Returning $250 million via synthetic share repurchase

QIAGEN EGM – Supplemental information
October 2016
Safe Harbor Statement

Certain statements contained in this press 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 capitalization, the value of its shares, the amount and timing of any payment to its shareholders, the timing and effects of the proposed synthetic share repurchase and other share repurchase programs, and its corporate objectives are forward-looking, such statements are based on current expectations and assumptions that involve a number of uncertainties and risks. Such uncertainties and risks include, but are not limited to, QIAGEN's receipt of stockholder approval for the synthetic share repurchase, market conditions, including currency exchange rate fluctuations, global financial instability, industry conditions, the timing of the transactions, the price of its common shares, its ability to complete the transaction and its ability to repurchase its shares in the open-market, its investment profile and its ability to attract future financing. For further information, please refer to the discussions in reports that QIAGEN has filed with, or furnished to, the U.S. Securities and Exchange Commission (SEC).
Proposal for synthetic share repurchase plan to return $250 million to shareholders

- Established Dutch process combines direct capital repayment with reverse stock split
- Applied by many Dutch multinationals with broad, international shareholder bases

Advantages:

- Enhance future earnings per share (EPS)
- Fast return of cash to shareholders
- No Dutch dividend withholding tax applicable

Key element of commitment to return $300 million to shareholders by end of 2017

- Complete additional $50 million via open-market repurchases during 2017 after initial $250 million through the synthetic share repurchase plan

In line with policy to increase returns to shareholders and invest in profitable growth

- Maintaining a non-rated investment grade credit profile
- Retaining a range of attractive debt financing options
Proposal to adjust QIAGEN’s capital structure involves these steps:

- Increase par value of shares through transfer from the Share Premium Reserve (included in “Additional Paid-In Capital”) to allow for capital repayment
- Reverse stock split consolidates all shares at a ratio equal to market value of the total number of outstanding shares less the capital repayment, divided by the market value of the outstanding shares
- Capital repayment is paid out to shareholders, and the par value is reduced to the original EUR 0.01 per share

Intention to complete process by early January 2017

- Shareholders to vote at EGM on four amendments to the Articles of Association
- Two-month creditor objection period after EGM shareholder approval (per Dutch law)
Synthetic share repurchase: Illustrative example for investor

**ILLUSTRATIVE EXAMPLE**

<table>
<thead>
<tr>
<th>Current holding</th>
<th>Reverse stock split (24 for 25)</th>
<th>Capital repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 shares @ $26.00</td>
<td>24 Shares @ $26.00</td>
<td>Repayment @ $1.0833 per share</td>
</tr>
</tbody>
</table>

Share value: $624.00 + Cash value: $26.00 = Total value: $650.00

(1) Actual consolidation ratio will be determined by the Management Board.
Synthetic share repurchase: Illustrative example of process steps

**Current situation**
- Share Premium Reserve
- Par value per share

25 shares
Illustrative example based on:
- ~234 million outstanding shares (excl. treasury shares)
- Share price of $26.00
- Share consolidation ratio of 25 to 24
- FX rate of $1.12 = EUR 1.00

**Step 1 Increase par value**
- Share Premium Reserve
- Par value per share

25 shares
EGM agenda item (Step 1)
- Par value per share is increased to EUR 1.20 from EUR 0.01 to allow for capital repayment of EUR 0.9673 (or $1.0833)

**Step 2 Reverse stock split**
- Share Premium Reserve
- Par value per share

25 to 24 shares
EGM agenda item (Step 2)
- Reverse stock split based on consolidation ratio (example uses 25 to 24)
- 4% reduction of outstanding shares to ~225 million from ~234 million
- EUR 0.9673 ($1.0833) is equal to 4% of share price after split

**Step 3 Capital repayment**
- Share Premium Reserve
- Capital repayment per share
- Par value per share

24 shares + $26.00 cash
EGM agenda item (Step 3)
- Cash repayment of $1.0833 per share (post split) or 24 x $1.0833 = $26.00
- Par value returned to EUR 0.01

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**Amendment to the Articles of Association to increase the par value of shares**

**Amendment of Articles of Association to execute the reverse stock split**

**Amendments of Articles of Association to decrease par value of common shares, including a reduction of capital, and the treatment of fractional shares**
Reverse stock split ratio
The consolidation ratio will determine:
(i) the number of Common Shares resulting from the share consolidation
(ii) the new par value of the Common Shares after the first and second amendment of the Articles of Association; and
(iii) the amount repaid per Common Share post consolidation.

Consolidation ratio
The consolidation ratio is calculated as follows:
\[ \frac{A - B}{A} = Y \]

- \( A \) = the market value of the outstanding Common Shares on a date and time to be determined by the Managing Board.
- \( B \) = the total amount of the repayment of capital to holders of Common Shares.
- \( Y \) = the consolidation ratio.

Determining new par value
The new par value of the Common Shares as a result of the reverse stock split will be determined as follows:
\[ \frac{X}{Y} = Z \]

- \( X \) = the par value of Common Shares before the reverse stock split (consolidation) of the Common Shares.
- \( Y \) = the consolidation ratio.
- \( Z \) = the par value of Common Shares after consolidation.

Capital repayment per share
Since the repayment per Common Share will take place after the reverse stock split, the amount repaid per Common Share depends on the applicable consolidation ratio.
\[ \frac{B}{D} = E \]

- \( B \) = the aggregate amount of the repayment of capital to the holders of the Common Shares.
- \( D \) = the total number of outstanding Common Shares before the reverse stock split.
- \( Y \) = the consolidation ratio.
- \( E \) = the total amount of repayment of capital per Common Share after the reverse stock split.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2016</td>
<td>Invitation to Extraordinary General Meeting of Shareholders (EGM)</td>
</tr>
<tr>
<td></td>
<td><em>At least 42 days for convocation (per Dutch law)</em></td>
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<td>Late October 2016</td>
<td>EGM held in Venlo, the Netherlands</td>
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<td></td>
<td><em>Start of two-month creditor opposition period (per Dutch law)</em></td>
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<td>Late December 2016</td>
<td>Declaration of no opposition</td>
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<td>Early January 2017</td>
<td>Announcement of transaction details, including final repayment</td>
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<tr>
<td></td>
<td>amount, reverse split ratio, record date and cash payment date</td>
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</tbody>
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