

**Publication in analogous application of the provisions of  
§ 27 (3) Sentence 1 and § 14 (3) Sentence 1 German Securities Acquisition and Takeover Act  
(Wertpapiererwerbs- und Übernahmegesetz – WpÜG)**

Please note: This publication does **not** constitute a mandatory publication pursuant to § 27 (3) Sentence 1 and § 14 (3) Sentence 1 WpÜG as the relevant offer does **not** fall within the scope of the WpÜG. Nevertheless, the management and supervisory board of GENEART AG have decided to publish this statement in analogous application of the provisions of § 27 (3) Sentence 1 and § 14 (3) Sentence 1 WpÜG.



**Joint Statement of the  
Management Board and Supervisory Board**

of

**GENEART AG**

Josef-Engert-Straße 11  
D-93053 Regensburg, Germany

on the voluntary public offer by

**Applied Biosystems Deutschland GmbH**

Frankfurter Straße 129B  
D-64293 Darmstadt, Germany

to the shareholders of

**GENEART AG**

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## 1. Introduction

In analogous application of § 14 (2) and (3) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*), on 13 April 2010 Applied Biosystems Deutschland GmbH with seat in Darmstadt, registered with the commercial register of the Local Court (*Amtsgericht*) of Darmstadt unter HRB 85915 (hereinafter the **Bidder**), published an offer document (**Offer Document**) for an offer addressed to the shareholders of GENEART AG with seat in Regensburg, registered with the commercial register of the Local Court of Regensburg unter HRB 10111 (**Offer**), for the purchase of all shares in GENEART AG (ISIN DE000A0JJ4L4 (WKN A0JJ4L)) which are not already owned by the Bidder (**GENEART Shares**) against payment of a cash consideration in the amount of EUR 13.75 for each GENEART Share (**Offer Price**). The Bidder acts in accordance with the strategic objectives of its ultimate parent company, Life Technologies Corporation, 5791 Van Allen Way, Carlsbad, CA, 92008, USA (together with the companies consolidated in the annual accounts as per 31 December 2009 of Life Technologies Corporation herein also **Life Technologies**).

According to the offer document there are no further documents which form part of the Offer. Although the Bidder published a nonbinding English translation of the German Offer Document, the German Offer Document version alone is binding. The German version and the non-binding English translation of the Offer Document is available online at <http://www.G6Atender.com>. In Germany copies of the German Offer Document version are available free of charge from Commerzbank AG, ZCM-ECM Execution, Mainzer Landstraße 153, 60327 Frankfurt am Main (orders by fax to +49-69-136-44598). The Bidder has published an announcement regarding the online publication and availability of copies at Commerzbank AG in the electronic edition of the Federal Gazette (*Bundesanzeiger*).

The Offer Document was submitted to GENEART AG's management board on 13 April 2010. The management and supervisory board of GENEART AG provide the following substantiated joint statement (**Statement**) with regard to the Offer.

## 2. Legal basis of the Statement

The management and supervisory board of GENEART AG are not obliged to issue a Statement regarding the Offer. § 27 WpÜG is not applicable. The management and supervisory board of GENEART AG, however, issue this Statement on the Offer on a voluntary basis.

## 3. Actual basis for the Statement

All information, expectations, evaluations and forward-looking statements and intentions contained in this Statement are based on information available to GENEART AG's management and supervisory board at the time of publication of this Statement or reflect their estimates or intentions at that time. Any of these statements may change subsequent to its publication. Any statements of intent made by the Bidder are based on statements and communications of the Bidder, which have not been independently verified by GENEART AG's management and supervisory board.

## 4. Independent decision by the GENEART Shareholders

The management and supervisory board point out that their statements and evaluations contained in this Statement are non-binding on GENEART Shareholders and that the Statement does not in any way purport to be complete. GENEART Shareholders must form their own decision on the acceptance or non-acceptance of the Offer based on the Offer Document, as well as all other information available to them (including any individually obtained consultations) and taking into consideration their individual tax and other considerations.

## 5. The Offer

The Bidder's Offer is directed at the purchase of up to 1,856,248 shares in GENEART AG. This represents the number of GENEART Shares which are held neither directly nor indirectly by the Bidder.

## 6. Affiliation between GENEART AG and the Bidder

The Bidder currently holds 2,631,552 shares in GENEART AG and thus approximately [58.64]% of all shares in GENEART AG. GENEART AG and the Bidder are affiliated companies in the sense of §§ 15, 17 German Stock Corporation Act (*AktG*).

## 7. Type and amount of consideration offered

The Offer Price amounts to EUR 13.75 for each GENEART Share. The Bidder is not subject to any legal requirements in determining the Offer Price given that the Offer does not fall within the scope of the WpÜG.

As far as the management and supervisory board are aware, the Offer Price of EUR [11.59] per GENEART Share is equivalent to the prescribed minimum price requirements determined by analogous application of the provisions of § 31 (1) WpÜG in conjunction with §§ 4 and 5 of the WpÜG Offer Ordinance (*WpÜG-Angebotsverordnung - WpÜG-AngebotsVO*).

### 7.1 Minimum Offer Price

7.1.1 By analogous application of the provisions of § 5 WpÜG-AngebotsVO, in the case of an offer pursuant to §§ 29 *et seq.* WpÜG, the consideration must be at least equal to the weighted average price of GENEART shares quoted on a domestic stock exchange during the last three months prior to the publication of a decision to launch an offer.

This weighted three-months-average price could not be determined by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*), since BaFin is not the competent authority for the present Offer given that it is outside the scope of the WpÜG. Instead, according to the offer document the average price was determined by Commerzbank AG, Frankfurt am Main, on the basis of the information published by Bloomberg and amounts to approximately EUR 8.39. The Offer Price amounting to EUR 13.75 per GENEART Share is EUR 5.36, i.e. approximately 63.89%, higher than this price.

7.1.2 By analogous application of the provisions of § 4 WpÜG-AngebotsVO, in the case of an offer pursuant to §§ 29 *et seq.* WpÜG, the provisions of which are applied analogously, the consideration must be at least equal to the highest consideration for the purchase of GENEART Shares granted or agreed by the Bidder, a person acting in concert with it, or its subsidiaries within the last six months prior to the publication of the Offer Document.

With effect of April 9 2010 the Bidder has acquired, inter alia from GENEART AG's founding shareholders and members of its boards, Prof Dr Ralf Wagner, Prof Dr Hans Wolf and Dr Marcus Graf, a total of 2,631,552 shares, and thus approximately 58.64% of all shares in GENEART AG, by way of a share purchase off exchange at a price of EUR 11.59 per share (hereinafter **Block Trade**).

The persons named sold and transferred all of their respective shares in GENEART AG to the Bidder. No other member of GENEART AG's management and supervisory board has sold and/or transferred his own shares in GENEART AG in the context of the Block Trade to the Bidder. However, EquiNet EarlyStage Capital Fonds Nr. 1 GmbH & Co. KG i.L. and S-Refit AG have transferred all of their respective shares in GENEART AG in the context of the Block Trade at a price of EUR 11.59 per share to the Bidder; the management and supervisory board point out that Dr Farsin Yadegardjam is affiliated with EquiNet EarlyStage Capital Fonds Nr. 1 GmbH & Co. KG i.L. and that Mr Bertram Gilka-Böttzow is affiliated with S-Refit AG.

As far as the management and supervisory board are aware, no further acquisitions regarding GENEART Shares prior to the Offer have been conducted by the Bidder or Life Technologies.

### 7.2 Comparison with historical stock exchange prices

The determination of the Offer Price was based in particular on the historical stock exchange prices of GENEART Shares in addition to the factors set out in Section 10.1 of the Offer Document. The

management and supervisory board are of the opinion that the stock exchange prices of GENEART Shares are a suitable basis for assessing the adequacy of the Offer Price.

In relation to the closing prices of GENEART Shares in the XETRA electronic trading system one month, six months, and twelve months, respectively, prior to the decision of the Bidder published on 9 April 2010 to launch the Offer, according to the offer document the Offer Price contains the following premiums:

- On 9 March 2010, one month prior to publication of the decision to launch the Offer, the closing price of GENEART Shares in the XETRA electronic trading system was EUR 9.35. The Offer Price therefore contains a premium of EUR 4.40 or approximately 47.06% over this stock exchange price.
- On 9 October 2009, six months prior to publication of the decision to launch the Offer, the closing price of GENEART Shares in the XETRA electronic trading system was EUR 6.70. The Offer Price therefore contains a premium of EUR 7.05 or approximately 105.22% over this stock exchange price.
- On 9 April 2009, twelve months prior to publication of the decision to launch the Offer, the closing price of GENEART Shares in the XETRA electronic trading system was EUR 3.39. The Offer Price therefore contains a premium of EUR 10.36 or approximately 305.60% over this stock exchange price.

The historical stock exchange prices referred to above were determined by Commerzbank AG, Frankfurt am Main, on the basis of the information published on the website of Deutsche Börse AG and by Bloomberg.

### **7.3 Further explanations relating to the Offer Price**

The comparisons with historical stock exchange prices presented in Section 7.2 of this Statement demonstrate that the Offer Price is higher than the valuation accorded to GENEART Shares by the capital market prior to the publication of the decision by the Bidder to launch the Offer. The management and supervisory board do not give any appraisal of an earning-capacity value of GENEART AG or on the basis of any assessment procedure.

The management and supervisory board believe that the Offer Price for each GENEART Share is reasonable.

## **8. Intentions pursued by the Bidder in connection with the Offer**

Section 9 of the Offer Document sets out the current intentions of the Bidder with respect to GENEART AG. We kindly refer to this information. In particular, the Bidder states in Section 9.6 of the Offer Document that following the completion of the Offer, the Bidder intends to carry out a detailed analysis, together with the management of GENEART AG, of possible ways of further extending the co-operation between the two companies, new business opportunities, and measures to improve efficiency that are appropriate for both companies. The Bidder anticipates that there will be opportunities for effective cooperation in particular in the areas of administration, marketing, and the further development of products. The management and supervisory board support these measures.

According to the offer document the Bidder intends to acquire all shares in GENEART AG. The Bidder reserves the right to carry out certain measures (e.g. squeeze-out, delisting) should the relevant requirements have been met. After completion of the Offer, the Bidder will decide, taking into account the then factual, legal and economic circumstances, whether any measures shall be carried out (see the information for GENEART Shareholders not accepting the Offer under Sec. 10.2 below in that regard).

## **9. Prospective consequences of a successful offer**

### **9.1 Prospective consequences for GENEART AG and its locations**

Pursuant to the information contained in the Offer Document, the Bidder plans to interlink the current business activities of GENEART AG closely with Life Technologies' business activities. However, the management and supervisory board understand that GENEART AG shall initially continue to exist as a separate company.

The Bidder currently has no plans to divest itself of any parts of the activities of GENEART AG or any of its subsidiaries to a third person, as evidenced in the Offer Document. According to the offer document the Bidder currently also has no plans that would result in an increase in the liabilities of GENEART AG beyond its normal business activities; the Bidder does not intend to transfer any costs arising in the context of this transaction and its conduct to GENEART AG.

With respect to the contemplated takeover, the Bidder intends to extend Life Technologies' competences in the area of gene synthesis and to increase market penetration. Apart from that the Bidder does not intend to change its business activities in a way not in accordance with its past practice. This applies *mutatis mutandis* to Life Technologies.

According to the offer document the Bidder does not intend to move the company seat of GENEART AG from its current location at Regensburg. Nor are there any plans to relocate, close or reorient important company parts.

### **9.2 Prospective consequences for employees and employment conditions**

Pursuant to the information contained in the Offer Document, it is important to the Bidder to retain the best staff employed by itself and GENEART AG for the long term. As to this information, the Bidder has not yet fully accomplished its planning on the future employee structure of GENEART AG. According to the offer document at the present time the Bidder does not yet have comprehensive information to be able to compare the terms and conditions of employment for GENEART AG employees with those applying at Life Technologies. GENEART AG does not have any employees' representation.

A successful Offer will as such not affect employment contracts and employment conditions of employees of GENEART AG and its subsidiaries. No transfer of business operations will ensue insofar. The contents of employment contracts will remain unchanged by the successful Offer as such.

The management and supervisory board will submit this Statement to the employees of GENEART AG.

## **10. Other consequences as a result of a successful offer**

### **10.1 Cessation of shareholding**

GENEART Shareholders accepting the Offer submitted by the Bidder will cease to be GENEART Shareholders against payment of the respective offer price of EUR 13.75 for each GENEART Share.

### **10.2 Possible consequences for GENEART Shareholders not accepting the Offer**

GENEART AG shareholders not intending to accept the Offer should take the following into account, whereas reference is especially made to Section 17 of the offer document:

10.2.1 The GENEART Shares for which the Offer was not accepted will be further traded on the stock exchange whereby, with respect to the current price of the GENEART Share, it should be kept in mind that this reflects the fact that on [9 April] 2010 the Bidder published its decision to make an Offer. Thus it is uncertain whether the price of the GENEART Shares will remain at the current level or whether it will fall or increase. Recently it has been the case with respect to some takeover offers that, once they were completed, the price of the shares of the target company fell below the offer price. The Bidder cannot rule out the possibility that a similar price development will also take place with respect to the GENEART Shares.

- 10.2.2 Executing the Offer is expected to reduce GENEART AG's free float. The number of free float shares could be reduced in such a way that a proper trading in GENEART Shares would no longer be ensured or that no more trading at all would take place. This could mean that selling orders could not be carried out, or could not be carried out in a timely manner. Furthermore, a low level of liquidity of the GENEART Shares could lead to greater price fluctuations of the GENEART Shares than in the past.
- 10.2.3 To the extent permitted by law, after the Offer has been completed or at a later time, the Bidder could cause GENEART AG to terminate the listing at the stock exchange if the requisite conditions have been satisfied.
- 10.2.4 In the case that, after the Offer has been completed, the requirements for this have been met, the Bidder could resolve to conclude a control and/or profit transfer agreement with the Bidder as controlling company and GENEART AG as controlled company. Such an agreement would require, inter alia, the consent of at least 75% of the share capital represented at the general meeting of GENEART AG. Under the terms of a control agreement, the controlled company places itself under the management of the controlling company. Under the terms of a profit transfer agreement, the controlled company undertakes to transfer all its profits to the controlling company, while the controlling company is obliged to compensate any annual net loss of the controlled company occurring during the term of the agreement.
- A control and/or profit transfer agreement would have to provide for a recurring cash payment to compensate the outside GENEART Shareholders (§ 304 German Stock Corporation Act). The conclusion of a control and/or profit transfer agreement would also oblige the Bidder to offer the acquisition of the shares of all outside GENEART Shareholders against payment of an adequate consideration (§ 305 German Stock Corporation Act). The amount of the adequate cash consideration could be the same as the Offer Price, but could also be higher or lower.
- 10.2.5 If the Bidder were to hold at least 95% of the share capital of GENEART AG after the completion of the Offer, it would be possible for the Bidder to propose to the general meeting of GENEART AG, pursuant to § 327a et seq. German Stock Corporation Act, that it pass a resolution transferring the shares of the minority shareholders to the Bidder against payment of an adequate cash consideration, which could be the same as the Offer Price, but could also be higher or lower.

#### **11. Intention of the members of the management and supervisory board to accept the Offer, insofar as they are GENEART Shareholders**

Members of the management and supervisory board who own GENEART Shares intend, as far as they have not already sold and transferred their shares to the Bidder in the context of the Block Trade, to accept the offer for all the GENEART Shares they hold.

#### **12. Recommendation**

In consideration of the above and in acknowledgement of all relevant circumstances, GENEART AG's management and supervisory board recommend that the owners of GENEART Shares accept the offer made by the Bidder.

Regensburg, April 16, 2010

GENEART Aktiengesellschaft

Management Board and Supervisory Board