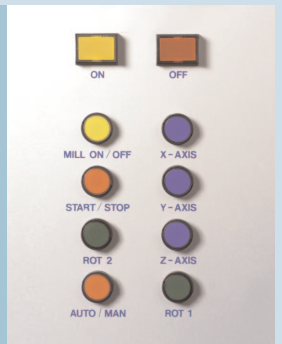
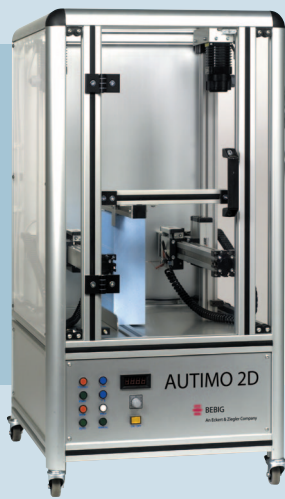


2004

Quarterly Report II



Ratios (in million EUR)

	Q1 – 2 2004	Q1 – 2 2003	Change
Sales	16.8	12.9	29%
Return on sales before tax (in %)	5%	2%	195%
EBITDA	2.9	2.1	37%
EBIT	1.0	0.4	191%
EBT	0.9	0.2	282%
Net income from continuing operations	0.4	- 0.5	188%
Group net income / loss (-)	1.6	- 1.2	235%
Group net income / loss (-) per share (in Euro)	0.54	- 0.38	242 %
Cash flow from operating activities	2.4	3.0	- 18%
Depreciation and amortization (net)	1.4	1.2	13%
Employees (June 30)	228	186	23%

Title page:

AUTIMO, a cutting system for making individual patient shields, provides the best possible fit to the radiation field and thus protects healthy tissue.

Dear Shareholder,

Eckert & Ziegler AG continued its growth trajectory in the second quarter of 2004. Despite a less favorable exchange rate for the dollar, revenues for the first half of the year were about 30% higher than for the same period in 2003, at 16.8 million EUR (up from 12.9 million EUR). Second-quarter revenues in 2004 even increased by 47% over the same quarter of last year, to 8.8 million EUR (up from 6.1 million EUR).

Most of the growth occurred in the radio-oncology segment (therapy), which more than doubled its revenues compared to the first half of last year to reach nearly 7 million EUR (up from 3.4 million EUR). In addition to the positive trajectory taken by the core business, the two acquisitions concluded in the spring also exerted significant influence, namely CIS bio International and the MMI medical equipment division of Lübecker HEK GmbH, accounting for approximately one third of the growth. The nuclear imaging segment also showed an increase of about 5% to approximately 9.8 million EUR (up from 9.5 million EUR last year) despite the worse exchange rate with the dollar.

On the profit side, there was an enormous improvement over the first half of 2003 in the result before income tax and minority interest, about 300% to 0.9 million EUR (compared to 0.2 million EUR last year), even though the second quarter had to absorb restructuring costs for the immunology segment and exchange rate-based

book losses. Net income after taxes was thus calculated at 0.54 EUR per share as of 30 June 2004 — which also takes into account the NEMOD deconsolidation.

The level for cash and cash equivalents remained nearly constant in the period under report compared to the first quarter of 2004, at 8.9 million EUR. Compared to the previous year's figure of 8.1 million EUR, this represents an increase of around 10%.

As for the actual activities, the quarter continued to be marked by corporate restructuring and the integration of new business units. Crucial milestones in the integration plan included finishing the relocation of the Autimo production facility from Lübeck to Berlin, as well as acquiring/confirming CE certification for radiation system components. The decision in May to deconsolidate NEMOD reinforces concentration on the core business of medical technology. Successes in the nuclear medicine segment included extending a general agreement with Cardinal Health (USA) for a volume of more than 10 million US\$.

Research and Development

In the radio-oncology segment (therapy), preliminary acceptance was successfully concluded of a customer-commissioned production facility for radioactive components. In the nuclear imaging segment, the newly developed Perflexion® surface source has now been successfully introduced to the market for cardiological appli-

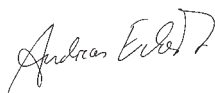
cations as well. In the industry segment, the American subsidiary IPL in conjunction with Cornell University (USA) received the contract for a development program in nanotechnology applications.

Staff


Following integration of the MMI medical equipment division of Lübecker HEK GmbH, Eckert & Ziegler AG employed a total number of 228 (186) staff as of 30 June 2004.

Outlook

Eckert & Ziegler AG will continue to concentrate on completing its radiotherapeutic product portfolio and strengthening its nuclear medicine position, in Europe as well as in other regions, and anticipates another acquisition by the end of the year.



Dr. Andreas Eckert,
Chairman of the Management
Board



Gerald Pohland, Board Member



Dr. Edgar Löffler, Board Member

Berlin, June 30, 2004

Milestones

- Deconsolidation of the holding company NEMOD Biotherapeutics GmbH & Co. KG, which strengthens the core business.
- Extension of the general agreement with Cardinal Health (USA) in the nuclear imaging segment for a volume of more than 10 million US\$.
- Conclusion of a general agreement with a leading Portuguese cancer research center of nearly 1 million EUR.
- BIOBEAM blood radiation system receives CE certification.
- CURIETRON® cancer radiation system receives CE certification.
- CFO Gerald Pohland leaves the company as planned on 30 June 2004. CEO Dr. Andreas Eckert is now in charge of the finance department.

Accounting and Valuation Methods

See also the information in the 2003 annual report on the accounting and valuation methods.

Following the majority takeover of Isotope Products Europe Blaseg GmbH (IPE) based in Waldburg, both it and CNL Scientific Resources International (USA) have been fully consolidated as of 1 February 2004.

Initial consolidation of MCP Medical International GmbH took place on 31 March 2004. In addition to the purchase price paid thus far, the contract calls for a further sales-dependent purchase price component in addition to the acquisition of MMI. This component cannot be precisely determined at present, so the final purchase price is subject to change, also in regard to upcoming consultation with our auditors. If changes of this type are made, they will affect a number of balance sheet items.

Consolidated Income Statement – US GAAP (in thousand EUR)

	Quarterly report II/2004 04 – 06/2004	Quarterly report II/2003 04 – 06/2003 (previous year)	6-monthly report 01 – 06/2004	6-monthly report 01 – 06/2003 (previous year)
Revenues	8,783	6,113	16,757	12,946
Cost of Revenues	- 4,762	- 3,474	- 8,957	- 7,318
Gross profit/loss	4,021	2,639	7,800	5,628
Selling and Marketing expenses	- 1,202	- 753	- 2,202	- 1,531
General and administrative expenses	- 2,404	- 1,439	- 4,113	- 3,038
Research and development expenses	- 226	- 602	- 564	- 1,210
Other operating income and expenses	15	- 5	23	682
Operating income/loss	204	-160	944	531
Interest income and expenses	- 89	- 63	- 172	- 129
Foreign currency exchange gains/losses	19	- 222	149	- 285
Other income/expense	- 58	46	- 65	107
Result before income tax and minority interest	76	- 399	856	224
Income tax	- 106	- 253	- 434	- 701
Net income from continuing operations	- 30	- 652	422	- 4774
Projected results from deconsolidation of affiliates	1,191	-	1,191	-
Cumulative effect of change in accounting principle (SFAS 143 and FIN 46)	0	6	0	- 686
Minority interests in net income of consolidated subsidiaries	- 11	0	- 41	0
Net income/loss	1,150	- 646	1,572	- 1,163
Weighted average shares outstanding (basic)	3,003	2,930	3,003	3,034
Weighted average shares outstanding (diluted)	3,035	2,930	3,033	3,034
Net income per share (basic)	0.38	- 0.22	0.54	- 0.38
Net income per share (diluted)	0.38	- 0.22	0.53	- 0.38

Consolidated Balance Sheet – US GAAP (in thousand EUR)

	6-monthly report June 30, 2004	Annual report December 31, 2003
Assets		
Current assets		
Cash and cash equivalents	6,288	8,942
Short-term investments/marketable securities	2,632	832
Trade accounts receivable	6,257	2,811
Accounts receivable due from related parties	1	882
Inventories/Work in progress	5,713	2,965
Deferred tax asset	1,089	1,011
Prepaid expenses and other current assets	1,314	997
Total current assets	23,294	18,440
Non current assets		
Property, plant and equipment	13,987	14,876
Intangible assets	5,144	3,688
Goodwill	7,894	6,004
Investments	68	109
Notes receivable/loans	-	383
Deferred taxes	688	1,134
Other assets	1,379	1,072
Total non current assets	29,160	27,266
Total assets	52,454	45,706
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term dept and current portion of long-term dept and capital lease obligations	351	428
Trade accounts payable	2,303	677
Advance payments received	1,085	346
Accrued expenses	4,131	1,849
Deferred revenues	1,249	1,148
Income tax payable	47	11
Deferred taxes	45	210
Other current liabilities	1,781	1,151
Total current liabilities	10,992	5,820
Non current liabilities		
Long-term dept, less current portion and capital lease obligations	2,573	3,861
Deferred revenues	2,876	2,864
Deferred taxes	1,024	1,163
Pension accrual	134	131
Others	2,962	2,903
Minority interests	190	150
Total non current liabilities	9,759	11,072
Shareholders' equity		
Share capital	3,250	3,250
Additional paid-in capital	27,511	26,752
Retained earnings	3,626	2,054
Accumulated other comprehensive income/loss	- 2,098	- 2,188
Treasury stock	- 586	- 1,054
Total shareholders' equity	31,703	28,814
Total liabilities and shareholders' equity	52,454	45,706

Consolidated Statement of Cash Flows – US GAAP (in thousand EUR)

	6-monthly report 01 – 06/2004	6-monthly report 01 – 06/2003 (previous year)
Net profit/loss	1,572	- 1,163
Adjustments for:		
Depreciation and amortization	1,901	1,782
Proceeds from grants, net	151	- 645
Deferred taxes	- 36	- 173
Unrealized foreign currency gains (-)/losses	63	185
Long-term accruals, other long-term liabilities	192	1,263
Book profit from deconsolidation NEMOD	- 1,191	-
Gains (-)/losses on holding of investments	-	959
Gains (-)/losses on the disposal of property, plant and equipment	- 17	-
Gains (-)/losses on the sale of securities	- 6	-
Others, net	23	67
Changes in short-term assets and short-term liabilities:		
Accounts receivable	- 1,281	286
Inventories/Work in progress	- 1,061	- 616
Prepaid expenses and other current assets	121	- 42
Accounts payable and accounts payable to affiliates	591	837
Tax reserves	203	368
Other liabilities	1,200	- 146
Cash flows from operating activities	2,425	2,962
Purchases and sales of property, plant and equipment	- 839	- 603
Acquisitions of consolidated enterprises	- 3,524	-
Investments in or sales of affiliates	-	- 920
Purchases and sales of securities	- 1,778	- 735
Other	- 16	- 7
Cash flows from investing activities	- 6,157	- 2,265
Change in long-term borrowing	- 131	- 57
Change in short-term borrowing	73	- 699
Purchase of treasury stock	-	- 1,072
Treasury stock used for acquisitions	1,100	-
Cash flows from financing activities	1,042	- 1,828
Effect of exchange rates on cash and cash equivalents	36	- 29
Net increase (decrease) in cash and cash equivalents	- 2,654	- 1,160
Cash and cash equivalents at beginning of period	8,942	6,138
Cash and cash equivalents at end of period	6,288	4,978
+ Short term investments	2,632	3,104
= Cash and short term investments at the end of period	8,920	8,082

Statement of Shareholders' Equity (in thousand EUR)

	Common Stock	Additional paid-in capital	Retained Earnings	Accumulated Other Comprehens. Income	Treasury Stock	Total Shareholders' Equity
Balance, January 01, 2003	3,250	26,637	3,319	- 279	0	32,927
Acquisition of treasury stock					- 1,072	- 1,072
Sale of treasury stock		44			18	62
Stock-based compensation		71				71
Net Income			- 1,265			- 1,265
Changes in Other						
Comprehensive Income				- 1,909		- 1,909
Balance, December 31, 2003	3,250	26,752	2,054	- 2,188	- 1,054	28,814
Balance, January 01, 2004	3,250	26,752	2,054	- 2,188	- 1,054	28,814
Treasury stock used for acquisitions		632			468	1,100
Stock-based compensation		127				127
Net Income			1,572			1,572
Changes in Other						
Comprehensive Income				90		90
Balance, June 30, 2004	3,250	27,511	3,626	- 2,098	- 586	31,703

Stock and stock options

Management Board and Supervisory Board		June 30, 2004	
		Stocks	Stock options
Dr. Andreas Eckert	Management Board	10	13,000
(Eckert Consult GmbH)		(1,260,446)	(0)
Dr. Edgar Löffler	Management Board	0	10,250
Gerald Pohland ¹⁾	Management Board	4,750	11,500
Prof. Dr. Wolfgang Maennig	Supervisory Board	0	0
Prof. Dr. Ronald Frohne	Supervisory Board	19,549	0
Hans-Jörg Hinke	Supervisory Board	0	0
Ralf Hennig	Supervisory Board	141	0
Frank Perschmann	Supervisory Board	1,000	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	500	0

1) Member of the Management Board up to June 30, 2004

Operating segments (in thousand EUR)

01 – 06/2004

	Industry & Nucl. Imaging	Therapy	Immunology	Others	Consoli- dation	Totals
Sales to external customers	9,809	6,935	10	3		16,757
Sales to other segments		48	11	398	- 457	
Total segment sales	9,809	6,983	21	401	- 457	16,757
Depreciation and amortization	- 527	- 1,269	- 47	- 58	0	- 1,901
Interest income	2	4		670	- 616	60
Interest expenses	- 317	- 348	- 58	- 124	615	- 232
Net income	575	316	- 38	- 448	1,167	1,572
Income tax	- 330	- 216	12	109	- 9	- 434
Segment assets	24,102	18,785	257	36,694	- 27,384	52,454
Segment liabilities	- 7,341	- 12,350	0	- 2,984	14,383	- 8,292
Equity investments		68				68
Additions to fixed assets (without financial investments)	2,550	619		703		3,872

Sales by geographic areas 01 – 06/2004

	million EUR	%
North America	9.1	54
Europe	6.8	41
Asia/Pacific	0.6	3
Others	0.3	2
	16.8	100

01 – 06/2003 (previous year)

	Industry & Nucl. Imaging	Therapy	Immunology	Others	Consoli- dation	Totals
Sales to external customers	9,470	3,401		75		12,946
Sales to other segments	0	87		311	- 398	0
Total segment sales	9,470	3,488		386	- 398	12,946
Depreciation and amortization	- 553	- 1,157		- 73	1	- 1,782
Interest income	3	38		838	- 789	90
Interest expenses	- 411	- 454		- 151	796	- 220
Net income from continuing operations	550	133	- 1,170	- 34	44	- 477
Income tax	- 362	- 95	- 211	- 7	- 26	- 701
Segment assets	22,332	15,465		31,881	- 21,942	47,736
Segment liabilities	- 8,713	- 8,595		- 2,154	14,540	- 4,922
Equity investments		68		289		357
Additions to fixed assets (without financial investments)	143	451		2		596

Sales by geographic areas 01 – 06/2003

	million EUR	%
North America	8.7	67
Europe	3.7	29
Asia/Pacific	0.5	4
	12.9	100



Financial calendar

November 09, 2004

Quarterly Report III/2004

November 23, 2004

German Equity Forum
of Deutsche Börse
in Frankfurt

January 25, 2005

MedTech Day 2005

March 30, 2005

Annual Report 2004

March 30, 2005

Balance press conference
in Berlin

March 31, 2005

Analyst presentation
in Frankfurt

May 10, 2005

Quarterly Report I/2005

May 31, 2005

Annual general meeting
in Berlin

August 09, 2005

Quarterly Report II/2005

November 08, 2005

Quarterly Report III/2005

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