invitrogen annual report 2001

TO OUR SHAREHOLDERS AND EMPLOYEES,

Without question, Invitrogen's performance in 2001 was outstanding. I am very proud that in the face of terrorist attacks, recession, a strong dollar, and problems affecting other companies in our industry, Invitrogen met or exceeded our own revenue and earnings estimates throughout the year. Late in 2001, our standing in the corporate world was recognized though Invitrogen's inclusion in the Nasdaq biotech index and the Nasdaq 100 stock index. The fact that our business performed so well in this challenging environment is a reflection of the power of our business model, the strength of our franchise, and the capability of our employees.

Underlying this success was the realization of some of the key benefits of our September 2000 acquisition of Life Technologies.

Our efforts to capture these benefits during 2001 included:

- Combining and cross-training sales forces from both companies and boosting marketing efforts
- Launching new products based on combined technologies and culling the product line of certain low-growth, low-margin items
- Selling or discontinuing non-core operations
- Closing redundant facilities, consolidating operations and ending certain distribution arrangements

Some of these actions were undertaken to improve the productivity of our sales force and solidify our reputation as a supplier of innovative, high-performance products. Others streamlined our distribution system and helped us reduce costs. While there is more work to do in each of these areas in 2002, collectively, our actions set the stage for profitable growth in the future.

We see opportunities from the Life Technologies acquisition extending throughout 2002. By mid-year, we expect to complete the consolidation of our molecular biology manufacturing and distribution into a new 320,000 square foot facility in Carlsbad. Throughout the year we will launch new products that strengthen and extend the combined technology platforms. We are finding exciting opportunities for innovation and growth in our Cell Culture division, which performed particularly well in 2001. As always, we will work to communicate to our customers the value our products create and strive to achieve a fair sharing of that value between buyer and seller.

Synergy describes the whole being greater than the sum of its parts, and this describes the melding of the technology portfolios of Invitrogen and Life Technologies. Beyond the complementary fit of Life Technologies' product offerings, patent portfolio, and market position with Invitrogen's, the sum of the two has created a broad technology platform—an *Operating System*—that allows a scientist to proceed seamlessly from one key procedure to another. I believe this Operating System is now the preferred platform for molecular biology research, and I expect that our on-going efforts to expand its capabilities will further solidify Invitrogen's leadership position.

Our vision has always been that Invitrogen would become the world's leading provider of innovative products that accelerate biological discovery. The business model we use in pursuing this vision is to in-license technologies and make acquisitions based on highly selective criteria. The broad appeal of our Operating System and our reputation for supporting products with a global marketing, sales and distribution capability makes Invitrogen a preferred licensing partner for technology owners seeking commercial success. At the same time, we believe that the high degree of fragmentation in the biotechnology industry will provide us with opportunities to make acquisitions that will enhance shareholder value.

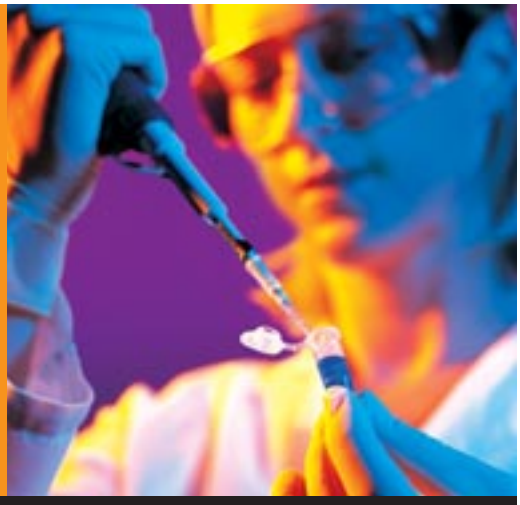
Our ability to make acquisitions improved in parallel with our rising cash position throughout 2001. In December, we further strengthened this ability with a $500 million convertible note offering. We are now working hard to find acquisition candidates that meet our stringent criteria for creating shareholder value.

I believe Invitrogen is well positioned for future success. We have an exceptionally broad technology and product platform. Our global distribution network reaches the vast majority of the world's molecular biologists. We are an attractive partner to those wanting to license their technologies. We will continue striving to identify, acquire and integrate companies that contribute meaningfully to our growth, market presence, and financial performance. We have the financial strength to execute our business plan. Most importantly, our management team is committed to creating value for our shareholders in all that we do. Regardless of the challenges and opportunities we encounter in 2002, be assured that this will continue to guide all of our actions.

"I believe Invitrogen is well positioned for future success."

PRESIDENT, CHAIRMAN AND CEO **Lyle C. Turner**

Innovation increases accuracy, speed, reliability, and efficiency—often making something difficult or impossible become possible. Invitrogen brings this promise to the life sciences.



a partner in research

To thousands of customers worldwide, Invitrogen is an innovative partner in life science research and the commercial production of biomolecules. We offer extensive technology platforms based on advances in molecular and cell biology to improve accuracy and speed in life science research. To improve reliability and efficiency in bioproduction, our GIBCO™ cell culture products provide essential components in the production of biotherapeutic proteins, monoclonal antibodies, and viral vaccines.

As a partner in innovation, Invitrogen is also a thinker, an enabler, and a leader. We excel at simplifying complex scientific procedures for researchers, developing unique products that save time and improve results. By bringing these benefits to scientists worldwide, we fulfill our mission of helping to improve the human condition.

2001 results

We saw a significant increase in revenues in 2001, due largely to the acquisition of Life Technologies on September 14, 2000. The acquisition was accounted for as a purchase and, accordingly, the results of operations have been included in the financial results from the acquisition date.

2001 Results - Selected Financial Data

(In thousands, except per share data)

Years ended December 31	2001[1]	2000
Revenues	$629,290	$246,195
Net loss	(147,666)	(54,326)
Loss per share	$(2.81)	$(1.80)
Pro forma net income and earnings per share:		
Net loss	$(147,666)	$(54,326)
Add back merger-related amortization and costs	282,333	110,604
Less related tax benefit	(42,010)	(20,297)
Pro forma net income	$92,657	$35,981
Pro forma diluted earnings per share	**$1.72**[2]	**$1.07**
Weighted average shares used in proforma diluted per share calculations	54,063[2]	33,686

(1) The acquisition of Life Technologies on September 14, 2000 was accounted for as a purchase and, accordingly, the results of operations have been included in the financial results from the acquisition date, which significantly affects the comparability of the financial information presented.

(2) Pro forma diluted earnings per share for the year ended December 31, 2001 includes the potential dilution from the 2006 Convertible Subordinated Debt that was issued on December 11, 2001, and, using the treasury stock method, assumes that the debt was converted on that date with related interest expense and outstanding common shares adjusted accordingly.

market overview

Invitrogen offers thousands of products that encompass two key market segments in the life sciences industry, molecular biology and cell culture. Our molecular biology products primarily serve the research community with reagents, complete research kits designed for specific applications, and custom laboratory services. These products and services simplify and enhance gene identification, cloning, expression, and analysis techniques—the fundamental steps in understanding life at the molecular level. Under the GIBCO™ brand, Invitrogen is the leading supplier of cell culture products, services, and technologies for research and biopharmaceutical manufacturing applications. GIBCO™ offerings range from catalog and custom products to research services, products for large-scale production, technical expertise, and regulatory support.

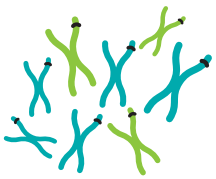
the discovery cycle

As the Human Genome Project demonstrates, gene discovery is occurring at an unprecedented pace. The genetic sequence information carried by an organism provides researchers with vast quantities of raw data that demand further investigation. Data from the human genome and other genome projects presents an entry point into a continuous cycle of discovery, one that is the focus of much of current life sciences research. This cycle includes four essential stages following genome sequencing: gene identification, gene cloning, gene expression, and analysis of genes and proteins. Invitrogen is a market leader in all four areas.

a market leader

Invitrogen has in-licensed technology, developed products, and made acquisitions to offer a product and technology portfolio that is unmatched in the industry. Our portfolio includes highly-differentiated products at every stage of the Discovery Cycle. We have built this portfolio on a foundation of wide-ranging proprietary knowledge and an extensive series of licenses and patents on leading technologies. The result: Invitrogen is the world's leading supplier of consumable tools and services for molecular biology and cell culture.

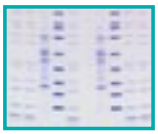
The Discovery Cycle

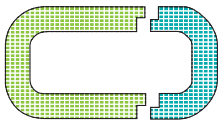


THE GENOME
The total genetic information carried by an organism is called its genome. The genome is a linear sequence of nucleotide bases.

GENE IDENTIFICATION
Nucleotide sequences are analyzed to determine which stretches are genes. A gene is a specific sequence that codes for a particular protein.

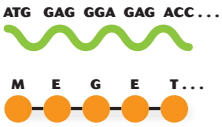
GENE ANALYSIS
Expressed proteins are studied to determine their function and discover how they interact with proteins and other molecules within the cell. This analysis helps identify other genes that need to be cloned and expressed to understand cellular function.





GENE CLONING
Genes are inserted into vectors so that they can be replicated in cells and used for studies such as gene expression.

GENE EXPRESSION
Cloned genes are used to express proteins in a variety of host organisms.



The strategy that created our solid leadership position is based on the development of innovative new products combined with carefully chosen acquisitions.

a year of continuing innovation

Our two-fold business strategy drives our growth and broadens our product line. To implement this strategy, we in-license innovative technologies that can be rapidly developed into high-value research kits and services. And, we acquire companies whose technologies complement ours or allow us to expand into new markets. Throughout 2001, as we worked to integrate the operations of Life Technologies, we continued to in-license technologies and launch new products.

In May we sold the former Life Technologies headquarters in Rockville, Maryland as an important step toward closing redundant facilities, reducing costs, and consolidating R&D. We also doubled our business development staff to in-license more technologies to fill our new product pipeline and develop strong collaborations with customers, research centers, and other companies. In addition, we launched more than 100 new products that improve the accuracy, speed, reliability, and efficiency of life science research. The new products highlighted here offer a significant technological advantage in each step of the Discovery Cycle.

accurate gene identification

The I-SAGE™ Kit, launched in February, extends the limits of gene identification. SAGE (Serial Analysis of Gene Expression) is the only technology that allows researchers to detect and quantify all of the transcripts expressed in a cell line.

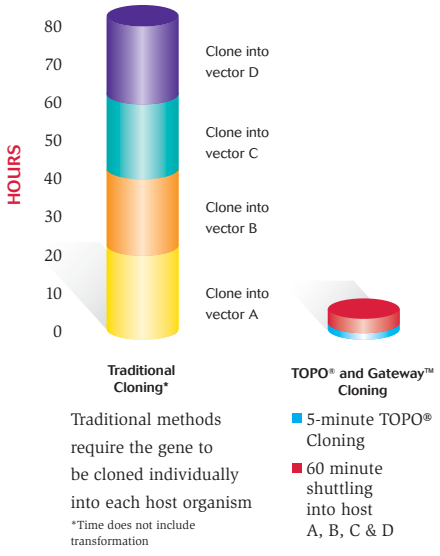
The I-SAGE™ Kit

Researchers can use the I-SAGE Kit to identify low-abundance and novel genes, and to better understand gene regulation.

faster cloning and gene expression

Launched in September, the Directional TOPO® Entry Vectors are the heart of our *Operating System* for molecular biology research. These vectors exemplify the synergies afforded by our acquisition of Life Technologies because they tie together complementary cloning platforms that formerly resided in the two separate companies. With the new vectors, a researcher can use Invitrogen's 5-minute TOPO® Cloning technology to clone genes into the Gateway™ platform–an advanced technology gained from Life Technologies that can shuttle genes into a variety of different host organisms for the study of the proteins encoded by those genes. Together,

Invitrogen products save weeks compared to traditional methods



Traditional methods require the gene to be cloned individually into each host organism

*Time does not include transformation

in an extremely high yield of protein–up to 100 times that of traditional systems in a fraction of the time.

reliable media formulations

In the summer, Invitrogen's GIBCO™ Cell Culture business launched the first novel format to hit the cell culture community in over 10 years. Advanced Granulation Technology™ (AGT™) is a unique dry system that allows for a complete, single-component configuration of some of the most complex cell culture formulations. By eliminating steps required in conventional preparations, AGT formulations decrease total cycle costs and increase yield. This offers pharmaceutical and biotechnology companies working in industrial-scale applications increased reliability and time savings.

efficient high-throughput analysis

The E-Gel® *96* System, launched in December, revolutionizes high-throughput agarose gel electrophoresis, a common analytical technique used to identify individual DNA samples. The unique staggered-well format can analyze 96 samples in just 12 minutes and is compatible with most liquid handling robots. With E-Gel *96*, scientists can work more efficiently by conducting their analysis in high throughput.

With Invitrogen products and services, researchers can complete individual experiments more rapidly, obtain more accurate results, and advance their research to conduct further experiments. But more importantly, our products help scientists think smarter because they can focus on their research aims rather than the means. We remain committed to empowering scientists to achieve their goals faster and realize greater knowledge. That's why many Invitrogen products continue to set the standard in the life sciences industry.

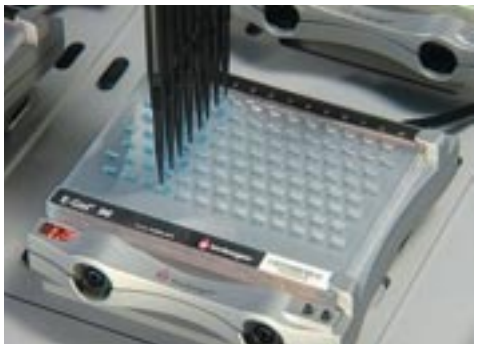
new products speed discovery

WITHIN our new products lies a common goal: to accelerate life science discovery and utilization.

TOPO Cloning and Gateway accelerate gene cloning and expression to save weeks of labor time over traditional methods.

Scientists studying gene expression and protein interactions require the analysis of thousands of genes and hundreds of thousands of proteins. The Expressway™ *In Vitro* Protein Synthesis System, launched in December, gives researchers a fast, simple method to obtain large quantities of protein for their analytical studies. A novel biochemical energy renewal system enables active protein expression, resulting

The E-Gel® *96* System



In 2001 we streamlined operations and boosted marketing efforts to illustrate the value of the newly combined company. We also laid the foundation for profitable future growth.

streamlining operations

To enable profitable future growth, we first discontinued certain low-growth, low-margin molecular biology and cell culture products. Second, we sold or discontinued non-core businesses obtained through our acquisitions. These included:

- Discontinuing our distribution of certain nucleic acid isolation and storage products
- Selling our manufacturing and distribution rights for human genetic and identity testing products
- Discontinuing our distribution agreement for Nunc plasticware
- Selling cell electroporation and certain electrophoresis apparatus businesses
- Selling the BioSepra chromatography business

Discontinuing low-growth, low-margin products and selling non-core businesses allowed us to focus our sales force and simplify our distribution system. Though we made considerable progress in streamlining our product line and improving margins in 2001, we anticipate additional progress in this area throughout 2002.

consolidating locations

We sold Invitrogen's European facility in The Netherlands as part of our consolidation of European headquarters in Scotland –the former Life Technologies European headquarters. We also moved our customer service team to our Cell Culture facility in Grand Island, New York so we could simplify operations and provide better service to our customers. In the autumn, we began building out a new 320,000 square foot facility in Carlsbad, California, which we anticipate will house the vast majority of our molecular biology manufacturing operations by mid-2002. Our goal is to reduce costs while we improve efficiency.

co-location improves efficiency

The co-location of manufacturing and R&D along with marketing and business development in Carlsbad, California is critical to our product development strategy. We've been extremely successful in new product development by considering the needs of our customers in every action we undertake. One of the important ways we do this is by using teams consisting of R&D, business development, manufacturing, and marketing members to launch new products. This structure helps assure that products conceived by R&D can be manufactured within our cost guidelines and meet a need that customers will value. Co-locating integrated project teams allows us to develop products rapidly and to instill Invitrogen's culture into the combined organization.

spreading the word

Throughout the year, we invested in advertising, promotion, and a bold, new image to build the value of our corporate brand. Collectively, these efforts strengthened our connection with our customers, helped them understand the benefits of the newly combined company, and distinguished Invitrogen from the competition. For new products and former Life Technologies products, we developed integrated marketing communications campaigns to increase awareness and interest. The result was particularly strong in the GIBCO™ cell culture products, which had not historically enjoyed a significant marketing investment. We also invested in cross-training the newly combined worldwide sales force on both Invitrogen and former Life Technologies products. And, we re-aligned the sales incentive program to focus sales efforts on our high-growth, high-margin products. Due to the worldwide reach of our direct sales force, we were able to terminate distribution arrangements previously used in some foreign countries, thereby contributing to margin improvement.

improving our service

To better serve our customers in the United States and take advantage of opportunities, we implemented a market-leading Customer Relationship Management (CRM) system. This system has allowed us to consolidate our various customer information sources into a central database that includes each customer's purchase history, literature requests, technical services inquiries, research interests, as well as responses to direct mails and other promotions. Using the CRM system, we intend to offer more timely and accurate service to our customers and to respond more rapidly to potential opportunities. In 2002, we plan to implement a similar system for our European customers as we move toward worldwide customer relationship management.

capturing the value

To capture the value that our products bring to customers, we initiated a strategic pricing project mid-year. The goal: to quantify the value that our products bring to the research process and set prices that allow Invitrogen and the researcher to share that value. The strategic pricing project identified a new pricing framework that was implemented in February 2002, in parallel with the launch of Invitrogen's product catalog. The new 800-page catalog combines formerly separate catalogs for Invitrogen, Life Technologies, and Research Genetics into one comprehensive resource.

marketing builds the value

WE PUT INVITROGEN'S marketing muscle to work on new products and many of the former Life Technologies products.

GIBCO™ cell culture and Expressway™ advertisements

Since our Initial Public Offering in 1999, Invitrogen has grown rapidly and profitably. We believe that Invitrogen has a solid business model and is well positioned for the future.

a bright outlook

Improving the technology platform. Focusing the product line. Making beneficial acquisitions. Consolidating our operations. Launching innovative new products. These are the tools that we will use to continue our success.

Our ability to make future acquisitions improved throughout 2001 with our strong internal cash generation and a $500 million convertible note offering. Today Invitrogen is a leader in both the molecular biology and cell culture segment of the life science industry. We have:

- A strong technology portfolio through more than 290 licenses covering 400 molecular biology patents
- A streamlined product line of high-growth, high-margin products
- A global sales, marketing and distribution network
- A proven business model that has produced an impressive record of growth through rapid product introductions and complementary acquisitions
- A strong cash position with over $1 billion in cash

well positioned

Within the dynamic, highly fragmented life sciences industry, Invitrogen is well positioned to execute its successful business model. For licensors of innovative technologies, we offer a proven formula for successful product commercialization. For technologies not available to us by license, we have the financial strength to acquire entire companies and the management savvy to fold them successfully into our existing operations. Guided by an experienced and proven management team, Invitrogen creates value for our customers by accelerating life science discovery. By creating a larger, more profitable enterprise, our objective is to create value for our shareholders today and into the future.

November 1, 2001-Invitrogen opens the market. Employees, in white lab coats, include (from left to right) 1) Mary Cassoni, Director, Investor Relations, 2) Lyle Turner, President, Chairman and CEO, 3) Jim Glynn, Executive Vice President and Chief Financial Officer 4) Paul Goodson, Vice President, Investor Relations. Also present were friends and family.

Board of Directors

Lyle C. Turner

James R. Glynn

Thomas H. Adams, Ph.D.

Raymond V. Dittamore

Donald W. Grimm

Balakrishnan S. Iyer

Bradley G. Lorimier

David E. McCarty

William J. Mercer

Jay M. Short, Ph.D.

Senior Management

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President, Chairman, and Chief Executive Officer

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Executive Vice President and Chief Financial Officer

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Vice President, General Counsel and Secretary

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Vice President, Investor Relations

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Vice President, Human Resources

August Sick
Vice President, Business Development

John D. Thompson
Vice President, Corporate Development

C. Eric Winzer
Vice President, Finance

Stockholder Information

Stockholders may obtain copies of news releases, product information, Securities and Exchange Commission filings, including Forms 10-K, 10-Q, and 8-K, and other company information by accessing our web site at www.invitrogen.com. Stockholders may also reach Invitrogen's Investor Relations department by calling 760-603-7200, x61501 between the hours of 8:00 a.m. and 5:00 p.m. (PST), by fax at 760-603-7229, by e-mail at pgoodson@invitrogen.com, or by writing to Investor Relations at Invitrogen Corporation, 1600 Faraday Avenue, Carlsbad, CA 92008 U.S.A

Invitrogen Corporation's Annual Stockholder meeting will be held at 9:00 a.m., Thursday, May 23, 2002 at Invitrogen's new manufacturing and distribution site at 5781 Van Allen Way, Carlsbad, California, U.S.A. All stockholders are cordially invited to attend.

For address changes, transfers of stock, or replacement of lost certificates, please contact Invitrogen's Registrar and Transfer Agent, EquiServ, Boston EquiServ Division, Stockholder Services, 150 Royall Street, Canton MA 02021 U.S.A, 781-575-3400.

Certain statements contained in this document are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and it is Invitrogen's intent that such statements be protected by the safe harbor created thereby. Such statements include, but are not limited to, statements relating to 1) expectations of continued growth in life science research due to the Human Genome Project or other factors; 2) Invitrogen's ability to successfully integrate previously acquired companies into its operations, and to realize benefits from the integration of these companies; 3) Invitrogen's ability to accelerate life science discovery and utilization or its leadership and market position through new product introductions, acquisitions, or other means; 4) Invitrogen's ability to increase growth and profitability though discontinuation of products and non-core businesses or other means; 5) Invitrogen's intention to offer better service through consolidated operations, a new CRM system, or other means; 6) Invitrogen's ability to capture the value of products using a new strategic pricing initiative; 7) expectations that Invitrogen will drive biotechnology forward and provide value to shareholders and customers. Such forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to: a) the growth rates for markets in which Invitrogen operates; b) whether Invitrogen can continue to launch new products and successfully integrate acquisitions into its operations; c) whether Invitrogen can successfully implement it's core business strategy and manage growth; d) Invitrogen's ability to successfully implement new systems to offer better service; e) Invitrogen's success at implementing the new strategic pricing initiative and customer reaction to the new pricing; f) customer reaction to Invitrogen's products and the valuation the public markets place on Invitrogen's stock; and other factors beyond Invitrogen's direct control, in addition to competition and other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

1600 Faraday Avenue Carlsbad, California 92008 www.invitrogen.com Tel: 1 760 603 7200 Tel (Toll Free): 1 800 955 6288 Fax: 1 760 603 7229

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