Change. Ambition. Eppendorf.

Annual Report 2009

eppendorf

Processes in the Life Science Laboratory

Sample cultivation

New Brunswick product portfolio

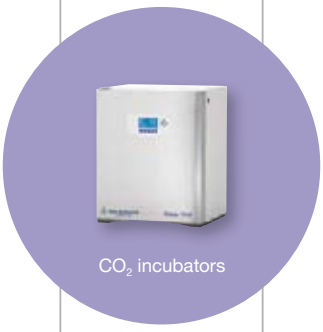
Sample collection

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

Sample handling

Liquids, solutions, emulsions, suspensions

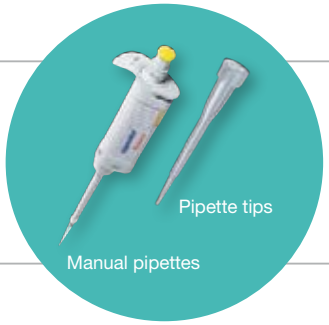

Fermenters/ bioreactors


CO_2 incubators


Biological shakers

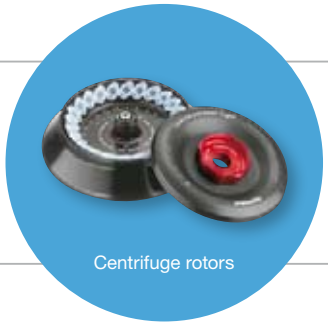
Liquid handling


Micro test tubes


Pipette tips

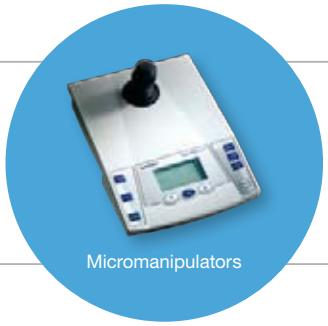
Manual pipettes

Sample preparation


Centrifuge rotors


Microcentrifuges

Cell manipulation


Micromanipulators


Microinjectors

Sample storage


Ultra-low temperature upright freezer

Target Groups

Industrial research and application

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

Sample extraction and purification

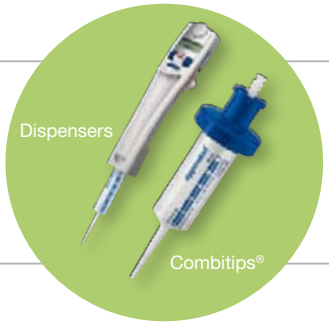
DNA, RNA, proteins, cell compartments and other biomolecules

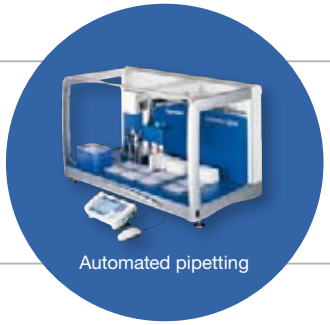
Experiments

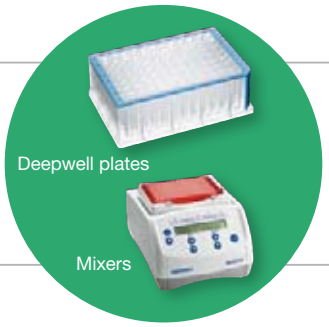
Information on function and interaction in biological processes

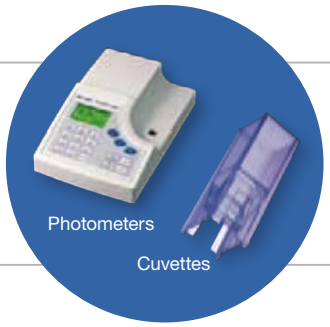
Analysis

Qualitative and quantitative data collection and validation

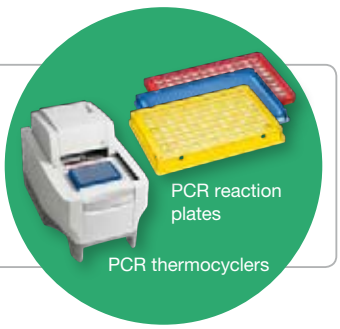




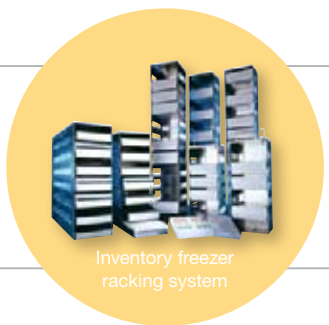




PCR



Real-time PCR



Academic research

- Enhancing the scientific knowledge base for fundamental research

Governmental labs

- Reliable diagnostics
- Efficient testing and supervision
- Forensic evidence

Key Financials (IFRS)

		2005	2006	2007	2008	**2009**	**Change in %**
Total net sales	€ '000	320,889	314,476	346,016	410,262	**433,210**	**+5.6**
Europe	%	32.1	37.2	39.5	40.6	**38.1**	
North America	%	54.4	45.7	41.4	39.6	**39.6**	
Asia/Pacific	%	11.6	14.8	16.9	17.3	**19.4**	
Other regions	%	1.9	2.3	2.2	2.5	**2.9**	
EBIT	€ '000	50,405	73,175	62,506	71,906	**72,163**	**+0.4**
EBIT margin	%	15.7	23.3	18.1	17.5	**16.7**	
Net income[1]	€ '000	31,183	45,491	38,129	44,561	**47,817**	**+7.3**
Cash flow	€ '000	31,986	49,265	60,913	62,771	**69,810**	**+11.2**
Equity ratio[2]	%	49.0	54.9	53.7	49.1	**55.3**	
Total assets	€ '000	296,704	312,849	363,818	372,747	**396,632**	**+6.4**
R&D expenses	€ '000	20,976	18,445	19,861	24,123	**23,876**	**-1.0**
Earnings per share	€	0.58	0.84	0.71	0.85	**0.94**	**+10.6**
Number of employees, annual average		1,804	1,838	2,036	2,448	**2,490**	**+1.7**

[1] Net income attributable to equity holders of the parent

[2] Incl. minority interests

Profile

Eppendorf is a life science company that develops, produces, and distributes systems for use in 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 supplies automated devices for liquid handling, ultra-low-temperature freezers, CO_2 incubators, complete equipment for DNA amplification, and instruments and systems for cell manipulation.

Eppendorf products are aimed at academic and commercial research institutes as well as biotechnology firms and industrial companies applying biotech research processes.

Klaus Fink,
Chairman of the Management Board

Ladies and Gentlemen,

The financial crisis drove the entire global economy into a recession in 2009, the year under review. Not a good environment, you might think, for a company like Eppendorf that operates on a worldwide scale.

The markets in Europe and North America were hit especially hard, but even emerging markets, which had previously seen strong growth, felt economic repercussions. We nevertheless succeeded in recording additional significant growth in both Asia and Latin America.

Despite this difficult market environment, the overall business performance of the Eppendorf Group was positive, although the markets of the life science industry contracted. Our results were also due to long-term investments especially in the setup of our own marketing and sales organizations in Asia, with special emphasis on China and India. In 2009, we once again recorded growth rates in the double-digit percentage range in those markets.

In addition to our capital expenditure in growth markets, our company has also benefited from its close ties to researchers. On the following pages, we will discuss some of the questions that the life sciences face and will also illustrate the ways in which forensic experts use state-of-the-art Eppendorf technology in their work in a fascinating example.

I would like to take this opportunity to thank all of our business partners and customers for the trust they have placed in the quality of our work. I would also like to thank the members of the Scientific Advisory Committee who have assisted us with their extensive knowledge for many years. Special thanks are due to our employees. Their commitment to developing and manufacturing high-quality products is an indispensable prerequisite for meeting the continuously increasing requirements of the life sciences. Last but not least, I would like to thank our shareholders, whose persistent support enables us to act as an independent and strong player in our markets.

With this in mind, I wish us all a continuation of our sound collaboration and another successful fiscal year.

Yours truly,

Klaus Fink

Chairman of the Management Board

Change

Page 4

Change is the only constant. Globalization is setting a rapid pace, with both positive and negative effects. The financial crisis abruptly plunged the entire global economy into a recession. On the other hand, globally networked flows of merchandise, passengers, and data also create opportunities: scientists multiply human knowledge, and their insights are disseminated at tremendous speed via the Internet. With its global basic research, the life science sector is helping to master future environmental and health challenges.

Ambition

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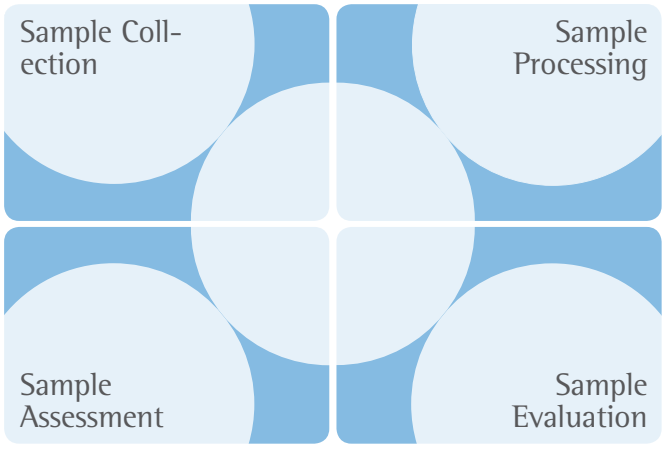
Ambition includes striving for success and the goals that are set. At Eppendorf, we have always responded to change with vigor, diligence, and a thirst for knowledge. New requirements lead to innovative products; tried-and-proven approaches are enhanced further by feedback from customers.

The ambition of forensic specialists is to identify criminal offenders with the help of their medical and biological expertise. Today, many perpetrators are unmasked through their “genetic fingerprints.” Eppendorf products assist in the investigation, as illustrated by a visit to a forensic laboratory in Prague.



Eppendorf

Page 28

At Eppendorf, we develop and manufacture innovative products to fulfill the requirements of the life science sector. One such example is presented on page 28. In this context, we attach importance to ensuring the sustainability of our economic activities throughout the entire life cycle of our products. This is the purpose behind the epGreen initiative (page 30). The fact that our products win prestigious design awards every year is a great honor for us. It proves that our efforts to develop ergonomic designs are being rewarded (page 30). Our company demonstrates its close ties to the research community by conferring the Eppendorf Awards (page 31).

Eppendorf's declared goal is to offer the most innovative, top-quality products in its markets. The company thus needs to attract and retain the best employees. Our corporate philosophy – "We want to contribute to improving the living conditions of mankind" – applies not only to customers, but also to employees. Employer branding now aims at raising awareness that Eppendorf is an attractive company to work for (page 29).

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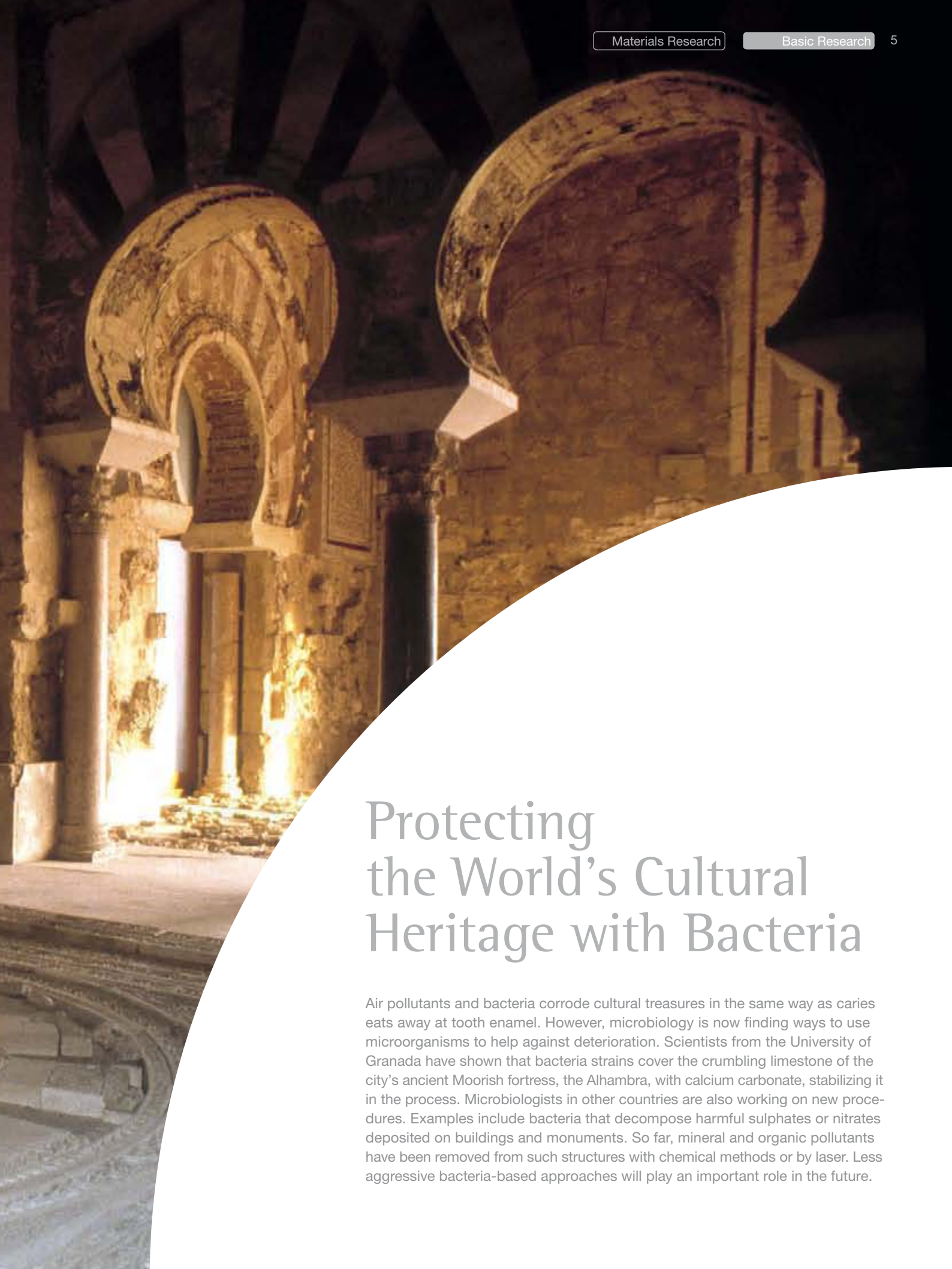


Protecting the World's Cultural Heritage with Bacteria

Air pollutants and bacteria corrode cultural treasures in the same way as caries eats away at tooth enamel. However, microbiology is now finding ways to use microorganisms to help against deterioration. Scientists from the University of Granada have shown that bacteria strains cover the crumbling limestone of the city's ancient Moorish fortress, the Alhambra, with calcium carbonate, stabilizing it in the process. Microbiologists in other countries are also working on new procedures. Examples include bacteria that decompose harmful sulphates or nitrates deposited on buildings and monuments. So far, mineral and organic pollutants have been removed from such structures with chemical methods or by laser. Less aggressive bacteria-based approaches will play an important role in the future.

Copying Nature

Morphine derived from poppies brought humans relief from intolerable pain. A fungus was the basis for the development of penicillin, the world's first antibiotic. Nature often provides physicians with the best active ingredients. For some time now, there has been a rebirth of this awareness. Botanists are collecting hitherto unknown species in the rain forest: the poison a plant uses to deter its enemies may also combat cancerous cells. As many as 75 percent of conventional drugs are derived from plants originally used in natural medicine. Cancer researchers are now also analyzing herbs used to fight tumors in traditional Chinese medicine: they are applying state-of-the-art genetic engineering methods to discover their mechanisms of action and develop new drugs.


LONG TONS

Stowaways Travel Around the World

Huge container ships enable cost-effective trade around the globe. However, these cargo ships not only transport merchandise, but also myriads of stowaways: crustaceans and mussels as well as viruses and bacteria are transported in bilge water. In the North and Baltic Seas alone, 20 million tons of water are discharged from ballast tanks every year. Invaders can wreak terrible havoc in foreign ecosystems. Zebra mussels from the Caspian Sea, for instance, are clogging inlet pipes in US power stations. The sea walnut, a comb jellyfish, temporarily devoured everything in the Black Sea, bringing fishing to a standstill. In South America, scientists have connected cholera outbreaks with pathogens from ballast tanks. The International Maritime Organization (IMO) now plans to impose rules requiring careful ballast-water disinfection.

Viruses Spread Faster

In mid-March 2009, a new virus was detected in the inhabitants of a Mexican village who had fallen ill with flu symptoms. One month later, fears of the “Mexican flu” had spread around the world. Six years earlier, numerous people in Hong Kong, Canada, Singapore, and Vietnam had simultaneously contracted a mysterious pneumonia which, only a few days later, became known worldwide under the name of SARS. There have always been epidemics in the history of humankind. Most of them were regionally limited. A new feature is the record speed with which pathogens spread around the globe – one consequence of increased air traffic. Passenger numbers are rising particularly strongly in the emerging markets of Asia. Viruses will travel even faster in the future.

“We will continue to expand our business at full steam”

The Management Board of Eppendorf AG at “Forum Eppendorf” which was inaugurated in 2009

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

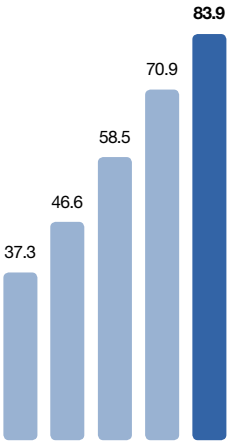
Michael Schroeder
Chief Marketing & Sales Officer,
Master of Agricultural Biology, PhD

Detmar Ammermann
Chief Financial Officer,
Master of Business Administration

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

The exhibition at the new “Forum Eppendorf” showcases the company's success story over several decades. In 2009, Eppendorf AG had to prove itself in an environment shaped by the global financial and economic crisis. Klaus Fink, Chairman of the Management Board, and his colleagues Detmar Ammermann, Heinz Gerhard Köhn, and Michael Schroeder explain why the company succeeded in standing its ground.

Sales in Asia/Pacific in € million



How did Eppendorf fare in 2009, the year of the global financial and economic crisis?

Klaus Fink: Sales in the life science industry as a whole declined by about 5 percent. Naturally, we at Eppendorf also felt the effects of the global financial and economic crisis, notably in our traditional markets in Europe and North America. Nevertheless, Eppendorf’s total sales grew by 5.6 percent.

What are the reasons behind this success against the market trend?

Klaus Fink: Above all, our virtually explosive growth in Asia compensated for stagnation in our traditional markets. Although we already had achieved respectable results in both China and India in 2008, we again recorded double-digit growth rates in these markets after adjustment for currency fluctuations.

Asia was also affected by the crisis. How were these increases possible?

Klaus Fink: We mainly benefited from our extensive investments in distribution channels in the last few years. In both China and India, we now have more than 100 employees selling our products nationwide. China responded to the crisis with government-funded pump-priming measures to stimulate the economy. In Europe, it takes quite some time for such state subsidies to flow through the bureaucratic channels. This process is much faster in China.

This sounds as if the crisis could even be an opportunity for Eppendorf?

Klaus Fink: Well, the crisis has induced many companies to downsize their personnel, cut back on traveling, and scale back their advertising. We see our opportunity in the fact that we have done none of these things. We are continuing to expand, driving our business forward at full steam and definitely not cutting back on our R&D spending. While others have pulled back, we have maintained market visibility and thus gained market shares. Sometimes anti-cyclical behavior is smarter.

Economists say that some companies will not feel the full impact of the economic crisis until this year. What do you expect for 2010?

Klaus Fink: In many countries, governments’ economic-stimulus programs will not show their full impact until 2010. This will have a favorable effect on our growth. Our main customers are researchers and developers. Research creates opportunities for the future, which leads to the political insight that savings in this segment do not make sense. In addition, we are not dependent on the sale of a handful of models – in contrast to, say, the automotive industry – but can rely on a broad product range. I believe that 2010 will once again bring growth exceeding the industry average, with Asia set to record further double-digit rates at all events.

Some companies try to gain a competitive edge, especially in times of crisis, by developing innovations. Is this your strategy, too?

Heinz Gerhard Köhn: Eppendorf always has five or six-dozen development projects in its in-house pipeline. Our customers’ feedback helps us enhance our products further. Innovation is an ongoing process in our company.

Other companies react by relocating operations to foreign countries. What is Eppendorf’s view on Germany as a business location?

Heinz Gerhard Köhn: A large share of our competence centers and sites where we develop and manufacture our products are located in Germany. This will remain the case in the future. However, this will not prevent us from setting up additional production sites in major markets. A strong euro makes it difficult to compete with players from the US$ area. A production site in North America allows us to avoid currency fluctuation risks. In China, government officials often ask: “Do you have a national production site in this country, too?” Being able to answer this question in the affirmative will be an advantage for future business.

In 2009, there was a lot of talk about a “credit crunch.” Critics claimed that many bankers were sitting on their money rather than extending loans. Was this a problem for Eppendorf, too?

Detmar Ammermann: Some may think we are old-fashioned, and many people found this amusing only a few years ago, but we have no loans to speak of and do not plan to borrow funds either. Three years ago, we acquired the US-based company New Brunswick Scientific (NBS) at a price of US$ 110 million. We financed the deal from our own cash. If a significant need for cash arises in the future, we are convinced that the “credit crunch” you mentioned will not play any role for Eppendorf.

Do you plan further acquisitions?

Michael Schroeder: Our extended product portfolio and the combination of the distribution channels at Eppendorf and NBS have allowed us to realize the envisaged synergies, even in the difficult economic environment prevailing in 2009. We are therefore certainly on the lookout for other companies that might round off our product range, but – unlike Eppendorf – lack a global distribution network and could thus benefit from us.

As a growing company, you need to hire people. Can you find enough good employees?

Michael Schroeder: We are very well known in the industry and thus do not have any problems finding good life science specialists. Some join us from small companies, because we are more stable and offer them more opportunities for promotion. Others send applications from large corporations, attracted by the fact that every individual in our organization is visible and accessible, including the Management Board. The continuous development of a family business is also seen in a very positive light.

Is Eppendorf large enough to offer adequate opportunities for promotion?

Detmar Ammermann: All members of our organization can achieve their full potential. We are proud of the fact that most middle-management positions, i.e. those below the Management Board level, have been filled from our own ranks. In addition, our employees have the opportunity of taking on international management responsibilities.

What are the general future trends in the industry?

Heinz Gerhard Köhn: The trend toward automation continues. Customers are demanding even more precise, faster, safer, and inexpensive top-quality processes and solutions.

Michael Schroeder: Internationalization also continues to play an important role. Alongside Asia, markets in South America are performing well. Brazil, in particular, is investing heavily in research and development, yet another advantage for our business development.

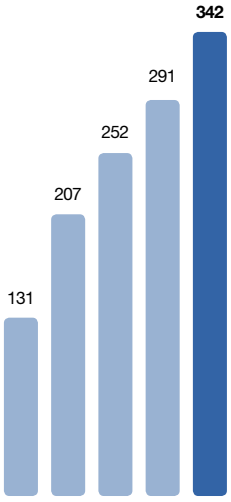
Detmar Ammermann: Overall, the industry is going through a consolidation process. Companies failing to achieve critical mass will face increasing challenges in the global market.

What are your main goals?

Klaus Fink: We want to remain independent, grow at an above-average pace, and continue to be one of the leading players in our markets. Supreme quality, confirmed by our customers in all surveys, is an indispensable prerequisite for this.

We would like to thank you for this interview.

Employees in Asia/Pacific
Annual average



2005–**2009**

Crime Scene Forensics

"Genetic fingerprints" can solve crimes. Eppendorf products assist in the investigation. A visit to a forensic laboratory in Prague.

The bank robbers were professionals. They wore gloves and masks. After robbing the bank, they jumped into a stolen car and fled through the streets of Prague. In a small side street near the Vltava River, they changed vehicles – and thought they were safe. A perfect crime? Almost. One of the bank robbers made a mistake: he forgot his mask in the first getaway car.

A promising lead for the Czech police. They suspect that the mask contains traces left by the person wearing it: saliva, skin, or hair particles. Microscopic particles suffice to isolate the genetic material (DNA) they contain, which can help identify what is known as the "genetic fingerprint."

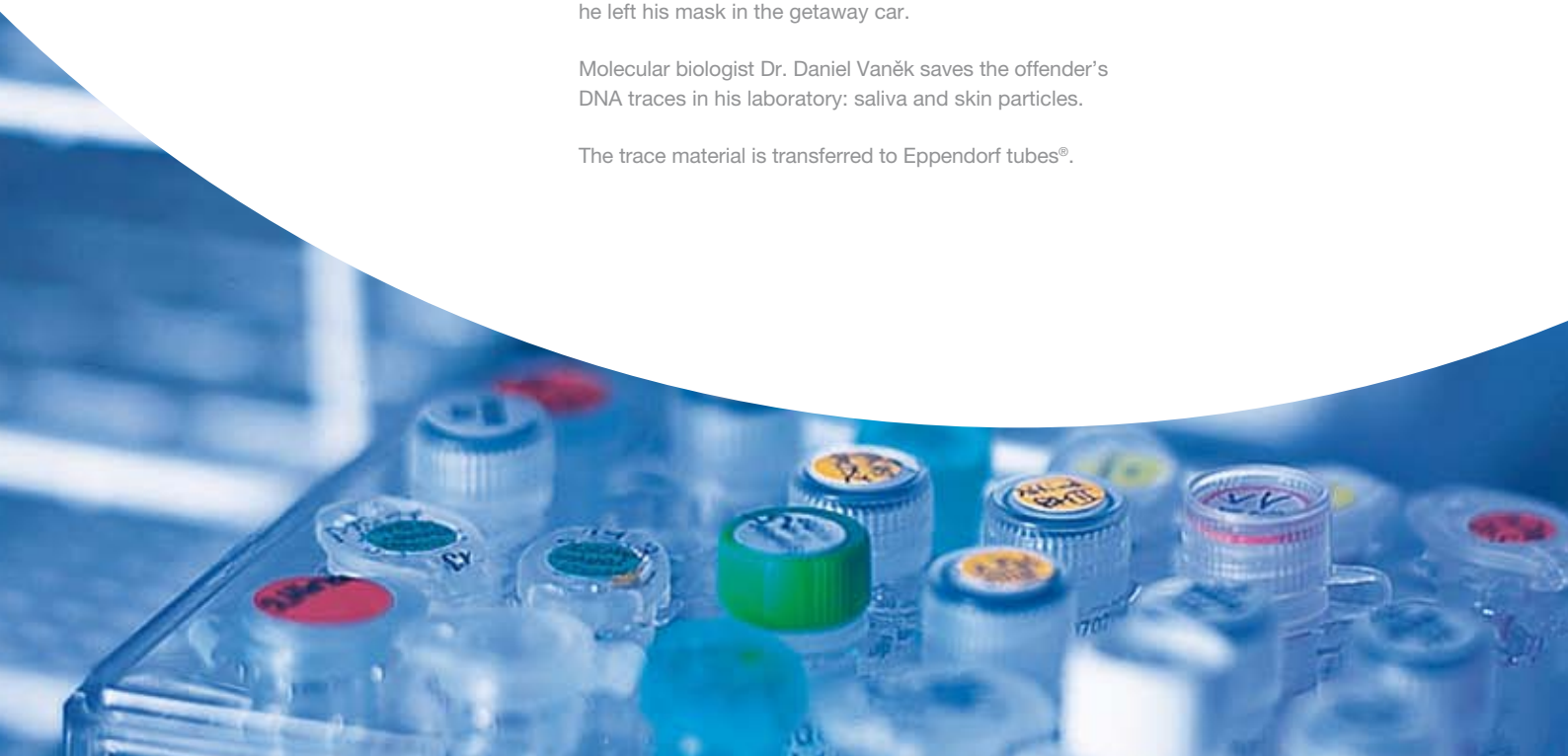
DNA consists of two individual strands and looks like a spiral ladder, because the individual components (nucleotides) of the two strands are cross-connected by rung-like structures. In some DNA sections, a certain sequence of these "rungs" is repeated. The number of repetitions can vary from person to person. By measuring the length of such sequences at different, defined areas of DNA, the respective pattern of repetitions can be used to derive the "genetic fingerprint": profiles that are virtually unique in each individual with the exception of identical twins.

The police send the mask to Dr. Daniel Vaněk. The 45-year-old molecular biologist is one of the leading

One of the bank robbers made a serious mistake: he left his mask in the getaway car.

Molecular biologist Dr. Daniel Vaněk saves the offender's DNA traces in his laboratory: saliva and skin particles.

The trace material is transferred to Eppendorf tubes®.



experts in his field in the Czech Republic. The officers also include Eppendorf tubes® with cotton swabs from suspects' oral cavities: if one of the samples matches the DNA found on the mask, the police will have identified at least one of the offenders. Vaněk also stores the traces he wipes from the mask in Eppendorf tubes®.

"Sometimes we find only minute DNA traces. We must not lose anything. In addition, we must be able to rely on our sample tubes not being contaminated with other DNA – otherwise the police might look for a phantom offender," the molecular biologist emphasizes. "This is why we like working with Eppendorf LoBind Tubes so much. Their certified PCR-clean quality guarantees their purity."

Did you know?

DNA typing has become one of criminal investigators' most important tools. The German Federal Criminal Police Office has been compiling DNA profiles since 1998. So far, this database has helped find DNA matches between crime scene evidence and specific individuals in 70,000 crimes.

LoBind Tubes
In conventional tubes, about 25 percent of the DNA sticks to the tube walls and is thus not available for testing. Eppendorf LoBind Tubes, which are made of a special polypropylene material, have a loss rate of only 0.3 percent. Even the tiniest traces of contaminants in the tube could disrupt DNA processing. The tubes are therefore manufactured under special conditions ensuring purity.

Did you know?

The German police force conducted its largest genetic mass screening in 1998. To find a girl's murderer, officers took cell samples from 18,000 men – and their efforts were successful: the perpetrator was identified with the help of a DNA profile.

Dr. Marcela Šilerová, age 31, works at Dr. Vaněk's laboratory. Her eyes are a different color. Her right eye is green, and her left one is greenish blue. "Perhaps it's a genetic mutation? I haven't yet got to the bottom of it," she says with a laugh. After several years of basic research in immunology at the Czech Academy of Sciences, she was ready to switch to "a job where I can see the results of my work every day" and moved to Dr. Vaněk's company, "Forenzni DNA Servis." Dr. Vaněk and Dr. Šilerová stack the suspects' samples, pipette tips, tubes, and chemicals, in the ep*Motion*® 5075 automated pipetting system and set a program – a routine process for them, just like other

ep*Motion*® 5075
Laboratory chemicals are expensive, while the number of samples to be processed in routine laboratory work is steadily increasing. This trend calls for increasingly smaller volumes. The ep*Motion*® 5075 automated pipetting system offers precision levels down to volumes of one micro liter – a droplet of liquid so small that it can hardly be seen with the naked eye. Incidentally, the Eppendorf robot also frees laboratory staff from time-consuming routine work – especially in complex DNA screenings.

A Molecular Treasure Hunt

An Eppendorf robot works a night shift. The next morning, the DNA from the samples has been isolated as if by magic.

people use a dishwasher. Then they go home for the day. In the dark and deserted laboratory, the Eppendorf robot is left to work away through the night.

As if by magic, it moves its tools, selects pipette tips, fills them with reagents and dispenses the liquid into small tubes. The reagents dissolve the samples into their individual components, even cell nuclei, in which molecular forensic specialists' treasures are stored: the genetic material in the individual samples is now floating freely in a mixture of chemicals, protein, fats, sugar, and contaminants.

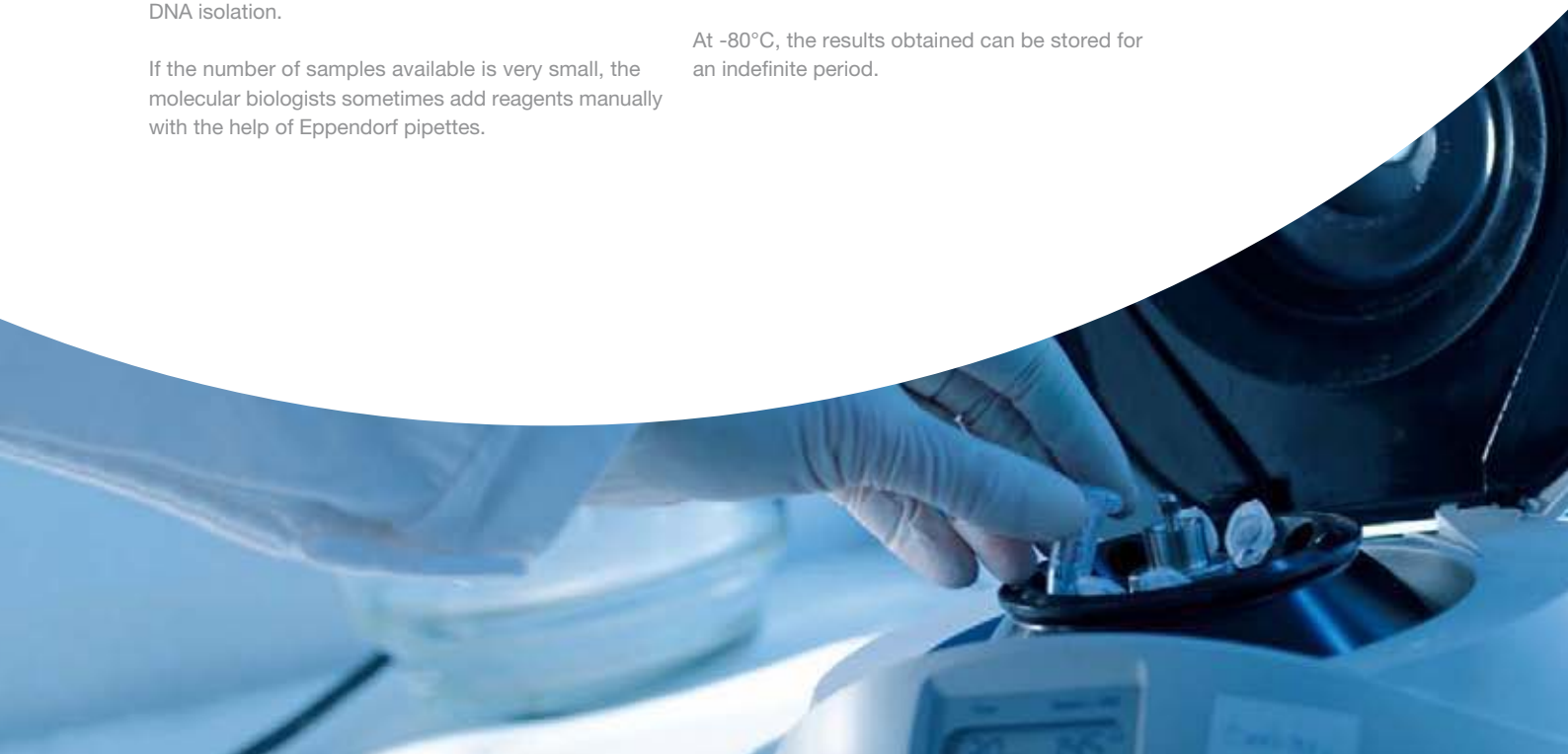
The treasure must now be salvaged. A vacuum station integrated into the ep*Motion*® 5075 system sucks the mixture through a filter, which holds back only the DNA. After several washes, the system dispenses a new chemical onto the filter to remove the DNA it contains. When Marcela Šilerová returns to the lab the next morning, the DNA samples have been isolated in the solution in virgin Eppendorf tubes®, and both are one step closer to extracting their secrets from them.

Dr. Vaněk prepares the ep*Motion*® 5075 for automated DNA isolation.

If the number of samples available is very small, the molecular biologists sometimes add reagents manually with the help of Eppendorf pipettes.

The Thermomixer comfort helps release the DNA.

At -80°C, the results obtained can be stored for an indefinite period.



How Big is the Treasure?

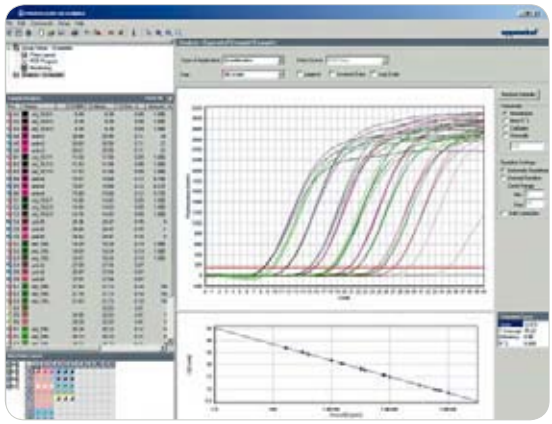
The samples have been obtained. But the question is: how much human DNA do they really contain? For their subsequent analysis, biologists must know how much genetic material they have isolated from the forensic sample.

The Eppendorf tubes® now contain the “book of life,” floating in 0.1 milliliters of liquid: the human genetic material in the cell nucleus, distributed among 46 chromosomes and consisting of more than six billion building blocks, known as nucleotides. There are only four different building blocks; they are abbreviated with the letters A, C, G, and T.

The combination of these building blocks is the “language in which God created life,” as Bill Clinton once put it. In printed form, the sequences of letters would fill some 200 telephone books with 1,000 pages each. To find the “genetic fingerprint,” Dr. Vaněk and Dr. Šilerová need to open only a few pages of these books.

“First we must check whether the sample really contains human DNA,” says Dr. Šilerová. “Then we must find out the exact quantity of DNA contained in the sample.” This is done with the help of the polymerase chain reaction (PCR), a method used to amplify sections of genetic material.

The molecular biologist pipettes four micro liters of the DNA samples together with one droplet of a biochemical cocktail and puts the tiny reaction quantities into an Eppendorf centrifuge: “Pipetting can lead to bubble formation, and these small bubbles disappear during centrifuging. The DNA and the chemicals collect at the bottom of the reaction tubes.”



Mastercycler® ep *realplex*
Eppendorf is familiar with the working conditions prevailing in laboratories: time pressure, limited space. Mastercycler® ep *realplex* for real-time PCR caters to these circumstances. It offers extremely high heating and cooling speeds, short detection times, and intuitive programming of the supporting software. The device is only 26 centimeters wide, but nevertheless extremely fast. Its silver block heats at a rate of about 6°C per second and cools at a rate of about 4.5°C per second – this ensures very rapid temperature control of up to 96 PCR samples in a single reaction cycle.

She then places the samples in a Mastercycler® ep *realplex*. Through precise heating and cooling of the biochemical mixture of enzymes, buffers, and other components, the Eppendorf device ensures that a specific section of the human DNA in the sample is amplified in numerous consecutive reaction cycles. At the same time, a fluorescent molecule is integrated into the duplicated parts of the human DNA. “The Eppendorf device measures fluorescence,” explains Dr. Šilerová. A software program compares it with known standards. “This enables us to calculate precisely how much human DNA we had when we started the tests.” A key prerequisite for further analysis has been fulfilled.

Dr. Šilerová pipettes PCR reagents onto an Eppendorf plate, which permits simultaneous processing of 96 samples.

The software of the Mastercycler® ep *realplex* visualizes the amplification of the DNA sections in curves.

Precise heating and cooling of the biochemical mixture ensures amplification of specific DNA sections.

Did you know?

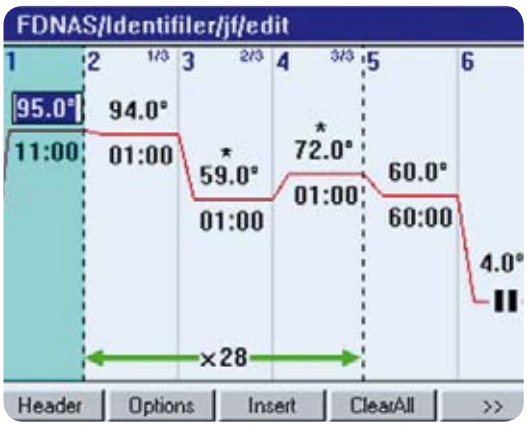
The “genetic fingerprint” can help historians unearth the secrets of the past. Laboratory work has brought to light the fact that Thomas Jefferson, the third American president, had a love affair: his descendants’ DNA profiles showed that he fathered a child with one of his slaves.

Mastercycler® pro
Polymerase chain reaction – exponential amplification of DNA sections with the help of enzymes – is one of the most important techniques of modern molecular biology. Because of the high temperatures and extremely small sample sizes involved, scientists fear errors due to evaporation. One of the many advantages of Mastercycler® pro is its lid, for which Eppendorf has filed a patent application. It consists of a PTFE-coated, fluid-filled cushion that covers the tubes, providing a gentle but snug fit.

The software of the Mastercycler® pro shows the selected PCR temperature cycles in a user-friendly display.

The PCR thermocycler amplifies a total of 15 pre-defined DNA sections.

The “genetic fingerprint” identifies the offender.



Did you know?

In the cell nucleus, the DNA is coiled up in chromosomes. Uncoiled, it would be two meters long. If the entire DNA from all of the cells of a human’s body was arranged lengthwise, it would cover a distance of 200 billion kilometers – 650 times the distance from the earth to the sun.

The Criminal is Identified

Amplification of specific DNA sections is a key prerequisite for sample evaluation. An Eppendorf device handles this process step.

"This is our high-performance copier," says Dr. Vaněk, pointing to his Mastercyler® pro, which handles an important step in the analytical process: via a polymerase chain reaction, the Eppendorf device amplifies a total of 15 predefined DNA sections, which may differ in length from one person to the next. The amplified DNA fragments are then subjected to electrophoresis in a sequencing device: an electrical field is applied, and the negatively charged DNA fragments move through a capillary in the direction of the positive pole at various speeds, depending on their lengths. The fragments have been labeled with fluorescent molecules during the PCR process in the Mastercycler® pro. With the help of a laser, the sequencing device not only identifies the DNA fragment in question, but also calculates the individual repetition patterns of the building block sequences. They can be visualized in charts and tables: this is the "genetic fingerprint."

For one of the suspects, the number of building block sequences on all 15 DNA fragments completely matches those on the robber's wool mask. "Bingo!" says Dr. Vaněk. "We're the first to know who the offender is. This never ceases to fascinate me, just as it did on my very first day."

At least one of the criminals has thus been identified. Finding the other members of the gang in the criminal's environment is a routine affair for the Prague police.

Dr. Hans Hinz
He was an excellent engineer and a wonderful leader: "Dr. Hinz was a warm-hearted, straightforward, and very helpful person with a good sense of humor. On my first day, I was also taken on a tour to the electricians' workshop," recalls a former employee. "A gentleman with rolled-up sleeves was standing there, filing a work piece: It was the boss!"

Dr. Heinrich Netheler
The company was young, the money tight. Dr. Netheler fastened a photometer to his motorbike, delivered it in Bremen, collected the proceeds – and paid out the salaries. Employees recollect that he was "a patriarch in the best sense of the word." They say that he led by example, but also expected commitment and a positive attitude from his employees.

Founders' 100th Anniversary

Hamburg, 1945. The Second World War is finally over. Two gentlemen in their mid-thirties pay a visit to Eppendorf University Hospital, where they introduce themselves and their twenty employees as physicists and engineers eager to do what the country needs most: assist in the reconstruction process and help improve people's living conditions.

The hospital management assigns Dr. Hans Hinz and Dr. Heinrich Netheler and their employees a shed on the grounds. The team repairs broken instruments and develops trailblazing new devices at the doctors' request. This was the start of the corporate history of today's global market leader Eppendorf.

The year 2009 marked the 100th birthday of both the company's founders: Dr. Netheler and Dr. Hinz. Heinrich Netheler was born on a farm in northern Germany on May 27, 1909. The oldest son, he was actually supposed to take over the farm, but he discovered his love of technology and studied engineering in Brunswick. In Berlin, the keen aviator obtained his doctorate with a thesis on ways of optimizing rod antennas in aircraft. Hans Hinz, by contrast, was a true native of Hamburg. Born in the city's Eimsbüttel district on August 19, 1909, he studied physics in his home town and obtained his doctorate with a thesis on elastic deformations in Seignette's salt. The two men met in 1939 at the "German Experimental Institute for Aviation." In 1943, they switched to the newly established "National High-Frequency Research Authority" in Travemünde.

After the end of war, Dr. Netheler and Dr. Hinz moved their measuring instruments and research documentation to the shed on the site of Eppendorf

University Hospital and founded the “Dr. Netheler Work Group,” the nucleus of today’s global player, Eppendorf AG. At the doctors’ request, they developed the “Stimulator” (a stimulation current device), the “Thermorapid” (the first electric fever thermometer), the Eppendorf photometer, and a number of other pioneering devices of modern medical technology.

By 1954, the workshop had already become too small. The company, meanwhile renamed “Netheler & Hinz GmbH”, moved to new premises outside the hospital grounds. Four years later, its workforce had grown to more than 100 employees. The foundation stone for today’s extensive corporate headquarters in Barkhausenweg was laid in 1965. After a quarter century of setup work, the founders passed the reins on to younger hands at the start of 1971. At that time, the company already had 400 employees.

“Forum Eppendorf” was inaugurated at the corporate headquarters to commemorate the founders’ 100th birthdays. Here, the company’s history and development of medical technology are showcased by a series of device generations. They highlight the rapid speed with which technology and working conditions have changed and the innovation requirements Eppendorf has mastered again and again, be it in automation, liquid handling, PCR, or cell technology.

The exhibition also includes comments made by employees who joined the company on day one. “Even at the time, the customers’ requirements and employees’ well-being were always the center of our founders’ attention,” recalls one retired Eppendorf employee. “The company’s business success was the logical consequence of this approach.”

The logo from the 1950s points to the company’s beginnings: it symbolizes the sun as the origin of all life and combines this image with an electromagnetic wave.

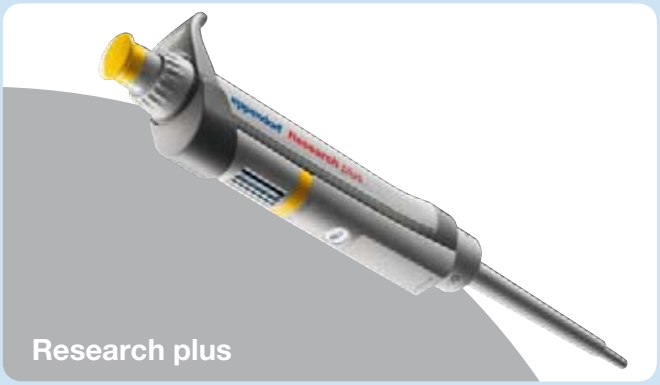
eppendorf

The path to global supplier of high-quality products for researchers and scientists is reflected in a name known throughout the industry: in 2000, “Eppendorf-Netheler-Hinz GmbH” was renamed “Eppendorf AG.”

eppendorf

Then — Liquid Handling — Now

Piston-stroke pipettes


Research plus

Rapid Development

Scientists used to suck their samples up laboriously into glass tubes with their mouths – until Eppendorf launched a revolutionary invention in 1961: the first piston-stroke pipette. From then on, this work could be performed much more precisely and rapidly with the micro-liter pipette, with a fraction of the previously required sample volume. In the years that followed, Eppendorf developed a complete micro-liter system, encompassing reaction tubes, mixers, centrifuges, and pipettes.

Eppendorf again set new standards in pipetting technology in 1979 when it launched its Multipette® – the first mechanical dispenser to discharge liquid not just once, but repeatedly in predefined doses. With Research plus, the company offered its customers its most ergonomic and user-friendly pipette ever in 2009. The spring-loaded tip cone ensures an optimum fit to the tip and extraordinarily precise results. Further benefits of the fully autoclavable pipette include a user adjustment option and an improved volume display.

Eppendorf products help achieve progress in the life sciences: this also applies to the devices used for polymerase chain reaction (PCR). Launched in 1990, the Microcycler E was one of the first devices in the market to feature automatic control of PCR temperature cycles. Eighteen years later, the Mastercycler® pro reflects the progress made in PCR technology. With its thermoblock made of silver, the device, which was

Then — PCR — Now

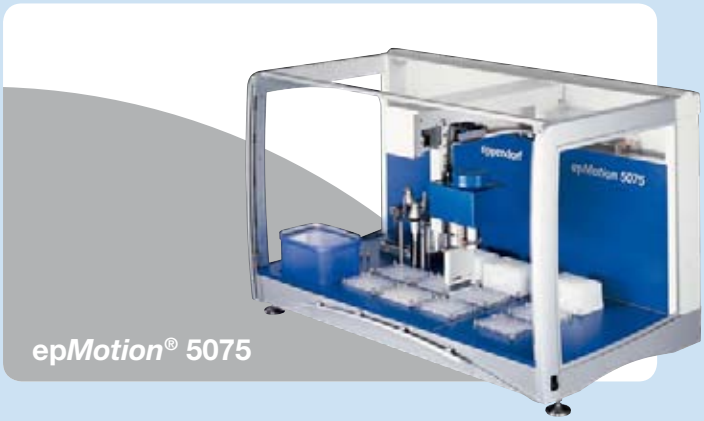

Microcycler E


Mastercycler® pro

eppendorf

Then — Automation — Now

Analyzer 5010



ep*Motion*® 5075

introduced in 2008, handles the PCR temperature cycles ten-times faster than the Microcycler E and can process sample volumes that are one tenth of the size.

Increasingly rapid analysis of a growing number of samples: with its first automated Analyzer 5010, Eppendorf succeeded in fulfilling this demand in medical diagnostics from 1969 onwards. Chain links were used to feed samples into this device, which was used for rapid and precise measuring of enzyme activity and could handle as many as seven times the number of samples processed by laboratory workers in manual tests. Today, the ep*Motion*® 5075, an automated pipetting system introduced in 2004, fills a micro plate with 384 samples within approximately one minute.

Eppendorf also continuously improves tried-and-proven longtime favorites such as its centrifuges. The Centrifuge 3200 from 1964 was trailblazing in its ease-of-use and robustness. The state-of-the-art, refrigerated Centrifuge 5430 R is much more versatile, however. Eight different rotors support centrifugation of a wide variety of sample vessels. The motor rotates at almost 300 revolutions per second: the life sciences are probably unparalleled when it comes to product development speed.

Then — Centrifugation — Now

Centrifuge 3200

Centrifuge 5430 R

Eppendorf in Practice

Innovation in Bioreactors

CelliGen™ BLU, developed jointly by Eppendorf Polymere and New Brunswick Scientific, sets new standards in cell growth.

When Eppendorf acquired US-based laboratory equipment company New Brunswick Scientific (NBS) in 2007, the aim was to realize potential synergies: the product ranges of the two manufacturers were a perfect fit. The US company, headquartered in Edison, New Jersey, rounded off Eppendorf's products with freezers, incubators, shakers, fermenters, and bioreactors. Both partners can now provide their customers broad offerings.

The synergies go beyond mere sales, however. At the start of this year, the two partners launched a product created in a joint transatlantic project. CelliGen™ BLU sets new standards in cell cultivation. It is one of the first single-use systems based on the stirred-tank design to be launched on the marketplace. It makes applications in stem cell research, vaccine production, diagnostics, or biofuel research more cost-effective and faster.

Previously, bioreactor components were made of glass or steel. They had to be cleaned and autoclaved between work cycles. Time-consuming validation procedures and quality controls were necessary. To solve these problems, the first single-use systems, in which cells are cultivated in pre-sterilized single-use bags, began to appear on the market slightly more than ten years ago. Benefits of single-use devices include reduced contamination risks and the elimination of sophisticated sterilization requirements. However, stirrers can only be used in the bags to a limited extent, and these devices are inferior to traditional systems when it comes to oxygen supply, resulting in lower cell density. In addition, the large number of application parameters was virtually impossible to monitor and adjust in real time.

CelliGen™ BLU
Eppendorf offers single-use "stirred-tank" bioreactors allowing users to gain time and enhance safety.

CelliGen™ BLU now combines the advantages of both systems. Instead of plastic bags, CelliGen™ BLU uses stable polymer vessels. They are suitable for the same applications as those performed in conventional steel or glass containers – but require no time-consuming and cost-intensive cleaning and autoclaving, as they are designed to be used only once. Users can commence new cycles within minutes. The 5.0 and 14.0 liter vessels are closed with a lid for which a patent is pending. Once closed, it can no longer be opened. Customers can be sure of receiving contamination-free containers. Employees assemble the containers under cleanroom conditions at Eppendorf's production site in Oldenburg, Germany. All in all, a vessel consists of about one-hundred components. The lids are equipped with eleven connectors, including some for gas control and cell harvesting. A non-invasive method is used to measure temperature, and pH and oxygen values: the sensors are inserted into tubes and thus do not come into contact with the reaction fluid. The lids are made of tried-and-proven polycarbonate, a material able to withstand the excess pressure created during applications throughout the entire service life of 4 to 6 weeks.

Engineers from Eppendorf Polymere developed the single-use system with the help of NBS expertise. Weekly video conferences and mutual visits ensured cooperation at eye level. The end result is a system comprising a disposable reactor and a control station. Both components were tailored to each other to form a reliable unity. The station enables precise monitoring and control of up to 32 process parameters, including pH value and dissolved oxygen.

Presenting Itself in the Right Light

Eppendorf will highlight its attractiveness as an employer to a greater degree in the future.

"Hidden champions" – this is how economist Hermann Simon describes companies that are relatively unknown to the broader public, but market leaders in their fields. Eppendorf is one of them. Although this company may not really be familiar to the public at large, it is a renowned name in the field of life sciences, where it stands for quality and top precision.

The company thus has no problem recruiting excellent staff from the biotech industry. However, Eppendorf will now implement employer branding measures in order to highlight its attractiveness for highly qualified employees from other areas to a greater extent. In the future, potential candidates will be informed about Eppendorf's special strengths as an employer in job offers, at fairs, and in university partnerships.

It is obvious why Eppendorf is an attractive company to work for: in the R&D departments of most large corporations, individual employees focus only on a small section of an overall product, while engineers at a mid-sized company such as Eppendorf can expect to be responsible for an entire assembly group or complete devices. Eppendorf's international operations and corporate culture offer business administration specialists considerable professional incentives. Complex, state-of-the-art IT applications provide challenges for computer specialists' expertise.

Alongside professional reasons, Eppendorf mainly intends to highlight its employee-friendly human-resource and leadership development programs. The company has always encouraged life-long learning, offering further training measures geared to employees' personal requirements. Its "PROFILe" leadership development program and cooperation agreements with leading professional training institutes and business schools promote and challenge the group's operating and managerial employees in the area of strategic management. In addition, flexible work-time models, sports offerings, and the "Eppiland®" company childcare facility at the corporate headquarters in Hamburg ensure a healthy and family-oriented environment.

www.eppendorf.com

The Nature of the Company

Sustainability is a tradition at Eppendorf. The new epGreen initiative strengthens the company's commitment even further.

Their company should contribute to improving the living conditions of mankind: when Eppendorf's founders formulated their corporate philosophy, words such as sustainability and environmental protection were by no means in current use. However, their underlying principles have always been an integral part of Eppendorf's products. Ever since the company was founded in 1945, its objective has been to manufacture devices that would perform their tasks for years and even decades. However, sustainability means more to Eppendorf than supplying its customers with long-lasting products.

To enhance the already practiced corporate philosophy, Eppendorf launched its epGreen initiative in 2009. The objective is to further reduce the burdens placed on the environment by the manufacture and use of Eppendorf products. These efforts are directed toward the entire product life cycle, from development, production, and shipping to use, maintenance, and disposal of old equipment. In order to assist its customers in their own sustainability efforts, Eppendorf reports on environmental protection measures and the energy and resource efficiency of devices and consumables in its company catalog.

epGreen

reddot design award
winner 2009

Innovation is Clearly Evident

Eppendorf Research® plus wins prestigious awards.

In 2009, the Eppendorf Pipette Research® plus won two design awards in prestigious competitions.

First, it impressed the jury that confers the "red dot design award," whose selection criteria are degree of innovation, functionality and an ecologically responsible design. In addition, the Research plus won the "Good Design Award" of the Chicago Museum of Architecture and Design.

Since 1950, the Chicago Athenaeum has bestowed this award annually on the most innovative industrial products. It is regarded as one of the world's most important design awards.

The pipette shows how much R&D effort Eppendorf devotes to the continuous improvement of its products. Eppendorf Research® plus combines high functional precision with an ergonomic design and enhanced flexibility. Its light weight and spring-loaded tip cone enhance ease of use, minimizing the force required for pipetting. Button and display positions and shapes have been optimized to ensure stress-free work processes and intuitive operation.

A Good Nose for Disease Research

Eppendorf awards scientific prizes to young European researchers.

According to the WHO, nearly one million people die of malaria every year, and about half of them are children under five years of age. Precise knowledge of the way in which the "nose" of the mosquito spreading the disease works would make it possible to develop much better preventives. Malaria prophylaxis could become an important application of the basic research carried out by Richard Benton, PhD, for which he received the Eppendorf & *Science* Prize for Neurobiology 2009.

Every year, Eppendorf awards a cash price of US$ 25,000 in cooperation with *Science* magazine to young scientists not older than 35 years who have made outstanding contributions to neurobiological research.

Benton is an Assistant Professor at the Center for Integrative Genomics of the University of Lausanne, Switzerland. His research focuses on how insects sense volatile chemical signals. "Animals' nervous systems have developed very diverse solutions to one and the same sensory perception problem," explains Richard Benton. "Targeted modification of these unusual molecular mechanisms with specific chemical inhibitors could enable us to control odor-evoked behavior of insects spreading diseases such as malaria."

Eppendorf's second award went to Spain in 2009. Óscar Fernández-Capetillo, born in 1974, won the 15th Eppendorf Award for Young European Investigators, which honors biomedical research in Europe and is bestowed in partnership with the scientific journal *Nature*. The scientist from the Spanish National Cancer Research Center (CNIO) in Madrid received the cash price of € 15,000 for his research on endogenous DNA damage as a cause of cancer formation. "In addition, there are increasing indications that aging is a consequence of a series of accumulated DNA damage," explains Fernández-Capetillo.

Óscar Fernández-Capetillo produced more in-depth insights into the way in which cellular replicative stress *in utero* already contributes to the aging process organisms undergo later in life and how DNA damage can be reversed by various proteins. "We want to use our knowledge to develop strategies to fight against cancer and extend mammalian lifespan," says Óscar Fernández-Capetillo.

Richard Benton plans to invest his prize money in a home for his family. His wife is expecting their second child. "And maybe," the 32-year-old Scotsman muses, "I'll buy myself a kayak." He would use it to paddle across Lake Geneva – developing new ideas on the way.

"This prize gives a young scientist's carrier an important boost," says Óscar Fernández-Capetillo, "because it raises awareness of our research among our scientific colleagues and the editors of scientific journals."

Locations

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 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,
Nimwegen/Netherlands

New Brunswick Scientific NV/SA,
Rotselaar/Belgium

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

Vaudaux-Eppendorf AG,
Basel/Switzerland

Head Office
Competence Centers
Sales Subsidiaries
Centers 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.,
Hauppauge/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 Company 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

As at: January 2010

Report on the Financial Situation of the Eppendorf Group

- Sales +5.6 percent
- Operating profit +8.7 percent
- Continuous expansion of our market position

Economic environment

In fiscal year 2009, the effects of the global financial and economic crisis were felt all over the world. Few economies managed to escape the cyclical plunge in demand in the winter of 2008/2009. The crisis peaked in the first quarter of 2009. Subsequently, many countries showed signs of slight stabilization. Global industrial production can be expected to have declined by more than 10 percent in 2009 as a whole.

The life science markets proved more resilient than other industries. Their downward momentum was much less pronounced. Overall, the decline in the market segments relevant to our company was in the high single-digit percentage range.

The macroeconomic developments were also reflected on the international financial markets. The US dollar exchange rate trend was impacted by uncertainties and correspondingly high fluctuations. On an annual average, the US dollar appreciated by 5.2 percent over the prior year.

Exchange rate fluctuations

— Reporting date exchange rate
- - - Annual average exchange rate

Business trend

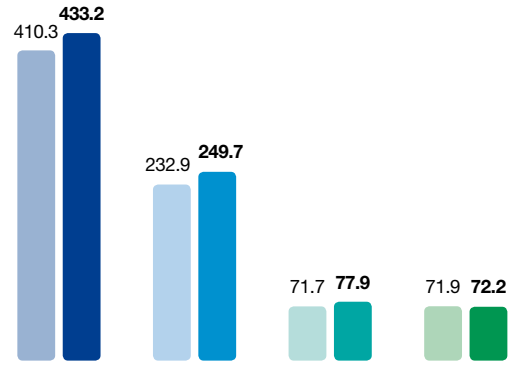
Fiscal year 2009 was characterized by favorable business performance in a difficult market environment.

We continued to expand our excellent market position in all regions. In Asia, we again generated double-digit growth rates. Even in the regions of North America and Europe, which were hit hardest by the slump in demand, we managed to increase our sales slightly or maintain the high level recorded in the prior year.

The favorable business trend was also reflected in operating profit, which we increased by 8.7 percent. In a challenging market environment, we mainly benefited from the international orientation of the group, the strength of our brand, and a broad product portfolio.

The integration and restructuring measures associated with the acquisition of New Brunswick made very good progress. The development of the CelliGen™ BLU fermenter is one example of successful bundling of expertise. The combination of high-quality single-use vessels with a compact, reusable control station is helping break new ground in bioprocess technology.

Key performance data in millions of €



2008 | **2009**

- Sales
- Gross profit
- Operating profit
- EBIT

Strategy

Innovative high-quality products have enabled us to win our customers' confidence and occupy leading positions in our product areas. We plan to steadily expand these positions. Our focus is 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 systematic enhancement of our technological expertise, and the strengthening of our global market position through clearly targeted investments in our sales structure.

In addition, we are investing in the expansion of our US production capacities and intensifying our US dollar purchasing activities to reduce currency risks.

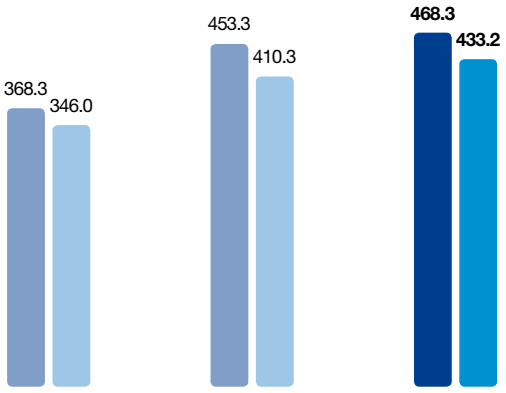
Earnings situation

Sales trend
Eppendorf continued its growth course in 2009.

Adjusted for currency effects, we posted sales growth of 3.3 percent. The strongest growth was recorded in the Asian market. Here, we have generated double-digit growth rates in every year since 2006, with China's long-term favorable performance making a decisive contribution. In the markets of North America and Europe, where the overall economy contracted in 2009, we also succeeded in expanding our market position further, recording even slightly positive growth of 1.2 percent after adjustment for currency effects in North America and almost maintaining our high prior-year level in the European market with a figure of -0.3 percent. In an industry comparison, we thus outperformed many competitors in the fiscal year under review.

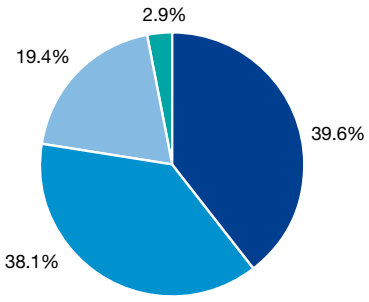
Consolidated sales increased by 5.6 percent to € 433.2 million (prior year: € 410.3 million).

Sales growth — in millions of €



- At constant exchange rates (US$ 1.2; Yen 135; GBP 0.8)
- At actual exchange rates

Sales by region 2009



in millions of €	2008	**2009**	%
North America	162.5	**171.6**	+5.6
Europe	166.6	**165.1**	-0.9
Asia/Pacific	70.9	**83.9**	+18.3
Other regions	10.3	**12.6**	+22.3
Total	410.3	**433.2**	+5.6

Income situation

Key data income statement				in millions of €
	2008	%	**2009**	%
Net sales	410.3	100.0	**433.2**	100.0
Cost of sales	-177.4	-43.2	**-183.5**	-42.4
Gross profit	232.9	56.8	**249.7**	57.6
Selling and marketing expenses	-99.6	-24.2	**-108.8**	-25.1
Research and development expenses	-24.1	-5.9	**-23.9**	-5.5
Administrative expenses	-37.5	-9.2	**-39.1**	-9.0
Operating profit	71.7	17.5	**77.9**	18.0
Other expenses/income	0.2	0.0	**-5.7**	-1.3
Income from operations (EBIT)	71.9	17.5	**72.2**	16.7

Gross profit increased by 7.2 percent to € 249.7 million (prior year: € 232.9 million). The gross profit margin stood at 57.6 percent (prior year: 56.8 percent). Continuous productivity gains are the basis of this high level. The slight US dollar appreciation had an additional favorable effect.

Global presence through sales organizations that are close to the customer is a key success factor for our growth. We deliberately increased our investments in our sales network to strengthen our market position. The focus was on the expansion of the Asian network and the integration of New Brunswick products into our international sales organization. We spent € 108.8 million (prior year: € 99.6 million) on sales and marketing activities.

Innovations are the driver of future growth. To realize these opportunities, we invested € 23.9 million (prior year: € 24.1 million) in research and development activities. We placed special emphasis on the development of new products to strengthen our core business and the steady optimization of our product portfolio. The upcoming market launch of Eppendorf Xplorer® in the area of electronic pipetting instruments is just one example of this ongoing process.

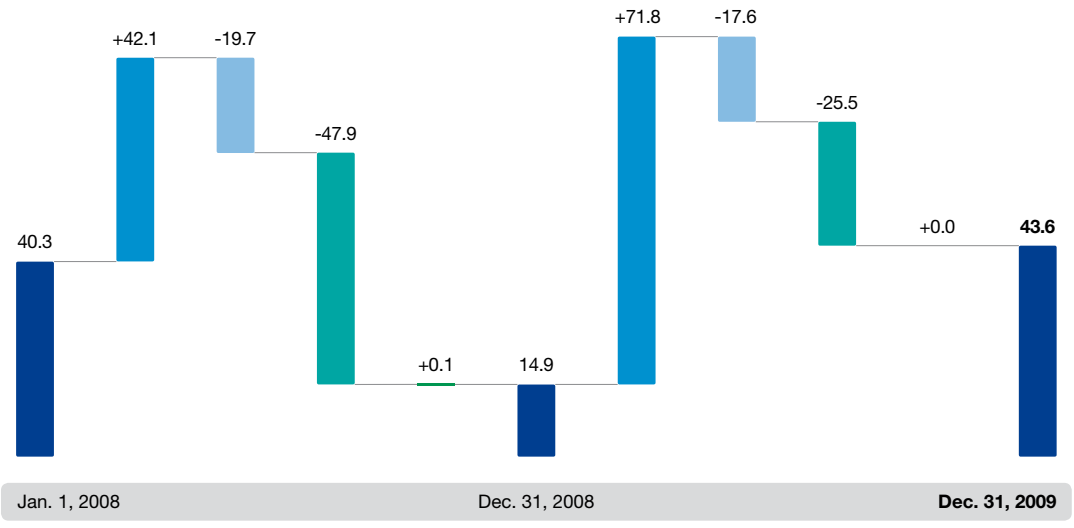
The operating profit of € 77.9 million exceeded the prior-year figure by 8.7 percent. Return on sales increased from 17.5 to 18.0 percent.

Other expenses/income included impairments on intangible assets due to purchase price allocations (PPA) of € 3.6 million (prior year: € 3.4 million), a negative currency translation contribution of € 1.8 million (prior year: positive contribution of € 2.8 million), and non-recurring charges of € 0.9 million associated with restructuring measures in North America. The impact of changes in exchange rates mainly resulted from reporting-date-dependent revaluation effects of foreign currency receivables and liabilities.

Income from operations (EBIT) came to € 72.2 million in 2009 (prior year: € 71.9 million).

Financial situation and capital expenditure

Change in cash position 2008–2009 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

Excellent liquidity and high internal funding power create new opportunities for future growth.

In 2009, our strong business performance and the slight US dollar appreciation resulted in an increase in gross cash flow by 11.2 percent to € 69.8 million (prior year: € 62.8 million). Due to targeted improvements in working capital, net cash provided by operating activities (net cash flow) increased to € 71.8 million (prior year: € 42.1 million).

Cash used in investing activities amounted to € 17.6 million in the fiscal year under review (prior year: € 19.7 million), with capital expenditure for property, plant and equipment accounting for the largest share of this figure, namely € 16.2 million (prior year: € 15.5 million).

Released cash was used in financing activities to fully pay off existing liabilities due to banks. The prior-year figure had been impacted by a stock buyback with a subsequent capital reduction.

Net bank deposits increased by € 42.1 million to € 43.6 million (prior year: € 1.5 million).

Asset and capital structure

Assets				in millions of €
	2008	%	**2009**	%
Cash and cash equivalents	14.9	4.0	**43.6**	11.0
Trade accounts receivable	71.9	19.3	**73.5**	18.5
Inventories	94.8	25.4	**91.9**	23.2
Property, plant, equipment and intangible assets	75.8	20.3	**75.7**	19.1
Goodwill and intangible assets from equity investments	75.1	20.1	**69.5**	17.5
Other assets	40.2	10.9	**42.4**	10.7
Total assets	372.7	100.0	**396.6**	100.0

Equity and liabilities				in millions of €
	2008	%	**2009**	%
Short-term borrowings from banks	13.3	3.6	**0.0**	0.0
Trade accounts payable	15.5	4.2	**15.8**	4.0
Short-term provisions	36.9	9.9	**36.5**	9.2
Provisions for pensions	87.4	23.4	**88.9**	22.4
Other liabilities	36.8	9.8	**36.0**	9.1
Total equity	182.8	49.1	**219.4**	55.3
Total equity and liabilities	372.7	100.0	**396.6**	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 reduced the value of the assets of the subsidiaries headquartered abroad by € 5.1 million, while liabilities declined by only € 0.9 million.

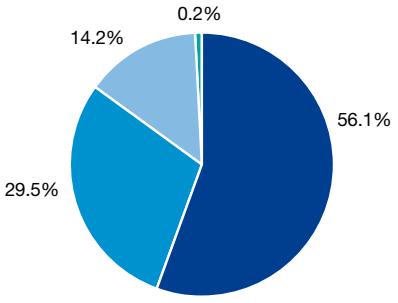
The growth-induced capital tie-up was offset by targeted operating measures aimed at working capital management. Overall, we succeeded in reducing our working capital slightly.

We invested € 17.6 million in property, plant, equipment and intangible assets in 2009 (prior year: € 17.6 million). Depreciation amounted to € 16.3 million (prior year: € 15.6 million).

Goodwill accounted for € 36.7 million (prior year: € 37.8 million) of the company's intangible assets from equity investments, and € 32.8 million (prior year: € 37.3 million) were attributable to acquired customer bases, brands and technologies.

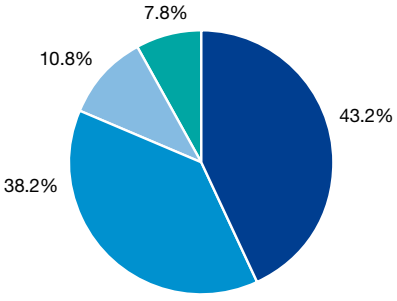
Employees

Employees by region 2009



	2008	2009
Europe	1,374	**1,404**
North America	787	**737**
Asia/Pacific	313	**355**
Other regions	5	**6**
Total	2,479	**2,502**

Employees by function 2009



	2008	2009
Sales and marketing	1,015	**1,080**
Manufacturing	996	**956**
Administration	270	**270**
Research and development	198	**196**
Total	2,479	**2,502**

Eppendorf's workforce exceeded the mark of 2,500 for the first time.

At year-end 2009, the Eppendorf Group employed 2,502 persons worldwide (prior year: 2,479). A total of 1,404 persons worked for the European companies, the majority of them (1,007) in Germany.

Staff expansion focused on the areas of sales and marketing. We increased the number of employees in the Asian/Pacific region in particular.

On an annual average, Eppendorf employed 2,490 employees (prior year: 2,448).

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 dollars. 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 adversely affect the company's profitability. 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 active in life science research. Their reductions in R&D budgets, capital expenditure, or public/private funding may adversely affect 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, this 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 minimize 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

The macroeconomic environment is showing increasing signs of stabilization. We expect this trend to continue in 2010. However, the pace of this recovery will probably differ from region to region, and cyclical setback risks cannot be categorically ruled out. Assessments of future developments are thus subject to uncertainties.

The life science markets have proven more resilient than other industries. We therefore also expect them to show more stable performance in the future. We anticipate a slight upward trend in most established markets. Indicators for the emerging markets signal considerably stronger growth.

Overall, we expect to be able to further expand our market position and boost both sales and operating profit accordingly in fiscal years 2010 and 2011.

Consolidated Financial Statements in Accordance with IFRS (Abbreviated Version)

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

Consolidated Balance Sheet

at December 31, 2009

Assets			in € '000
	2007	2008	**2009**
Cash and cash equivalents	40,276	14,859	**43,634**
Trade accounts receivable	63,677	71,928	**73,487**
Inventories	77,511	94,810	**91,881**
Other current assets	9,436	8,068	**8,622**
Current assets	190,900	189,665	**217,624**
Property, plant, equipment and intangible assets	73,631	75,765	**75,748**
Goodwill and intangible assets from equity investments	71,531	75,085	**69,523**
Investments in associates	0	0	**362**
Other non-current assets	7,298	6,628	**6,318**
Deferred tax assets	20,458	25,604	**27,057**
Non-current assets	172,918	183,082	**179,008**
Total assets	363,818	372,747	**396,632**

Equity and liabilities			in € ’000
	2007	2008	**2009**
Short-term borrowings from banks	0	13,337	**0**
Trade accounts payable	15,614	15,557	**15,849**
Provisions for income taxes	7,245	8,937	**9,231**
Other short-term provisions	37,618	36,909	**36,459**
Other current liabilities	6,780	6,931	**8,402**
Current liabilities	67,257	81,671	**69,941**
Provisions for pensions	84,217	87,390	**88,851**
Other non-current liabilities	271	218	**1,012**
Deferred tax liabilities	16,911	20,624	**17,392**
Non-current liabilities	101,399	108,232	**107,255**
Common stock	53,893	51,132	**51,132**
Retained earnings and other reserves	132,741	122,228	**158,598**
Minority interests	8,528	9,484	**9,706**
Total equity	195,162	182,844	**219,436**
Total equity and liabilities	363,818	372,747	**396,632**

Consolidated Income Statement

for the period from January 1 to December 31, 2009

in € ’000

	2007	2008	**2009**
Net sales	346,016	410,262	**433,210**
Cost of sales	-138,051	-177,343	**-183,495**
Gross profit	207,965	232,919	**249,715**
Sales and marketing expenses	-89,634	-99,564	**-108,771**
Research and development expenses	-19,861	-24,123	**-23,876**
Administrative expenses	-32,641	-37,549	**-39,134**
Operating profit	65,829	71,683	**77,934**
Other income	-220	3,644	**-2,188**
Amortization of intangible assets from investment activities	-3,103	-3,421	**-3,583**
Income from operations (EBIT)	62,506	71,906	**72,163**
Financial result	2,484	-324	**-62**
Share of profit of associates	0	0	**34**
Income before tax	64,990	71,582	**72,135**
Income taxes	-25,848	-25,876	**-23,038**
Net income	39,142	45,706	**49,097**
Thereof attributable to			
Equity holders of the parent	38,129	44,561	**47,817**
Minority interests	1,013	1,145	**1,280**

Consolidated Cash Flow Statement

for the period from January 1 to December 31, 2009

in € ’000

	2007	2008	**2009**
Cash flow	60,913	62,771	**69,810**
Changes in short-term assets and liabilities	-12,996	-20,641	**1,966**
Net cash provided by operating activities	47,917	42,130	**71,776**
Net cash used in investing activities	-97,657	-19,704	**-17,577**
Net cash used in financing activities	-9,969	-47,927	**-25,462**
Effects of changes in exchange rates on cash	-2,326	84	**38**
Net change in cash and cash equivalents	-62,035	-25,417	**28,775**
Cash and cash equivalents			
Beginning of year	102,311	40,276	**14,859**
End of year	40,276	14,859	**43,634**

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 in fiscal 2009 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 four meetings in fiscal 2009.

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 GmbH Wirtschaftsprüfungsgesellschaft Stuttgart, Hamburg office. 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, and 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.

In fiscal year 2009, the Audit Committee obtained information about the Internal Audit Department's activities in particular and analyzed the interim reports. In addition, the Audit Committee reviewed the annual financial statements and management report, the consolidated annual financial statements, and group management report of Eppendorf AG, and recommended that the Supervisory Board approve both the annual financial statements and the consolidated annual financial statements.

The auditor informed the Supervisory Board of the key findings of its audit. The Supervisory Board concurred with the audit result and the Audit Committee's review, 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 employees of the Eppendorf Group for their dedicated efforts and successful work for the company in fiscal 2009.

Hamburg, April 12, 2010

Adrian Déteindre
Chairman of the Supervisory Board

Boards and Committees

Supervisory Board

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Chairman

Ernst Arp
Vice Chairman

Hans Hinz

Prof. Rolf D. Schmid

Marlis Kripke
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, 2009

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