getting bigger all the time, and the small and medium-sized enterprises are disappearing. In such a situation, it is important to remain big enough to stand your ground. We are doing very well, but are also aware of the fact

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

that we will definitely have to reach sales in the order of one billion euro within the next three to five years. At present, there are two or three appealing projects on the table. Something might happen on this front in the foreseeable future ...

... before the current year has run its course?
Klaus Fink: I would not rule anything out.

Eppendorf was very successful on the international markets last year. Do you expect to see similar momentum in the future?
Michael Schroeder: Adjusted for currency fluctuations, we recorded double-digit growth in all global markets in 2008. The crisis scenario will slow this momentum down, but we continue to expect stable growth.

Where exactly?
Michael Schroeder: A general forecast is difficult at this juncture. We expect to see waning momentum in the established markets, but a continuation of the stable trend in Asia, above all in China.

Everybody complains about the extent of the crisis. How is Eppendorf equipped for the recession?
Detmar Ammermann: At the moment, we have many new products in the pipeline. This will provide new impetus. In addition, we are well prepared for the future due to our flexible manufacturing and organizational structures. Overall, we are excellently positioned in our markets and in terms of our products.

A large share of your customers comes from the public sector. What will happen if budgets are cut here?
Detmar Ammermann: The opposite is happening at present. Life science research projects have been planned and are fully funded. Budgets are even being increased massively in order to stimulate the economy. The Obama program in the US alone provides for tremendous investments. It is now common knowledge that research is essential for the future of society.

What technological trends shaped the last year?
Heinz Gerhard Köhn: There were no trail-blazing innovations, but important developments. The key insight was that automation is progressing further in the laboratory. This is a gigantic growth area.

Detmar Ammermann
Chief Financial Officer,
Master of Business Administration

What technological developments do you see in the future?
Heinz Gerhard Köhn: Automation is a major topic. Take, for example, the polymerase chain reaction (PCR) processes used to duplicate DNA in the laboratory. Here, the motto is: faster, more precise, cheaper. The laboratory equipment of the future must produce reliable results millions of times.

In the competition for the brightest minds, the large corporations with fine-sounding names are frequently more successful than medium-sized enterprises. What would you tell young scientists to convince them to join your company?
Klaus Fink: We offer employees more individual development opportunities and more challenges than large corporations. They rely on the division of labor to a much greater extent. Our employees can work in a more holistic manner. At the same time, our international positioning ensures that we use complex and state-of-the-art technologies. In our IT, we work with SAP structures that you will otherwise find only in the big organizations. We use manufacturing technologies matching those deployed by international top players. This makes us particularly attractive as an employer.

Many young scientists believe that jobs are more secure at large corporations. What would you say to this?
Klaus Fink: Those who work for us have secure jobs. This is also due to our financial background. We do not have any long-term loans. Our employees enjoy fringe benefits going far beyond what is customary, e.g. a company childcare facility. In addition, we have a very good image nationally and internationally. This is also the reason why we find so many headhunters knocking on our doors. So far, we have not had any problems attracting young talent.

We would like to thank you for this interview.

Fields of Biotechnological Research

The human genome consists of approximately three billion building blocks. Since it was deciphered, numerous new areas of work have opened up for molecular biologists. We will present four major disciplines on the following pages.

Molecular Switches

Doctors and patients are pinning high hopes on stem cell research

How does a stem cell turn into a blood-building body cell? Which molecular switches give these tiny all-rounders the signal to specialize? How can highly developed body cells be transformed back into a kind of embryonic stem cell? Scientists around the world are looking for answers to the fundamental questions of cell biology.

What is still pure basic research now might provide relief from many human ailings one day. In diseases such as diabetes, myocardial infarction, Parkinson's, rheumatism, Alzheimer's or multiple sclerosis, researchers hope that they will be able to regenerate sick body parts or damaged organs with the help of healthy replacement tissue from the laboratory. They have already scored initial successes in animal tests, but science still has a long way to go to before humans can be treated. One major problem is the fact that embryonic stem cells have enormous growth potential and may develop into tumors in the human body. They must therefore be geared precisely to their area of application. What is more, the stimuli triggering the transformation of a stem cell into one of the approximately 200 different cell types in a human body are still unknown.

The search for solutions leads to the biotech laboratories of this world, where researchers are using mass tests and miniaturized screenings to find the key genetic information. Eppendorf develops instruments and laboratory systems that help them carry out a rapidly growing number of automated and error-free tests in the shortest possible time.

The Eppendorf pipette

An indispensable basic laboratory tool for dispensing, transferring and mixing.

TransferMan® NK 2
This micromanipulator allows a stem cell researcher to work with individual cells in the micrometer range. Complex work routines can be called up by pressing a single button.

epMotion 5070 CB
The automated pipetting system for cell biology applications guarantees fast test results and absolute precision in key processes such as cell culture seeding and cytotoxic analyses.

Did you know?

Stem cell therapy has been a routine treatment in cancers such as leukemia for many years. Doctors use bone marrow transplants to transfer stem cells from a donor's blood or bone marrow to the patient. New bone marrow with healthy stem cells forms after the surgery.

Green Revolution

Genetically modified organisms can be detected with sophisticated instruments

Humans have cultivated crops for thousands of years. Through continuous seed selection, they have systematically improved the quality of vegetables, grains and fruits. Biotechnological methods are increasingly replacing conventional cultivation. Since the 1980s, when Jeff Schell and his employees at the Max Planck Institute for Plant Breeding Research inserted the first foreign genes into plants, technology has made great headway. In Argentina, Canada and the US, genetically modified crops now grow on 80 percent of the acreage used for soy, corn and canola cultivation. They are mainly distinguished by their pest resistance. Worldwide, the acreage used for what are known as “transgenic plants” has increased to almost 120 million hectares.

Experts believe that genetic engineering harbors enormous potential when it comes to feeding the world's population. “Plants that are resistant to moths or fungal infestation do not have to be sprayed with pesticides,” writes Nobel prize winner Christiane Nüsslein-Volhard from Germany. “Plants that are better adjusted to unfavorable conditions of growth, salty soils and drought can make wastelands fertile again.” At the same time, food with higher nutritional value can be cultivated. “Golden rice”, for instance, represents an attempt on the part of researchers to enrich this grain with provitamin A. The new variety could help prevent eye diseases and blindness caused by vitamin deficiencies in countries such as Bangladesh and India. At the same time, the risks of genetic engineering must also be kept in mind. The European Union has thus passed stringent regulations for genetically modified organisms (GMOs) and plants.

Food producers and health authorities monitor compliance with the legal requirements. Eppendorf supplies them with the necessary screening tools.

DualChip® GMO microarray system
The chip detects evidence of genetically modified organisms (GMOs) authorized by the EU. It is also used to screen for non-authorized GMOs.

Advantages of the Eppendorf method
Various GMO-specific elements and plant-specific markers can be screened simultaneously.

twin.tec PCR plates
These dimensionally stable, unique microplates permit problem-free work with parallel test series and high numbers of samples.

Microplates in PCR clean quality
The new microtest plates are characterized by a clear optical design. Labeling and marking support easy identification, speed up the filling process and reduce the risk of errors. The PCR clean quality standard guarantees top quality.

Did you know?

In “golden rice”, researchers implant a daffodil gene into the rice genome. Together with another foreign gene, this leads to the generation of beta-carotene (provitamin A), making the rice grain golden yellow. The human body converts provitamin A into vitamin A.

Driving Force

Pollutant discharge endangers drinking water supplies and the diversity of species

Water is our most important food resource and also a basic prerequisite for an intact environment. Rivers and mangroves, lakes and swamps are among the liveliest habitats in the world. A large number of animal and plant species find their basis for life in and near bodies of water. In addition, wetlands store and filter our groundwater and drinking water. According to United Nations estimates, surface inland waters cover 13 million square kilometers worldwide. Up to 400 million people live in the area of these valuable ecological systems.

In Central Europe, steady improvements in water quality, especially that of major rivers, have been achieved through the construction of water treatment plants over the past few decades, although pollutant discharge has increased. Agriculture poses a particular threat to groundwater in the form of herbicides, insecticides and fungicides. Experts also fear complex and large-scale groundwater contamination, above all at legacy industrial sites. In addition, drugs such as antibiotics and cytostatics pose an increasing threat to drinking water reservoirs. Scientists estimate that the environment contains hundreds of thousands of different chemical compounds. Their combined effect is so far largely unknown.

The European Union has responded to this challenge. Its EU Water Framework Directive requires that member states commit themselves to establishing joint standards for surface and groundwater protection by 2015. Researchers are using new biomolecular and ecotoxicological analytical methods to detect chemicals and investigate their effects on humans and the environment. Eppendorf supports them with high-quality tools.

New Brunswick CO_2 incubator Galaxy CO-170R
The new standard CO_2 incubator for all-round application.

Did you know?

Water covers 70 percent of the earth's surface with only 3 percent fit for drinking. As many as one billion people already suffer from a lack of clean water today. Desert formation and droughts are threatening an increasing number of people.

New Brunswick CO_2 incubator Galaxy CO-48
This compact model creates a suitable heat, humidity and gas environment for cell culture growth. Direct heating of all six walls ensures constant temperatures, making fans unnecessary. The advantage: there is no vibration, and the contamination risk is banished. All settings can be adjusted comfortably on the large display.

New Brunswick ultra-low temperature freezer Innova U101
Highly sensitive biological samples can be stored in this freezer at temperatures down to -86 °C. The compact unit has a capacity of 101 liters.

Simply Unique

DNA analysis is making a name for itself in forensics

It helps identify burn victims and brings criminals to justice. It clarifies family relationships. The “genetic fingerprint”, as it is called, is one of the most important tools in forensics and genealogy. It is based on our genetic material (DNA), which creates a unique pattern in each individual. DNA can be found in virtually all biological materials: in a person's saliva or skin, blood or hair roots. It takes the form of a long, spirally twisted molecule, which contains, among other things, the blueprints for our cells, the genes.

To create the genetic fingerprint, experts need a sufficient amount of genetic material. In Germany, for instance, forensic investigators must analyze sections from nine areas of human DNA. A number of technologically highly complex procedures must be performed in this connection. DNA is first duplicated in the laboratory with the help of the polymerase chain reaction (PCR). The copied sections are then separated by capillary electrophoresis. The resultant electropherogram can be used to determine the lengths of the DNA fragments. Their combination differs from one individual to the next, and they make up the genetic fingerprint. Eppendorf supplies top-performance devices and system solutions for key processes in this approach.

Did you know?

Only identical twins have the same genetic fingerprint. Otherwise, the probability that two people with identical genetic fingerprints exist on this planet is one to ten billion.

Eppendorf Biopur products are manufactured under cleanroom conditions
Contamination from biological substances is excluded by automatic production processes and continuous quality control.

Centrifuge 5430
It separates substances faster than any other device in its class. The microcentrifuge generates a gravitational field that corresponds to 30,000 times the earth's gravity.

Multipette® Xstream dispenser
The comfortable dispensing system makes it easier to distribute samples to the test vessels.

Mastercycler® pro
For PCR, samples must go through a certain temperature cycle. Mastercycler® pro permits high temperature control speeds and stands out for its ease of operation. The new ***vapo.****protect* technology reduces the evaporation risk, especially for samples in the sensitive corner and rim positions of the temperature block, ensuring consistency and reproducibility of results.

High brand recognition
Eppendorf is one of the world's best-known pipette manufacturers. This was established by a survey conducted by US magazine *Science* among 230 scientists in October 2008. Asked about the pipette manufacturers they are familiar with, a majority of 30 percent of those polled cited Eppendorf first.

Happy birthday to a revolution!

They are as much part and parcel of laboratories as lab technicians' white coats. Researchers around the globe have used microliter pipettes for sample dispensing for 50 years. It all began when Heinrich Schnitger from Marburg University invented the first “piston-stroke pipette”, which he improvised from a syringe, a plastic tube and a spring back in 1958. Previously, scientists had to suck up their samples laboriously in glass tubes. Quantities were in the comparatively large milliliter range. Schnitger's invention set the stage for substance volume dispensing in the order of one microliter, i.e. one millionth of a liter. Eppendorf bought the patent rights from him as he had no interest in marketing his invention himself, and launched the first pipette equipped with the revolutionary microliter system in 1961. The company thus set a completely new process standard permitting significant sample size reduction.

Since then, Eppendorf has produced some 5.5 million pipettes and sold them all around the world. While the initial focus was on ensuring the highest possible level of volume precision, the 1970s saw the advent of the variable pipette, which can be used for dispensing adjustable volumes. Subsequently, engineers focused on ergonomics. Today, particularly user-friendly and ergonomic Eppendorf pipettes support researchers' work, irrespective of whether they are active in clinical diagnostics or molecular biological research.

Relaxed work
Occupational health physicians have known about the RSI syndrome (repetitive strain injury) for 20 years. Hours of pipetting may also cause this feared condition in the hand, arm and neck regions. Eppendorf therefore attaches the highest importance to tailor-made implementation of ergonomic aspects. Our PhysioCare Concept also includes associated considerations such as light weight, ease of movement and easy maintenance of the pipettes.

With ease
Easy-to-use devices are a key prerequisite of high sample throughput. With our new Eppendorf Research® plus, we offer our customers our most ergonomic pipette ever. Thanks to the use of state-of-the-art materials, it has a lightweight design. The operating button moves as easily as the spring-loaded tip cone. Research® plus is available as a single-channel, multi-channel and fixed-volume pipette, catering to all laboratory requirements.

reddot design award
winner 2009

Coveted award
The new Eppendorf Research® plus has won the prestigious red dot design award for 2009. Approximately 1,400 companies from 49 countries with a total of 3,231 products participated in the renowned competition.

Maintenance is indispensable
Even high precision dispensing tools are only as precise as their latest calibration. Incorrect handling and storage, climatic conditions and many other factors may affect the precision of a pipette. Manufacturers thus recommend pipette maintenance at least once a year. Eppendorf offers a proprietary, certified calibration service.

Further information:
www.eppendorf.com/service

www.eppendorf.com

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 NV/SA,
Rotselaar/Belgium

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

Vaudaux-Eppendorf AG,
Basle/Switzerland

Head Office
Competence Centers
Sales Subsidiaries
Center of Excellence

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 (Shanghai) International Trade Co., Ltd.,
Shanghai / China

Eppendorf China Ltd.,
Hong Kong / 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

Highlights 2008

January	February	March	April	June
US patent for Silver-quant® Array System granted	First Eppendorf e-Shop in the US	**Market launch** of real-time PCR consumables	Analytica Fair in Munich	**Milano Produttiva Award** for Eppendorf Italia: recognition of contribution to economic performance in the region
Introduction of electronic product registration as additional customer benefit				**In-house exhibition in Hamburg** with laboratory dealer Omnilab: new products, technical presentations and guided production tours
			The customer portal myEppendorf goes online with interactive applications	**Market launch** of 2nd generation GMO Chip

July	September	October	November	December
25,000th Centrifuge 5415 R manufactured in Leipzig	**Market launch** of the new Mastercycler® pro	**Eppendorf Italia commences sale** of New Brunswick products	**Eppendorf & *Science* Prize for Neurobiology:** Dr. Mauro Costa-Mattioli	**Eppendorf India commences sale** of New Brunswick products
	**Market launch** of Centrifuge 5430, truly multi-purpose due to extensive choice of rotors	Launch of Eppendorf e-Shop in Switzerland	**Eppendorf Award for Young European Investigators:** Dr. Simon Boulton	
	Eppendorf childcare facility opened at Hamburg site	**Product launch** epT.I.P.S. LoRetention: ultrahydrophobic surface ensures maximum sample recovery	Launch of Eppendorf e-Shop in Italy	Online product registration is now available in 46 countries
		Biotechnica Fair in Hanover		

A Perfect Complement

Most acquisitions fail. Eppendorf, however, sees its merger with New Brunswick Scientific as having had a positive outcome. Success can be attributed to two factors – handling business decisions with discretion and treating the new members of the Eppendorf family with respect.

The New Brunswick brand is known for quality, based, in part, on the legendary durability of its shakers.

Dietrich Oberst heard about the merger literally out of the blue. The manager of the German operations of US-based New Brunswick Scientific (NBS) was vacationing in Southern France when a colleague phoned to inform him that NBS had been sold. In July 2007, after only four months of negotiations, Eppendorf had acquired this biotech company with 400 employees worldwide. “We initially responded with a feeling of uncertainty,” recalls Dietrich Oberst, who heads an eight-person sales and service team. After his return to his office in Nürtingen, South Germany, Oberst compared the product portfolios of the two companies. His analysis: “There was no overlap. We had different products and served the same customers.” While Eppendorf produces pipettes and laboratory systems for biotechnological research, NBS builds freezers, incubators, fermentors and shakers for cell culture work. “Every laboratory needs both,” he concluded, to his relief.

Eighteen months later, Dietrich Oberst is full of praise for the management of the new group: “We got support whenever we needed it. Nobody tried to patronize or pressure us.” Eppendorf is likewise satisfied. Last year, New Brunswick increased its worldwide sales by 22 percent and generated a profit of US$ 16 million. “This is a return that you couldn't match anywhere on the capital markets at present,” says Klaus Fink, Chairman of Eppendorf's Management Board. (For more details, please also see the interview on page 10.)

What fits together is growing together. The German and US companies show surprising similarities in their history and culture. Eppendorf was founded in 1945 on the premises of the Hamburg-Eppendorf University Medical Center. The Freedman brothers launched NBS one year later as a tool and die shop in New Brunswick, New Jersey, USA, and soon thereafter, began specializing in scientific instruments.

Decades of continuous growth followed. The fact that Eppendorf enjoys a worldwide reputation for quality made it easier to gain acceptance with NBS employees, many of whom were very familiar with the Eppendorf brand. One employee in NBS’ office in Nijmegen, Netherlands, found a pithy phrase to describe the sentiment shortly after the merger: “A dream comes true!”

This positive outcome is not something that can be taken for granted. One out of two corporate mergers falls apart after the contracts have been signed. There are many reasons for this high divorce rate. A study conducted by the University of Münster showed that cultural differences were not the only hurdle companies encountered in their efforts to grow together. Much greater burdens on operations result from arrogant behavior, insufficient integration of work structures and rash return expectations.

Assembled shaker drive mechanisms are lined up, ready for installation.

Meticulous attention is paid to quality assurance throughout the manufacturing process.

“The important thing is to work together to explore growth opportunities and learn from one another.”

Eppendorf's integration schedule was kept free of hectic action for action's sake. From the outset, discretion was the order of the day. This applied in particular to the German NBS office: “We allowed our new colleagues to continue their work in peace,” recalls Bernd Pütz, Managing Director of Eppendorf's sales subsidiary in Cologne.

More than a year passed before Dietrich Oberst and his seven employees met with a team from the new parent group. A high-ranking Eppendorf delegation paid a two-day visit to the Nürtingen-based subsidiary, providing detailed information in a company presentation. “We described our company to them as one that is based on the pioneering achievements of its forefathers and whose philosophy is top quality,” says Bernd Pütz. “The NBS employees were fine with this; after all, they share the same values in their work.” In intensive one-on-one interviews, the Eppendorf representatives gave each individual colleague an opportunity to describe his or her needs and expectations. Mutual respect and a partnership approach have shaped the climate ever since. “After all, we did not undertake this acquisition in order to streamline operations, but to pursue a growth strategy,” says Bernd Pütz. “The important thing is to work together to explore growth opportunities and learn from one another.”

This also applies to the sales organization. Depending on the country and business model, either the parent group or the subsidiary maintain close contacts to customers. The Benelux countries, for instance, are New Brunswick's responsibility. Unlike Eppendorf, NBS has set up their own distribution network there. In Italy and India, by contrast, Eppendorf took over the distribution of NBS products in fall 2008. Eppendorf Germany followed in early 2009 with its 26 regional managers and sales specialists deployed nationwide from Kiel to Constance. “Integration of the NBS colleagues into our network was the logical option here,” says Bernd Pütz.

During final assembly, functional components and software are connected with each other.

NBS’ in-house cell culture and microbiological labs enable practical application tests.

Robust, space-saving and reliable: New Brunswick shakers.

That transformation was planned with military precision. In a joint mailing campaign, the two partners first notified their 11,000 German customers of the corporate merger. The next step involved the preparation of an organizational analysis and definition of new work structures with the help of a consultant. The Nürtingen office is still responsible for writing proposals for NBS products, while the Cologne sales center handles order entry and billing. The most important step has been to ensure the use of uniform data sets: all NBS employees have switched to the management system that Eppendorf has been using successfully for ten years. To complete the successful transfer, NBS reps were also equipped with new computers and attended IT training courses.

"We first had to create enthusiasm for this step," says Bernd Pütz. By now word had spread to the sales representatives about the benefits of the latest SAP applications. According to Pütz, regional managers obtain a highly transparent picture of their relevant markets. The system allows them to document all activities from customer visits to target-group-oriented catalog mailings. Bernd Pütz: "Data quality is just as important for the company's success as product quality."

If sales figures are any indication of a successful merger, then the investment in NBS has paid off. In the first year alone, NBS worldwide boosted its sales by 22 percent. Indeed, NBS is proving to be a perfect complement to the Eppendorf family.

www.nbsc.com

Top Researchers Win

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

When Dr. Mauro Costa-Mattioli answered the phone, he initially thought that the caller had the wrong number. He was greeted by Dr. Katrina Kelner, Deputy Editor of the renowned *Science* magazine. She congratulated the stunned neurobiologist on winning the latest Eppendorf & *Science* Prize for Neurobiology. “I couldn't believe it and asked her to confirm by e-mail that I had really won this award,” Mauro Costa-Mattioli recalls.

The Uruguay-born researcher studied biology in his native Montevideo before obtaining his master's degree at the Pierre and Marie Curie University in Paris and his Ph.D. at the pharmaceutical faculty of the University of Nantes. Today, he works in the Department of Neuroscience at Baylor College of Medicine in Houston, Texas, USA. He won the jury's favor with his work on memory function in mice. Mauro Costa-Mattioli discovered that the rodent's memory is controlled by a single molecule: the eIF2α-protein. When the activity of this protein is reduced, laboratory animals' long-lasting memory improves. By manipulating this protein, the neurobiologist succeeded in getting mice to find their way through a maze faster and remember it better than untreated members of the same species. The animals store their experience in their long-term memory. When the researcher increased protein activity, however, the mice became extremely forgetful. The information then went no further than their short-term memory. Mauro Costa-Mattioli hopes that his research will help develop new treatments for major brain disorders in humans including impaired memory function in aging and Alzheimer's.

Dr. Mauro Costa-Mattioli, winner of the Eppendorf & *Science* Prize for Neurobiology 2008.

The Eppendorf & *Science* Prize could help him achieve this goal. “The award is a very prestigious one and will increase the attention my laboratory attracts,” the father of four-year-old twins says. “I hope that this will make it easier for us to obtain the necessary funding and hire excellent scientists in the future.”

Every year, Eppendorf awards a cash prize of US$ 25,000 in cooperation with *Science* magazine. “With this award, we support top-class talents that have set standards with trail-blazing neurobiological research,” says Axel Jahns, who heads the team responsible for developing the award concept at Eppendorf in Hamburg. However, the company leaves the selection of the winners to external experts. An independent scientific jury chaired by Donald Kennedy, Editor-in-Chief emeritus of *Science* magazine, evaluates the papers submitted and selects the winner. “We stay completely out of the decision, because we do not pursue any commercial interests with this award,” says Axel Jahns.

Dr. Simon Boulton, winner of the Eppendorf Award for Young European Investigators 2008.

The positive publicity for the company is, of course, appreciated. Further benefits result from the brilliant career prospects of prize winners and finalists. “They are very important contacts for us because they will hold key positions in the research community in the future. Close ties to scientists are an important prerequisite for ensuring our company's technology leadership,” comments Axel Jahns, referring to the professional “Winner Relationship Management” system that the company uses for cultivating contacts with previous award winners.

This also applies to the Eppendorf Award for Young European Investigators. Every year, the Hamburg-based company teams up with the renowned scientific journal *Nature* and offers a cash prize of € 15,000 to young researchers in Europe. “With this award, we honor young scientists who have distinguished themselves in biomedical research by their independent approach and their creativity,” says Axel Jahns.

Last year, Dr. Simon Boulton of the London Research Institute won the prize. He is the 14th winner of this distinguished award recognizing young talent. “I saw my participation in the competition as an opportunity, although I didn't actually believe that I would really win the award,” says Simon Boulton. “The competition is absolutely top-notch.”

The 35-year-old cancer researcher studied molecular biology in Edinburgh. After obtaining his Ph.D. in Cambridge and spending four years on postdoctoral research at Harvard Medical School in the US, Simon Boulton joined the prestigious London Research Institute in 2007. In his award-winning study, he examined how organisms repaired themselves through the SPAR1 enzyme. In tests with mice, he detected that SPAR1 controlled the repair of what are known as “DNA double-strand breaks”. Mice in which Boulton and his team switched off the enzyme died of dramatic genome instability after only eleven days. The British researcher's findings will provide more insights in certain types of tumors and assist the development of suitable anti-cancer drugs.

Simon Boulton has been very familiar with the Eppendorf Award for Young European Investigators since his time spent studying, as the first scientist to win the award back in 1995 was his former doctorate supervisor, Prof. Stephen P. Jackson.

Report on the Financial Situation of the Eppendorf Group

- Expansion of the life science markets still stable
- Sales growth again in the double digits
- New Brunswick integration progressing successfully

Economic environment

By and large, the life science markets continued to expand in 2008. Industry growth proved robust compared to the macroeconomic average. The international financial crisis originating in the US mortgage market had only a slight impact on the sector's performance in the year under review.

The turmoil on the international financial markets was also reflected in the US$ exchange rate trend in 2008. On an annual average, the euro appreciated by 7.3 percent to US$/€ 1.4706 (prior year: US$/€ 1.3705). Compared to the prior-year reporting date, by contrast, the euro depreciated by 5.5 percent to US$/€ 1.3917 (prior year: US$/€ 1.4721).

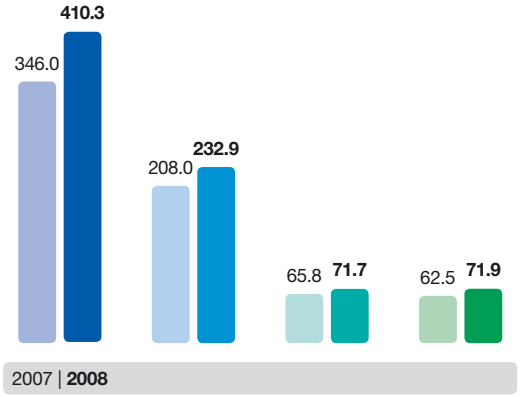
Exchange rate fluctuations

Reporting date exchange rate
Average annual exchange rate

Business trend

2008 was a successful fiscal year for Eppendorf. In a significantly more difficult market environment, our strength worked to our advantage. We expanded our market position further and continued our profitable growth of the past few years. All regions generated double-digit growth rates.

Key performance data in millions of €



Sales
Gross profit
Operating profit
EBIT

Strategy

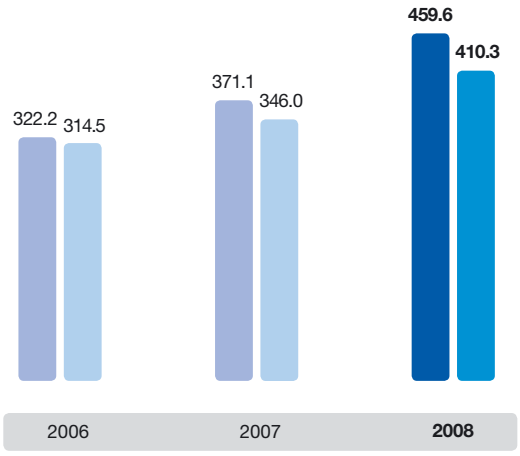
Eppendorf focuses on innovative segments of the life science markets offering high growth potential. Major elements of our strategy are the continuous renewal and expansion of our product portfolio, the consistent enhancement of our technological expertise and the strengthening of our global market position through clearly targeted investments in our sales structure.

The acquisition of New Brunswick in September 2007 is part of this strategy. Initial integration steps were implemented successfully in fiscal year 2008. In addition, we invested in the expansion of our US production capacities and intensified our purchasing activities in the dollar area in order to reduce currency risks.

Earnings situation

Sales trend
Consolidated sales increased by 18.6 percent to € 410.3 million (prior year: € 346.0 million). In a year-on-year comparison, it should be noted that the New Brunswick operations, which were acquired in 2007, were fully included for the first time in the year under review.

Sales growth — in millions of €

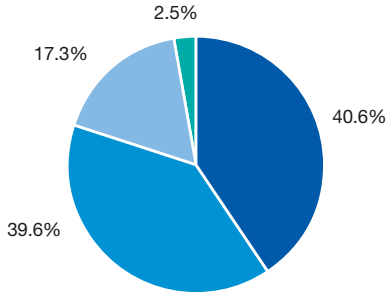


at constant exchange rates (US$ 1.2; Yen 135)
at actual exchange rates

Adjusted for currency and portfolio effects, the Eppendorf Group posted sales growth of 11.1 percent. The increase in Europe and North America came to 11.3 and 10.1 percent, respectively. Overall, sales in the Asian/Pacific region expanded by 12.0 percent.

However, the individual markets within Asia presented a very mixed picture. In China, we generated the highest growth rate in the Eppendorf Group and gained substantial market shares. Japan recorded moderate sales growth. Overall, the performance of other Asian countries was stable: the low growth recorded in these markets was mainly due to unfavorable exchange rate trends.

Sales by region 2008



in millions of €	2007	**2008**	%
Europe	136.8	**166.6**	+21.8
North America	143.3	**162.5**	+13.4
Asia/Pacific	58.5	**70.9**	+21.2
Other regions	7.4	**10.3**	+39.2
Total	346.0	**410.3**	+18.6

Income situation

Key data income statement				in millions of €
	2007	%	**2008**	%
Net sales	346.0	100.0	**410.3**	100.0
Cost of sales	-138.0	-39.9	**-177.4**	-43.2
Gross profit	208.0	60.1	**232.9**	56.8
Selling and marketing expenses	-89.6	-25.9	**-99.6**	-24.2
Research and development expenses	-19.9	-5.8	**-24.1**	-5.9
Administrative expenses	-32.7	-9.4	**-37.5**	-9.2
Operating profit	65.8	19.0	**71.7**	17.5
Other expenses/income	-3.3	-0.9	**0.2**	0.0
EBIT	62.5	18.1	**71.9**	17.5

Gross profit increased to € 232.9 million in 2008 (prior year: € 208.0 million). The gross margin stood at 56.8 percent (prior year: 60.1 percent). The favorable performance of our core business enabled us to largely offset the impact of another significant US$ devaluation and the currently lower margins of the New Brunswick business.

Expenses for sales and marketing activities amounted to € 99.6 million (prior year: € 89.6 million). Thanks to the increasing utilization of our global distribution network, the ratio of costs to sales declined from 25.9 to 24.2 percent.

In 2008, we boosted our investments in research and development activities by 21.5 percent. All in all, we invested € 24.1 million in this area (prior year: € 19.9 million).

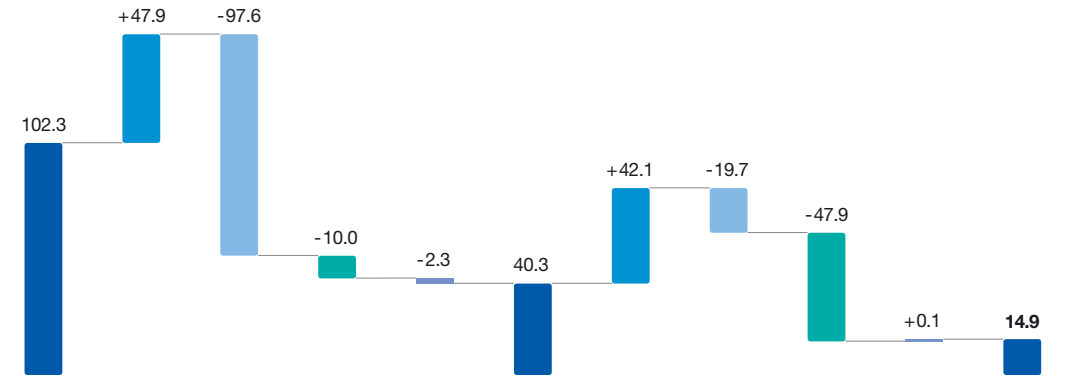
Overall, Eppendorf generated an operating profit of € 71.7 million in 2008 (prior year: € 65.8 million). This corresponds to a return on sales of 17.5 percent (prior year: 19.0 percent). Despite the US$ devaluation and the consideration of the full-year results of New Brunswick for the first time, the return was only slightly below the high level of the prior year.

Other expenses/income include the amortization of intangible assets from the purchase price allocation (PPA) and the revaluation effects of foreign currency receivables and payables as of the reporting date.

Income from operations (EBIT) came to € 71.9 million (prior year: € 62.5 million). The corresponding EBIT margin was 17.5 percent, compared to 18.1 percent in 2007.

Financial situation and capital expenditure

Change in cash position 2007–2008 in millions of €



- Cash and cash equivalents
- Net cash provided by operating activities
- Net cash used in investing activities
- Net cash used in financing activities
- Effect of changes in exchange rates on cash

In 2008, our positive business performance and the full-year inclusion of New Brunswick resulted in an increase in gross cash flow to € 62.8 million (prior year: € 60.9 million). The growth-related working capital tie-up resulted in a net cash flow of € 42.1 million (prior year: € 47.9 million).

Capital expenditure amounted to € 20.2 million in the year under review (prior year: € 99.5 million). All in all, this figure was offset by scheduled depreciation of € 19.0 million (prior year: € 16.0 million). In the previous year, cash used in investing activities included expenditure of € 77.7 million for the acquisition of all New Brunswick shares.

In 2008, the capital of Eppendorf AG was reduced by a stock buyback. This resulted in cash outflows of € 51.1 million.

Asset and capital structure

Assets				in millions of €
	2007	%	**2008**	%
Cash and cash equivalents	40.3	11.1	**14.9**	4.0
Trade accounts receivable	63.7	17.5	**71.9**	19.3
Inventories	77.5	21.3	**94.8**	25.4
Property, plant, equipment and intangible assets	73.6	20.2	**75.8**	20.3
Goodwill and intangible assets from equity investments	71.6	19.7	**75.1**	20.1
Other assets	37.1	10.2	**40.2**	10.9
Total assets	363.8	100.0	**372.7**	100.0

Equity and liabilities				in millions of €
	2007	%	**2008**	%
Short-term borrowings from banks	0.0	0.0	**13.3**	3.6
Trade accounts payable	15.6	4.3	**15.5**	4.2
Short-term provisions	37.6	10.3	**36.9**	9.9
Provisions for pensions	84.2	23.1	**87.4**	23.4
Other liabilities	31.2	8.6	**36.8**	9.8
Total equity	195.2	53.7	**182.8**	49.1
Total equity and liabilities	363.8	100.0	**372.7**	100.0

The exchange rate valid on the respective reporting date is of prime importance for an analysis of the company's asset and capital structure. Overall, exchange rate trends boosted the value of the assets of the subsidiaries headquartered abroad by € 8.8 million, while liabilities went up by € 3.0 million.

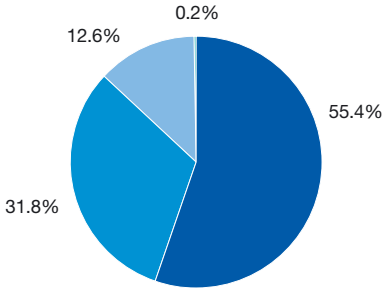
The remaining increase in working capital was mainly growth-induced and resulted from Eppendorf's higher business volume and additional investments in its sales structure.

We invested € 17.6 million in property, plant, equipment and intangible assets in 2008 (prior year: € 18.3 million). Depreciation amounted to € 15.6 million (prior year: € 14.2 million).

Goodwill accounted for € 37.8 million (prior year: € 34.1 million) of the company's intangible assets from equity investments, and € 37.3 million (prior year: € 37.4 million) were attributable to acquired customer bases, brands and technologies.

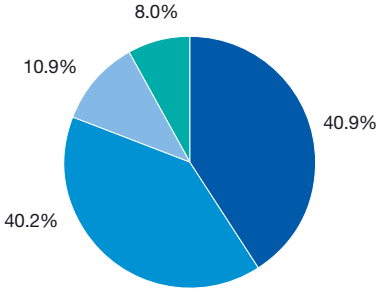
Employees

Employees by regions 2008



	2007	2008
Europe	1,356	**1,374**
North America	769	**787**
Asia/Pacific	263	**313**
Other regions	8	**5**
Total	2,396	**2,479**

Employees by function 2008



	2007	2008
Sales and marketing	1,031	**1,015**
Manufacturing	932	**996**
Administration	248	**270**
Research and development	185	**198**
Total	2,396	**2,479**

At year end 2008, the Eppendorf Group employed 2,479 persons worldwide (prior year: 2,396). A total of 1,374 persons worked for the European companies, the majority of them (1,008) in Germany.

On an annual average, Eppendorf employed 2,448 persons (prior year: 2,036). The prior-year figures include the New Brunswick employees only 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 countries 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, it 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 events subject to reporting requirements occurred after the close of the fiscal year under review.

Outlook

Economic environment

The deepening crisis in the global financial markets is increasingly placing a burden on global economic performance. Currently, the extent to which the financial market crisis will impact the real economy cannot be adequately assessed. The German Council of Economic Experts anticipates weaker global growth in the foreseeable future. If at all, a recovery in 2009 would unfold very sluggishly. More recent forecasts indicate an economic recession.

We expect that the life science markets will show a more stable performance. In the established markets, we see waning momentum, mainly due to the growth slowdown in the US and Western Europe. Also, most emerging markets are slowing down – to different extents. Overall, a situation in which the indirect effects of the financial market crisis increasingly affect trends in the life science markets cannot be ruled out.

Eppendorf

Assessment of the global financial and economic crisis is subject to great uncertainties. Given the high momentum and considerable degree of volatility, qualitative statements regarding trends can be made only to an insufficient extent. From today's vantage point, we expect the global life science markets to show more stable performance than the macroeconomic average. However, we expect 2009 growth rates to fall short of the levels recorded in preceding years, which will also lead to a corresponding slowdown in our company's growth. All in all, our excellent market and product positioning lays a strong foundation for our efforts to continue to master future developments successfully.

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, 2008

Assets			in € '000
	2006	2007	**2008**
Cash and cash equivalents	102,311	40,276	**14,859**
Trade accounts receivable	51,629	63,677	**71,928**
Inventories	58,284	77,511	**94,810**
Other current assets	4,833	9,436	**8,068**
Current assets	217,057	190,900	**189,665**
Property, plant, equipment and intangible assets	57,081	73,631	**75,765**
Goodwill and intangible assets from equity investments	13,822	71,531	**75,085**
Investments in associates	589	0	**0**
Other non-current assets	4,624	7,298	**6,628**
Deferred tax assets	19,676	20,458	**25,604**
Non-current assets	95,792	172,918	**183,082**
Total assets	312,849	363,818	**372,747**

Equity and liabilities			in € '000
	2006	2007	**2008**
Short-term borrowings from banks	0	0	**13,337**
Trade accounts payable	11,544	15,614	**15,557**
Provisions for income taxes	3,882	7,245	**8,937**
Other short-term provisions	34,809	37,618	**36,909**
Other current liabilities	7,507	6,780	**6,931**
Current liabilities	57,742	67,257	**81,671**
Provisions for pensions	80,536	84,217	**87,390**
Other non-current liabilities	178	271	**218**
Deferred tax liabilities	2,571	16,911	**20,624**
Non-current liabilities	83,285	101,399	**108,232**
Common stock	53,893	53,893	**51,132**
Retained earnings and other reserves	112,736	132,741	**122,228**
Minority interests	5,193	8,528	**9,484**
Total equity	171,822	195,162	**182,844**
Total equity and liabilities	312,849	363,818	**372,747**

Consolidated Income Statement

in € '000

	2006	2007	2008
Net sales	314,476	346,016	**410,262**
Cost of sales	-130,535	-138,051	**-177,343**
Gross profit	183,941	207,965	**232,919**
Selling and marketing expenses	-84,795	-89,634	**-99,564**
Research and development expenses	-18,445	-19,861	**-24,123**
Administrative expenses	-29,129	-32,641	**-37,549**
Operating profit	51,572	65,829	**71,683**
Other income	22,328	-220	**3,644**
Amortization of intangible assets from investment activities	-725	-3,103	**-3,421**
Income from operations (EBIT)	73,175	62,506	**71,906**
Financial results	1,884	2,484	**-324**
Share of profit of associates	277	0	**0**
Income before tax	75,336	64,990	**71,582**
Income taxes	-29,166	-25,848	**-25,876**
Net income	46,170	39,142	**45,706**
Thereof attributable to			
Equity holders of the parent	45,491	38,129	**44,561**
Minority interests	679	1,013	**1,145**

Consolidated Cash Flow Statement

in € '000

	2006	2007	**2008**
Cash flow	49,265	60,913	**62,771**
Changes in short-term assets and liabilities	-17,047	-12,996	**-20,641**
Net cash provided by operating activities	32,218	47,917	**42,130**
Net cash from/used in investing activities	18,507	-97,657	**-19,704**
Net cash used in financing activities	-7,026	-9,969	**-47,927**
Effect of changes in exchange rates on cash	-4,758	-2,326	**84**
Net change in cash and cash equivalents	38,941	-62,035	**-25,417**
Cash and cash equivalents			
Beginning of year	63,370	102,311	**40,276**
End of year	102,311	40,276	**14,859**

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.

The key areas of interest at the meetings of the Supervisory Board were 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 Supervisory Board convened for a total of six meetings in fiscal 2008.

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 key 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.

On August 2, 2008, Dr. Robert Mann, who had been the Chairman of the Supervisory Board for many years, passed away. With his sound know-how, Dr. Mann decisively influenced and successfully shaped the development of our company for more than 20 years. We will look back with gratitude on his entrepreneurial vision, his expertise and his judgment.

The Supervisory Board would like to thank the Management Board and all employees of the Eppendorf Group for their dedicated efforts and successful work for the company in fiscal 2008.

Hamburg, March 31, 2009

Adrian Déteindre
Chairman of the Supervisory Board

Boards and Committees

Supervisory Board

Dr. Robert Mann (†)
Chairman until
August 2, 2008

Ernst Arp
Vice Chairman

Adrian Déteindre
Chairman from
October 8, 2008

Hans Hinz

Prof. Rolf D. Schmid
From October 8, 2008

Marlis Kripke-Wallon
Employee representative

Peter Schmidt
Employee representative

Management Board

Klaus Fink
Chairman

Detmar Ammermann

Dr. Heinz Gerhard Köhn

Dr. Michael Schroeder

Scientific Advisory Committee

Prof. Rolf D. Schmid
Spokesman

Prof. Konrad Beyreuther

Prof. Cornelius Knabbe

Prof. Frieder W. Scheller

As at: December 31, 2008

Credits

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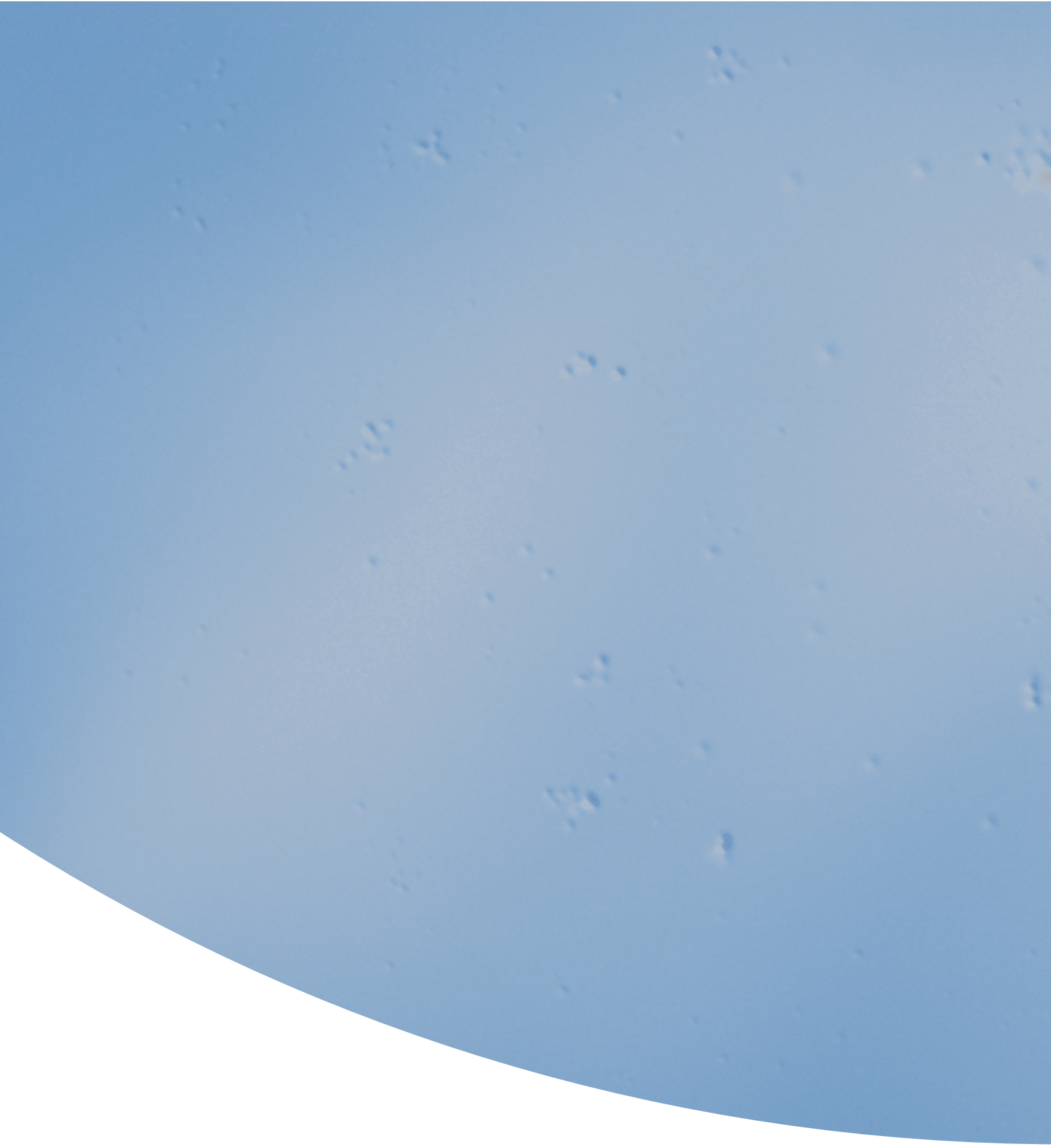

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In touch with life

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