



Experience. Development.
Growth.

Our Competence Areas in the Life Science Laboratory

Liquid Handling

-  Pipettes
-  Pipette tips
-  Automated liquid handling
-  Dispensers
-  Combitips®
-  Pipette controllers
-  Bottletop dispensers and burettes

Cell Handling

-  Fermentors and bioreactors
-  Single-use reactors
-  Cell culture and imaging consumables
-  CO₂ incubators
-  Biological shakers
-  Micromanipulators and injectors
-  Electroporators

Sample Handling

-  Centrifuges and vacuum concentrators
-  Rotors and accessories
-  Mixers and temperature control systems
-  Thermal cyclers
-  Photometers
-  Ultra-low temperature freezers
-  Multiwell plates
-  Sample prep tubes



Application Support

Our specialists advise you if you have application questions about Eppendorf instruments or consumables.



Seminars and Training

Expand your laboratory expertise in theory and practice.



Technical Support

Contact your local service organization with all your technical questions.



Maintenance and Certification Service

We offer services for maintenance, calibration, verification, Installation Qualification and Operational Qualification (IQ/OQ) and to meet your quality and legal requirements.

Key Financials

(IFRS)

		2012	2013	2014	2015	2016	+/- previous year
Total net sales	in € thousand	520,239	502,677	531,080	629,141	651,544	+3.6 %
North/South America	%	37.2	35.2	35.8	38.5	37.8	
Europe	%	38.1	39.9	40.5	36.7	35.7	
Asia/Pacific/Africa	%	24.7	24.9	23.7	24.8	26.5	
Operating profit	in € thousand	109,431	101,813	100,943	123,196	140,139	+13.8 %
Operating profit	%	21.0	20.3	19.0	19.6	21.5	
EBIT	in € thousand	101,543	93,768	95,658	119,256	139,619	+17.1 %
EBIT margin	%	19.5	18.7	18.0	19.0	21.4	
Net income ¹	in € thousand	70,582	67,461	65,746	80,835	96,265	+19.1 %
Net income ¹	%	13.6	13.4	12.4	12.8	14.8	
Cash flow	in € thousand	94,246	82,221	90,577	111,085	125,509	+13.0 %
Equity ratio ¹	%	60.3	63.6	60.8	65.2	63.2	
Total assets	in € thousand	601,617	630,006	716,784	810,877	846,465	+4.4 %
R&D expenses	in € thousand	27,500	28,177	29,369	31,911	34,787	+9.0 %
Earnings per share	in €	1.37	1.31	1.28	1.58	1.87	+18.4 %
Number of employees, annual average		2,650	2,798	2,880	2,969	3,029	+2.0 %

1 incl. non-controlling interests

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Annual Report 2016

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Foreword



Thomas Bachmann

President & Chief Executive Officer

Dr. Wilhelm Plüster

Chief Technology Officer

Detmar Ammermann

Vice Chairman of the
Management Board and
Chief Financial Officer

Dear ladies and gentlemen,

In 2016 we focused once again on further development and direction-setting for the company to ensure that the success story of Eppendorf continues. With Group sales of €651.5 million and sales growth of 4.8% when adjusted for currency effects, we once again ended the fiscal year on a positive note, achieving growth in line with the average industry rate of 4-5%. Thanks to a growth rate in the high single digits, the Asian market contributed significantly to this good result and was able to partially compensate for weaker growth in Europe and the United States. Furthermore, our service segment epServices and our OEM and customized solutions business also developed very positively in 2016.

At the 2016 Annual General Meeting, Klaus Fink stepped down after more than five years as Chairman of the Supervisory Board. Prior to this, he made a significant contribution to Eppendorf during his 22-year-tenure as the company's Chief Executive Officer, paving the way for its ongoing growth and current success. On its own behalf as well as that of the shareholding families, the Management Board would like to thank Klaus Fink very sincerely for his many years of service to the company and his legacy at Eppendorf. In early June, 2016, Philipp von Loeper was elected as Chairman of the Supervisory Board and Hans Hinz as Vice Chairman. On December 31, Hans Hinz left the Supervisory Board after serving it for 39 years. We thank him for his extraordinary long-term commitment to this Board and are very pleased that his son, Prof. Dr. Elmar Hinz, has been a new member of the Supervisory Board of Eppendorf AG since January 1, 2017. William A. Linton, Chairman and CEO of Promega Corporation, USA, was appointed to the Supervisory Board at the beginning of fiscal year 2017 as well. Sincere thanks for many years of valuable work also go to former board member Dr. Ralf Hermann, who left the Management Board of Eppendorf AG at the end of October.

In 2016, we once again worked on further extending our global presence. As part of our efforts to strategically expand our service business in the United Kingdom and Ireland, Eppendorf acquired Calibration Technology Ltd on November 1, 2016. After many years of close partnership, the company is now being managed as a wholly owned subsidiary of Eppendorf AG. In addition to improving our service and sales presence, we can also profit from Calibration Technology's good access to major industrial customers. Since early March, our colleagues from Eppendorf India Limited have been working at a new site in Chennai, India. The new premises include a show room, a state-of-the-art laboratory, training rooms, a calibration station and a pipette workshop. A warehouse with an adjoining private bond store enables the employees to send out goods to our customers even more quickly.

Other focal points this year were the ongoing expansion and further development of our product portfolio: With the successful launch of our Multipette®/Repeater® E3/E3x, we were able to offer our customers a new and innovative product in 2016 that was very well received by the market. Our Centrifuge 5920 R for the four-liter segment also got off to a smooth start. Together with the Rotor S-4×Universal-Large that was introduced in October, it enables our customers to centrifuge tubes and plates together – a significant advantage in terms of efficiency and enhanced performance in the laboratory. With our Eppendorf Storage Boxes and Eppendorf Tube Racks, we have expanded our system products in the area of sample handling and storage by adding suitable accessories for every need. Our Eppendorf Tubes® 5.0 mL system was extended with the introduction of a new screw cap tube. The new single-use bioreactors BioBLU® 3c and BioBLU 3f round off our portfolio for microbiological processes in the lab, thus strengthening our position as one of the leading bioprocess providers.

Beyond our product innovations, last year we also focused on communication as a way of creating added value for our customers' optimized daily work routines. One example is the online platform Eppendorf Handling Solutions, which provides scientific background reports, workflow solutions and application tips in the areas of liquid handling and cell handling. Sample handling will be added in 2017 to structurally complete the platform.

In past years as well, we have reported on the organizational changes we are making to optimize our structures and processes. These changes represent a continuous process that we will describe more closely in the first part of this Annual Report. Starting with our experience in the development and production of laboratory products, we will explain how we plan to drive forward the further development of our company together with our employees, and explore what will contribute to Eppendorf's future growth. Digitalization plays a big role here – not just in terms of our products, but also in the way customers can contact us. For instance, sales generated via eProcurement solutions almost doubled compared with last year.

Now more than ever, our customers' needs are the focal point of everything we do. It's our objective to respond uncompromisingly to these needs with first-class products, excellent service and a sound instinct for the requirements of tomorrow, and this objective provides us with orientation in times of change.

Due to extensive investments, we estimate that our operating profit in 2017 will remain at the same level as last year, with our sales growth slightly above the industry average. Our goal is to position Eppendorf to ensure profitable growth in the future, too. To reach this goal, we are investing in strategic projects that focus on research and development and on refining and extending our marketing strategies. We want to better tap and implement the opportunities offered by the market and drive forward innovation – together with our employees, whom we would like to thank for their commitment and dedication.

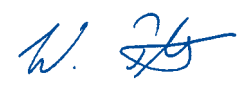
We also thank our customers for their trust in our company.



Thomas Bachmann



Detmar Ammermann



Dr. Wilhelm Plüster

Experience. Development. Growth.

»To wish to progress is
the largest part of progress.«

Lucius Annaeus Seneca

Experience. Development. Growth. We want to use this triad as a foundation to make the future of Eppendorf a success – for our customers, our employees, and to help improve human living conditions.

01

Experience.



02

Development.



03

Growth.

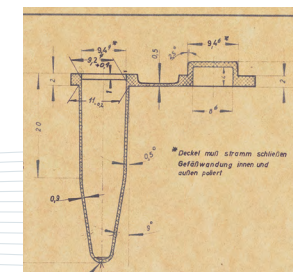


01 Experience.

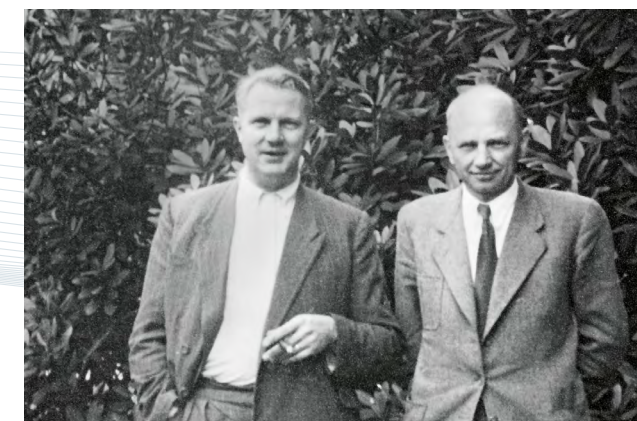
Eppendorf – A Successful, Family-Owned Company with a Long Tradition.



The first Eppi – “3810” – is launched on the market, revolutionizing daily laboratory routines.



Developmental stages of the first Eppendorf micropipettes in the 1960s.



Founders Dr. Hans Hinz and Dr. Heinrich Netheler placed a high value on the well-being of their employees and people in general. This guiding principle lives on in Eppendorf's mission to this day.

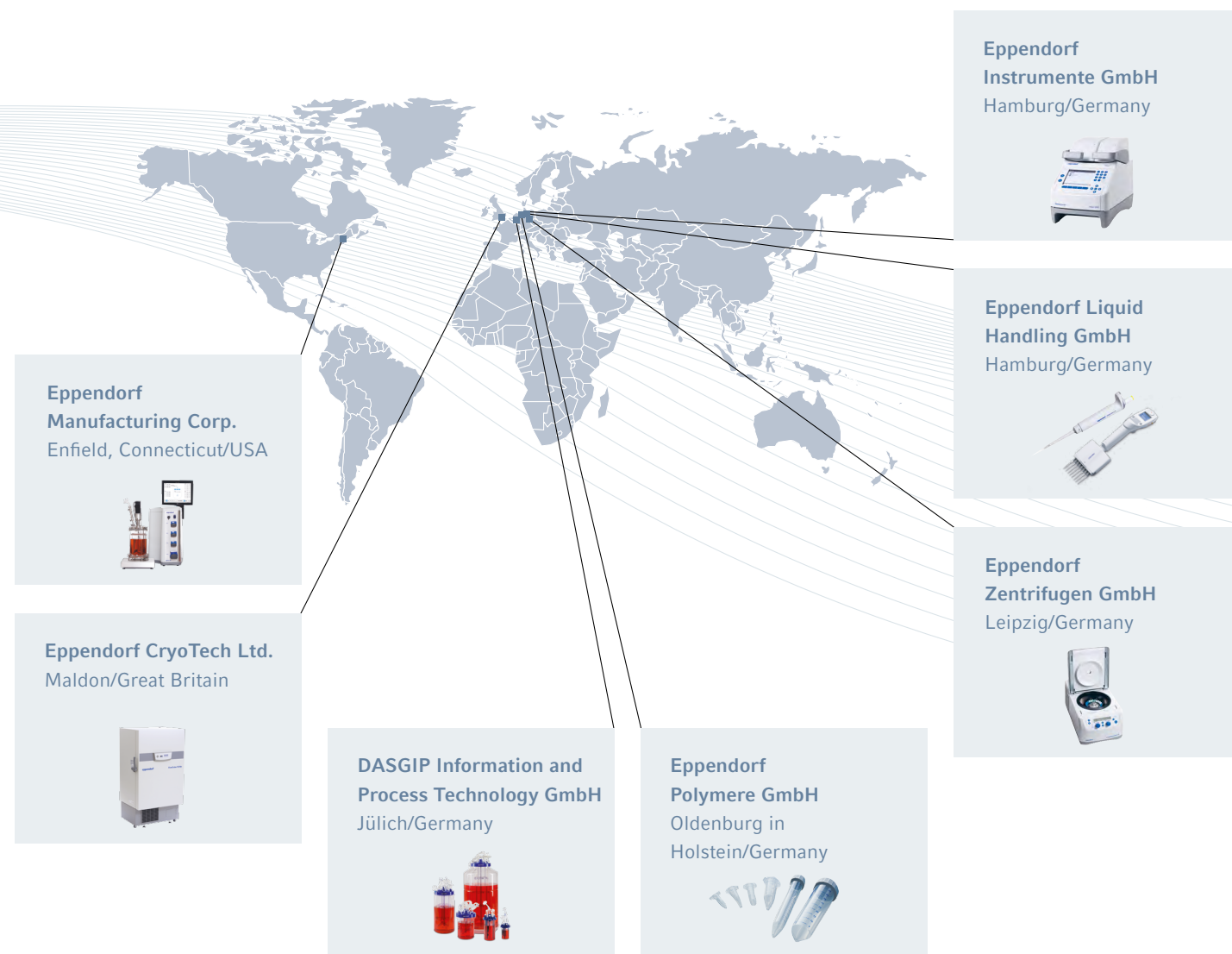
A look at the history of Eppendorf helps in understanding what has made the company so successful:

Eppendorf was founded in 1945 on the premises of the University Medical Center Hamburg-Eppendorf. The company initially focused on medical technology, but evolved into a laboratory equipment manufacturer in the 1960s. Success stories like the Eppendorf photometer or the microliter system, which made it possible to work with even the smallest sample amounts, helped the company become one of the leading manufacturers of laboratory equipment. By the mid-1970s, exports made up 30% of the company's sales: Eppendorf products were clearly popular outside Germany as well as domestically. As a result, the 1990s were characterized mainly by global expansion. Regional and local facilities were opened, and alliances formed with local dealers to simplify and accelerate access to the markets. Since then, Eppendorf has established itself as a reliable partner for laboratory products for customers throughout the world.

Our employees – a decisive success factor

Long-term success doubtless has many factors. One reason for the success of Eppendorf, however, is indisputable: its employees. The company's founding fathers valued them very highly, and that is still apparent today. Eppendorf is home to many experienced employees, often with long years of service to the company. Through its targeted promotion of expertise and continual further development, Eppendorf ensures that its employees are always in tune with the times and have the same level of knowledge around the world. This is made possible thanks to an internal eLearning platform, for example, but also through regular continuing education events, an open training plan for personal development, and external offers. By offering trainee positions in different disciplines, Eppendorf also ensures that it can select tomorrow's specialists and managers from its own ranks.

Our Competence Centers



Many years of know-how

If you want to deliver first-class products, you need the right technologies and production processes. At a total of six locations, most of them in Germany, Eppendorf develops, manufactures and inspects products using a wide range of different methods. Many engineering disciplines and technologies are necessary – from high-throughput injection molding for our consumables to manual assembly for our most complex devices.

Thanks to the use of 3D printers to develop and produce our own injection molding tools, a variety of manufacturing techniques can be employed in production, including CNC manufacturing. High-end testing technologies – such as three-dimensional balancing machines – are used for quality control. In addition, continuous investments in our machine parks and the ongoing optimization of assembly processes ensure trouble-free production of devices and consumables and enable new product solutions to be implemented quickly.

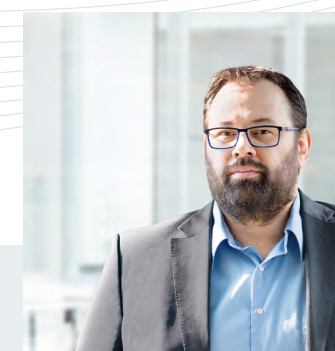
View of the centrifuge production facility in Leipzig, Germany



Our consumables production facility in Oldenburg in Holstein, Germany



The epMotion® 5075 from Eppendorf



»An epMotion 5075 from Eppendorf has been running five hours a day in our laboratory for over ten years. Since its installation in 2006, we have only needed one service visit. This makes the epMotion a very reliable aid in our day-to-day laboratory work.«

Dr. Ulrich Leinfelder,
Head of Quality Control,
ORGENTEC Diagnostika GmbH, Germany

»I was really surprised to see that the PCR machines were so lovingly put together by hand, more an engineering enterprise than a factory floor. At the other end of the scale, the plastics factory was almost complete automation. But even there the almost obsessive attention to quality was obvious – with most of the set-up dedicated to quality control.«

Adrian Liston (winner of the Eppendorf Award for Young European Investigators 2016) about the Eppendorf production facilities



reddot design award



One of the award-winning products from Eppendorf – the TransferMan®4r



Quality control plays an important role at Eppendorf.

To ensure that Eppendorf products are used correctly, we support our customers with practice-oriented user training.



Our standard: premium quality

Our customers expect the highest possible quality from Eppendorf. We use a holistic view of processes in the laboratory to develop application- and solution-oriented devices and consumables. We are proud that devices from Eppendorf can still be found in laboratories even when they have been out of production for a long time – because in addition to offering simple operation and maximum precision, our machines are also designed for a long service life. In line with the concept “design to performance”, our products have been continuously enhanced over past decades, receiving prizes such as the red dot design award®, the Good Design Award or the IF-Design Award. To this day, our product development focuses on ensuring that users can achieve reliable, reproducible results with the lowest possible effort. And we are always there to provide help and support to our customers, whether through user training, webinars and video tutorials, or personal advice from our service and field staff.

Satisfied customers and partners

Satisfied partners and long-term customer relationships that are based on trust are important to us. In 2016, Eppendorf was named “Company of the Year” by the SelectScience Reviewers’ Choice Awards™. This is very positive recognition of our day-to-day commitment, and confirmation of our aspiration to be a dependable partner with reliable products and extensive services. Cost-effectiveness plays an important role for our customers, too, whether they are from the world of research and science or from industry. They have high expectations of the performance and service life of Eppendorf products.

Establishment of a global organization

We want to be available to our customers everywhere. So today Eppendorf has a presence in every large market and sales representatives in more than thirty countries. In addition, we maintain good cooperations with local dealers so that our customers have access to Eppendorf

»Our ownership structure makes us independent and flexible, especially when it comes to investment decisions. This means we can respond quickly and take appropriate action if an acquisition opportunity presents itself.«

Thomas Bachmann,
Chief Executive Officer of Eppendorf AG



Precision and Longevity

The calibration lab at Eppendorf China received a golden pipette for calibration that had the words “1 million Eppendorf pipettes, 1958–1981” printed on it. This Varipette 4710, a predecessor of today’s Eppendorf Reference® 2, had ended up at a biotechnology company in Japan, and was subsequently forwarded to a Chinese subsidiary ten years ago.

Calibration by the Eppendorf service team revealed a pipetting accuracy within the manufacturer’s tolerances. In other words, the pipette is still fully operational even after 35 years.

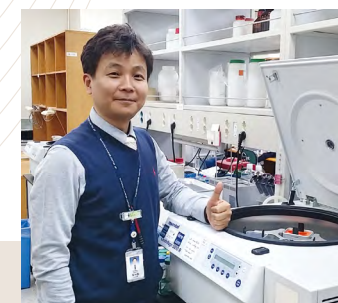
products and services anywhere in the world. With an online presence in twelve languages, the Internet plays an important role for us and our customers. The integrated eCommerce solutions help us make sure that our devices and consumables are easily available worldwide. What’s more, we have continued to introduce and expand our services in many locations over the past years so that we can support our customers locally wherever possible and above all in their own languages.

Independence

Eppendorf was founded by Dr. Heinrich Netheler and Dr. Hans Hinz, and is still in the hands of the founding families today. Thanks to this stable ownership structure, the company can focus on long-term thinking and stable growth rather than short-term success.

02 Development.

Continuous Further Development
Helps Us Stay Up to Date.



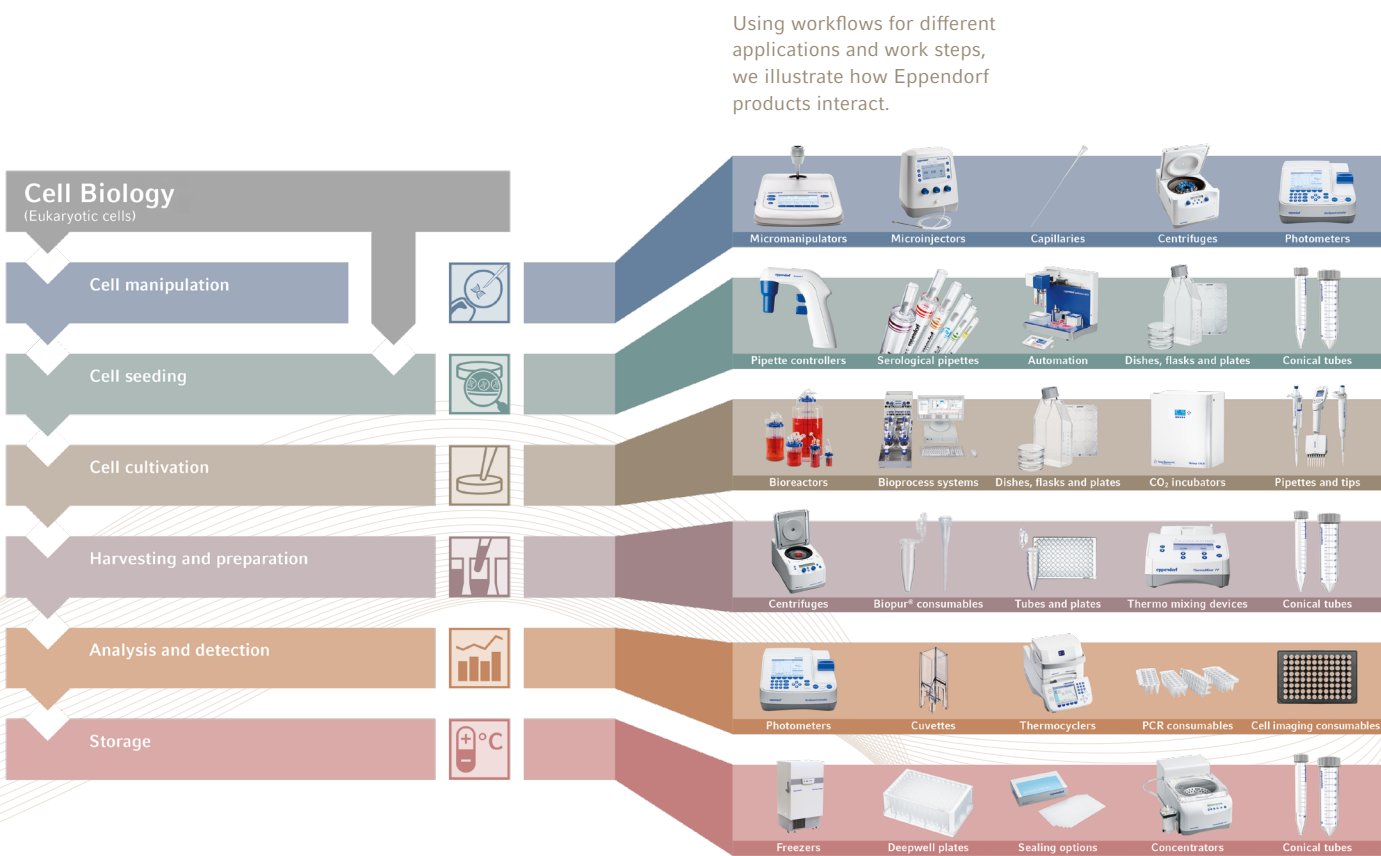
Our experience is the foundation for an ongoing process of further development at Eppendorf. Naturally, this applies in particular to our products and services, which we consistently reorient to our customers' needs to improve them even further. Organizational changes also help us stay agile and competitive – whether we are establishing new business units, pursuing acquisitions or optimizing internal processes and workflows.

Products and services

In recent years, Eppendorf has set itself the goal of taking a holistic view of the applications and workflows in modern laboratories instead of orienting its devices and consumables to individual work steps alone. Today, our customers can select and mix devices and consumables in line with their needs and applications, and have the security that all the products harmonize perfectly across the individual work steps. Application-specific protocols and programs and products that are tailored to the work process in question (such as the epMotion pipetting system) provide users with the best possible support. This makes their work easier and ensures safety and efficiency. Eppendorf Services is also continually enhanced to support customers with all their product concerns. Customers can already gather extensive

»We are very satisfied with the service offered by Eppendorf. The response time is very fast and the level of engineering skills is very high, no matter what kind of question we have. We also appreciate the maintenance service, which helps us ensure that our devices run smoothly.«

Nakbin Choi,
Senior Engineer Biomedical,
National Cancer Center, Korea



information and get advice on Eppendorf products before purchasing them, either via the Internet, by telephone, at trade fairs or directly from our field staff. And Eppendorf offers training courses, workshops and webinars on the correct use of its products – on a global scale, for a variety of applications and issues, for beginners and experts, and in theory and practice. Our technical support and our maintenance and certification service are also available to users for any problems that occur after all as well as for preventive maintenance that ensures device reliability. Our certification packages comprise calibration and verification, with Installation Qualification and Operational Qualification (IQ/OQ) ensuring the precision and faultlessness of devices according to the specifications of the manufacturer or customer.

The extension of our already broad service portfolio and the support of products throughout their life cycles are the focus of our development measures. Our goal is to be able to offer Eppendorf customers around the world first-class, uniform local service.

High rhythm of innovation

Eppendorf products are used in virtually all application areas and workflows in the laboratory. The identification of new technologies and the corresponding further development of our products therefore play a central role. With our systematic innovation management and experienced employees in product development and portfolio management, we work continually on a wide range of different technology projects. For instance, Eppendorf is a partner



The further development of our products plays a central role.



»In our IVF lab, we are looking to expand our service to include genetic testing such as PGD and PGS. As beginners in genetics, we joined the PCR and Advanced PCR courses offered at the Eppendorf Training Center, since the brand has established itself as a well-known lab instrument manufacturer. We appreciated the whole experience – from the theoretical and practical PCR work in a small group to the trainers’ dedication to answering all our questions and the assessments given to check our level of understanding throughout the courses. Now we are more confident about venturing into the genetic field, and our new sequencing lab is going to kick off this year.«

Sim Poo Keen,
Senior Embryologist,
KL Fertility Centre, Malaysia

in the innovation network smartLAB, which advocates for the development and standardization of innovative lab technologies.

When it comes to key technologies, we rely on co-operation with leading external experts in product development and enhancement processes. For example, Eppendorf is working with ILK Dresden, Germany, an institute for air handling and refrigeration technologies, on the further development of cooling devices for centrifuges. With better aggregates and algorithms that reduce the noise impact on users while improving both performance and environmental balance, we can offer our customers a top-notch product with the best possible application properties.

»Our bioprocess customers expect a special kind of support. Not only do our employees need to know their way around the technical devices; a knowledge of biological applications is also required. After all, we can only help if we understand exactly what our customers do and need. And in many cases, this close contact also results in new solutions.«

Dr. Karl Rix,
Vice President Marketing,
Portfolio and Support – Bioprocess,
Eppendorf, Germany



»At Serosep, we produce the EntericBio system, which is a high-throughput, easy-to-use molecular solution for the detection of enteric pathogens that is used in clinical microbiology laboratories across the world. When deciding to work with Eppendorf in developing an OEM version of the epMotion platform, it quickly became clear that we had made an excellent decision. The size and specification of the instrument was 100% in line with our requirements. The OEM team has been a pleasure to work alongside, continually providing outstanding professionalism, quality and technical service. Due to the professionalism offered, we had the first unit in place within the shortest possible timeline. This is what we were looking for. We are delighted with our decision to work with Eppendorf. Not only have our goals been achieved, but the partnership has helped enhance the EntericBio brand on a global scale.«

Allin Winter,
Managing Director,
Serosep UK Limited, Great Britain



As part of the TECHNOBEAT project (Tools and TECHNOlogies for Breakthrough in hEArt Therapies), which is financed by the EU, a mix of scientists, medical doctors and engineers is searching for effective devices and methods to produce micro-heart tissue from human induced pluripotent stem cells (iPS cells), so that this tissue can be used in the field of regenerative medicine. In this context, Hannover Medical School and the Eppendorf Bioprocess Center in Jülich, Germany, are cooperating on the further development of bioreactors for stem cell cultivation. This is fundamental work, since without the cultivation of stem cells, there can be no research based on it, and the subsequent opportunities for series cultivation would be unthinkable.

Focus on the customer

The needs of our customers are the starting point of all our innovations and developments. So we align not just our products and services with their needs, but also our corporate strategy and the way we serve our markets.

Since 2014, for example, we have set up three trans-regional bioprocess centers: one in Kuala Lumpur, Malaysia for Asia, one in Enfield, Connecticut, USA for North America and one in Jülich, Germany for the European market. Our



The ongoing further development of our products plays a central role at Eppendorf.



On request, we also develop and produce customized products for our customers.

The Eppendorf life science style magazine "Off the Bench", which was published for the first time in 2016.

bioprocess sales and service experts provide customers with project-based support across regions and also cooperate on an international level for this purpose. This is important because especially in the bioprocess arena, it is not uncommon for customers or devices to change locations or cooperate in international projects. That is why the industry needs partners who have a global presence and who operate in a networked manner across different markets. By providing standardized training to our employees and encouraging lively exchanges between different locations, we ensure that our customers can rely on uniform standards throughout the world.

Diversity and individuality

We also offer OEM (original equipment manufacturer) products and customized solutions in line with the requirements of our customers. To ensure consistent product quality and the greatest possible safety, Eppendorf meets globally recognized ISO standards. Our OEM and customized solutions customers thus have access to products that are tailored to their needs, and can offer their customers premium products in Eppendorf quality.

Thinking ahead

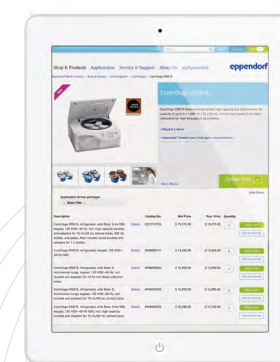
We want to please our customers – every day. Motivated by our desire to support customers in their day-to-day work even better, last year we launched an online platform called Eppendorf Handling Solutions that deals with liquid handling and cell handling. The platform provides interesting articles, scientific background reports, application tips, informative videos and answers to frequently asked questions. With its clear presentation and entertainment value, the content is intended to make life in the laboratory easier for our customers. Our Eppendorf magazine "Off the Bench", which was published for the first time in October 2016, is all about laboratory lifestyle. In addition to interviews with prominent figures from the science and research communities, the magazine picks up on exciting topics that relate to everyday life in the lab, but are slightly "off the bench".

03 Growth.

The Future Success of Eppendorf Is Based on Experience and Ongoing Development.



Our eShop functionalities are continually improving.



Personal contact with our customers will continue to play an important role in the future.



The Eppendorf app offers 360-degree and augmented reality views of our products.

This simple formula has already brought about many positive changes at Eppendorf: In 2016, we focused even more strongly on putting our customers at the center of everything we do. Different measures, initiatives and activities were initiated and are intertwining to ensure that Eppendorf continues to grow in the future.

Expansion of our sales channels

Making access to our products and services as easy as possible for our customers is a decisive factor when it comes to growth. By connecting to the electronic procurement systems of our major customers, especially in the USA, we were able to nearly double our sales through this channel in 2016. Electronic procurement makes the ordering process a lot simpler for the customer and also saves time and money. What's more, customers have a better overview of their ordered goods and can control costs and suppliers more precisely. This system is becoming more and more popular, especially among large companies and institutions. With increasing demand, we have been able to further reduce integration times and gather additional know-how that we make available to our customers worldwide.

We are also continuously improving our country websites with their eShop functionalities. The Eppendorf app not only provides users with product information, but also enables them to experience our products: Customers can take a look at the latest Eppendorf products in 3D thanks to 360-degree views, or display virtual, life-sized devices in their own rooms with the help of augmented reality technology.

In addition to expanding our digital channels, it's still important to be available to customers in person. Trade shows at which we can meet users face to face thus continue to be a valuable platform for us. In the show lab at our trade show booth, we recreate typical applications, allowing us to have practice-oriented discussions with our customers about everyday tasks or problems, and show them possible solutions.

This direct exchange – also via our service, during our training sessions and workshops, or through our field staff – is something we value very highly because it enables us to understand user needs better and to address these needs specifically with our solutions.



Our new microinjectors are characterized by excellent ergonomics, high precision and ease of use.

Operational excellence and innovative technologies

We have made it our goal to present our customers with innovative products that offer new solutions for their everyday work and make processes simpler, more efficient and safer – or even possible in the first place. For this purpose, we are constantly on the lookout for interesting new technologies, in part to give our customers the best possible support when it comes to meeting regulatory requirements or reacting quickly to changes in these requirements. Through clever innovation management and shorter innovation cycles, we want to continue to hold a leading position in the life science market.

What is important when designing and developing a product? What expectations do customers have of our products, and where can we enhance them? Our approach to innovation is a comprehensive one that covers not only our products, but also our services, communications and our entire organization. Where required, we will be flexible and refine our internal structures and processes. General trends, such as digital transformation, also play a role in the identification of innovative technologies. Data acquisition and the networking of laboratory equipment are currently important topics at the Eppendorf product development department. The aim is to enable users to monitor and control their devices better, but also to gather information and use it for

documentation. We also intend to make data available on mobile devices, such as smart phones, so that work processes and equipment can be monitored and controlled as simply as possible from any location. And we naturally want the equipment to be able to send important information to users directly to inform them when something needs to be done. With touchscreens for different devices, we are currently working on solutions that ensure uniform, intuitive operation across the product portfolio.

Acquisitions and strategic alliances

Apart from organic growth, our development strategy comprises a combination of strategic acquisitions and alliances to ensure a broad coverage of the markets and to add to our product depth and width. At the same time, we invest steadily in the global expansion of our services, in our facilities and in research and development. A current example from 2016 illustrates this policy very well: with the acquisition of Calibration Technology Ltd in November 2016, we have significantly improved our service presence in the United Kingdom. From now on, we will be able to offer calibrations and repairs of pipettes and dispensers there ourselves. In addition, we will profit from the acquired company's access to potential new customers in the industrial sector.

Data acquisition and the networking of laboratory equipment are currently important topics at the Eppendorf product development department.



»We experienced a smooth and successful eCatalog implementation with Eppendorf's knowledgeable team of integration specialists. Eppendorf was responsive and adaptable to our needs and the reliable eCommerce post-project support is valued by all.«

Barbara Niemand
eCommerce Manager, UCI Purchasing
and Risk Services, UC Irvine®, USA

sciQUEST UCIBuy



The cooperation we entered with the Dutch company BioITech B.V. last year enables us to give our customers access to an electronic lab notebook, among other things. Customers can import data from Eppendorf products and thus simplify test and resource planning in their laboratories. With the help of the digital lab notebook, it is possible to generate consistent and user-friendly documentation for series of tests.

The ability to use our experience and past successes as a basis for strategic change is critical to the future success of Eppendorf. Together with our employees, we want to make the future of Eppendorf successful and thus ensure sustainable, profitable growth. For the benefit of our customers, we will approach the market in a more intelligent, differentiated and deliberate manner than ever before – with innovative products and services that make our customers' day-to-day work as easy as possible.

»Life&Brain is one of the leading providers of OMICS services in Germany. To offer our customers the best possible quality, we attach great importance to quality management and process control. Unfortunately, many laboratory devices are not yet network-capable, which means we are dependent on the hand-written records of our employees. We are therefore following Eppendorf's developments in this area with much interest and hope that the introduction of electronic lab notebooks and the increased networking of lab devices will significantly enhance efficiency and further improve quality management.«

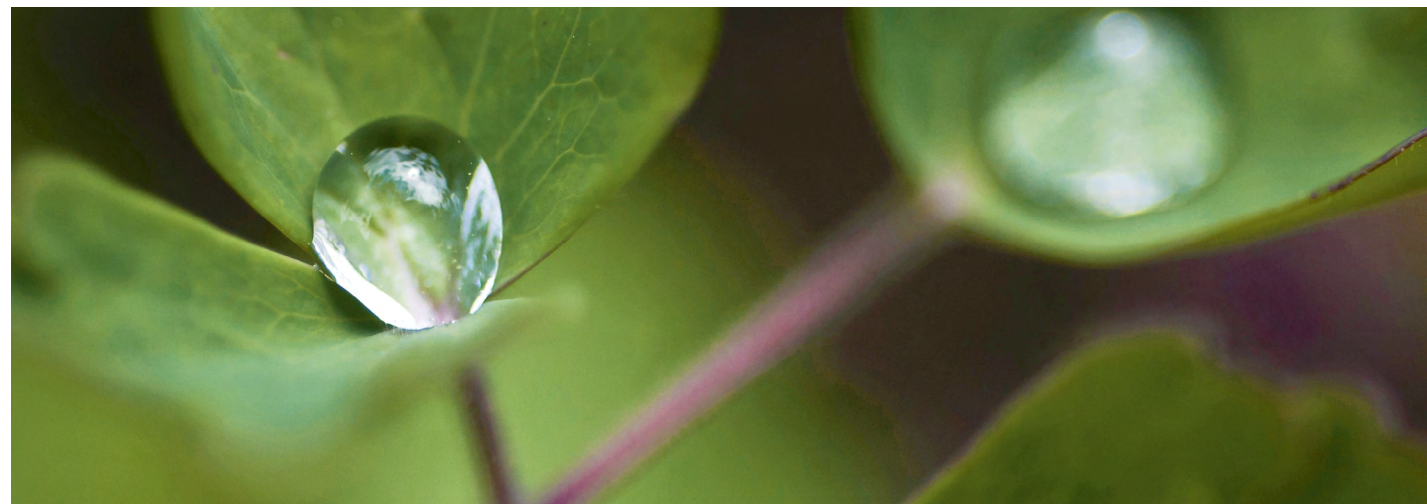
Dr. Per Hoffmann,
Technical Director, Genomics Research,
Institute for Human Genetics, University Hospital Bonn, Germany
and Technical Director, Research Group for Human Genomics,
Biomedicine Department, University of Basel, Switzerland

Sustainability.

Many Small Steps
Add Up to Great Things.

The topic of sustainability has a big influence on our business decisions. Beyond meeting legally required standards, our actions are intended to have the greatest possible benefit for our users and ultimately for society as a whole. The sustainability claim at Eppendorf is apparent in all of its business processes – from product development to production and sales and all the way to the product's disposal. We also hold our global suppliers and sales partners to this standard. At Eppendorf, sustainability is expressed in

many small steps in our daily business and is taken into consideration consistently in everything we do. In general, we differentiate between social, ecological and corporate sustainability. We apply stringent ecological standards throughout the world, not just where they are required. In terms of social sustainability, Eppendorf's commitment takes a variety of forms depending on the facility and country in question.



**eppendorf
& Science
PRIZE FOR
NEUROBIOLOGY**

Every year, Eppendorf and two renowned science journals present two science awards to young scientists in the fields of biomedical and neurobiological research.

Social Sustainability

Social commitment is near and dear to us, especially when it comes to promoting future generations of scientists. Eppendorf specifically supports the research community with its science prizes "Eppendorf Award for Young European Investigators" and "Eppendorf & Science Prize for Neurobiology", both of which are presented annually to young scientists under the age of 35. But we also take part in smaller initiatives to get young people interested in science and Eppendorf, such as the Biology Olympiad, BIOTechnikum or the Science Slam, which has become immensely popular not just among scientists. At many locations, such as our facility in Great Britain in 2016, we support schools and school projects by donating devices and consumables to make science instruction more concrete and practice-oriented.

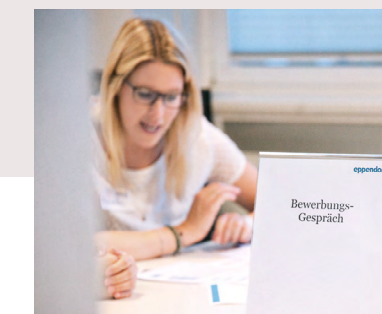
Furthermore, some locations also back other good causes: Eppendorf India, for instance, promotes equal opportunities for men and women. In this context, the company financed a basketball court at a girls' school.



Wi mook dat!

Under the slogan "Helping street kids", young people from basis & woge e. V. visited Eppendorf in Hamburg, Germany as part of the "Wi mook dat!" campaign day. In the job application lab, the visitors were offered various modules to improve their skills. Among other things, they could learn how to put together an application portfolio, take part in a practice job interview or visit the training workshop and various workplaces. The lively exchange with Eppendorf trainees and employees on the topic of jobs and training helped the young people discover possible career prospects and ease their fears of interacting with others.

wimookdat.de





»When buying lab equipment, customers are increasingly focused on selecting the most sustainable option for their needs. In other words, Eppendorf.«

Andy Evans, Director,
Green Light Labs Ltd, United Kingdom



Ecological and corporate sustainability
In our global competence centers, we focus on two main sustainability issues – increases in energy efficiency and a reduction in our carbon footprint. There are solid economic reasons for this focus in addition to ecological considerations: a company’s rigorous optimization of its environmental balance is often accompanied by improvements in its business efficiency.

Further information on sustainability at Eppendorf is available at:
corporate.eppendorf.com/en/company/sustainability

Reduced consumption of plastic
Our subsidiary in the USA has developed refillable racks for pipette tips that make it possible to reduce the amount of plastic required by more than 65% per unit. In addition, optimized packaging has decreased our plastics consumption even further and also had a positive effect on our environmental balance in terms of shipping. We have also minimized our use of plastic through the development of new filter tips. Besides reducing the carbon footprint of our shipping and the volume of material used, we strive to save as much energy as possible in our production operations.



Pallet recycling
In Great Britain, the pallets used to deliver our Eppendorf ULT freezers are collected by a qualified partner after the freezer is installed and returned to the manufacturer, who inspects and overhauls the pallets so that they can be used again. This saves valuable resources, time and money.



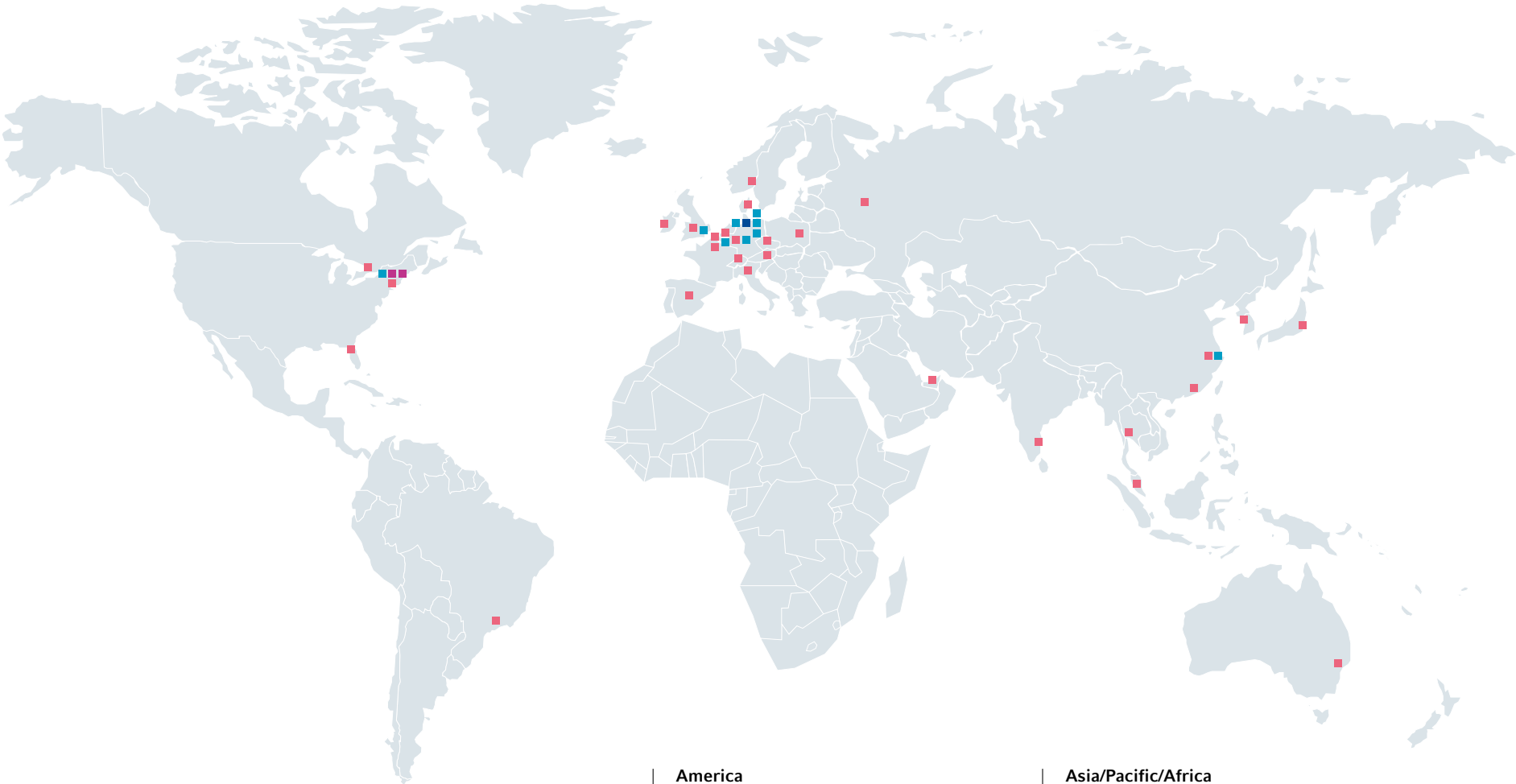
The Centrifuge 5920 R features an economy mode that automatically turns the device off after eight hours and thus ensures lower energy consumption and a longer service life for the compressor.

Environmentally friendly centrifuges
For the rotors of our centrifuges, we use pure aluminum instead of carbon fibers almost exclusively. Rotors that are no longer needed can then be recycled easily – and some even have a longer service life.



Improved waste management
In the Netherlands and Belgium, waste management was revised in 2016 with particular attention to the disposal of hazardous waste such as batteries, oil and light bulbs or other lighting elements. To dispose of this waste as well as possible, it is now gathered separately, labeled and, if necessary, picked up so that it can be recycled at the recycling facility. In addition, waste separation ensures that waste can be optimally disposed of or recycled.

International Presence



Europe

- | | | |
|---|--|--|
| ■ Eppendorf AG
Hamburg/Germany | ■ Eppendorf Poland sp. z o.o.
Warsaw/Poland | ■ DASGIP Information and Process Technology GmbH
Jülich/Germany |
| ■ Calibration Technology Ltd
Limerick/Ireland | ■ Eppendorf Russia ooo
Moscow/Russia | ■ Eppendorf Application Technologies S.A.
Namur/Belgium |
| ■ Eppendorf Austria GmbH
Vienna/Austria | ■ Eppendorf s.r.l.
Milan/Italy | ■ Eppendorf Instrumente GmbH
Hamburg/Germany |
| ■ Eppendorf Belgium NV/SA
Rotselaar/Belgium | ■ Eppendorf UK Ltd.
Stevenage/Great Britain | ■ Eppendorf Liquid Handling GmbH
Hamburg/Germany |
| ■ Eppendorf Czech & Slovakia s.r.o.
Říčany (Prague)/Czech Republic | ■ Eppendorf Vertrieb Deutschland GmbH
Wesseling/Germany | ■ Eppendorf Polymere GmbH
Oldenburg in Holstein/Germany |
| ■ Eppendorf France SAS
Montesson (Paris)/France | ■ Vaudaux-Eppendorf AG
Schönenbuch (Basel)/Switzerland | ■ Eppendorf Zentrifugen GmbH
Leipzig/Germany |
| ■ Eppendorf Ibérica S.L.U.
San Sebastian de los Reyes (Madrid)/Spain | | ■ Eppendorf CryoTech Ltd.
Maldon/Great Britain |
| ■ Eppendorf Nederland B.V.
Nijmegen/Netherlands | | |
| ■ Eppendorf Nordic A/S
Hørsholm (Copenhagen)/Denmark | | |
| ■ Eppendorf Norge AS
Oslo/Norway | | |

America

- Eppendorf Holding, Inc.
Enfield, Connecticut/USA
- Eppendorf, Inc.
Enfield, Connecticut/USA
- Eppendorf Canada Ltd.
Mississauga (Toronto)/Canada
- Eppendorf do Brasil Ltda.
São Paulo/Brazil
- Eppendorf North America, Inc.
Hauppauge, New York/USA
- USA Scientific, Inc.
Ocala, Florida/USA
- Eppendorf Manufacturing Corp.
Enfield, Connecticut/USA

Asia/Pacific/Africa

- Eppendorf Asia Pacific Sdn. Bhd
Kuala Lumpur/Malaysia
- Eppendorf (Shanghai) International Trade Co., Ltd.
Shanghai/China
- Eppendorf China Ltd.
Hongkong/China
- Eppendorf Co., Ltd.
Tokyo/Japan
- Eppendorf India Ltd.
Chennai/India
- Eppendorf Korea Ltd.
Seoul/South Korea
- Eppendorf Middle East & Africa FZ-LLC
Dubai/United Arab Emirates
- Eppendorf South Pacific Pty. Ltd.
North Ryde (Sydney)/Australia
- Eppendorf (Thailand) Co., Ltd.
Bangkok/Thailand
- Eppendorf Lab Technologies (Shanghai) Co., Ltd.
Shanghai/China

- Head office
- Sales subsidiary
- Entity with regional/global functions
- Competence center

Management Report

Overall economic developments

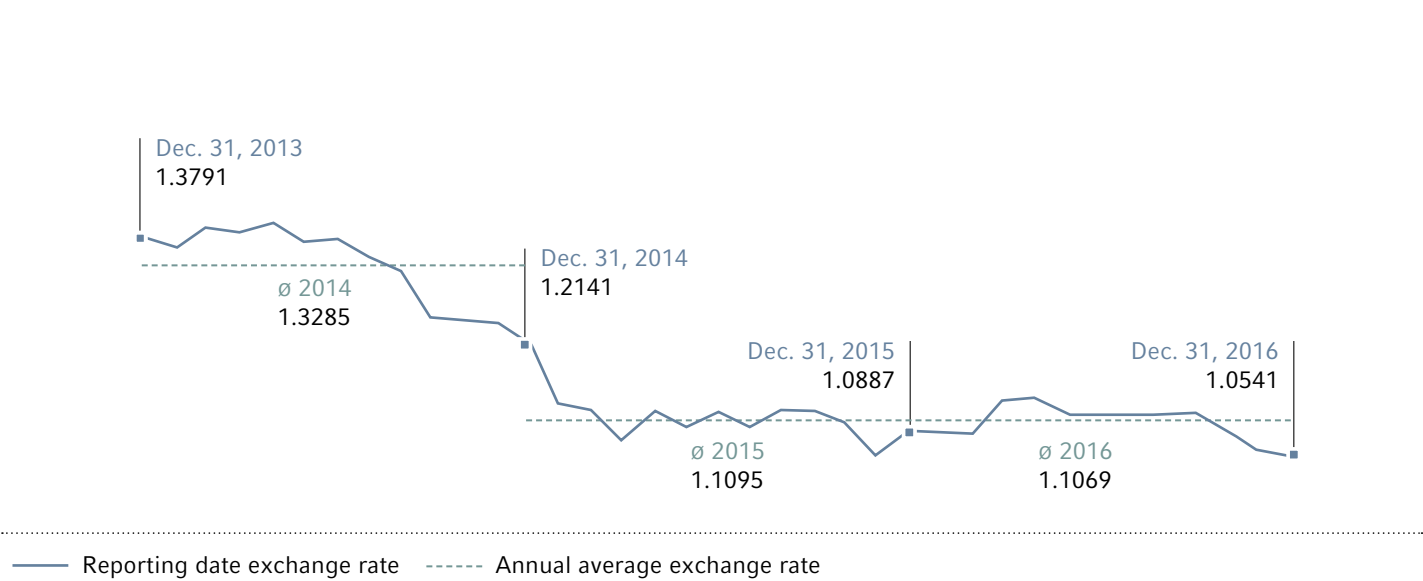
In 2016, the world economy did not meet the expectations of it in 2015. The global gross domestic product grew by 2.3%, just below the World Bank's prior-year forecast of 2.9%. Overall, the year was characterized by stagnating global trade, cautious investments and increased political uncertainties. Towards the end of the year, however, the expansion of the global economy accelerated slightly.

Following good local growth rates in 2015, the economic situation in the United States and Europe deteriorated a little once again. The United States struggled with weaker exports and a drop in investments in the private sector. In the euro zone, meanwhile, the momentum of exports and domestic demand decelerated somewhat after having recovered just the previous year. Nevertheless, economic performance in all countries of the eurozone improved over-

all. South and Southeast Asia are still enjoying growth rates of 6% to 7%, but compared with previous years, growth has slowed here as well. Brazil and Russia continue to be affected by recession, although the situation in Russia has eased noticeably.

The financial markets in 2016 were influenced in particular by political factors and the resulting expectations. The British pound came under considerable pressure after the outcome of the Brexit referendum was announced in mid-2016. Demand for U.S. bonds skyrocketed as a direct consequence of the presidential elections in November 2016, leading to an increase in the value of the U.S. dollar against the euro. However, this happened too late in the year to have much impact on the annual average USD exchange rate, so that the euro – at 1.1069 U.S. dollars – remained approximately at the same level as the year before (1.1095 U.S. dollars per euro).

USD-EUR exchange rate development 2014 – 2016



Industry developments

As in the previous year, the segments of the life science industry relevant to Eppendorf's business developed at a higher rate than the world economy, and charted growth of 4% to 5%, meeting our expectations. In North America and Europe, the industry continued to recover, with growth rates just below global industry growth. The Asia-Pacific region experienced strong demand throughout, leading to average growth in the high single digits.

Operating activities

Eppendorf develops, produces and sells first-class products and services primarily for academic and industrial laboratories around the world. As a premium provider in the life science industry, we play a leading role in the world's laboratory products market, particularly in the public sector. It is our goal to strengthen this leadership through ongoing development with a focus on diversification in the strongly growing areas in the life science markets. In the process, we will focus on the continual development and expansion of our product portfolio and the steady broadening of our customer base through greater customer access, especially in the industrial sectors. Among the cornerstones of our

business strategy is the consolidation of our global market position through targeted investments in our sales structure and the expansion of our training and service portfolio. Our goal is to offer our customers high-quality, comprehensive support wherever they work.

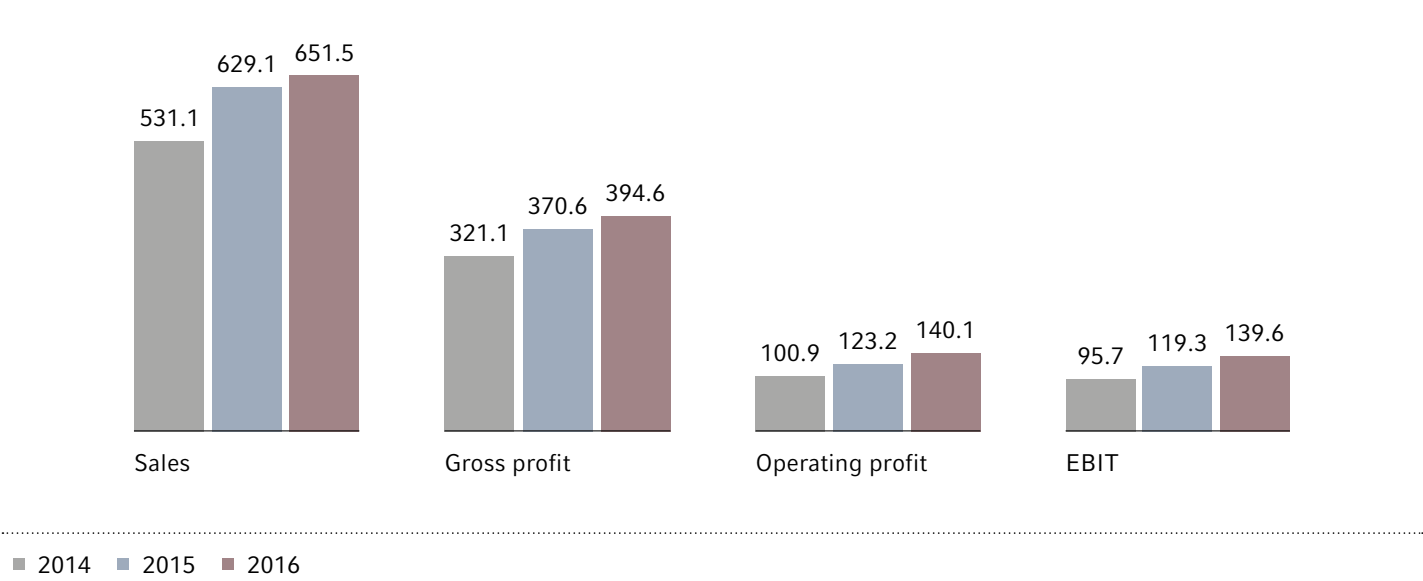
Financial summary

The 2016 fiscal year started out with strong sales in Europe and the Asia/Pacific/Africa region. Towards the middle of the year, however, the momentum in Europe subsided noticeably. The result was an overall growth in sales by 3.6% with a 4.8% growth at local currency level, which is consistent with global industry growth. We were thus able to achieve one of our goals: to grow in the mid-single digits.

Although we did not reach our goal of exceeding the industry's average sales growth, our operating profit increased by 13.8%. This was due to lower than average increase in costs and positive currency effect.

Key business development figures are presented in the graphic below:

Key performance data in € millions



Sales trend

In fiscal year 2016, Eppendorf achieved Group sales of €651.5 million (prior year: €629.1 million), which represents an increase of 3.6% (or 4.8% when measured in local currencies). All the sales regions contributed to the increase in net sales, though with different growth rates.

In North and South America, sales in local currencies rose by 1.9%, which fell short of expectations.

The previous year's growth rate in Europe could not be repeated either: after a very good start to the year, the region charted slightly declining sales in the second half of the year. The result was a sales growth rate of 3% in local currencies, which trailed behind the industry’s overall development.

In contrast, sales in the Asia/Pacific/Africa region rose by 12.2% in local currencies, with all countries contributing to this excellent development. We were thus able to tap the potential and growth opportunities of this region.

Selected financial data

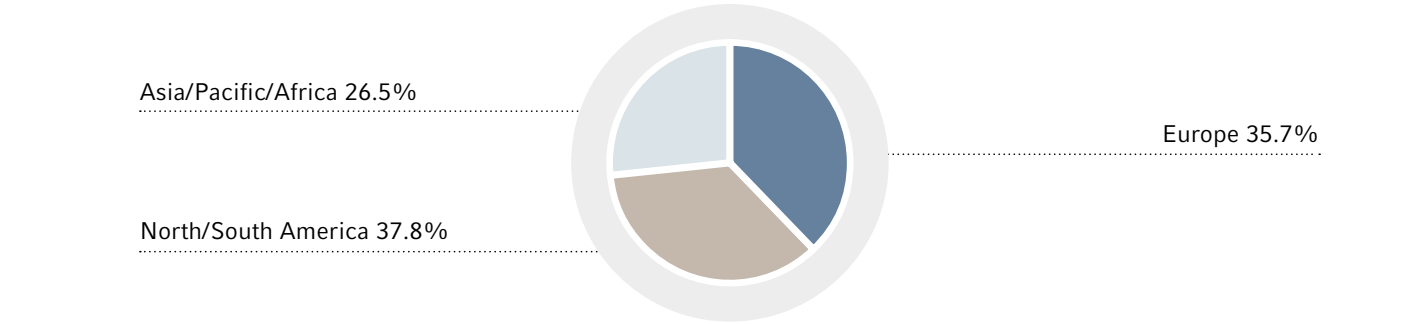
In fiscal year 2016, gross profit increased to €394.6 million (previous year: €370.6 million) and the gross profit margin to 60.6% (prior year: 58.9%). Positive currency effects played a major role in this development.

Operating expenses rose by 2.9% to a total of €254.5 million (prior year: €247.4 million), but dropped in relation to sales. The disproportionately low increase in costs can be attributed to projects and costs that were deferred till later in the year.

With an operating profit of €140.1 million (prior year: €123.2 million), we were able to further improve our profitability, and our return on sales increased from 19.6% to 21.5%.

Income from operations (EBIT) in 2016 amounted to €139.6 million (prior year: €119.3 million), thus achieving an increase of 17.1% over the year before. The EBIT margin was 21.4% (prior year: 19.0%).

Sales by region



in € millions	+/- previous year	2016	2015	2014	+/- previous year in local currencies
North/South America	+1.8%	246.5	242.1	189.9	+1.9%
Europe	+0.8%	232.5	230.7	215.3	+3.0%
Asia/Pacific/Africa	+10.4%	172.5	156.3	125.9	+12.2%
Net sales	+3.6%	651.5	629.1	531.7	+4.8%

Selected financial data

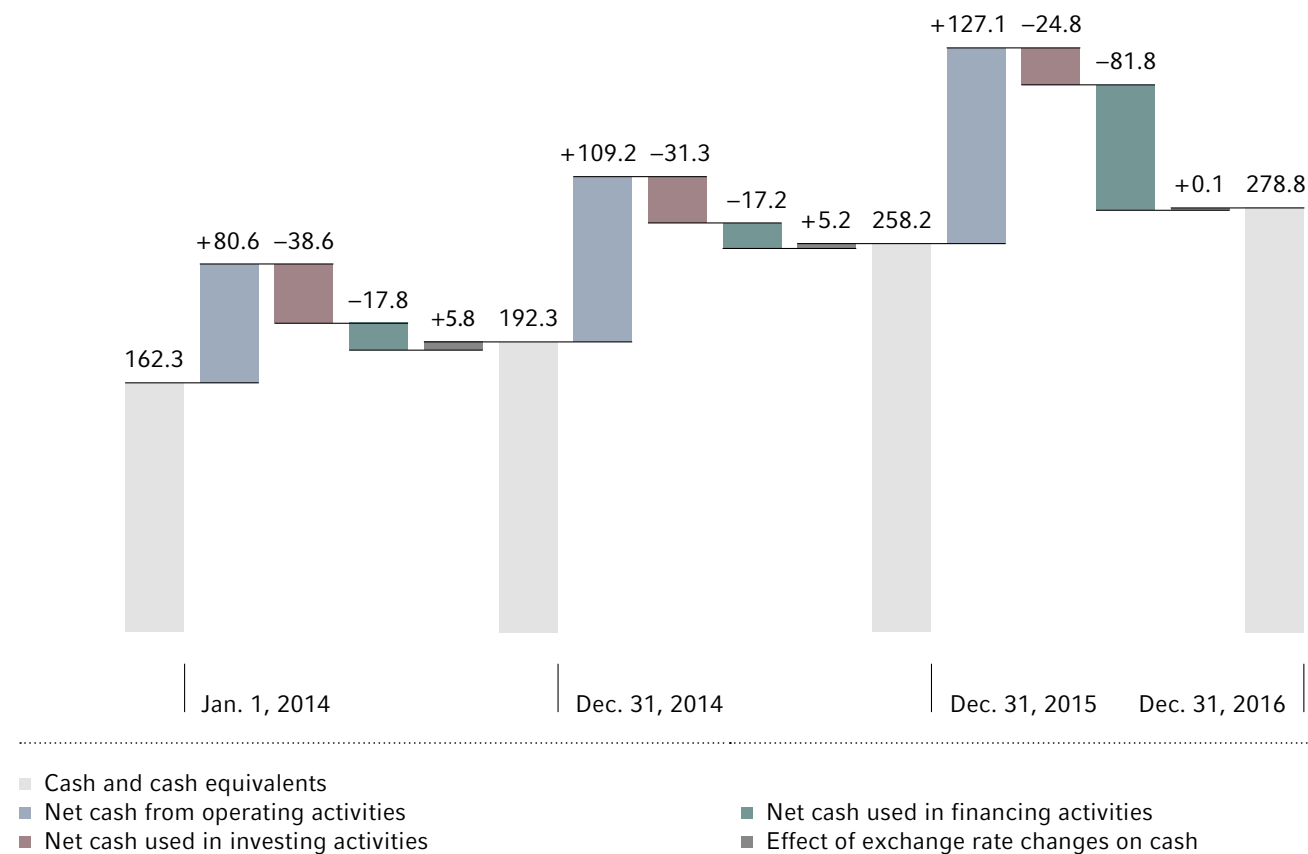
in € millions	2016	%	2015	%	2014	%
Net sales	651.5	100.0	629.1	100.0	531.1	100.0
Cost of sales	-256.9	-39.4	-258.5	-41.1	-210.0	-39.5
Gross profit	394.6	60.6	370.6	58.9	321.1	60.5
Sales and marketing expenses	-169.0	-25.9	-166.7	-26.5	-145.4	-27.4
Research and development expenses	-34.8	-5.3	-31.9	-5.1	-29.4	-5.5
Administrative expenses	-50.7	-7.9	-48.8	-7.7	-45.4	-8.6
Operating expenses	-254.5	-39.1	-247.4	-39.3	-220.2	-41.5
Operating profit	140.1	21.5	123.2	19.6	100.9	19.0
Other expenses/income	-0.5	-0.1	-3.9	-0.6	-5.2	-1.0
Income from operations (EBIT)	139.6	21.4	119.3	19.0	95.7	18.0

Financial position and capital investments

Our good performance led to an increase in net cash generated by operating activities to €127.1 million (prior year: €109.2 million).
Net cash from investments declined nominally to €24.8 million (prior year: €31.3 million). We had outlays in 2016 of €22.2 million for the acquisition of new property, plant, and equipment (prior year: €29.6 million).

Net cash used in financing activities rose to €81.8 million (prior year: €17.2 million) due to the full disbursement of the previous year's consolidated result.
Overall, net bank deposits increased in 2016 by €20.6 million to €278.8 million (prior year: €258.2 million).

Changes in cash position and cash equivalents 2014–2016 in € millions



Assets, equity and liabilities

The company's assets, equity and liabilities are valued using figures based on prevailing exchange rates as of the respective reporting date. On the whole, the assets and liabilities of our foreign subsidiaries increased in value as a result of exchange rate developments.
We invested €25.2 million in property, plant, equipment, and intangible assets during the reporting year (prior year: €31.8 million) – of which just under half was used for investments in our manufacturing capacities. Depreciation, amortization and impairment losses amounted to €27.1 million (prior year: €27.4 million).

Intangible assets from acquisitions are composed of goodwill amounting to €52.6 million (prior year: €51.1 million), and acquired customer bases, brands, and technologies amounting to €20.4 million (prior year: €24.8 million), with the increase in goodwill attributable primarily to currency effects.
Provisions for pensions and similar obligations were subject to occasionally strong fluctuations spurred by yearly changes in discount rates. Most of the increase can be traced to a drop in the discount rate from the year before. The resulting actuarial gains or losses have been recognized directly in equity.

Assets

in € millions	+/- previous year	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Cash and cash equivalents	+8.0%	278.8	258.2	192.3
Trade accounts receivable	+4.7%	114.0	108.9	101.4
Inventories	+4.9%	145.6	138.7	126.4
Property, plant, equipment, and intangible assets	-1.3%	143.4	145.2	136.6
Goodwill and intangible assets from equity investments	-3.8%	73.0	75.9	75.7
Investments in associates	+1.6%	1.8	1.8	1.9
Other assets	+9.6%	89.9	82.2	82.5
Total assets	+4.4%	846.5	810.9	716.8

Equity and liabilities

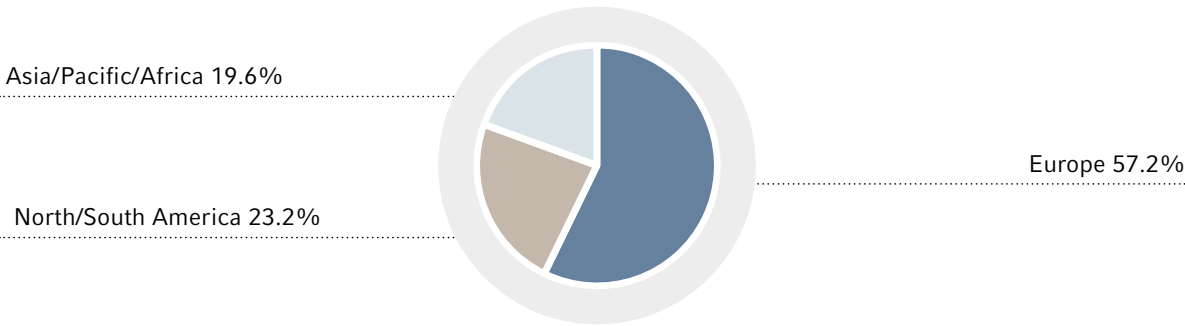
in € millions	+/- previous year	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Borrowings from banks	+0.0%	0.0	0.0	0.0
Trade accounts payable	+23.2%	22.4	18.2	19.4
Short-term provisions	-1.4%	62.0	62.9	45.9
Provisions for pensions and similiar obligations	+12.5%	172.8	153.6	169.0
Other liabilities	+14.6%	54.6	47.7	46.6
Equity	+1.2%	534.7	528.5	435.9
Total equity and liabilities	+4.4%	846.5	810.9	716.8

Employees

For many years now, Eppendorf has pursued a systematic employee development policy, because the brand and company values "premium, sincere and comprehensive" are expressed first and foremost through its employees. Changes in the market environment, the company's growth and internationalization demand that all our employees engage in continuous learning. Both leadership development and intensified personnel development at the local and international levels are important success factors in building the

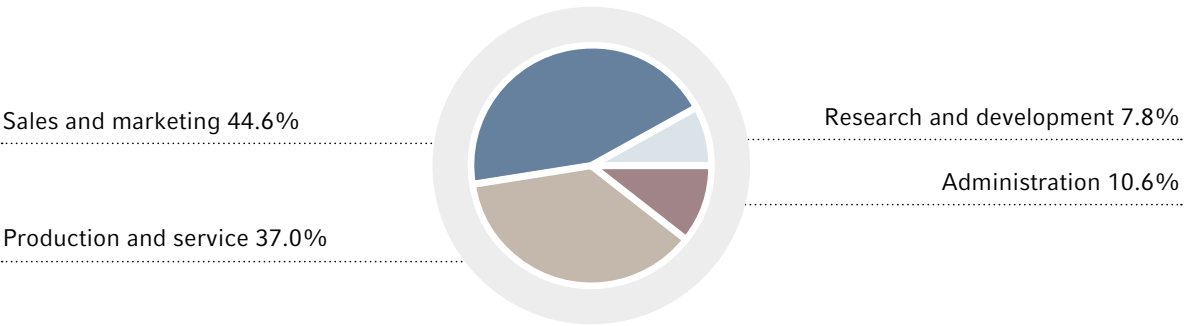
loyalty of our personnel – whether young employees, specialists or management – over the long term, and thus contributing to sustainable company success. The Eppendorf Group employed an average of 3,029 people worldwide in fiscal year 2016, compared with 2,969 the year before (all employee figures represent full-time equivalents). This corresponds to a 2.0% increase in employee numbers. On December 31, 2016 we had 3,078 employees worldwide (prior year: 3,001).

Employees by region



	+/- previous year	2016	2015	2014
Annual average				
Europe	+3.4%	1,731	1,674	1,621
North/South America	-1.7%	703	715	700
Asia/Pacific/Africa	+2.6%	595	580	559
Total	+2.0%	3,029	2,969	2,880

Employees by function



	+/- previous year	2016	2015	2014
Annual average				
Sales and marketing	+2.8%	1,351	1,314	1,270
Production and service	+0.1%	1,122	1,121	1,085
Administration	+2.9%	321	312	306
Research and development	+5.9%	235	222	219
Total	+2.0%	3,029	2,969	2,880

Risk management

Apart from general business risks, such as market changes, Eppendorf is exposed to specific risks largely associated with its global business, its customer base and sales channels, technological developments, and competitor products. The most important risks are described in the following risk categories.

As a company that operates globally, we are exposed to financial risks. A relatively large share of our sales transactions is billed in U.S. dollars. We compensate for the associated exchange rate risk in part through increased product manufacturing in dollar-denominated territories, and in part through currency hedging transactions that are regularly reviewed on the basis of developments expected on the international financial markets.

Market and business environment risks can also influence our business. Economic and political changes in individual countries can have a negative effect on the strength of the company's sales and earnings. For this reason, our regional sales management monitors local market trends and, if necessary, initiates cyclical or anticyclical measures.

Our business is also subject to industry-specific risks. Our customers are primarily active in life science research, thus reductions in R&D budgets or public and private funding may adversely affect our sales. We counter this risk by increasingly diversifying our customer segments.

It is part of Eppendorf’s strategy to introduce innovative products and applications to the market on an ongoing basis. However, this policy is associated with a variety of product risks, since it often involves new and cutting-edge technologies for which only limited experience of use is available, and which lie at the fringes of what is technically feasible. This could negatively affect product development or delay the introduction of new products. If these products are lacking in maturity and quality, this may result in warranty and product liability obligations or delivery problems. To minimize such risks, Eppendorf has introduced a comprehensive quality assurance and project management system.

The ongoing search for suitable new products, technologies and applied fields is an integral part of our business strategy. For Eppendorf, opportunities emerge in particular through the use of our products in areas that offer great potential for growth, such as laboratories where medical and basic scientific research is performed, the biotechnology and pharmaceutical industries, and the health and food industries. These industries profit from favorable factors such as increased life expectancy, rising health demands, and demands on food quality and safety as well as environmental protection. This is particularly true for strongly growing economies, which need to catch up in these areas.

As a globally operating company, Eppendorf is dependent on the use of information technologies. This harbors risks with regard to data confidentiality and availability as well as the security of IT systems. Due to the increasing threat to information security, including external threats, risk minimization measures are becoming ever more important. We always keep our security systems up to date to minimize data loss and protect systems and networks.

Moreover, opportunities arise through the possible stabilization of the world's financial markets and positive exchange rate movements. In particular, increases in the value of the U.S. dollar against the euro have a positive effect on our business.

Based on the industry-related and economic trends described here, we believe our business development will be positive overall. In fiscal year 2017, we anticipate growth for Eppendorf in the mid-single digits, slightly above the industry average. Strategic investments in sales and in the development of new products are planned for the coming year. In view of the higher costs associated with this, we estimate that our operating profit will remain at the same level as the year before.

Outlook

The World Bank expects a growth of 2.7% in the global gross domestic product in 2017, but this forecast is very much uncertain. In particular, the world's economy could be influenced strongly by the future political situation in the United States and Europe. Furthermore, financial market risks persist: the policy of low interest rates in Europe is increasingly presenting banks and insurance companies with refinancing problems. In contrast, the U.S. Federal Reserve has raised interest rates yet again.

As far as the life science industry is concerned, we assume that development in 2017 will be similar to last year's, and expect that the segments relevant to us will have growth rates slightly higher than the world's economy. In North America and the euro area, we anticipate that growth rates will be stable. The biggest stimuli are expected to come from China and India.

Consolidated Financial Statements

according to the IFRS (abbreviated version)

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

Consolidated income statement

for the period from January 1 to December 31, 2016

in € thousands	2016	2015	2014
Net sales	651,544	629,141	531,080
Cost of sales	-256,914	-258,588	-209,941
Gross profit	394,630	370,553	321,139
Sales and marketing expenses	-168,957	-166,682	-145,454
Research and development expenses	-34,787	-31,911	-29,369
Administrative expenses	-50,747	-48,764	-45,373
Operating profit	140,139	123,196	100,943
Other income	5,064	2,026	108
Amortization of intangible assets from investment activities	-5,584	-5,966	-5,393
Income from operations (EBIT)	139,619	119,256	95,658
Financial result	279	374	337
Share of profit of associates	103	-611	-1,248
Income before tax	140,001	119,019	94,747
Income taxes	-43,736	-38,184	-29,001
Net income	96,265	80,835	65,746
Thereof attributable to			
Equity holders of the parent	95,766	80,541	65,635
Non-controlling interests	499	294	111

Consolidated balance sheet

at December 31, 2016

Assets			
in € thousands	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Cash and cash equivalents	278,798	258,228	192,298
Trade accounts receivable	114,013	108,896	101,431
Inventories	145,561	138,745	126,397
Other current assets	14,259	17,194	13,226
Current assets	552,631	523,063	433,352
Property, plant, equipment, and intangible assets	143,372	145,247	136,559
Goodwill and intangible assets from equity investments	72,986	75,908	75,697
Investments in associates	1,830	1,801	1,855
Other non-current assets	785	1,566	2,125
Deferred tax assets	74,861	63,293	67,196
Non-current assets	293,834	287,814	283,432
Total assets	846,465	810,877	716,784

Equity and liabilities			
in € thousands	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Borrowings from banks	0	0	0
Trade accounts payable	22,371	18,160	19,424
Provisions for income taxes	13,180	8,504	3,507
Other short-term provisions	61,991	62,896	45,936
Other current liabilities	27,293	23,845	20,133
Current liabilities	124,835	113,405	89,000
Provisions for pensions and similar obligations	172,788	153,611	169,048
Other non-current liabilities	1,802	1,317	7,718
Deferred tax liabilities	12,365	13,998	15,166
Non-current liabilities	186,955	168,926	191,932
Common stock	51,132	51,132	51,132
Retained earnings and other reserves	480,584	473,720	380,924
Non-controlling interests	2,959	3,694	3,796
Total equity	534,675	528,546	435,852
Total equity and liabilities	846,465	810,877	716,784

Consolidated cash flow statement

for the period from January 1 to December 31, 2016

in € thousands	2016	2015	2014
Cash flow	125,509	111,085	90,577
Changes in short-term assets and liabilities	1,596	-1,854	-9,969
Net cash provided by operating activities	127,105	109,231	80,608
Net cash used in investing activities	-24,840	-31,303	-38,627
Net cash used in financing activities	-81,757	-17,185	-17,772
Effects of changes in exchange rates on cash	62	5,187	5,741
Net change in cash and cash equivalents	20,570	65,930	29,950
Cash and cash equivalents at beginning of year	258,228	192,298	162,348
Cash and cash equivalents at end of year	278,798	258,228	192,298

Report of the Supervisory Board

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

The Supervisory Board convened for a total of five meetings in the fiscal year just ended. During these meetings, the Supervisory Board focused on 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, there were discussions on development projects, capital expenditure plans, and other business transactions 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.

As of June 3, 2016, Klaus Fink stepped down from his position as member and Chairman of the Supervisory Board. His successor as Chairman of the Supervisory Board, Philipp von Loeper, was elected on June 3, 2016 at a meeting of the Supervisory Board.

After 39 years of service, Hans Hinz resigned his seat as member and Vice Chairman of the Supervisory Board on December 31, 2016. Professor Dr. Elmar Hinz has been a member of the Supervisory Board since that time. In addition, William A. Linton, Chairman and CEO of Promega Corporation, was elected to the Supervisory Board on January 9, 2017.

The Supervisory Board continues to have two committees, the Audit Committee and a Compensation Committee, which prepare the deliberations and resolutions of the Supervisory Board. The chairpersons of these committees report regularly at meetings of the Supervisory Board about the work of the committees.

Dr. Ralf Hermann stepped down from the Management Board on October 31, 2016.

The consolidated annual financial statements were prepared in accordance with the International Financial

Reporting Standards (IFRS). These accounts, the annual financial statements of Eppendorf AG, and the management reports for the company and the Group were examined by the auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, who was elected by the Annual General Meeting and commissioned by the Supervisory Board. On Wednesday, March 8, 2017, the auditor issued an unqualified opinion. The documents named above and the associated audit reports, including the relevant reports prepared by the Management Board, were made available to all members of the Supervisory Board and were discussed.

The Audit Committee specifically analyzed the annual and interim financial statements and obtained information about the activities of the Internal Audit Department. It performed a detailed review of the annual financial statements and management report, the consolidated annual financial statements, and the Group management report of Eppendorf AG, and recommended that the Supervisory Board approve both the annual financial statements and the consolidated annual financial statements of February 28, 2017.

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 there were no objections to be raised. The Supervisory Board approved the consolidated financial statements prepared by the Management Board on February 28, 2017, and the annual financial statements of Eppendorf AG. The annual financial statements are hereby adopted as submitted. 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 the employees of the Eppendorf Group in Germany and internationally for their dedicated efforts and successful work for the company in fiscal year 2016.

Hamburg, March 31, 2017



Philipp von Loeper
Chairman of the Supervisory Board

Boards and Committees

Supervisory Board

- Klaus Fink**
Chairman
through June 3, 2016
- Philipp von Loeper**
Chairman
since June 3, 2016
- Hans Hinz**
through December 31, 2016
- Prof. Dr. Elmar Hinz**
Vice Chairman
since January 1, 2017
- William A. Linton**
Vice Chairman
since January 9, 2017

- Dirk Höft**
Employee representative
- Marlis Kripke**
Employee representative

Dr. Michael Schroeder

Management Board

- Thomas Bachmann**
Chairman
- Detmar Ammermann**
Vice Chairman
- Dr. Ralf Hermann**
through October 31, 2016
- Dr. Wilhelm Plüster**

Scientific Advisory Committee

- Prof. Dr. med. Cornelius Knabbe**
Spokesman
Universitätsklinikum der
Ruhr-Universität Bochum, Germany
- Michael Ehlers, M. D., Ph. D.**
Biogen, Massachusetts, USA
- Dr. Heinz Gerhard Köhn**
- Prof. Dr. Jörg Lahann**
Biointerfaces Institute, University
of Michigan, Michigan, USA

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