SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1999

## QIAGEN N.V.

Spoorstraat 50
5911 KJ Venlo
The Netherlands

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F__X__ Form 40-F______

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes______ No__X__

QIAGEN N.V.

Form 6-K

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QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS

| | March 31, 1999 | December 31, 1998 |
|---|---|---|
| **Assets** | (unaudited) | |
| Current Assets: | | |
| Cash and cash equivalents | $ 10,337,000 | $ 6,343,000 |
| Marketable securities | 23,890,000 | 23,783,000 |
| Notes receivable | 1,369,000 | 892,000 |
| Accounts receivable, net of allowance of $1,053,000 and $869,000 in 1999 and 1998, respectively | 19,337,000 | 16,986,000 |
| Income taxes receivable | 500,000 | 160,000 |
| Inventories | 17,997,000 | 19,931,000 |
| Prepaid expenses and other | 3,338,000 | 2,986,000 |
| Deferred income taxes | 4,121,000 | 4,048,000 |
| Total current assets | 80,889,000 | 75,129,000 |
| Property, plant and equipment, net | 36,844,000 | 26,420,000 |
| Intangible assets, net | 4,197,000 | 4,591,000 |
| Other assets | 1,468,000 | 1,530,000 |
| Total assets | $123,398,000 | $107,670,000 |
| **Liabilities and Shareholders' Equity** | | |
| Current Liabilities: | | |
| Lines of credit | $ 2,679,000 | $ 720,000 |
| Short-term debt | 6,270,000 | 6,802,000 |
| Current portion of long-term debt | 256,000 | 279,000 |
| Current portion of capital lease obligations | 1,369,000 | 1,277,000 |
| Accounts payable | 7,885,000 | 9,190,000 |
| Accrued liabilities | 8,669,000 | 6,987,000 |
| Income taxes payable | 3,449,000 | 2,769,000 |
| Deferred income taxes | 812,000 | 976,000 |
| Total current liabilities | 31,389,000 | 29,000,000 |
| Long-Term Liabilities: | | |
| Long-term debt, net of current portion | 261,000 | 283,000 |
| Capital lease obligations, net of current portion | 15,058,000 | 5,046,000 |
| Other | 166,000 | 180,000 |
| Total long-term liabilities | 15,485,000 | 5,509,000 |
| Minority interest in consolidated subsidiaries | 174,000 | 120,000 |
| Commitments and Contingencies | | |
| Shareholders' Equity: | | |
| Common shares, NLG .03 par value: | | |
| Authorized--32,500,000 shares | | |
| Issued and outstanding—17,107,388 shares in 1999 and 17,084,523 shares in 1998 | 299,000 | 298,000 |
| Additional paid-in capital | 50,377,000 | 49,303,000 |
| Retained earnings | 29,634,000 | 25,841,000 |
| Accumulated other comprehensive income | (3,960,000) | (2,401,000) |
| Total shareholders' equity | 76,350,000 | 73,041,000 |
| Total liabilities and shareholders' equity | $123,398,000 | $107,670,000 |

The accompanying notes are an integral part of these condensed consolidated balance sheets.

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | 1999 | 1998 |
| Net sales | $33,958,000 | $25,558,000 |
| Cost of sales | 9,856,000 | 7,895,000 |
| Gross profit | 24,102,000 | 17,663,000 |
| Operating Expenses: | | |
| Research and development | 3,709,000 | 2,914,000 |
| Sales and marketing | 9,188,000 | 7,109,000 |
| General and administrative | 5,597,000 | 4,331,000 |
| Total operating expenses | 18,494,000 | 14,354,000 |
| Income from operations | 5,608,000 | 3,309,000 |
| Other Income (Expense): | | |
| Interest income | 358,000 | 394,000 |
| Interest expense | (348,000) | (240,000) |
| Research and development grants | 290,000 | 396,000 |
| Gain on foreign currency transactions | 41,000 | 353,000 |
| Other miscellaneous income (expense), net | 39,000 | (32,000) |
| Total other income (expense) | 380,000 | 871,000 |
| Income before provision for income taxes and minority interest | 5,988,000 | 4,180,000 |
| Provision for income taxes | 2,141,000 | 1,553,000 |
| Minority interest | 54,000 | - |
| Net income | $ 3,793,000 | $ 2,627,000 |
| Basic and diluted net income per common share | $ 0.22 | $ 0.15 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | 1999 | 1998 |
| Cash Flows From Operating Activities: | | |
| Net income | $ 3,793,000 | $2,627,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,941,000 | 1,295,000 |
| Provision for losses on accounts receivable | 212,000 | 30,000 |
| Deferred income taxes | (230,000) | (375,000) |
| Gain on disposition of property and equipment | (19,000) | - |
| Minority interest | 54,000 | - |
| Decrease (increase) in: | | |
| Notes receivable | (534,000) | (634,000) |
| Accounts receivable | (3,192,000) | (1,926,000) |
| Inventories | 807,000 | (341,000) |
| Income tax receivable | (349,000) | (147,000) |
| Prepaid expenses and other | (391,000) | 681,000 |
| Other assets | 53,000 | (8,000) |
| Increase (decrease) in: | | |
| Accounts payable | (536,000) | (2,099,000) |
| Accrued liabilities | 2,032,000 | 1,102,000 |
| Income taxes payable | 1,374,000 | 1,736,000 |
| Net cash provided by operating activities | 5,015,000 | 1,941,000 |
| Cash Flows From Investing Activities: | | |
| Purchases of property and equipment | (2,908,000) | (903,000) |
| Proceeds from sale of property | 38,000 | - |
| Proceeds from sales of marketable securities | 13,859,000 | 1,945,000 |
| Purchases of marketable securities | (13,979,000) | (1,516,000) |
| Purchase of intangibles | (8,000) | (125,000) |
| Net cash used in investing activities | (2,998,000) | (599,000) |
| Cash Flows From Financing Activities: | | |
| Net proceeds from lines of credit | 2,094,000 | 1,623,000 |
| Repayment of debt | (3,000) | - |
| Proceeds from short-term borrowing | 3,000 | - |
| Repayment of short-term borrowing | (2,000) | (13,000) |
| Principal payments on capital leases | (368,000) | (304,000) |
| Issuance of common shares | 478,000 | 417,000 |
| Net cash provided by financing activities | 2,202,000 | 1,723,000 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (225,000) | (168,000) |
| Net increase in cash and cash equivalents | 3,994,000 | 2,897,000 |
| Cash and cash equivalents, beginning of period | 6,343,000 | 4,566,000 |
| Cash and cash equivalents, end of period | $10,337,000 | $7,463,000 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

# QIAGEN N.V.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Summary of Significant Accounting Policies

### Basis of Presentation

The condensed consolidated financial statements include the accounts of QIAGEN N.V. (the Company), a company incorporated in The Netherlands, and its wholly and majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain prior year balances have been reclassified to conform to the 1999 presentation.

The condensed consolidated balance sheet as of March 31, 1999, the condensed consolidated statements of income for the three-month periods ended March 31, 1999 and 1998, and the condensed consolidated statements of cash flows for the three-month periods ended March 31, 1999 and 1998, have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation have been included. The condensed consolidated balance sheet as of December 31, 1998 has been derived from the audited consolidated financial statements at that date.

The results of operations and cash flows for the three-month periods presented are not necessarily indicative of results that may be expected for any other interim period or for the full year.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the Securities and Exchange Commission rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 1998 included in the Company's Form 20-F.

2. Net Income Per Common Share

Net income per common share for the three months ended March 31, 1999 and 1998 are based on the weighted average number of common shares outstanding and the dilutive effect of stock options outstanding.

The following schedule summarizes the information used to compute net income per common share:

| | Three Months Ended March 31, 1999 | Three Months Ended March 31, 1998 |
|---|---|---|
| Weighted average number of common shares used to compute basic net income per common share | 17,101,000 | 17,040,000 |
| Dilutive effect of stock options | 200,000 | 190,000 |
| Weighted average number of common shares used to compute diluted net income per common share | 17,301,000 | 17,230,000 |

For the periods ended March 31, 1999 and 1998, stock options to purchase approximately 6,000 and 19,000 common shares, respectively, were excluded from the dilutive effect of stock options as such options were antidilutive.

3. Comprehensive Income

The components of comprehensive income for the three-month periods ended March 31, 1999 and 1998 are as follows:

| | Three Months Ended March 31, 1999 | Three Months Ended March 31, 1998 |
|---|---|---|
| Net income | $3,793,000 | $2,627,000 |
| Net unrealized gain on marketable securities | 131,000 | - |
| Foreign currency translation adjustment | (1,690,000) | (281,000) |
| Comprehensive income | $2,234,000 | $2,346,000 |

4. Provision for Income Taxes

The provision for income taxes for the three months ended March 31, 1999 and 1998 is based upon the estimated annualized rate for each of the respective years.

5. Supplemental Cash Flow Information

For the three-month periods ended March 31, 1999 and 1998, the Company paid taxes of approximately $718,000 and $204,000, respectively, and interest in the amount of $244,000 and $178,000, respectively.

During the three-month periods ended March 31, 1999 and 1998, the Company added buildings, furniture and equipment under capital leases at a cost of $11.3 million and $23,000, respectively. During the three months ended March 31, 1999 and 1998, the Company received a reduction in its tax obligations from non-qualified stock options in the amount of $597,000 and $171,000, respectively. These noncash transactions have been excluded from the statements of cash flows.

6. Inventories

The components of inventories consist of the following as of March 31, 1999 and December 31, 1998:

| | 1999 | 1998 |
|---|---|---|
| Raw materials | $ 5,128,000 | $ 6,596,000 |
| Work in process | 4,293,000 | 2,997,000 |
| Finished goods | 8,576,000 | 10,338,000 |
| Total inventories | $17,997,000 | $19,931,000 |

7. Debt

The Company has five separate lines of credit amounting to approximately $5.8 million with variable interest rates. The weighted-average interest rate on borrowings outstanding at March 31, 1999 was 6.48%. These lines of credit may be called without notice. Approximately $2.7 million was utilized on these credit facilities at March 31, 1999. In addition, the Company has two short-term loans totaling approximately $6.3 million due through June 1999, which bear interest at fixed interest rates. The weighted-average interest rate on short-term loans outstanding at March 31, 1999 was 4.3%.

At March 31, 1999, long-term debt of $517,000 consists primarily of an unsecured note payable with a 6.75% interest rate. The note is due in semi-annual payments of DM 229,000 (approximately $127,000 at March 31, 1999), with a final payment due in December 2000.

8. Stock Options

In the three-month period ended March 31, 1999, the Company granted options to purchase 56,000 shares of the Company's common stock. All options were granted at fair market value at the date of grant. As of March 31, 1999, options to purchase 622,445 common shares were outstanding at exercise prices ranging from $9.50 to $72.44.

9. Financial Instruments

At March 31, 1999, the Company had U.S. dollar put options outstanding to purchase $12.6 million with a fair market value of approximately $2,000. These contracts expire at various dates through October 1999.

10. Segment and Related Information

Summarized financial information concerning the Company's reportable segments is shown in the following tables:

| Net Sales | Three Months Ended March 31, 1999 | 1998 |
|---|---|---|
| Germany | $18,030,000 | $14,285,000 |
| United States | 17,633,000 | 13,764,000 |
| United Kingdom | 2,652,000 | 2,291,000 |
| Other Countries | 9,408,000 | 6,225,000 |
| Subtotal | 47,723,000 | 36,565,000 |
| Intersegment Elimination | (13,765,000) | (11,007,000) |
| Total | $33,958,000 | $25,558,000 |

Net sales are attributed to countries based on the location of the Company's subsidiary.

| Intersegment Sales | Three Months Ended March 31, 1999 | 1998 |
|---|---|---|
| Germany | $(12,074,000) | $ (9,477,000) |
| United States | (875,000) | (403,000) |
| United Kingdom | - | - |
| Other Countries | (816,000) | (1,127,000) |
| Total | $(13,765,000) | $(11,007,000) |

All intersegment sales are accounted for by a formula based on local list prices and are eliminated in consolidation.

| Operating Income (Loss) | Three Months Ended March 31, 1999 | 1998 |
|---|---|---|
| Germany | $1,414,000 | $ 875,000 |
| United States | 2,898,000 | 2,275,000 |
| United Kingdom | 555,000 | 586,000 |
| Other Countries | 1,025,000 | 488,000 |
| The Netherlands | (280,000) | (281,000) |
| Subtotal | 5,612,000 | 3,943,000 |
| Intersegment Elimination | (4,000) | (634,000) |
| Total | $5,608,000 | $3,309,000 |

The Netherlands operating loss primarily resulted from general and administrative expenses. The intersegment elimination represents the elimination of intercompany profit.

| Assets | March 31, 1999 | December 31, 1998 |
|---|---|---|
| Germany | $ 62,633,000 | $ 52,060,000 |
| United States | 24,385,000 | 22,995,000 |
| United Kingdom | 4,316,000 | 2,970,000 |
| Other Countries | 27,282,000 | 19,930,000 |
| The Netherlands | 61,571,000 | 61,082,000 |
| Subtotal | 180,187,000 | 159,037,000 |
| Intersegment Elimination | (56,789,000) | (51,367,000) |
| Total | $123,398,000 | $107,670,000 |

Assets of the Netherlands include cash and cash equivalents, investments, prepaid assets and certain intangibles. The intersegment elimination represents intercompany investments and advances.

11. Commitments and Contingencies

In January 1999, the Company committed DM 897,000 (approximately $496,000 at March 31, 1999) towards the establishment of a GMP compliant manufacturing facility.

In connection with its formation, QIAGEN K.K. (the Company's 60 percent owned subsidiary in Japan), entered into a business transfer agreement with its minority shareholder. Pursuant to the agreement, the minority shareholder agreed to transfer to QIAGEN K.K. certain intangible assets, such as certain "know-how" and marketing information relating to the sale of the Company's products, in exchange for 330 million Japanese Yen (approximately $2.8 million at March 31, 1999). The Company made the payment of 330 million Japanese Yen on August 31, 1998, and capitalized the intangible assets which are being amortized over seven years. For the quarter ended March 31, 1999, the Company recorded amortization expense relating to these intangible assets of approximately $100,000.

The price of the intangible assets purchased by QIAGEN K.K. was calculated based on the estimated net revenues of QIAGEN K.K. for the years ending December 31, 1998, 1999 and 2000. If actual net revenues are in excess of the estimated net revenues, QIAGEN K.K. will make an adjustment payment to the minority shareholder. If actual net revenues are below the estimated net revenues, QIAGEN K.K. will receive a refund from the minority shareholder. Any adjustment payments or refunds would be due and payable on August 31, 1999, 2000 and 2001. For the year ended December 31, 1998, no significant adjustment was required.

12. New Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Under the statement, every derivative is recorded on the balance sheet as either an asset or liability measured at its fair value. Changes in the derivative's fair value will be recognized in earnings unless specific hedge accounting criteria are met. The Company will adopt this standard on January 1, 2000 and is currently analyzing the statement to determine the impact, if any, on the Company's financial position or results of operations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 1999 AND 1998

### General

The Company’s future operating results may be affected by various risk factors, many of which are beyond the Company’s control. Certain of the statements included in this report may be forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, including statements regarding potential future increases in net sales, gross profit, net income and the Company’s liquidity. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: risks associated with the Company's expansion of operations, management of growth, international operations, and dependence on key personnel; intense competition; the variability in the Company's operating results from quarter to quarter; technological change; the Company's ability to develop and protect proprietary products and technologies and to enter into collaborative commercial relationships; the Company's future capital requirements; and uncertainties as to the extent of future government regulation of the Company's business. As a result, the Company's future development efforts involve a high degree of risk. For further information, refer to the risk factors included in the Company’s Registration Statement on Form F-3, in its year-end filings on Form 20-F, and in other documents that the Company files from time to time with the U.S. Securities and Exchange Commission.

### Net Sales

Net sales for the three months ended March 31, 1999 increased 33% to $34.0 million from $25.6 million in the same period of 1998. Net sales in the United States increased 25% (or $3.4 million) to $16.8 million in 1999 from $13.4 million in 1998, and net sales outside the United States increased 41% (or $5.0 million) to $17.2 million in 1999 from $12.2 million in 1998. The increase in net sales was primarily driven by increased unit sales of consumable and instrumentation products. Unit sales increases outside the United States are partially attributable to the Company’s Japanese subsidiary, QIAGEN K.K., which, after beginning operations in January 1998 and introducing a new Japanese catalog and targeted marketing efforts, experienced strong growth. For the first quarter of 1999, net sales of QIAGEN K.K. increased 78% (or $1.4 million) to $3.2 million from $1.8 million in its first quarter of operations in 1998. Additionally, the Company experienced strong growth in the sales of Rosys instrumentation products. The majority of the Company’s sales continue to be attributable to the Company’s consumable products, which experienced strong growth worldwide during the first quarter. While sales of consumable products continue to increase, the Company expects a slower rate of sales growth for the range of products designed for large-scale plasmid DNA applications as their market matures. The Company continually introduces new products in order to extend the life of its existing product lines as well as to address new market opportunities. In 1998 the Company introduced more than 20 new products, including new technologies for PCR amplification, reverse transcription, transfection, and protein purification and assay, as well as new DNA and RNA purification kits. In the first quarter of 1999 the Company released eight new products, including next-generation kits for diagnostic PCR sample preparation, two new high-efficiency reverse transcriptases, and a convenient mastermix for robust, high-specificity PCR.

Changes in exchange rates affected the growth rate of net sales for the three-month period ended March 31, 1999. Net sales outside the United States are exposed to currency fluctuations, since they are mainly denominated in German marks and to a lesser extent in British pounds, French francs, Swiss francs, Japanese yen, and Canadian and Australian dollars. For financial reporting purposes, these sales are translated to U.S. dollars at the average exchange rate of the period for which the statements are prepared. A significant portion of the Company's revenues is denominated in German marks. Compared to the three-month period ended March 31, 1998, in the three-month period ended March 31, 1999, the German mark, as measured by the average exchange rate for the period, appreciated against the U.S. dollar by 4.4%. If the same rates used for 1998 were applied to 1999, net sales in 1999 would have been lower and the related percentage growth would have been lower than the percentage calculated in reported net sales.

Gross Profit

Gross profit was $24.1 million or 71% of net sales in the quarter ended March 31, 1999 as compared to $17.7 million or 69% of net sales for the same period in 1998. The absolute dollar increase is attributable to the increase in net sales. The increase in gross profit as a percentage of net sales primarily reflects the Company's efforts to improve its inventory management and manufacturing processes, partially offset by increased sales of Rosys products and the QIAGEN BioRobots which provide a lower gross profit than the Company's consumable products. The Company has made substantial investments in automated and interchangeable production equipment and integrated production planning systems at its German manufacturing facility to increase its production capacity and improve efficiency. Additionally, the inventory management and manufacturing processes at Rosys were evaluated and changes were made to improve cost control and efficiency. The Company anticipates that the sale of Rosys products will continue to negatively affect gross profit in 1999.

Research and Development

Research and development expenses increased 27% to $3.7 million (11% of net sales) in the quarter ended March 31, 1999 compared with $2.9 million (11% of net sales) for the same period in 1998. Research and development costs primarily represent personnel costs related to retaining employees for research and development efforts. The increased expense reflects the increase in research and development personnel over the prior period as the Company continued the expansion of its new product development capabilities. Additionally, during the first quarter of 1999, construction was completed on a new research and development facility. The new facility carries higher operating costs than the former facility. The Company has a strong commitment to research and development and anticipates that absolute research and development expenses will continue to increase significantly.

Sales and Marketing

Sales and marketing expenses increased 29% to $9.2 million (27% of net sales) in the first quarter of 1999 from $7.1 million (28% of net sales) in the first quarter of 1998. The increase in the absolute dollar amount of sales and marketing expenses reflects the Company's expansion of its sales force and advertising efforts in connection with the sale of its existing products and the introduction of new products. Such efforts contributed to the growth in net sales during the first quarter of 1999. Increased sales and marketing costs are primarily associated with personnel, commissions, advertising, publications and other promotional items. As a percentage of net sales, sales and marketing expenses decreased, reflecting the Company's increased economies of scale in this area.

General and Administrative

General and administrative expenses increased 29% to $5.6 million (16% of net sales) in the first quarter of 1999 from $4.3 million (17% of net sales) in the first quarter of 1998. This increase represents the increased general and administrative costs related to the growth of the Company's administrative infrastructure to accommodate increased sales. As a percentage of net sales, general and administrative expenses decreased, reflecting the Company's increased economies of scale in this area.

Other Income (Expense)

Other income decreased to $380,000 in the first quarter of 1999 from $871,000 in the first quarter of 1998. This decrease was mainly due to decreased gains on foreign currency transactions, decreased research and development grant income, decreased interest income, and increased interest expense.

Income from foreign currency transactions decreased to $41,000 in the first quarter of 1999 from $353,000 in the same period of 1998. Income from foreign currency transactions reflects net effects from conducting business in currencies other than the U.S. dollar. QIAGEN N.V.'s functional currency is the U.S. dollar and its subsidiaries' functional currencies are the German mark, the British pound, the Swiss franc, the French franc, the U.S. dollar, the Australian dollar, the Canadian dollar, and the Japanese yen. See "Currency Fluctuations."

In the three-month period ended March 31, 1999, research and development grant income from European as well as German state and federal government grants decreased to $290,000 from $396,000 in the same period of 1998. The Company's research and development activities are principally carried out in Germany, and the Company expects to continue to apply for such research and development grants in the future.

In the three-month period ended March 31, 1999, interest income decreased to $358,000 from $394,000 in the same period of 1998. Interest income is derived mainly from the Company's investment of funds, primarily funds raised from the Company's June 1996 public offering of stock, in investment grade, interest-bearing marketable securities. As of March 31, 1999, the Company had approximately $23.9 million invested in such securities.

Interest expense increased to $348,000 in the first quarter of 1999 compared to $240,000 for the same period of 1998. This increase is primarily due to interest expense on the Company's new leased research and development facility, which carries a higher leasing cost than the former facility.

Other miscellaneous income (expense) increased to $39,000 of income in the first quarter of 1999 from $32,000 of expense for the same period in 1998.

## Provision for Income Taxes

The Company's effective tax rate decreased to 36% in the first quarter of 1999 from 37% in the first quarter of 1998. The Company's operating subsidiaries are exposed to effective tax rates ranging from approximately 8% to approximately 48%. Fluctuation in the distribution of pre-tax income among these entities can lead to fluctuations of the effective tax rate in the Company's consolidated financial statements.

## Minority Interest

The Company has a 60 percent interest in its Japanese subsidiary, QIAGEN K.K., and a 50 percent interest in Rosys Instruments, Inc. (Rosys Inc.), a subsidiary of the Company's wholly owned subsidiary Rosys Instruments AG. The financial position and results of operations of these subsidiaries are included in the Company's consolidated financial statements. The minority interest in income of QIAGEN K.K. and Rosys Inc. is $54,000 for the three-month period ended March 31, 1999 as shown in the condensed consolidated statements of income.

## Liquidity and Capital Resources

To date, the Company has funded its business primarily through internally generated funds, debt and the private and public sales of equity. For the first quarter ended March 31, 1999 and 1998, the Company generated net cash from operating activities of $5.0 million and $1.9 million, respectively. Cash provided by operating activities increased in the first quarter of 1999 over the first quarter of 1998 primarily due to increases in net income, depreciation and amortization and accrued liabilities offset by decreases in accounts payable and increases in accounts receivable.

Approximately $3.0 million of cash was used in investing activities in the first quarter of 1999, compared to $599,000 for the same period of 1998. Investing activities during the first quarter of 1999 consisted principally of the purchases of property and equipment in connection with the expansion of the Company's production operations and the completion of a new research and development facility in February of 1999.

Financing activities provided $2.2 million in cash during the first quarter of 1999, compared to $1.7 million provided in 1998. This cash provided by financing is primarily due to proceeds from lines of credit and the issuance of common shares, mainly as a result of the exercise of options under the Company’s stock option plan, partially offset by principal payments on capital lease obligations.

As of March 31, 1999 and December 31, 1998, the Company had cash and cash equivalents along with investments in marketable securities of $34.2 million and $30.1 million, respectively, and working capital of $49.5 million and $46.1 million, respectively. The Company has credit lines totaling $5.8 million of which $2.7 million was utilized as of March 31, 1999. In addition, the Company has short-term loans totaling $6.3 million. The Company also carries $517,000 of long-term debt that consists mainly of a note payable, due in December 2000, at an interest rate subsidized by a German government-related institution.

The Company believes that funds from operations, together with the proceeds from its public and private sales of equity, and uses of financing as needed, will be sufficient to fund the Company’s planned operations during the coming year.

## Currency Fluctuations

The Company operates on an international basis. A significant portion of its revenues and expenses are incurred in currencies other than the U.S. dollar. The German mark is the most significant such currency, with others including the British pound, French franc, Swiss franc, Japanese yen and Australian and Canadian dollars. Fluctuations in the value of the currencies in which the Company conducts its business relative to the U.S. dollar have caused and will continue to cause U.S. dollar translations of such currencies to vary from one period to another. Due to the number of currencies involved, the constantly changing currency exposures, and the potential substantial volatility of currency exchange rates, the Company cannot predict the effect of exchange rate fluctuations upon future operating results. However, because the Company has substantial expenses as well as revenues in each of its principal functional currencies, the exposure of its financial results to currency fluctuations is reduced. In general terms, appreciation of the U.S. dollar against the Company's other foreign currencies will decrease reported net sales, and vice versa. However, this impact normally will be at least partially offset in results of operations by gains and losses from foreign currency transactions.

Currency Hedging

The Company seeks to mitigate what it believes to be a significant portion of the remaining currency fluctuation risk through hedging transactions. In the ordinary course of business, the Company purchases foreign currency exchange option contracts to manage potential losses from foreign currency exposures. These contracts give the Company the right, but not the requirement, to sell foreign currencies in exchange for U.S. dollars at predetermined exchange rates. The principle objective of such contracts is to minimize the risks and/or costs associated with global financial and operating activities. The Company does not utilize financial instruments for trading or other speculative purposes.

Market Risk

The Company's market risk relates primarily to interest rate exposures on cash, marketable securities and borrowings; and foreign currency exposures on intercompany transactions. The overall objective of the Company's risk management is to reduce the potential negative earnings effects from changes in interest and foreign exchange rates. Exposures are managed through operational methods and financial instruments.

Interest Rate Risk

Interest income earned on the investment portfolio is affected by changes in the relative levels of market interest rates. To mitigate adverse fluctuations in interest rates, most of the investments are at fixed rates. The Company only invests in high-grade investment securities. To limit the potential impact of interest rate changes on borrowings, short and long-term debt is maintained at fixed rates. Borrowings against lines of credit are at variable interest rates.

At March 31, 1999, the Company had $2.7 million outstanding against lines of credit at variable rates ranging from 6.25% to 6.50%. Management believes that under the present circumstances, a hypothetical adverse movement in the interest rates of ten percent would not have a material effect on the Company's consolidated financial position, results of operations, or cash flows.

Foreign Currency Exchange Rate Risk

The Company's principal production and manufacturing facility is located in Germany and intercompany sales of inventory expose the Company to foreign currency exchange rate risk. Intercompany sales of inventory are generally denominated in the local currency of the subsidiary purchasing the inventory in order to centralize foreign currency risk with the Company's German subsidiary. Payment for intercompany purchases of inventory is required within 30 days from invoice date. The delay between the date the German subsidiary records revenue and the date the payment is received from the purchasing subsidiaries exposes the Company to foreign exchange risk. The exposure results primarily from those transactions between Germany and the United States.

The foreign currency exchange rate risk is partially offset by transactions of the German subsidiary denominated in U.S. dollars. Hedging instruments include foreign currency put options that are purchased to protect the existing and/or anticipated receivables resulting from intercompany sales from Germany to the U.S. These options give the Company the right, but not the requirement, to sell foreign currencies in exchange for U.S. dollars at predetermined exchange rates.

Year 2000 Compliance

The Year 2000 Issue refers to potential problems with computer systems or any equipment with computer chips or software that use dates where the date has been stored as just two digits (e.g., 97 for 1997). On January 1, 2000, any clock or date recording mechanism incorporating the date sensitive software that uses only two digits to represent the year may recognize a date using 00 as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruption of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar business activities. To address the Year 2000 Issue, the Company has implemented a program with respect to its information technology (IT) systems, non-IT systems, and external suppliers of goods and services.

The Company believes that its primary IT system (SAP R/3) is Year 2000 compliant, based on a written representation from the vendor, SAP, and limited internal testing. A comprehensive program is in place to remediate potential Year 2000 Issues in other purchased software and hardware, as well as in non-IT systems. The program is divided into four phases:

1. complete inventory of IT and non-IT systems that may be sensitive to the Year 2000 Issue
2. assess systems to determine Year 2000 compliance
3. remediate non-compliant systems by repair or replacement
4. test remediated systems

The inventory, assessment and remediation phases were completed during the fourth quarter of 1998. Testing, the final phase, has begun and is anticipated to be completed by the end of the second quarter in 1999.

The Company is continuing the process of contacting its major suppliers, customers, financial institutions, parcel delivery services, telecommunication and utility providers, and other third parties with which it does business in an effort to determine the extent to which the Company may be vulnerable to those parties' failure to timely correct their own Year 2000 problems. To date, the Company is not aware of any situations of noncompliance that would materially adversely affect its operations or financial condition. There can be no assurance, however, that instances of noncompliance which could have a material adverse effect on the Company's operations or financial condition will be identified; that the systems of other companies with which the Company transacts business will be corrected on a timely basis; or that a failure by such entities to correct a Year 2000 problem or a correction which is incompatible with the Company's information systems would not have a material adverse effect on the Company's operations or financial condition.

In addressing Year 2000 Issues, the Company estimates the total incremental costs will be approximately $200,000. The total cost estimate includes costs related to modifying software, replacing non-compliant hardware and software, external consultant fees and internal personnel costs. The estimated costs are based on management's current assessment and could change as the testing phase progresses. Further, the total estimated costs are based on assumptions of future events such as the availability of resources and third party modification plans. Hence, there can be no assurance that actual costs incurred will not be materially different.

Although the Company believes that its primary IT system correctly defines the year 2000, prudent business practices call for the development of contingency plans. The Company's contingency plans will include strategies for dealing with Year 2000-related system failures or malfunctions due to the Company's internal systems or from external parties. The Company's most reasonably likely worst case scenario of a Year 2000 system failure, either internal or that of an external provider, could prevent the Company from being able to manufacture its products, and to process and ship customer orders, or could disrupt financial and management controls and reporting systems. The Company expects to complete its contingency plans by July 1999.

The Company does not expect the Year 2000 issue to have a material adverse effect on its results of operations or financial position; however, if not effectively remediated, negative effects from Year 2000 Issues, including those related to internal systems, vendors, business partners, or customers, could have a material adverse effect on the Company's operations or financial condition.

New European Currency

On January 1, 1999, several member countries of the European Union adopted the euro as the common legal currency. The conversion rates between the existing sovereign currencies (the legacy currencies) and the euro were fixed on that date. During the three-year transition period, the legacy currencies as well as the euro will be acceptable as legal tender. The Company has wholly-owned subsidiaries located in several of the participating countries.

The introduction of the euro may create technical as well as strategic challenges. The Company has been preparing for the introduction of the euro by assessing its information systems requirements. Further, the Company is in the process of developing and implementing solutions to address other issues presented by the introduction of the euro, such as the impact on currency risk, derivatives and other financial instruments; events of noncompliance by third parties; and implications on pricing and marketing strategies. The cost of these efforts is not expected to be material.

Because of the numerous uncertainties associated with the euro conversion, there can be no assurance that all problems will be foreseen and corrected or that the conversion to the euro will not have a material impact on the Company's operations or financial condition. Additionally, the competitive impact from the introduction of the Euro is not known at this time.

<u>EXHIBIT INDEX</u>

## FOR IMMEDIATE RELEASE

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## QIAGEN Reports First Quarter Financial Results

**Venlo, The Netherlands, May 3, 1999** - QIAGEN N.V. (Nasdaq: QGENF, Neuer Markt: QIA) today announced the results of operations for its three months ended March 31, 1999.

The Company reported that consolidated net sales for its first quarter ended March 31, 1999, increased 33% to $34.0 million, from $25.6 million for the same period in 1998.

Net income for the quarter ended March 31, 1999 increased 44% to $3.8 million from $2.6 million in the same quarter of 1998. Diluted earnings per share increased 47% to $0.22 (based on 17.3 million average shares outstanding) from $0.15 (based on 17.2 million average shares outstanding) in the comparable quarter of 1998. Income from operations increased 69% to $5.6 million from $3.3 million in the comparable quarter of 1998. Cash and marketable securities at March 31, 1999 totaled $34.2 million.

In May 1998, QIAGEN acquired Rosys Instruments AG in a transaction which was accounted for as a pooling of interests. Therefore, the consolidated financial results of QIAGEN's first quarter 1999 are compared with the financial results of QIAGEN's first quarter 1998 including the operations of Rosys Instruments AG.

"The first quarter of 1999 was a very successful one for QIAGEN. We continued to penetrate the industrial and academic research market and saw strong growth across essentially all of our consumable, BioRobot and Rosys product lines. What is most exciting for us currently is the building of QIAGEN's strategic momentum as applications of DNA and RNA are emerging and accelerating in genomics, molecular diagnostics and gene therapy," said Dr. Metin Colpan, Chief Executive Officer of QIAGEN N.V. "Growth opportunities we see in these emerging markets demonstrate the benefits of our long-term strategy to position QIAGEN with technologies and products to serve these emerging markets while at the same time expanding our presence in our core academic and industrial research market." Dr. Colpan also noted, "In addition to experiencing strong revenue growth in our first quarter, we increased economies of scale and efficiencies and thereby expanded QIAGEN's margins."

QIAGEN N.V., a Netherlands holding company with subsidiaries in Germany, the United States, Japan, the United Kingdom, Switzerland, France, Australia and Canada, believes it is the world's leading provider of innovative enabling technologies and products for the separation, purification and handling of nucleic acids. The Company has developed a comprehensive portfolio of more than 280 proprietary, consumable products for nucleic acid separation, purification and handling, nucleic acid amplification, as well as automated instrumentation and related services. QIAGEN's products are sold in more than 35 countries throughout the world to academic research markets and also to leading pharmaceutical and biotechnology companies. In addition, the Company is positioning its products for sale into developing commercial markets, including DNA sequencing and genomics, nucleic acid-based molecular diagnostics, and genetic vaccination and gene therapy. QIAGEN employs approximately 800 people worldwide.

Certain of the statements contained in this news release may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. To the extent that any of the statements contained herein relating to QIAGEN's products and markets and operating results are forward-looking, such statements are based on current expectations that involve a number of uncertainties and risks. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for QIAGEN's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors. For further information, refer to the discussion in reports that the Company has filed with the U.S. Securities and Exchange Commission (SEC).

## FOR IMMEDIATE RELEASE


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### QIAGEN AND EVOTEC FORM JOINT VENTURE FOR THE DEVELOPMENT AND COMMERCIALIZATION OF HIGH-THROUGHPUT SYSTEMS

**Hilden and Hamburg, Germany, May 3, 1999** - QIAGEN GmbH, a subsidiary of QIAGEN N.V. (Nasdaq: QGENF, Neuer Markt: QIA) today announced it has formed a joint venture with EVOTEC Analytical Systems GmbH, a subsidiary of EVOTEC BioSystems AG. The partners will apply their proprietary technologies to the development and commercialization of high-throughput nucleic acid detection and purification systems. The companies believe these systems will address significant and currently unmet needs in the research, genomics and diagnostics marketplaces. Financial terms of the collaboration were not disclosed.

This equally-funded joint venture will utilize QIAGEN's expertise and proprietary technology in nucleic acid sample handling, separation, purification and amplification, while EVOTEC will contribute proprietary technologies including EVOTEC's proven single molecule detection technologies. These detection technologies have significant advantages for the detection of nucleic acids, including speed and flexibility permitting the quantification of molecular interactions at the single-molecule level. QIAGEN and EVOTEC expect the first products from the joint venture to be commercialized in the year 2001. Global distribution of the systems will be undertaken by QIAGEN.

Dr. Metin Colpan, Chief Executive Officer of QIAGEN, commented: "This joint venture creates a powerful synergy, combining the expertise and technology of two leaders in their respective fields. With its state-of-the-art technologies in ultra-high throughput screening and single molecule and interaction detection, EVOTEC has built a leading position in technologies critical to drug development. This joint venture will allow QIAGEN to offer complete "one-stop-shop" solutions to its customers, from sample to final result. The proprietary and patented solutions we intend to develop will address high information content requirements in nucleic acid analysis which represent currently unmet needs."

"QIAGEN today has built an unparalleled position in nucleic acid handling, purification and separation. Such capabilities are essential for molecular biology research, genomics and diagnostics applications. In addition to its proprietary technologies, QIAGEN has built one of the most powerful marketing and sales forces in the biotechnology industry. These assets, as well as its expertise in consumable and instrumentation manufacturing, represent a considerable benefit for our joint venture," added Dr. Karsten Henco, Chief Executive Officer of EVOTEC Biosystems AG, Hamburg.

QIAGEN N.V., a Netherlands holding company with subsidiaries in Germany, the United States, Japan, the United Kingdom, Switzerland, France, Australia and Canada, believes it is the world's leading provider of innovative enabling technologies and products for the separation, purification and handling of nucleic acids. The Company has developed a comprehensive portfolio of more than 280 proprietary, consumable products for nucleic acid separation, purification and handling, nucleic acid amplification, as well as automated instrumentation and related services. QIAGEN's products are sold in more than 35 countries throughout the world to academic research markets and also to leading pharmaceutical and biotechnology companies. In addition, the Company is positioning its products for sale into developing commercial markets, including DNA sequencing and genomics, nucleic acid-based molecular diagnostics, and genetic vaccination and gene therapy. QIAGEN employs approximately 800 people worldwide.

EVOTEC BioSystems AG provides drug discovery services, as well as novel drug candidates, to the Life Science industry. EVOTEC is a recognized leader in miniaturized and automated technology for drug discovery. EVOTEC has extensive alliances in the pharmaceutical industry, including Novartis and SmithKline Beecham, as well as in academia. EVOTEC employs approximately 150 people, 55 of which are PhD´s. EVOTEC's proprietary technology platform has been designed to substantially increase the efficiency of the entire pre-clinical drug discovery process: from target identification, through high-throughput screening and profiling, to ADME/Tox studies. The Company's patented EVOscreen® technology is an ultra-high performance screening system which incorporates EVOTEC's proprietary fluorescence detection technology -- sensitive enough to quantitatively measure single-molecule interactions even within living cells, -- with an automated platform designed for rapid screening in 1$\mu$l miniaturized assays.

Certain of the statements contained in this news release may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. To the extent that any of the statements contained herein relating to QIAGEN's products and markets and operating results are forward-looking, such statements are based on current expectations that involve a number of uncertainties and risks. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for QIAGEN's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors. For further information, refer to the discussion in reports that the Company has filed with the U.S. Securities and Exchange Commission (SEC).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

QIAGEN N.V.

By:

/s/ Peer M. Schatz
Peer M. Schatz
Chief Financial Officer

Date: May 14, 1999