



# Success through Competence

Annual Report 2010

Liquid

Sample

Cell

**eppendorf**

## Key Financials (IFRS)

		2006	2007	2008	2009	2010	Change in %
Total net sales	€ '000	314,476	346,016	410,262	433,210	483,967	+11.7
North/Latin America	%	48.0	43.6	41.9	42.0	41.7	
Europe	%	37.2	39.5	41.0	38.0	36.9	
Asia/Pacific/Africa	%	14.8	16.9	17.1	20.0	21.4	
Operating profit	€ '000	51,572	65,829	71,683	77,934	93,594	+20.1
Operating profit	%	16.4	19.0	17.5	18.0	19.4	
EBIT	€ '000	73,175	62,506	71,906	72,163	85,960	+19.1
EBIT margin	%	23.3	18.1	17.5	16.7	17.8	
Net income	€ '000	46,170	39,142	45,706	49,097	59,307	+20.8
Net income	%	14.7	11.3	11.1	11.3	12.3	
Cash flow	€ '000	49,265	60,913	62,771	69,810	79,507	+13.9
Equity ratio <sup>1</sup>	%	54.9	53.7	49.1	55.3	58.0	
Total assets	€ '000	312,849	363,818	372,747	396,632	471,882	+19.0
R&D expenses	€ '000	18,445	19,861	24,123	23,876	23,950	+0.3
Earnings per share	€	0.84	0.71	0.85	0.94	1.14	+21.3
Number of employees, annual average		1,838	2,036	2,448	2,490	2,575	+3.4

<sup>1</sup> Incl. non-controlling interests

# Eppendorf Core Competences in the Life Science Laboratory

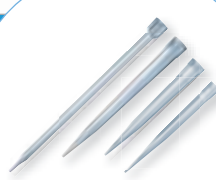
## Liquid Handling



Manual pipettes



Electronic pipettes



Pipette tips



Pipette calibration

## Cell Handling



CO<sub>2</sub> incubators



Biological shakers



Micromanipulators



Microinjectors

## Sample Handling



Centrifuges



Mixers



Vacuum concentrators



PCR thermocyclers

### Industrial research and application

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



Automated pipetting



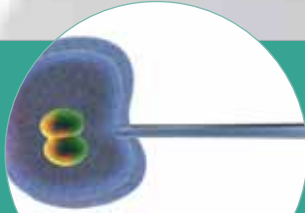
Dispensers



Combitips®



Bottle-top dispensers



Microcapillaries



Electroporators



Micro fusion chambers



Fermentors/  
bioreactors



Ultra-low temperature  
freezers



Photometers  
and cuvettes



PCR and  
deepwell plates



Test tubes

#### Academic research

- Enhancing the scientific knowledge base for fundamental research

#### Governmental labs

- Reliable diagnostics
- Efficient testing and supervision
- Forensic evidence



Klaus Fink,  
Chairman of the Management Board

*Ladies and Gentlemen,*

The after-effects of the turmoil of the 2009 crisis in the financial sector can still be felt. Although the global economy was not yet back on a firm footing in 2010, Eppendorf saw yet another successful year. By industry standards, we are among the top companies. An economic recovery in Europe and the US and strong growth in Asia contributed to our successful business performance in 2010.

An inquiry into the real reasons for our business success in difficult times will, however, reveal the following focal points: Eppendorf's position as a premium brand in the life science industry, our customers, the quality of our products and the competence of our employees. These four topics will be examined in more detail in this report, as they demonstrate how the coordinated interplay of various competences enables lasting success.

The publication of our annual report provides a good opportunity to thank everybody who has contributed to this success. This applies especially to our employees. Their commitment and know-how have played a key role in strengthening the Eppendorf premium brand. Thanks are also due to our Scientific Advisory Committee. Its members draw on their outstanding expertise to assist us in gaining an unbiased view of the directions in which science is moving. Our customers and our business partners are the basis of our favorable results and thus deserve our special appreciation. Last but certainly not least, I would also like to thank our shareholders, who enable us to act as a successful, independent, and strong player in our markets around the world.

I wish us all a continuation of our sound and successful cooperation, which helps us achieve the goal pursued by Eppendorf's two founders, Dr. Hans Hinz and Dr. Heinrich Netheler: to improve human living conditions.

Yours sincerely,

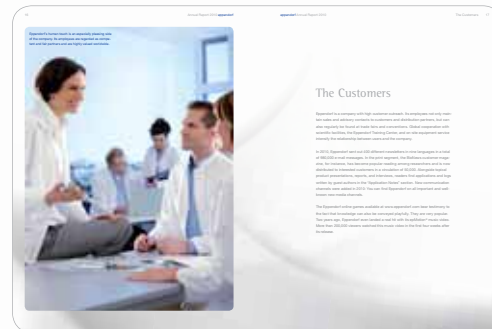
*Klaus Fink*

Chairman of the Management Board

# Success through Competence



**12** High quality, an excellent image and comprehensive services – Eppendorf is a **premium brand** in the life science industry.



**16** Modern by tradition – Eppendorf combines many years of experience with state-of-the-art science to the benefit of its **customers**.



**20** Knowing what scientists need – monitoring the **market** and responding to its requirements is one of Eppendorf's success factors.



**24** **Quality** as a central theme – Eppendorf sets the highest standards in development, production, and service.

## Profile

Liquid handling, cell handling, and sample handling – Eppendorf is a life science company that develops, produces, and distributes systems for use in 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 is a provider of automated devices for liquid handling, ultra-low temperature freezers, fermentors, CO<sub>2</sub> incubators, DNA amplification equipment, and cell manipulation systems.

Eppendorf products are aimed at academic and commercial research institutes as well as companies from the pharmaceutical and diagnostics industries. They are also used in other areas in which biotechnological research, production, or analysis are carried out.

## Contents

1	Foreword by the CEO
2	Overview
4	Eppendorf Core Competences
6	Liquid Handling
8	Cell Handling
10	Sample Handling
12	The Brand
16	The Customers
20	The Market
24	The Quality
28	Management Board
30	Interview with the Management Board
34	Report on the Financial Situation
42	Consolidated Financial Statements
46	Locations
48	Report of the Supervisory Board Boards and Committees





# Success Has Many Good Reasons!

Eppendorf sets the standard in the life science industry.

Understanding and enhancing life – with the help of Eppendorf products. In academic and commercial biotechnology research laboratories, our products help to gain more insights into molecular biological processes, monitor environmental laws, and combat diseases such as AIDS, cancer, or malaria more effectively. Eppendorf provides products and systems for the application areas of liquid handling, cell handling, and sample handling.

There are numerous reasons for the company's many years of success and excellent image. However, four factors form the cornerstone of this success:

**The brand.** Eppendorf is a premium brand. From reliability and durability to frequently award-winning designs to top-notch service – Eppendorf products and services are standard setters in the life science industry. Their positive image is enhanced further by measures such as the epGreen® sustainability initiative.

**The customers.** In its customer relationships, Eppendorf attaches great importance to communications – regular, direct contacts, clearly targeted exchange of electronic information, customer magazines, training courses, and participation in trade fairs and conventions. The PhysioCare Concept, our epPoints program for regular customers, and a wide variety of product services such as calibration and

certification further enhance customer proximity and customer retention at Eppendorf.

**The market.** Eppendorf is very close to its markets and carefully monitors technologies and trends in the life science industry – in terms of content and regional characteristics. Close contacts to researchers via our Scientific Advisory Committee, cooperation with research facilities, and the Eppendorf Awards conferred on scientific talent are helpful in this respect. The insights deepened through these channels are used in new product development.

**The quality.** Excellent design, reliability, safety, ease-of-use, and exemplary service – no matter what the area, Eppendorf provides the quality laboratories worldwide expect from a premium brand. The company banks on the qualifications of its employees and provides individual development opportunities permitting continuous enhancement of its high quality standards.



The three core competences reflect Eppendorf's success – one to one.



Manual pipettes  
Electronic pipettes  
Dispensers  
Automated pipetting systems  
Pipette tips  
Combitips®  
Calibration software  
Burettes  
epServices



CO<sub>2</sub> incubators  
Biological shakers  
Micromanipulators  
Microinjectors  
Microcapillaries  
Electroporators  
Electroporation cuvettes  
Cell fusion chambers  
Fermentors/bioreactors  
epServices



Centrifuges  
Vacuum concentrators  
Thermomixers  
PCR instruments and consumables  
Ultra-low temperature freezers  
Photometers  
Eppendorf tubes® and plates  
Disposable cuvettes  
epServices

# Experience, Quality, and Ergonomic Design for Liquid Handling

## Core competence: Liquid Handling



Eppendorf can look back on more than 50 years of experience in liquid handling. The company provides scientific laboratories with tools for manual and automated dispensing and liquid transfer that distinguish themselves through maximum precision, ensuring highly reliable results. Product offerings range from manual pipettes to electronic pipettes, dispensers, and burettes to automated pipetting systems. This high-quality equipment is supplemented by suitable consumables. The Eppendorf pipette tip and Combitip range comprises a wide variety of standards for certified purity and makes a major contribution to user-friendly liquid handling in the laboratory. The high quality and safety in liquid handling epitomized by the Eppendorf name is further enhanced by the PhysioCare Concept: pipette design takes users' entire motor functions into account, not only their hands'.



Manual pipette  
**Research plus**



Pipette tip  
**epT.I.P.S.®**



Automated pipetting  
system **epMotion® 5075**



## Errors excluded – thanks to epMotion®...

epMotion® automates important pipetting processes in the laboratory, making them fast, precise, and reproducible. This facilitates routine tasks and prevents errors. Typical areas of application of the automated pipetting systems of the epMotion® series are sample and reagent transfer, nucleic acid extraction, and assay set-up. The epMotion® series offers five models and two different sizes and can be combined with various pipetting decks and accessories.

# Competence and Innovation for Cell Research

## Core competence: Cell Handling



Eppendorf ranks among the pioneers in the development of research instruments for cell handling. It was one of the first companies to offer devices for cell microinjection as far back as the 1980s. At the time, Eppendorf development engineers worked in close cooperation with research scientists to develop such novel products. Since then, great progress has been made in the area of micromanipulation and electroporation – while researchers and Eppendorf have continued their close cooperation. In 2007, Eppendorf expanded its original cell handling competence with the acquisition of New Brunswick Scientific. This company develops and produces innovative devices for bacterial and cell culture as well as sample storage. New Brunswick products are used in biotechnology, pharmaceutical, environmental, food, and cosmetics industries. The Eppendorf Group offers CO<sub>2</sub> incubators, biological shakers, micromanipulators, microinjectors, bioreactors, fermentors, and other sophisticated devices, as well as suitable consumables.



Cell electroporator  
**Eporator®**



Micromanipulator  
**InjectMan® NI 2**



Incubation shaker  
**Innova® 44**



## Shake as needed...

To save space, Innova® 44 shakers can be stacked up to three units high. The front door glides up to further minimize space requirements. A slide-out platform allows for easier access to all sample containers. In addition, the Innova® 44 incubation shaker offers many further automation options. For example, temperature settings, revolutions per minute, and other parameters are changed automatically at preselected intervals.

# Experienced in Handling Valuable Samples

## Core competence: Sample Handling



In the area of sample handling, Eppendorf's range includes devices for centrifugation, heating, freezing, mixing, amplification, and photometry. Here, too, the company can build on many years of experience – Eppendorf presented the first photometer suitable for clinical routine testing in 1950 and developed the first microcentrifuge in 1964. Then, as now, the company positioned itself as a technology leader. The BioPhotometer plus™ is a laboratory favorite and the result of a continuous innovation process to optimize user-friendliness. The Mastercycler® pro is another milestone. With this fast and reliable instrument for polymerase chain reaction (PCR), familiar problems such as inhomogeneous temperatures and evaporation, which can lead to unreliable results, can be safely excluded. A further important product group is consumables for sample handling. The best-known consumable is the Eppendorf tube®, fondly referred to as “Eppi” by users worldwide. In addition, the company offers reaction plates, disposable cuvettes, and consumables for PCR.



Thermocycler  
**Mastercycler® pro**



PCR  
reaction plate



Centrifuge 5702 R



## Releases samples automatically...

The Eppendorf Centrifuge 5702 R can be found in virtually all biological research facilities and clinical or cell culture laboratories. The large selection of different rotors permits use of almost all vessels. Users also appreciate the very compact design and the extremely quiet operation of the Eppendorf Centrifuge 5702 R, which do not disturb the work environment. A further benefit is automated lid opening at the end of a centrifugation run.



# The Premium Brand

Many users around the world rely on Eppendorf products. The company's customer base includes small and large, academic and commercial research facilities. Eppendorf products can be found in research laboratories worldwide, in governmental control and supervisory authorities, and even in the International Space Station (ISS). The high appreciation of the Eppendorf brand is to a large extent based on reliable fulfillment of critical requirements in complex experiments.

An excellent image, powerful marketing and sales structures, and a high market share are the distinguishing features of the Eppendorf premium brand. In addition, the company is a technology leader in many areas. This is also reflected in over 450 proprietary patents. To fulfill its own high standards, Eppendorf attaches just as much importance to service excellence as it does to design, for which it has received many awards.

In the markets, the "premium" label has long contributed to Eppendorf's success. The precision, reliability, and safety of our products enable our customers to support their scientific insights with sound measuring results. This is also the reason why the Eppendorf brand is so well known: in a survey among scientists conducted two years ago, the renowned US-based *Science*® magazine found that Eppendorf is the best-known pipette manufacturer in the world.

For those who relive the company's history at "Forum Eppendorf," one thing is clear: Eppendorf was a premium brand long before this term was even in use.



## Efficient use of resources

A company striving to improve human living conditions must also address the issues of ecology and sustainability ...

Eppendorf's contribution to environmental protection relies on sustainability throughout the entire product life cycle: from product idea to manufacturing, shipping, use, and maintenance to disposal of old devices. The ultra-low temperature freezers of our New Brunswick subsidiary, for instance, are among the most energy-efficient devices of their kind. In addition, a special focus is placed on the production process, the aim being to keep its material and energy consumption as low as possible.



## International recognition

Good design pays off. The proverbial "Eppendorf design" not only contributes to the company's success, but has also won awards. In 2010 alone, Eppendorf received as many as four: the Golden Pin award, the "red dot: best of the best" award, the GOOD DESIGN™ award, and the iF product design award.



## Living the brand

Eppendorf's brand communications have long been aligned with its high-quality brand profile. The aim is to firmly establish its brand value in the research community's awareness and enhance this position in a lasting and sustainable manner. The first step in this process is to communicate the value of the Eppendorf brand to our own employees, who then pass this message on to the outside world through their close contacts to the research community. Many researchers are valuable multipliers for the Eppendorf brand.

## Brand benefits and trust

Customers do not buy attributes, but relevant benefits. Eppendorf products offer a wide variety of benefits resulting from their quality, precision, reliability, safety, and ease of use. In addition, Eppendorf offers a strong and important psychosocial benefit: customers feel that they are "in good hands" – also thanks to the company's excellent after-sales service – and thus develop brand loyalty.



# Eppendorf is a Convincing Brand

Some 800 fatalities, 8,000 infected persons, and a previously unknown coronavirus that causes Severe Acute Respiratory Syndrome – that was SARS in 2002. Today, it is still unclear how the virus is transmitted. Jan Felix Drexler, PhD, who works as a SARS researcher at the Institute for Virology of the Bonn University Hospital, is currently investigating a SARS-related virus found in the blood of bats in Bulgaria. In his work, he relies on Eppendorf products:

“We are familiar with, and convinced of, the quality of the Eppendorf brand. The Eppendorf cyclers are one of my personal favorites. The silver blocks are fast and very durable. What is more, quality and ease-of-use are outstanding hallmarks of these cyclers. We also work with Eppendorf pipettes here in the laboratory and have many years of experience in their use. They have a softer pressure point than other pipettes. This has convinced us and facilitates our work. In addition, we have Eppendorf centrifuges in our laboratory. I personally like the way the lid opens automatically when centrifugation is completed.”



**Jan Felix Drexler, PhD**  
SARS researcher at the  
Institute for Virology of the  
Bonn University Hospital



Eppendorf's human touch is an especially pleasing side of the company. Its employees are regarded as competent and fair partners and are highly valued worldwide.



# The Customers

Eppendorf is a company with high customer outreach. Its employees not only maintain sales and advisory contacts to customers and distribution partners, but can also regularly be found at trade fairs and conventions. Global cooperation with scientific facilities, the Eppendorf Training Center, and on-site equipment service intensify the relationship between users and the company.

In 2010, Eppendorf sent out 400 different newsletters in nine languages in a total of 980,000 e-mail messages. In the print segment, the BioNews customer magazine, for instance, has become popular reading among researchers and is now distributed to interested customers in a circulation of 50,000. Alongside topical product presentations, reports, and interviews, readers find applications and logs written by guest authors in the "Application Notes" section. New communication channels were added in 2010: You can find Eppendorf on all important and well-known new media channels.

The Eppendorf online games available at [www.eppendorf.com](http://www.eppendorf.com) bear testimony to the fact that knowledge can also be conveyed playfully. They are very popular. Two years ago, Eppendorf even landed a real hit with its epMotion® music video. More than 200,000 viewers watched this music video in the first four weeks after its release.

## People are our reference point

An important Eppendorf development aimed at facilitating users' work is the PhysioCare Concept, a new standard for integrated liquid handling systems and work processes. This standard also takes account of physiological and motor functions and their interaction with work routines and environments. This approach is based on the following principle: "People are the reference point of all pipettes – and not only their hands."

## Product development based on in-the-field experience

Customers provide some of the most important inputs for Eppendorf. Transforming their needs and ideas into products is a routine task for the company's development teams. The interfaces between customers and developers are diverse, ranging from sales teams to the Scientific Advisory Committee to the new communication channels, i.e., the electronic "social media."

## Satisfaction as a driver of success

Eppendorf's long-standing success is a reflection of the satisfaction of its customers, and the reasons are the same, whether in Europe, Asia, or America: long-lasting products, reliable results, user-friendliness, and excellent service – supported by highly qualified Eppendorf employees, who have the expertise required to address laboratory researchers "at eye level" and provide them with advice.

## Added value through excellent service

- Application support
- Support & service
- Training
- Operational qualification (IQ/OQ)
- Calibration and validation



**epServices**  
for premium performance

## Premium support from a premium brand

Eppendorf pipettes, automated liquid handling systems, centrifuges, and thermocyclers are high-precision instruments requiring maintenance and calibration at regular intervals. Eppendorf's epServices are geared to the various products and perform this task. This ensures reliable and safe user operation – worldwide.





## Competence through Qualification

**René Larsen is a service engineer at Nordic Service Group in Denmark. The company installs, repairs, and maintains laboratory instruments on behalf of laboratories, hospitals, and industry. René Larsen uses a wide variety of Eppendorf products in his everyday work, including centrifuges, epMotion®, pipettes, PCR instruments, and BioPhotometers. Last year, he attended a service course at Eppendorf in Hamburg:**

“The course was quite challenging, but I completed it successfully and found it enjoyable, too. There was a good mix between theory and hands-on experience, especially since the trainers’ methodological and technical expertise was excellent. Pipetting and BioPhotometer handling were completely new skills for me. What I find especially positive is the fact that you are not left to your own devices after the course either. Even today, I can contact the trainers by phone or e-mail whenever I have a question. I can really recommend the Eppendorf training.”

**René Larsen**  
Service Engineer at  
Nordic Service Group  
in Denmark

# The Market

The life science market is in a constant state of flux. Research areas and procedures are changing, placing new requirements on products and systems. Research that used to be conducted solely at the molecular level, for instance, is increasingly being replaced by approaches in which the cell itself is used as a “research vessel.” Chemical and environmental technologies are also making visible progress. Automation and miniaturization are gaining further ground – the smaller the reagent volume required, the cheaper the test series. And hundreds of screening data can now be analyzed concurrently from minute quantities of sample material. The focus of research activities has shifted from the individual experiments of the past to mass tests frequently requiring analysis of large numbers of samples. With epMotion®, Eppendorf provides an automated system that carries out many routine work processes precisely and rapidly, without the risk of human errors.

Ever-increasing speed is a further requirement of global life science research – not least because the number of samples and tests is growing rapidly. Here, too, Eppendorf offers solutions, such as microcentrifuges that work with an acceleration of more than 30,000 g and thus rank among the fastest devices of their kind in the market. The demand for ever-smaller sample sizes and shorter analysis times must not affect the reproducibility of tests – the latter is a basic prerequisite of reliable results. Eppendorf’s technology leadership, vast know-how, and intensive quality controls ensure that its customers’ tests meet the most sophisticated standards and can be performed under uniform conditions.

Eppendorf products are developed in cooperation with the market, because they are developed for the market.



## Around the globe

Eppendorf products and systems are used worldwide in academic and industrial laboratories, hospitals, and government institutions, all of which attach great importance to the quality of analytical results. With 33 subsidiaries in 21 countries, Eppendorf is close to its customers in all major markets.

## Success through competence

Eppendorf numbers among the technology leaders in the life science industry. The company is the global market leader in products and systems for liquid handling, microcentrifuges, and mixers. In cell handling and sample handling, Eppendorf products always take top positions when compared with the competition.

## Identify & realize potentials

Eppendorf grows in tandem with its markets – at breathtaking speed, as illustrated by the example of China. Since 2006, the company's workforce in China has expanded by an average of approximately 20 percent – per year. Sales have not only kept up, but even exceeded this pace: they have grown by an average of more than 30 percent per year.

## Supporting our future

With its “Eppendorf Award for Young European Investigators” and “Eppendorf & *Science* Prize for Neurobiology,” Eppendorf supports the best young scientists and, hence, future opinion leaders in the research community.

### Eppendorf Award for Young European Investigators

The Eppendorf Award for Young European Investigators, which comes with a cash prize of €15,000, has been awarded every year since 1995. This award honors outstanding achievements and new analytical approaches in the field of biomedical research that apply molecular biology methods. Since 1998, the award has been conferred in partnership with the scientific journal *Nature*.

### Eppendorf & *Science* Prize for Neurobiology

The Eppendorf & *Science* Prize for Neurobiology, which involves a cash prize of US\$25,000, is awarded annually at the international level. It is intended to encourage young scientists who have made outstanding contributions to neurobiological research that are based on molecular and cell biology methods. An independent scientific jury, chaired by the editor-in-chief of *Science* magazine, selects the winner.



## Combined Knowledge – Bundled Competence

**Eppendorf's Scientific Advisory Committee is a team of selected high-profile scientists covering the areas of medical diagnostics, analytical biotechnology, stem cell research, cell culture technology, nutrition research, as well as industrial and environmental biotechnology. Spokesman Prof. Rolf D. Schmid explains the role of the Scientific Advisory Committee:**

“We make our expertise of scientific and technological trends available to the company. We assess what's happening in the global competitive environment. In this process, we also play the role of sparring partners by discussing their new product ideas with the Eppendorf Management Board and employees. We keep up very close contacts: we meet once every six months and talk over the phone several times a month, e.g., when we attend conventions and obtain new information that might be important to Eppendorf. In addition, the company asks us to provide statements on very specific issues, often several times a month.”



**Prof. Rolf D. Schmid**  
Spokesman of the Scientific  
Advisory Committee



In scientific work you must be able to rely on your partners. Eppendorf products are used above all when top quality is crucial.



# The Quality

One of Eppendorf's success factors can be traced back to the high quality standards the company has set for itself – from its beginnings in the 1940s to the current day. Quality is defined for every single aspect: functionality, micromechanics and electronics, software design, housing design, plastics technology, product feel, handling, and service life. The devices must pass extensive tests before commencing operation in laboratories worldwide.

In the consumables segment, too, quality is of supreme importance. Eppendorf consumables are produced only from virgin polymers of the highest purity level. This raw material contains neither softeners nor biocides. The materials also comply with the high standards the US Food and Drug Administration has issued for food storage. All production steps are subject to end-to-end controls and documentation.

Employees' strong motivation and success in research and development is also showcased by the more than 650 inventions for which the company has filed patent applications. Technology, materials, knowledge, service, and employee qualifications reflect Eppendorf's high standards. In this context, smooth business processes are just as important as comprehensive knowledge of customer requirements with respect to product quality.



## Working efficiently with Eppendorf products

The quality of instruments and consumables plays an important role for successful scientific work. Many experiments in molecular biological or biochemical laboratories fail because of problems caused by aspects such as contamination. In its plastic products, Eppendorf provides the necessary purity level for every application: Eppendorf quality, PCR clean, or Biopur® – certified and free of contaminants. In many cases, samples are available only in very small quantities and must therefore be used sparingly, i.e., efficiently. Eppendorf LoBind® Tubes ensure that only extremely small sample quantities stick to the surface of the tubes. The ultra-low temperature freezers developed by Eppendorf's New Brunswick subsidiary, which ensure optimum freezing performance in combination with minimum energy consumption, are another example of high efficiency.

## Employee qualifications

### PROFILE

Competence Model, Performance Dialog, and Multi-Source Feedback – these are the three components of the "PROFILE" leadership development program implemented at Eppendorf three years ago. Among other things, "PROFILE" helps managerial staff achieve a uniform understanding of leadership and ensures a systematic approach for in-house succession planning.

### PEP program

Eppendorf is strongly committed to human-resource development. For this purpose, the company offers a human resource development program open to all employees, a development program for young leadership talent and the Eppendorf leadership program for managerial staff. This differentiation and a wide range of more than 70 different

courses and training programs allow all employees to avail themselves of training opportunities tailored to their specific needs.

### Wanted: the best of the best

Eppendorf's highly qualified and motivated employees are the basis of the company's business success. Its long growth path has also led to a steady increase in the number of employees. Eppendorf is sharpening its profile by means of employer branding in order to attract excellent staff in the future, too. This strategy above all addresses employees from areas other than the life science industry. Awareness of the brand is extended beyond the target group of scientists that has so far been the company's focus.

### Occupational health management

Eppendorf's goal of improving human living conditions also applies to its own workforce. Keeping its staff healthy is thus a high priority. Employees, managers, the company doctor, the Occupational Safety and Human Resources Departments, and the works councils cooperate closely. They all have one common goal: maintain and enhance employees' ability and willingness to achieve high performance levels, which is a key driver of the company's profitability and competitiveness.

## Quality in logistics

Quality is reflected not only in the product or service, but also in the way in which the logistic processes function. Thanks to an extensive network of warehouses, Eppendorf is in many countries able to deliver standard products on the day it receives an order or by the following day. Speed is one aspect, delivery of the correct products and order completeness are two others. It goes against the grain to speak of an "error rate" in connection with Eppendorf's logistic processes, considering that 99.99 percent of the items delivered in 2010 were in complete conformity with the order.

# Full Quality Assurance

**Ute Kowanz, PhD, graduated in chemistry and works as a project manager in consumables development at Eppendorf Polymere GmbH. Her three-year-old daughter Sarah plays and learns at the bilingual “Eppiland®” company childcare facility, while Ute works only a few meters away, taking care of matters such as quality assurance in the production of disposable plastic items for laboratory applications.**

“At Eppendorf, we consider full quality assurance to be of quintessential importance. The high degree of automation of our production processes is a typical example. This guarantees the high functional quality of our products, allowing us to also exclude contamination of our consumables. In addition, lot-specific inspections performed by an independent third-party institute ensure that we continuously fulfill our customers’ requirements with respect to the purity level of our products. One of our special services is Internet-based provision of inspection certificates for every lot delivered.”



**Ute Kowanz, PhD**  
Chemist and Consumables  
Development Project  
Manager at Eppendorf  
Polymere GmbH

**Dirk Ehlers**

Chief Corporate Development Officer,  
Master of Physics, PhD

**Michael Schroeder**

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

**Detmar Ammermann**

Chief Financial Officer,  
Master of Business Administration

“The basis of our success can be summed up in one word: competence.”

The Management Board of Eppendorf AG



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

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





## Good Employees and Good Leadership

Klaus Fink, Chairman of the Management Board of Eppendorf AG, talks about emerging markets, employee recruitment, and the reason why good design is a success factor for the company.

**The year 2009 was shaped by a severe global economic crisis. Eppendorf weathered this period well. Why was this the case? Did you have a magic formula or was it simply good luck?**

Neither the one nor the other. The reason why the company weathered the economic fluctuations of the past few years well lies in the fact that we were prepared for deteriorating markets. Let me cite one example: in Asia, we had already invested in our own distribution channels long before the big run started, which allowed us to generate above-average growth in these markets even during the crisis. This enabled us to more than offset weaker growth in our North American and European business. In 2010, global sales increased by 11.7 percent overall, and our operating profit went up by 20.1 percent.

**What developments do you expect in the markets where Eppendorf sells its products?**

In the last few years, we saw the strongest growth rates in Asia, and this will remain so going forward. In this context, China and India will continue to play the most important roles. In addition, up-and-coming emerging markets such as Malaysia, Indonesia, Thailand, and Vietnam promise sound growth rates. However, the biggest single market should not be forgotten either: North America. Sales will remain high here and also continue to grow, but at a somewhat slower pace. Compared to these markets, the outlook for Europe is cautiously positive.



Three years ago, Eppendorf became the sole shareholder of New Brunswick Scientific. Do you have plans for further acquisitions going forward?

The acquisition of New Brunswick was a picture-perfect process, because we are interested in companies operating in the same market and rounding off our product range. Such combinations create synergy effects. In the case of New Brunswick, we achieved our goal completely, not least because it has allowed us to bundle our well-established distribution channels. So much for a glance back at the New Brunswick deal, but let me now turn to your question: our industry is going through a dramatic consolidation process, and this is another reason why we continue to be on the lookout for suitable complementary acquisitions that promise to be as successful as New Brunswick.

You have just mentioned the fact that your sales organization was bundled successfully with that of New Brunswick. What are the next steps in the integration process?

The main focus will be on technology exchange. Our activities in the field of cell technology, which we operate at both sites, are a case in point. This is of course a very attractive perspective from a portfolio management viewpoint, because considerably closer alignment will also strengthen our position in the marketplace. To this end, we have launched streamlining projects in production, logistics projects, and joint trade fair appearances – all this is bringing us tangible competitive advantages, and we intend to continue to pursue this course.

“We continue to be on the lookout for suitable complementary acquisitions that promise to be as successful as New Brunswick.”



In 2010 alone, as many as four awards went to Hamburg: the Golden Pin award, the “red dot: best of the best” award, the GOOD DESIGN™ award, and the iF product design award. Why do you attach such great importance to good design?

It's true that we attach great importance to our appearance. Our corporate identity and corporate design are reflected everywhere, even in the colors of our buildings. We make substantial investments in the design of our products and also call in external designers in some instances. We felt confirmed in our approach by a study we commissioned in North America a while ago, in which our customers were asked why they bought Eppendorf products. The quality of the products was mentioned most frequently, but “Eppendorf design” ranked second. Without having conducted an investigation, we can safely assume that the ergonomic features of our devices play a role here, not only aesthetic aspects. It has certainly proved to be the right approach to devote as much attention to the look and feel of our products as to their technology. At trade fairs, I'm always pleased to see how the Eppendorf booth stands out from many of the other booths through its clear and uniform design.

Eppendorf gears its product range to the requirements of academic and commercial research laboratories. What role do the two awards play that the company confers every year?

The two Eppendorf awards attract a lot of international attention and play a key role. Virtually all winners of the Eppendorf Award for Young European Investigators went on to become professors, and we can entertain hopes that one of them might even win the Nobel Prize some day. Naturally, all of this contributes to a positive image that highlights our extremely close ties to scientists. A community has developed here, from which a panel of experts has now emerged that answers our questions concerning customer expectations with respect to new products and product improvements, or what the laboratory of the future will look like.

Your staff expands every year. For many positions, you need employees with excellent qualifications. How do you convince candidates to join Eppendorf?

Fortunately, we are still very well positioned in this respect. So far, we have had few problems finding the right employees. Our positive image plays a role here, as does our size. We are large enough to offer opportunities for promotion within the company, but still not so large that the



individual is lost in a sea of anonymity. And unlike startup companies, we also offer long-term security. The recruitment of good engineers has become somewhat more difficult, but we are not the only ones faced with this issue, which is due to the generally recognized “skilled-labor shortage,” especially in the engineering profession. Last year, we responded to the situation by designing an employer branding strategy aimed at presenting our positive image somewhat more visibly outside the core of our industry.

**Eppendorf employees prefer to stay with the company. At the same time, they have to keep abreast of the state of the art, especially in a company like Eppendorf. How do you help your staff achieve this goal?**

We rely on various training systems. Our human-resource development program fosters employees from day one, if possible on an individual basis. We offer cross-site training schools and programs, workshops and team development measures, leadership development programs, opportunities to attend conferences and lectures, and much more. In addition, we have a Scientific Advisory Committee consisting of renowned professors, who give us feedback and try to look into the future with us. Further input is provided by joint cooperation and projects with research facilities worldwide, which also ensure that our employees keep abreast of the current state of the art.

**You can look back on a very long and very successful career in the company. On May 1, you will switch to a new position – on the Supervisory Board. Is there any advice you would like to pass on to your successor?**

Markets have always been in a state of flux and will continue to be so. However, one thing is certain – and this may be a kind of “magic formula” after all, it has been our goal at all times to attract and retain employees with above-average qualifications and motivation and treat them with respect. Good employees and good leadership are the secret of success, and this will not change in the future either.



## Report on the Financial Situation of the Eppendorf Group

- Sustained sales growth
- Operating profit increased by 20.1 percent
- Asia gaining in significance

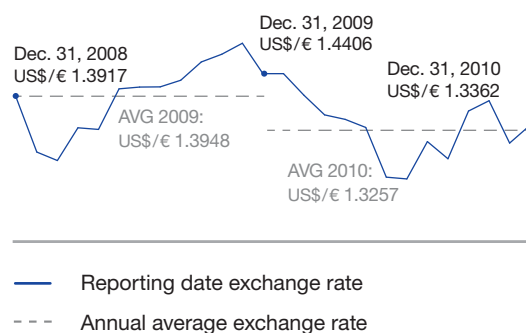
### Economic environment

In fiscal year 2010, the economy continued to recover from one of the most severe crises of the last fifty years. Overall, the upward trend was sustained throughout the entire year, with slightly stronger momentum in the first half. Government stimuli, introduced to combat the financial crisis, exerted a further stabilizing effect. Global industrial production attained its pre-crisis level of mid-2008 in August 2010.

The robust life science markets also benefited from the general improvement in the economic environment. Many companies took advantage of the positive climate to offset their crisis-induced declines.

The debt levels of a number of euro-zone countries gave rise to uncertainties in the financial markets. This resulted in a devaluation of the euro. Expansionary US monetary policy had an opposite effect on the US dollar exchange rate trend. On an annual average, the US dollar appreciated by 5 percent over the prior year.

#### Exchange rate fluctuations

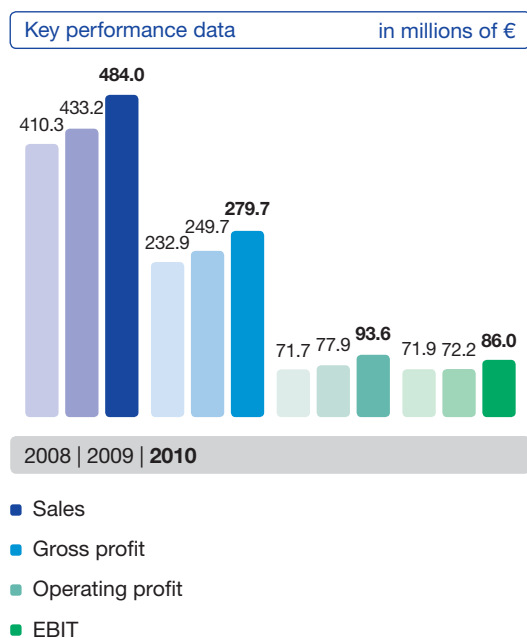


### Business trend

Building on the positive business performance of the previous year, we further strengthened our excellent market position and increased our operating profit by 20.1 percent.

Unlike many of our competitors, who suffered setbacks in 2009, we continued to increase our sales and operating profit despite the difficult market environment. In a multi-year comparison, we thus rank among the best players in the industry.

Fiscal year 2010 brought positive business performance in the US and Europe and comparatively strong growth in Asia.



## Strategy

We win our customers' confidence with innovative high-quality products and occupy leading positions in our product areas. We plan to safeguard our strong position in the global market in the future by steadily continuing our expansion, with a focus on rapidly growing and innovative segments of the life science markets. 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. Our core competences are the areas of liquid handling, sample handling, and cell handling.

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 has continued to see steady growth – and fiscal year 2010 was no exception.

After sales growth of 2.9 percent in the prior year, we posted an increase in sales of 7.5 percent in the year under review (adjusted for currency effects). With these numbers, we outperformed many of our competitors in the last two years.

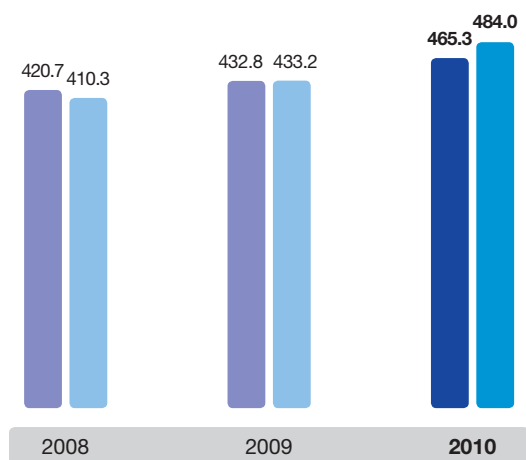
All major regions were characterized by sustained and favorable growth. In Europe, we benefited from the pick-up in cyclical activity

and posted sales growth of 7.6 percent adjusted for currency effects. We also succeeded in expanding our sales in North America – by 5.0 percent adjusted for currency effects. The Asian market recorded even stronger performance and again generated double-digit growth rates. Asia/Pacific/Africa now accounts for more than 20 percent of our sales.

Overall, consolidated sales increased by 11.7 percent to € 484.0 million (prior year: € 433.2 million).

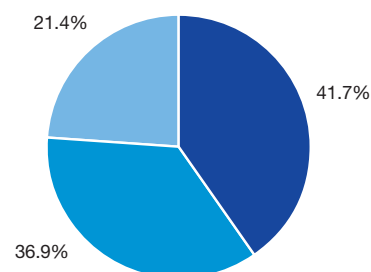
Sales growth

in millions of €



- At constant exchange rates (US\$ 1.40; JPY 135; GBP 0.85)
- At actual exchange rates

Sales by region 2010



in millions of €	2009	2010	%
■ North/Latin America	182.0	201.8	+10.9
■ Europe	164.7	178.5	+8.4
■ Asia/Pacific/Africa	86.5	103.7	+19.9
Total	433.2	484.0	+11.7

## Income situation

Key data income statement			in millions of €	
	2009	%	2010	%
Net sales	433.2	100.0	484.0	100.0
Cost of sales	-183.5	-42.4	-204.3	-42.2
Gross profit	249.7	57.6	279.7	57.8
Selling and marketing expenses	-108.8	-25.1	-118.8	-24.6
Research and development expenses	-23.9	-5.5	-24.0	-4.9
Administrative expenses	-39.1	-9.0	-43.3	-8.9
Operating profit	77.9	18.0	93.6	19.4
Other expenses/income	-5.7	-1.3	-7.6	-1.6
Income from operations (EBIT)	72.2	16.7	86.0	17.8

Gross profit increased by 12.0 percent to € 279.7 million (prior year: € 249.7 million). Accordingly, the gross profit margin stood at 57.8 percent (prior year: 57.6 percent).

Global presence through sales organizations that are close to the customer is a key success factor for our positive performance. In fiscal year 2010, we made further investments in our sales network to consistently strengthen our market position. The efficient expansion of our sales activities in southeast Asia and the gradual integration of the Eppendorf and New Brunswick sales organizations played a key role in this respect. Overall, we spent € 118.8 million (prior year: € 108.8 million) on sales and marketing activities.

Innovations are the driver of future growth. To realize these opportunities, we invested € 24.0 million (prior year: € 23.9 million) in research and development activities. We placed

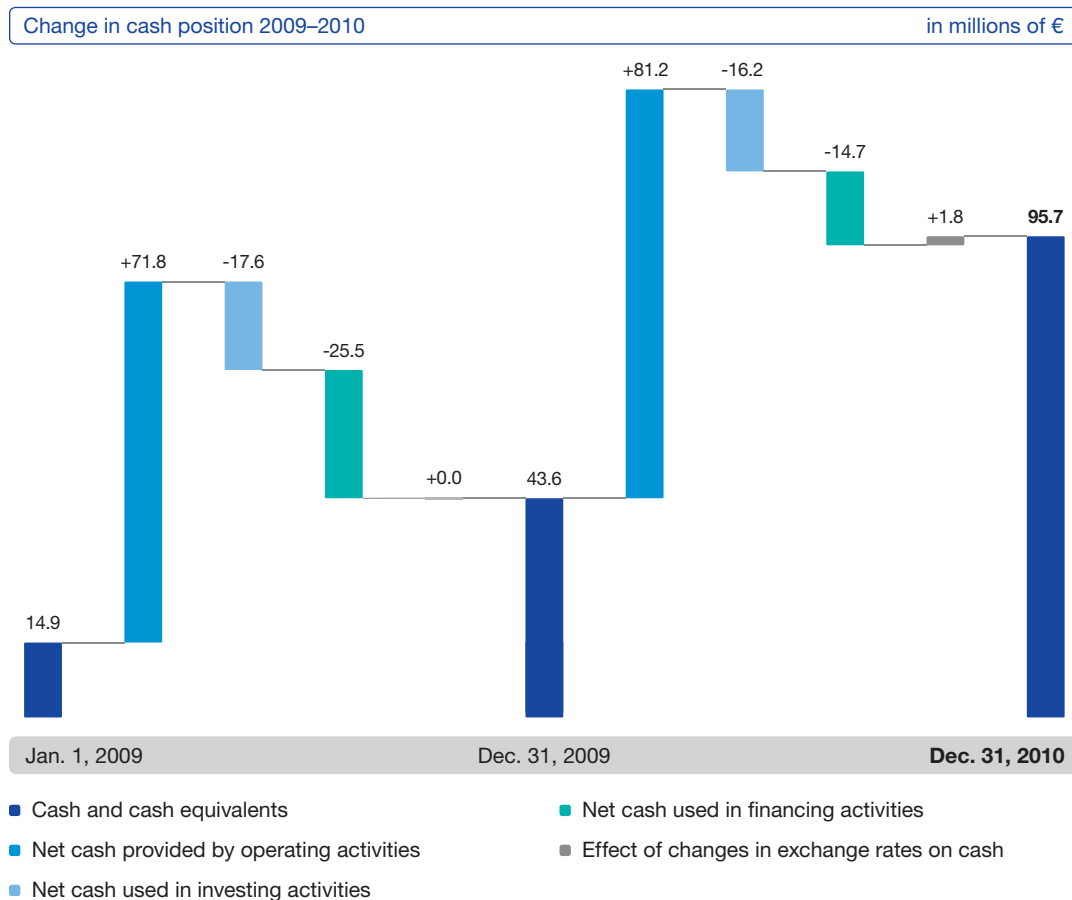
special emphasis on the development of new products to strengthen our core business and the ongoing optimization of our product portfolio.

The operating profit of € 93.6 million exceeded the prior-year figure by 20.1 percent. Return on sales increased from 18.0 to 19.4 percent.

The negative balance of other expenses/income of € 7.6 million mainly included amortization on intangible assets due to purchase price allocations (PPA) of € 3.7 million (prior year: € 3.6 million) and € 2.4 million for the termination of a pension plan in North America.

Income from operations (EBIT) was € 86.0 million in 2010 (prior year: € 72.2 million).

## Financial situation and capital expenditure



Excellent liquidity and high internal funding power have opened up new opportunities for future growth.

In 2010, our strong business performance and the slight US dollar appreciation resulted in an increase in gross cash flow by 13.9 percent to € 79.5 million (prior year: € 69.8 million). Due to targeted improvements in working capital, net cash provided by operating activities (net cash flow) increased to € 81.2 million (prior year: € 71.8 million).

Cash used in investing activities amounted to € 16.2 million in the fiscal year under review (prior year: € 17.6 million), with capital expenditure for property, plant, and equipment accounting for the largest share of this figure, namely € 15.7 million (prior year: € 16.2 million).

Overall, net bank deposits increased by € 52.1 million to € 95.7 million (prior year: € 43.6 million).



## Asset and capital structure

Assets		in millions of €		
	2009	%	2010	%
Cash and cash equivalents	43.6	11.0	95.7	20.3
Trade accounts receivable	73.5	18.5	84.0	17.8
Inventories	91.9	23.2	101.7	21.6
Property, plant, equipment, and intangible assets	75.7	19.1	76.5	16.2
Goodwill and intangible assets from equity investments	69.5	17.5	67.5	14.3
Investments in associates	0.4	0.1	3.6	0.8
Other assets	42.0	10.6	42.9	9.0
<b>Total assets</b>	<b>396.6</b>	<b>100.0</b>	<b>471.9</b>	<b>100.0</b>

Equity and liabilities		in millions of €		
	2009	%	2010	%
Short-term borrowings from banks	0.0	0.0	0.0	0.0
Trade accounts payable	15.8	4.0	17.7	3.8
Short-term provisions	36.5	9.2	47.3	10.0
Provisions for pensions	88.9	22.4	92.6	19.6
Other liabilities	36.0	9.1	40.5	8.6
<b>Total equity</b>	<b>219.4</b>	<b>55.3</b>	<b>273.8</b>	<b>58.0</b>
<b>Total equity and liabilities</b>	<b>396.6</b>	<b>100.0</b>	<b>471.9</b>	<b>100.0</b>

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 increased the value of the assets of the subsidiaries headquartered abroad by € 21.6 million, while liabilities went up by only € 4.6 million.

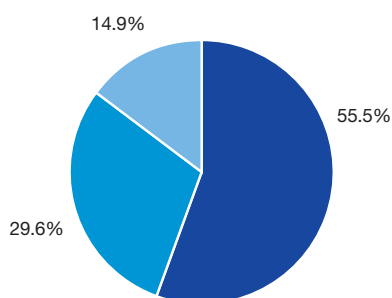
The growth-induced capital tie-up was offset by targeted operating measures aimed at working capital management. Overall, we succeeded in reducing our working capital by € 5.1 million.

We invested € 17.5 million in property, plant, equipment, and intangible assets in 2010 (prior year: € 17.6 million). Depreciation amounted to € 18.3 million (prior year: € 16.3 million).

Goodwill accounted for € 35.7 million (prior year: € 36.7 million) of the company's intangible assets from equity investments, and € 31.9 million (prior year: € 32.8 million) were attributable to acquired customer bases, brands, and technologies.

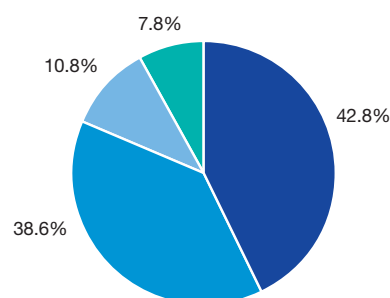
## Employees

Employees by region 2010 (average)



	2009	2010
■ Europe	1,395	<b>1,428</b>
■ North/Latin America	753	<b>762</b>
■ Asia/Pacific/Africa	342	<b>385</b>
<b>Total</b>	<b>2,490</b>	<b>2,575</b>

Employees by function 2010 (average)



	2009	2010
■ Sales and marketing	1,065	<b>1,102</b>
■ Manufacturing	961	<b>994</b>
■ Administration	267	<b>279</b>
■ Research and development	197	<b>200</b>
<b>Total</b>	<b>2,490</b>	<b>2,575</b>

Eppendorf has placed special importance on employee development for many years. To meet the increasing requirements in the life science sector, we are increasingly complementing our training and skills-acquisition programs with international employee exchanges.

In 2010, Eppendorf's workforce exceeded the mark of 2,600 for the first time. Job creation mainly focused on the areas of production and sales and marketing with a view to strengthening our core business.

At year-end 2010, the Eppendorf Group employed 2,622 persons worldwide (prior year: 2,502). A total of 1,443 persons worked for

the European companies, the majority of them (1,029) in Germany.

On an annual average, Eppendorf employed 2,575 employees (prior year: 2,490).

### 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. Reductions in their 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 global economy seems set to continue its recovery in 2011. However, we expect the rate of growth to differ from region to region.

For life science markets, we anticipate a similarly stable development to that of the past fiscal year. The established markets have traditionally grown at a lower pace than emerging markets such as China and India.

Overall, we are optimistic about our future performance. We are convinced that we will be able to further expand our market position and increase both sales and operating profit in fiscal years 2011 and 2012.

## 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, 2010

Assets	in € '000		
	2008	2009	2010
Cash and cash equivalents	14,859	43,634	95,651
Trade accounts receivable	71,928	73,487	84,038
Inventories	94,810	91,881	101,729
Other current assets	8,068	8,622	8,850
<b>Current assets</b>	<b>189,665</b>	<b>217,624</b>	<b>290,268</b>
Property, plant, equipment, and intangible assets	75,765	75,748	76,542
Goodwill and intangible assets from equity investments	75,085	69,523	67,542
Investments in associates	0	362	3,627
Other non-current assets	6,628	6,318	3,441
Deferred tax assets	25,604	27,057	30,462
<b>Non-current assets</b>	<b>183,082</b>	<b>179,008</b>	<b>181,614</b>
<b>Total assets</b>	<b>372,747</b>	<b>396,632</b>	<b>471,882</b>

Equity and liabilities			in € '000
	2008	2009	2010
Short-term borrowings from banks	13,337	0	0
Trade accounts payable	15,557	15,849	17,731
Provisions for income taxes	8,937	9,231	10,899
Other short-term provisions	36,909	36,459	47,299
Other current liabilities	6,931	8,402	11,983
<b>Current liabilities</b>	<b>81,671</b>	<b>69,941</b>	<b>87,912</b>
Provisions for pensions	87,390	88,851	92,612
Other non-current liabilities	218	1,012	1,029
Deferred tax liabilities	20,624	17,392	16,533
<b>Non-current liabilities</b>	<b>108,232</b>	<b>107,255</b>	<b>110,174</b>
Common stock	51,132	51,132	51,132
Retained earnings and other reserves	122,228	158,598	213,885
Non-controlling interests	9,484	9,706	8,779
<b>Total equity</b>	<b>182,844</b>	<b>219,436</b>	<b>273,796</b>
<b>Total equity and liabilities</b>	<b>372,747</b>	<b>396,632</b>	<b>471,882</b>

## Consolidated Income Statement

for the period from January 1 to December 31, 2010

in € '000

	2008	2009	2010
Net sales	410,262	433,210	483,967
Cost of sales	-177,343	-183,495	-204,296
Gross profit	232,919	249,715	279,671
Sales and marketing expenses	-99,564	-108,771	-118,834
Research and development expenses	-24,123	-23,876	-23,950
Administrative expenses	-37,549	-39,134	-43,293
Operating profit	71,683	77,934	93,594
Other income	3,644	-2,188	-3,889
Amortization of intangible assets from investment activities	-3,421	-3,583	-3,745
Income from operations (EBIT)	71,906	72,163	85,960
Financial result	-324	-62	174
Share of profit of associates	0	34	137
Income before tax	71,582	72,135	86,271
Income taxes	-25,876	-23,038	-26,964
Net income	45,706	49,097	59,307
Thereof attributable to			
Equity holders of the parent	44,561	47,817	58,100
Non-controlling interests	1,145	1,280	1,207



## Consolidated Cash Flow Statement

for the period from January 1 to December 31, 2010

in € '000

	2008	2009	2010
Cash flow	62,771	69,810	79,507
Changes in short-term assets and liabilities	-20,641	1,966	1,718
Net cash provided by operating activities	42,130	71,776	81,225
Net cash used in investing activities	-19,704	-17,577	-16,223
Net cash used in financing activities	-47,927	-25,462	-14,732
Effects of changes in exchange rates on cash	84	38	1,747
Net change in cash and cash equivalents	-25,417	28,775	52,017
Cash and cash equivalents			
Beginning of year	40,276	14,859	43,634
End of year	14,859	43,634	95,651

# International Presence



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

New Brunswick Scientific England Ltd.,  
Tollesbury/UK

New Brunswick Scientific Scotland 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,  
Nijmegen/Netherlands

New Brunswick Scientific NV/SA,  
Rotselaar/Belgium

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

Vaudaux-Eppendorf AG,  
Basel/Switzerland

America



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

Eppendorf Canada Ltd.,  
Toronto/Canada

Eppendorf do Brasil Ltda.,  
São Paulo/Brazil

Eppendorf North America, Inc.,  
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 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

Eppendorf Thailand Co., Ltd.,  
Bangkok/Thailand

As at: December 2010

- Head Office
- Competence Centers
- Sales Subsidiaries
- Centers of Excellence

## Report of the Supervisory Board

In the year under review, the Management Board of Eppendorf AG provided the Supervisory Board with regular, timely, and comprehensive information about the company's business performance and major business transactions. The Supervisory Board continuously monitored and advised the Management Board. The Chairman of the Supervisory Board was kept constantly informed by the Chairman of the Management Board and consulted in cases of doubt or far-reaching decisions. The key areas of interest at the meetings of the Supervisory Board in fiscal 2010 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 2010.

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. 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 2010, 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 Human Resources, Remuneration & Nomination Committee mainly dealt with the selection of a designated Chairman of the Management Board as successor to Mr. Klaus Fink. This will be Dr. Dirk Ehlers, who has been a member of the Management Board since October 1, 2010.

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 2010.

Special thanks are due to Mr. Klaus Fink for twenty-two years of extraordinarily successful work as Chief Executive Officer and Chairman of the Management Board. Mr. Fink will retire from the Management Board at the end of the Annual General Meeting on April 29, 2011.

After thirty years in the capacity of Vice Chairman of the Supervisory Board, Mr. Ernst Arp retired from office on June 24, 2010. We would like to thank Mr. Arp for his always constructive and far-sighted contributions to the supervisory bodies.

Hamburg, March 31, 2011



Adrian Déteindre  
Chairman of the Supervisory Board

# Boards and Committees

## Supervisory Board

**Adrian Déteindre**  
Chairman

**Ernst Arp**  
Vice Chairman  
until June 24, 2010

**Philipp von Loeper**  
Vice Chairman  
from June 24, 2010

**Hans Hinz**

**Marlis Kripke**  
Employee representative

**Prof. Rolf D. Schmid**

**Peter Schmidt**  
Employee representative

As at: December 31, 2010

## Management Board

**Klaus Fink**  
Chairman

**Detmar Ammermann**

**Dr. Dirk Ehlers**  
from October 1, 2010

**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**

## Credits

Concept, text, and design:  
**Kirchhoff Consult AG, Hamburg**

This report is also available in German.

AGB1039020

ClimatePartner   
**climate neutral  
print product**

CO2 emissions from this product have been  
offset with emission reduction certificates.  
Certificate Number: 587-53394-0311-1029  
[www.climatepartner.com](http://www.climatepartner.com)



Eppendorf AG · 22331 Hamburg · Germany · Phone +49 40 53801-0 · Fax +49 40 53801-556  
E-mail: [eppendorf@eppendorf.com](mailto:eppendorf@eppendorf.com) · Internet: [www.eppendorf.com](http://www.eppendorf.com)