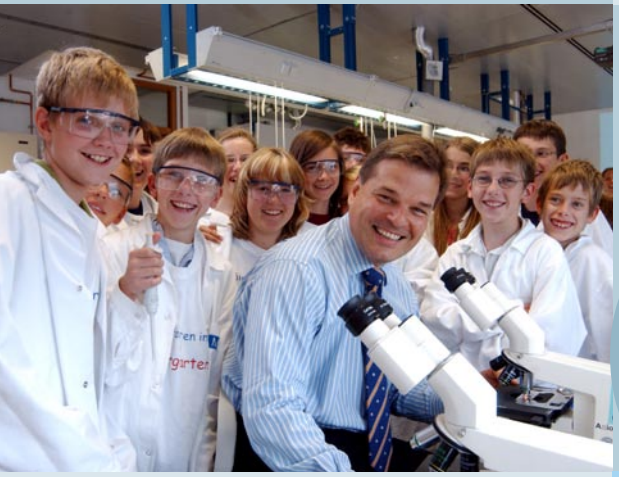
Annual Report 2008



2008

Active together

Eckert & Ziegler

		IFRS 2008	Change over 2007	IFRS 2007	IFRS 2006
Sales	TEUR	71,612	+32%	54,444	50,378
Return on revenue before tax without one-off effects	%	8%	-11%	9%	9%
Profit for the year	TEUR	4,502	Not comparable	1,948	2,221
Profit before tax (EBT)	TEUR	8,301	Not comparable	4,921	4,748
One-off effects before tax	TEUR	2,530	Not comparable		
EBT without one-off effects	TEUR	5,771	+17%	4,921	4,748
Interest	TEUR	-1,168	+52%	-767	-796
EBIT	TEUR	9,469	Not comparable	5,688	5,544
EBIT without one-off effects	TEUR	6,939	+22%	5,688	5,544
Depreciation and amortization	TEUR	-9,150	Not comparable	-3,731	-4,537
EBITDA	TEUR	18,619	Not comparable	9,419	10,081
EBITDA without one-off effects	TEUR	12,801	+36%	9,419	10,081
Earnings per share	EUR	1.43	Not comparable	0.62	0.71
Earnings per share without one-off effects	EUR	1.10	+23%	0.89	0.90
Cash flow from operating activities	TEUR	8,592	+30%	6,631	4,561
Tax rate	%	63%	+13%	56%	34%
Shareholders' equity	TEUR	42,820	+17%	36,491	36,329
Equity ratio	%	43%	-20%	54%	57%
Total assets	TEUR	98,798	+46%	67,587	64,174
Book value per share	EUR	13.11	+13%	11.61	11.59
Staff	People	395	+27%	312	291
Number of shares as of Dec. 31 (excl. own shares)	Item	3,143,165	+0%	3,142,290	3,130,526
Dividend	EUR	0.30*	+20%	0.25	0.25

The specified key indicators refer to earnings for continuing operations with the exception of the year's net income or shortfall and results per share.

* Dividend to be proposed to the Annual General Meeting by the Group on May 20, 2009

Milestones 2008 4
Letter to Shareholders 6
The Share 10

Group Management Report 13
Staff 34
Social Engagement 35
Environment and Safety 36
Quality Management 37

Consolidated Financial Statements of the Eckert & Ziegler Group 39

Notes to the Group Financial Statements 44

Auditors' Report 79

Corporate Governance Report 84

Supervisory Board Report 86

Parent Company's Financial Statements of Eckert & Ziegler Aktiengesellschaft 87

Glossary 90
Corporate Structure 92
Financial Calendar 97
Imprint 97
Contact 97

Disclaimer: The official version of the Eckert & Ziegler annual report is in German. The English translation is provided as a convenience to our shareholders. While we strive to provide an accurate and readable version of our annual report in English, the technical nature of an annual report often yields awkward phrases and sentences. We understand this can cause confusion. So, please always refer to the German annual report for the authoritative version.

February

Eckert & Ziegler and the Belgian firm IBt combine their implant divisions and thereby become Europe's leading supplier of radioactive implants for the treatment of prostate cancer.

Dr. André Heß joins the Board of Directors and is responsible for the Radiopharmaceuticals segment.

Foundation of Eckert & Ziegler Iberia S.L. in Madrid and improvement of the company's market position in Spain through long-term supply contracts with regional hospitals

March

Dr. Andrea Hawerkamp and Dr. Roger Knopp take over management of the special equipment manufacturer Eckert & Ziegler Eurotope GmbH.

April

To encourage young researchers in nuclear medicine and to increase its profile, Eckert & Ziegler announces the first Eckert & Ziegler travel grant.

June

Dr. Gudrun Erzgräber and Holger Bürk join the Supervisory Board of Eckert & Ziegler AG.

June

The Nuclear Medicine and Industry Department reports record orders from the oil sector in which the new generation of robust drill hole sources is being used.

Eckert & Ziegler BEBIG GmbH takes over the implant manufacturer Isotron Isotopentechnik GmbH and concludes a long-term supply contract for implants with this manufacturer's customers.

July

Eckert & Ziegler receives the Franz von Mendelssohn Medal. The prize for outstanding contribution to civil society, awarded by the Berlin Chamber of Commerce and Industry, rewards the company for its support of young researchers through www.forschergarten.de.

The Therapy segment receives a large order for MultiSource® cancer irradiation equipment, worth over EUR 2 million, and thereby continues to improve its market position for radiotherapy products in the Commonwealth of Independent States (CIS).

2008

September

The Therapy segment wins the invitation to tender from the well-known cancer research center Hospital Universitario Ramón y Cajal in Madrid for a large order for the supply of Iso-Cord® prostate implants worth nearly EUR 1 million.

The Californian subsidiary Eckert & Ziegler Isotope Products, Inc. purchases the Industrial Sources Division of its competitor North American Scientific (Nasdaq: NASM) and continues to improve its position as the world's leading manufacturer of quality assurance components in nuclear medicine.

Eckert & Ziegler wins the Grand Prize for Midsized Enterprises awarded by the Oskar Patzelt Foundation for outstanding performance, beating over 3,000 other small and medium-sized enterprises from all over Germany.

October

At the annual conference of the European Association of Nuclear Medicine (EANM), the Eckert & Ziegler travel grant was awarded to five outstanding nuclear physicians.

November

Eckert & Ziegler consolidates its therapy business and sells its Tumor Equipment Division and other cancer treatment products to the Belgian firm IBt.

December

Eckert & Ziegler acquires an option to purchase the Braunschweig-based isotope specialist nuclitec GmbH (formerly QSA Global GmbH).

Dear Shareholders,

The year flew by and we have again made great progress. As a result of three major acquisitions in Belgium, America and Germany and of a rising demand for our existing products, we have been able to nearly double the group's business volume from about EUR 55 million at the end of 2007 to a potential EUR 100 million at the end of 2009. The harvest has yet to be gathered; however, the sales figure of roughly EUR 71 million at the end of 2008 is certainly merely a stepping stone as the company acquisitions have laid the foundations for further growth.

The contribution of shares in Eckert & Ziegler BEBIG GmbH to the Belgian International Brachytherapy S.A. (IBt) in exchange for IBt shares and the subsequent consolidation of the two companies resulted in around EUR 10 million of additional revenue for the group in 2008 and strengthened Eckert & Ziegler's position as one of the largest European suppliers of implants for treating prostate cancer. In America, the takeover of the Industrial Source Division of North American Scientific in September 2008 added further profitable business volume. In the last week of December 2008, as the fiscal year was coming to a close, Eckert & Ziegler acquired a purchase option to prepare the way for the takeover of Braunschweig-based isotope specialist nuclitec GmbH, which was successfully concluded in January. The roughly 120 employees, including employees based in the U.S. and France, have added about EUR 25 million of profitable annual sales to the group.

Doubling the business volume within two years is an enormous achievement that requires full utilization of available resources. Obstacles and setbacks along the way can only be expected. One such challenge is the legal proceedings initiated by a shareholder of International Brachytherapy S.A., who would like to force a takeover bid from Eckert & Ziegler AG for the remaining shares in our Belgian investment. Although we are convinced that the plaintiff is not so much motivated by concerns over an alleged secret agreement to gain influence but by trivial financial interests, defending our interests against these accusations will require a concerted effort. Integrating the new company in Braunschweig and parts of our Belgian additions will keep us very busy in 2009. On the positive side, however, the influx of new talent and manpower into the group will provide invaluable support in these tasks.

We know that business volume developed positively in 2008 and forecasts for 2009 are also good, but are profits also looking healthy? Profits have reached record levels, even without special effects. In 2008 our decision to compensate missing business volume with consolidation acquisitions where necessary again proved to be an intelligent operational measure as we were able to then use economies of scale to improve competitiveness. In the area of prostate cancer products, we have used this approach to considerably compensate for the pressure on profit margins. The success of this acquisition strategy is even more visible in industrial sectors where the boom in the oil industry boosted demand. In the Radiopharmaceutical sector, where we follow a more intensive innovation strategy than in other segments, 2008 was also a successful year. The demand for radioactive contrast media grew considerably in the regions covered by our cyclotrons, while the new synthesis modules were also successful.

Otherwise, the balance sheet in 2008 was characterized by special effects such as the profits stemming from the integration of Eckert & Ziegler BEBIG GmbH into International Brachytherapy (IBt) as well as the offsetting writeoffs, value adjustments and excess liabilities. They largely cancelled each other out in Eckert & Ziegler's profit figures for 2008; their chief effect was merely to create enormous balance sheet extensions. If the effects had not neutralized each other, the distortions engendered by these special effects would have obscured the underlying core business. Blame for these developments must be ascribed to the new fair value philosophy, which has dominated accounting rules for some time and according to which performance is largely judged on the basis of forecasts of future developments. If the future looks rosy, the present is therefore golden. Capital-intensive companies can move enormous costs into the future by using capitalization and accruals, while losses can be significantly reduced by activating future tax savings, thereby painting a far more attractive picture of the future. Naturally, shareholders do enjoy the benefit of having more current information, but the cost is a significant increase in arbitrariness and volatility. The book value of today is the depreciation risk of tomorrow. The financial crisis has given us a painful reminder that expert valuations have little value when economic prospects take a turn for the worse.

The Executive Board
of the Eckert & Ziegler AG:
Dr. André Heß,
Dr. Edgar Löffler,
and Dr. Andreas Eckert
(from left to right)

However, our future looks bright. The acquisition of nuclitec GmbH, which now trades as Eckert & Ziegler Nuclitec GmbH, opens new, interesting horizons which we will be exploring in the near future. These new and highly promising fields of activity include the manufacturing of pharmaceutical radioisotopes and environmental services.

These are exciting times at Eckert & Ziegler, and we hope that they are also interesting for you as you accompany us as a friend and shareholder of the company.

Warm regards,
Yours

Dr. Andreas Eckert
Chief Executive Officer

Eckert & Ziegler BEBIG and IBt
Eckert & Ziegler Isotope Products and North American Scientific sealed source division
Eckert & Ziegler and nuclitec

Active together

Eckert & Ziegler is the holding company
for a number of radioactivity specialists.
Through strategic mergers and acquisitions,
the company is setting out its path to the future.
For innovative solutions, attractive products
and continual growth.

Together with our employees.
Together for our customers.

Shareholder structure Dec. 31, 2008 (before capital increase)

Eckert Wagniskapital und Frühphasen-finanzierung GmbH*	37.4%
Jürgen Ziegler	4.4%
Eckert & Ziegler AG	3.3%
Free float	54.9%

*formerly Eckert Consult GmbH

Shareholder structure Feb. 28, 2009 (after capital increase)

Eckert Wagniskapital und Frühphasen-finanzierung GmbH*	39.8%
Jürgen Ziegler	3.9%
Eckert & Ziegler AG	2.8%
Free float	53.5%

*formerly Eckert Consult GmbH

The Share

Shares in Eckert & Ziegler AG commenced trading on the stock exchange on May 25, 1999. Since then, they have been quoted on the Frankfurt Stock Exchange and on all the German regional exchanges and they are approved for trading on the fully electronic XETRA® trading system. They are traded under the internationally unique, 12-digit security identification number DE0005659700, although the share is also still identified by its former security identification number (WKN) 565970.

In a capital increase, the company's ordinary share capital was increased to EUR 3,250,000 on June 2, 2000. The share capital is divided into 3,250,000 bearer shares with no par value which each confer one vote at the annual general meeting.

As from February 20, 2003, Eckert & Ziegler AG shares have been listed under the Prime Standard. The companies listed in this segment are subject to particularly high international transparency standards which even exceed the prescribed statutory publicity requirements.

In March 2003, Eckert & Ziegler AG acquired 320,000 of its own shares as part of a share buy-back program. These shares have so far largely been used for financing acquisitions and for servicing employee stock options. The capital gains realized from the transactions have all been transferred to the capital reserve for own shares. The company reported that it held 106,835 of its own shares on December 31, 08.

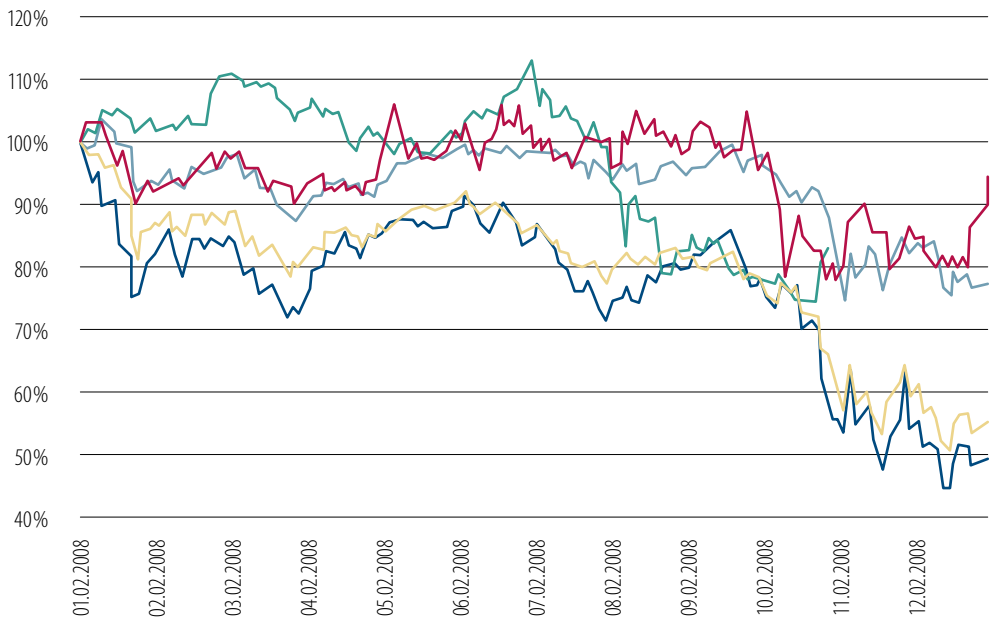
Since January 3, 2005, shares in Eckert & Ziegler AG have been used to calculate the German Entrepreneurial Index (GEX). This index lists Prime Standard companies in which substantial stock options are held by the founders or the management.

Movements in the share price/earnings per share and proposed dividend

In the fiscal year which has just elapsed, the share recorded a loss in value of approx. 10 % compared with the previous year. The company's market capitalization fell by EUR 3 million to EUR 29 million compared with the equivalent date the previous year.

The earnings per share are calculated by dividing the Group's annual net profit by the average number of shares in circulation during the fiscal year. In the year under review, the Eckert & Ziegler Group recorded Group earnings per share of EUR 1.10.

The Executive Board and Supervisory Board propose to the Annual General Meeting to be held on May 20, 2009 that a dividend of EUR 0.30 per share be paid for fiscal year 2008. Based on the end-of-year share price of EUR 8.90, this produces a dividend yield of 3.4%.



Rate changes in 2008

- Eckert & Ziegler
- TecDAX
- Prime All Share
- DAXsector Pharma & Healthcare
- DAXsubsector All Medical Tech.

Key data of the Eckert & Ziegler Share

International Securities Identification Number (ISIN)
DE0005659700
DE000A0L1L69

Security identification number (WKN)
565 970

Stock exchange symbols
EUZ (Deutsche Börse)
EUZ (Bloomberg)
EUZG (Reuters)

Stock exchange sector
Prime Standard, Frankfurt

Quotations in stock indexes
CDAX
DAXsector All Pharma & Healthcare
DAXsector Pharma & Healthcare
DAXsubsector All Medical Technology
DAXsubsector Medical Technology
German Entrepreneurial Index (GEX)
Prime All Share
Technology All Share

Nominal capital
3,250,000 EUR
(before capital increase on Dec. 31, 2008)
3,878,633 EUR
(after capital increase on Feb. 28, 2009)

Owner bearer shares
3,250,000 Stück
(before capital increase on Dec. 31, 2008)
3,878,633 Stück
(after capital increase on Feb. 28, 2009)

Share price (Dec. 31, 2008)
8.90 EUR

Market capitalization (Dec. 31, 2008)
28.93 million EUR

Highest/lowest price in 2008
10.70 EUR / 7.20 EUR

IR Contact
Karolin Riehle
Robert-Rössle-Str. 10
13125 Berlin, Germany
Tel. +49 30 941084-138
Fax +49 30 941084-112
karolin.riehle@ezag.de
www.ezag.de

Capitalization

On December 22, 2008, Eckert & Ziegler announced capital increase to finance the purchase of the Braunschweig-based isotope specialists nuclitec GmbH. The capital increase was successfully concluded on February 04, 2009. 628,633 shares were issued at a purchase price of EUR 5.00 and the nominal capital was increased by 19.3%.

After the capital increase was entered in the commercial register, the nominal capital is now EUR 3,878,633 divided in 3,878,633 shares. The new shares will be available for trade on the Frankfurt Stock Exchange (Prime Standard) once the stock prospectus has been completed. The capital increase resulted in an income for the company of roughly EUR 3.1 million.

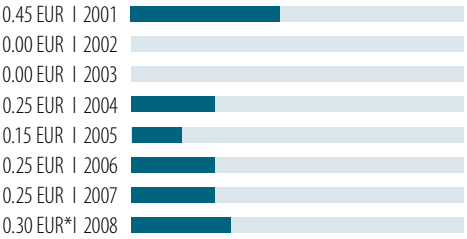
Investor relations

The aim of our investor relations work is to provide private shareholders, investor institutes, financial analysts and the press with prompt and detailed information on the company. The main tools of communication with the capital market are mandatory stock exchange announcements, press releases, quarterly reports, individual consultations and telephone conferences. In addition, at the annual results press conference in March, the "Medtech Day" industry get-together in April, the annual general meeting in May and the German Equity Forum in the November, the Executive Board personally presented new developments and, together with staff from the Corporate Communication department, was available all year round to answer any enquiries or receive visits from interested parties.

We publish studies from stock analysts and other information on the company on our Internet site www.ezag.de/Investor Relations.

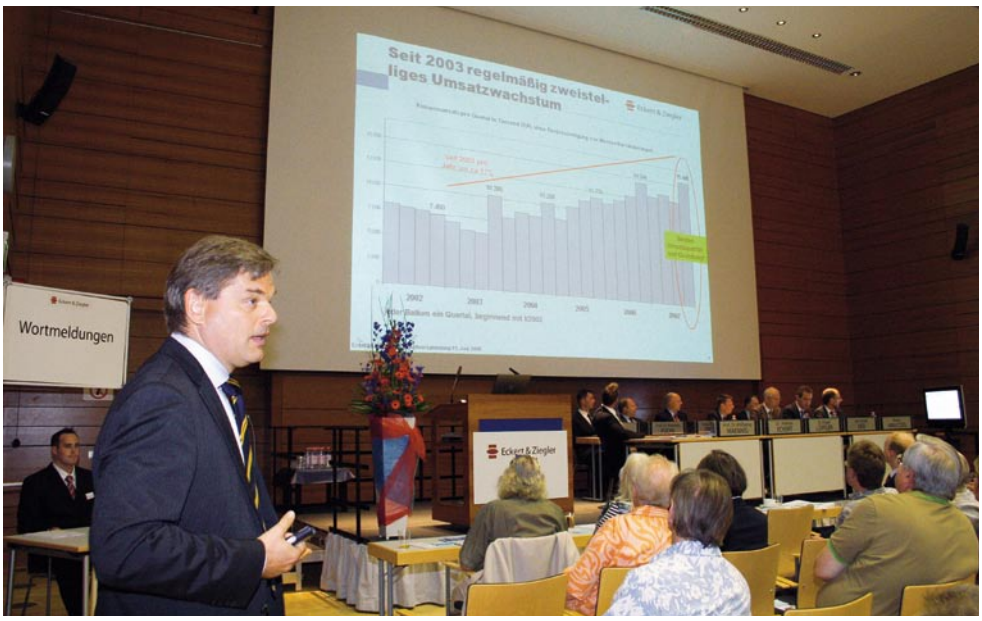
If you would like to receive stock exchange announcements and press releases regularly by e-mail, you can join our Investor Relations mailing list. A quick call or an e-mail will suffice.

Dividend payment by Eckert & Ziegler AG



* Proposal to the Annual General Meeting on May 20, 2009

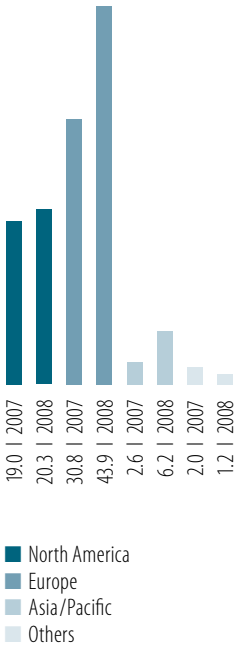
Annual General Meeting, June 2008



Group Management Report

The company	13
Legal conditions	13
Main product groups and markets	14
Business development 2008	16
Earnings position	16
Development of the segments	18
Finanzial position and net assets	20
Cash flow	20
Research & development	21
Opportunities and risks	24
Post balance sheet events	27
Outlook	29
Remuneration report	30
Directors' dealings	32

Sales trends by regions
(in million EUR)



The company

The Eckert & Ziegler Strahlen- und Medizintechnik AG (Eckert & Ziegler) Group is an internationally active specialist in radioactive applications in medicine, science and industry. The company's core expertise includes the handling and processing of low level radioactive materials in production facilities, which are approved and specially equipped for this purpose in Europe and the United States. In addition, Eckert & Ziegler focuses on the development and production of synthesis equipment for producing radiopharmaceuticals and medical products for treating cancer.

In the international markets in which Eckert & Ziegler operates, there are relatively few competitors. Eckert & Ziegler has no direct competitor offering such a broad range of products because the company's competitors only cater for specific market niches. This situation is unlikely to change in the future because in order to enter the market, a competitor would first have to meet demanding conditions to obtain legal approval.

The Group operates its business through subsidiaries, which are assigned to three segments. These segments are aligned to various customer groups. Another segment, which represents the costs and revenues of the Berlin holding company, is not actively involved in operations.

The Therapy segment's products are aimed at radiation therapists, a group of physicians specializing in the treatment of cancer through radiation. The most important products are small radioactive implants for treating prostate cancer based on iodine-125 (known as "Seeds") and tumor radiation equipment based on cobalt-60 (known as "Afterloaders"). This year, the Therapy segment started operating as a subsidiary of International Brachytherapy S.A. (IBt S.A.), which is listed on the Belgian stock exchange, and of which Eckert & Ziegler share 38.5% of the earnings/losses and hold about 30% of the vote at the Annual General Meeting.

The Nuclear Imaging and Industry segment provides physicists, engineers, and medical physicists with radioactive components for imaging processes, scientific applications, quality assurance and other purposes related to measurement. Management headquarters and the main production facilities are in Los Angeles, California.

Radiopharmaceuticals, with sites in Berlin, Bonn, and Milan, is the Group's newest and fastest-growing segment. The products in this segment comprise radioactive diagnostics for positron emission tomography (PET) and synthesis modules for producing radiopharmaceuticals. The equipment is used both in practice in diagnostics in nuclear medicine and in research.

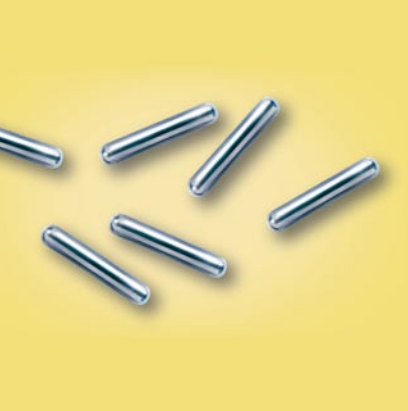
The markets of the three operative segments are only loosely interconnected; each has its own business cycle and distinctive characteristics. In addition, there are national differences in respect of the general business conditions. This is particularly the case with medical products – the intensity and dynamics of demand are very much dependent on the specifics of particular national health systems and on the presence of local competitors.

Legal conditions

Eckert & Ziegler Strahlen- und Medizintechnik AG is a joint-stock corporation with head office in Germany. As of December 31st, 2008, the Group's nominal capital was EUR 3,250,000 (previous year: EUR 3,250,000), divided into 3,250,000 owner bearer shares. Effective February 6th, 2009, the Group's nominal capital was increased by EUR 628,633 to EUR 3,878,633 on the authority of the Executive Board's decision of May 30th, 2006. It is divided into 3,878,633 non-par-value owner bearer shares. Each share entitles the holder to one vote and is decisive in determining the share of profit. Shares with multiple voting rights, preferential voting rights or maximum voting rights do not exist.

The Executive Board manages the company and represents it to third parties. The Executive Board consists of one or more people who, in accordance with paragraph 84 of the Stock Companies Act, are appointed by the Supervisory Board for a maximum term of office of five years. It is permitted to repeat or extend the term of office, in each case for a maximum of five years. This again requires a Supervisory Board proposal, which can be submitted one year before expiry of the term at the earliest. The Supervisory Board can appoint members of the Executive Board to the position of Chief Executive Officer and Deputy Chief Executive Officer.

The Supervisory Board can revoke appointment to the Executive Board and the appointment of the Chief Executive Officer if there is



Low radioactive implants for treating prostate cancer, Therapy Segment

Radioactive components for industrial applications, Nuclear Imaging & Industry Segment

Modular Lab synthesis equipment for the production of radioactive diagnostics, Radiopharmaceuticals Segment

sufficient cause. This could be due, for example, to a serious breach of duty, an inability to manage properly, or a vote of no confidence by the Annual General Meeting.

As of December 31st, 2008, Dr. Andreas Eckert directly or indirectly controls 37.4% of voting rights (1,215,789 shares in total) through the holding company Eckert Wagniskapital und Frühphasenfinanzierung GmbH (previously Eckert Consult Strategieberatung und Kapitalbeteiligungsgesellschaft mbH).

The articles of incorporation contain basic regulations on the make-up of the company. According to paragraph 179 of the Stock Companies Act, a change to these articles can only be made by the Annual General Meeting passing a resolution to that effect with a majority of at least three-quarters of the nominal capital represented during the resolution vote.

There are no substantial agreements related to a change of company control as pertains to a takeover offer. Furthermore, there are no compensation agreements with members of the Executive Board or employees in the event of a takeover offer.

On May 30th, 2006, the Executive Board was authorized by an Annual General Meeting resolution with the approval of the Supervisory Board to increase the company's nominal capital through June 30th, 2009, by up to EUR 1,625,000 by issuing a maximum of 1,625,000 owner bearer shares for cash and/or non-cash contributions (authorized capital). The Executive Board, with the Supervisory Board's approval, exercised its authority, increasing the nominal capital by EUR 628,633.00 through the issuance of 628,633 owner bearer shares.

On April 30th, 1999, the Annual General Meeting resolved to increase the company's nominal capital by a maximum of EUR 300,000.00 through the issuance of owner bearer shares (authorized but unissued share capital). The contingent increase in capital is only implemented subject to the holders of share options using their rights to subscribe to shares in the company and the company not fulfilling the option rights by the transfer of its shares or by making a cash payment. As at the balance-sheet date, options to receive 285,000 company shares were issued to employees and Executive Board members of the company, though none of these options were availed of in 2008. As of the end of the year under review, a total of 166,350 options have lapsed.

A resolution of the Annual General Meeting of June 11th, 2008, authorizes the Executive Board to purchase own shares for purposes other than securities trading by December 10th, 2009, for a maximum share of 10% of nominal capital.

Main product groups and markets

Within its three operative segments, the Group distinguishes between 11 main product groups in total. Each of these product groups has its own particular characteristics when it comes to the structure of the consumer base, the competitive situation, and the geographical focus. The main product groups are as follows:

Therapy segment

1. Implants for treating prostate cancer
2. Tumor radiation equipment
3. Therapy accessories
4. Ophthalmological products
5. Other therapy products

Nuclear Imaging and Industry segment

6. Radioactive components for industrial applications
7. Radiation sources for nuclear imaging
8. Calibration and measurement sources
9. Raw isotopes and other products

Radiopharmaceuticals segment

10. Radiodiagnostics and other products
11. Synthesis modules

In terms of sales, in 2008 the biggest main product groups were as follows: 1. implants for treating prostate cancer, 2. radioactive components for industrial measurement systems, 3. radiodiagnostics, 4. radiation sources for nuclear imaging, and 5. tumor radiation equipment. As in previous years, the five biggest main product groups accounted for roughly three-quarters of sales, approx. EUR 57 million in total. The other six main product groups accounted for the remaining approx. 21% of Group sales.

As the markets for the main product groups are only loosely linked to one another and appeal to different users and regions, the

Group considers that it has a relatively broadly diversified product base despite specializing in radioisotopes.

Competitive situation

For the five most important product groups, the situation in 2008 is as follows:

Implants:
Eckert & Ziegler provides implants for treating prostate cancer (group no. 1 above) only in Europe and bordering regions, in which it is among the market leaders. The relevant market for implants is worth EUR 25–40 million and has enjoyed double-digit percentage growth rates in the last three years. However, in 2008 it was marked by considerable pressure on profit margins due to major American competitors making use of an advantageous dollar exchange rate to further expand their operations in Europe in spite of higher transport costs.

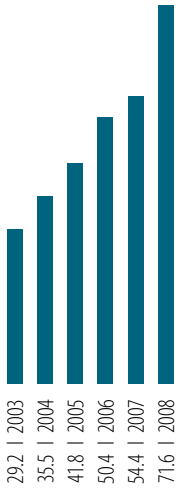
Attempts to protect the profit margins for implants through an improved cost position were not altogether successful in the year under review. Though the strategic merger with Belgian competitor International Brachytherapy S.A. (IBt S.A.) and the subsequent consolidation of the implant production in Berlin enabled the further reduction of the production costs per implant, the economies of scale in the year under review were more than neutralized by significant integration costs, competitive implant prices and an increase in overheads. If one discounts the one-off integration costs, which include compensation payments to employees let go in Belgium, the situation improves. However, the overheads incurred by two sites and the stock exchange listing of IBt S.A. remain significant.

Components for measurement systems, radiation sources for nuclear imaging and calibration and measurement sources:
In the three most important product groups in the Nuclear Imaging and Industry segment (group nos. 6, 7 and 8 above), Eckert & Ziegler has been well positioned in the market for quite some time, with each product group enjoying a world market share of at least one third. This position was maintained or improved in the period under review. Although some niches in this area showed impressive growth rates, the market as a whole, whose volume today is roughly EUR 50–75 million, developed at only about the same pace as global GDP growth. In the industrial applications product division, 2008 saw the market launch of robust drill hole sources.

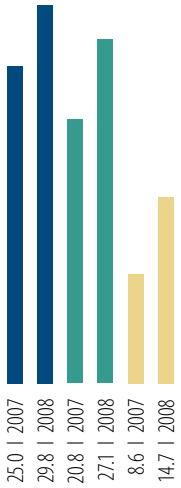
Radiodiagnostics:
Radiodiagnostics and other products (category no. 10 above) are primarily the sugar fluorodeoxyglucose (FDG) which is radioactively labeled with fluorine-18. It is used at approx. 200 hospitals throughout Europe in positron emission tomography (PET) to diagnose cancers. According to information provided by the market research company Medical Options, Eckert & Ziegler was the second-largest supplier of this contrast medium in Europe as early as 2006, with regional focuses in Germany, Italy, Poland, and Luxembourg. The Executive Board does not anticipate the rankings to have changed in the year under review, and considers Eckert & Ziegler AG to be the market leader in Germany.

Afterloaders:
With tumor radiation equipment (group no. 2 above), Eckert & Ziegler's share of the world market is still rather low but is growing much faster than the market as a whole. The main sales markets were in Russia, South America, Asia and the Middle East. With tumor radiation equipment based on isotope technology and accompanying services, annual global sales are today estimated at EUR 80–120 million.

Movements in sales 2003–2008
(in million EUR)



Sales trends in individual segments
(external sales, in million EUR)



Sales by segments 2008

42% Nuclear Medicine and Industry
37% Therapy
21% Radiopharmacy

Business development 2008

The volume of business of the Eckert & Ziegler Group again increased significantly in 2008, rising by 32% from EUR 54.4 million to EUR 71.6 million. The Group has thus more than doubled its sales over the past five years. Since 2004, the Group has grown on average by 15% a year. In the 4th quarter of 2008, sales of over EUR 20 million were achieved for the first time, making this the 3rd record quarter in a row, following 2nd and 3rd quarters in which sales of EUR 18.6 million each were recorded.

In the year under review, the main driver of growth was once again the Radiopharmaceuticals segment, which increased by roughly EUR 6 million to EUR 15 million. The Therapy segment also grew by EUR 6 million from EUR 21 million to EUR 27 million, while in the Nuclear Imaging and Industry segment sales increased by EUR 5 million to EUR 30 million. Nominal growth in this segment, which posted the majority of its sales in US Dollars, was 19%. Exchange rate adjusted, the growth figure was 27%.

In 2008, Europe including Russia accounted for total sales of EUR 44 million, corresponding to an increase of EUR 13 million on the previous year. The Euro zone and neighboring regions have therefore become more important for Eckert & Ziegler and now account for approx. 61% of Group sales (previous year: 56%). The most important consumer countries were Germany with EUR 13 million and France with EUR 8 million. However, in 2008 the biggest sales market for Eckert & Ziegler's products was again the United States, where goods worth EUR 19 million were invoiced (predominantly in USD). Total USD sales accounted for 26% (previous year: 33%) of total Group sales. Thus, the company's dependence on exchange rates remains high.

Main customer risk: In the year under review, the Group's five biggest customers accounted for total sales of EUR 10 million, i.e. roughly 14% of total sales. Eckert & Ziegler's customer base remained widespread in 2008.

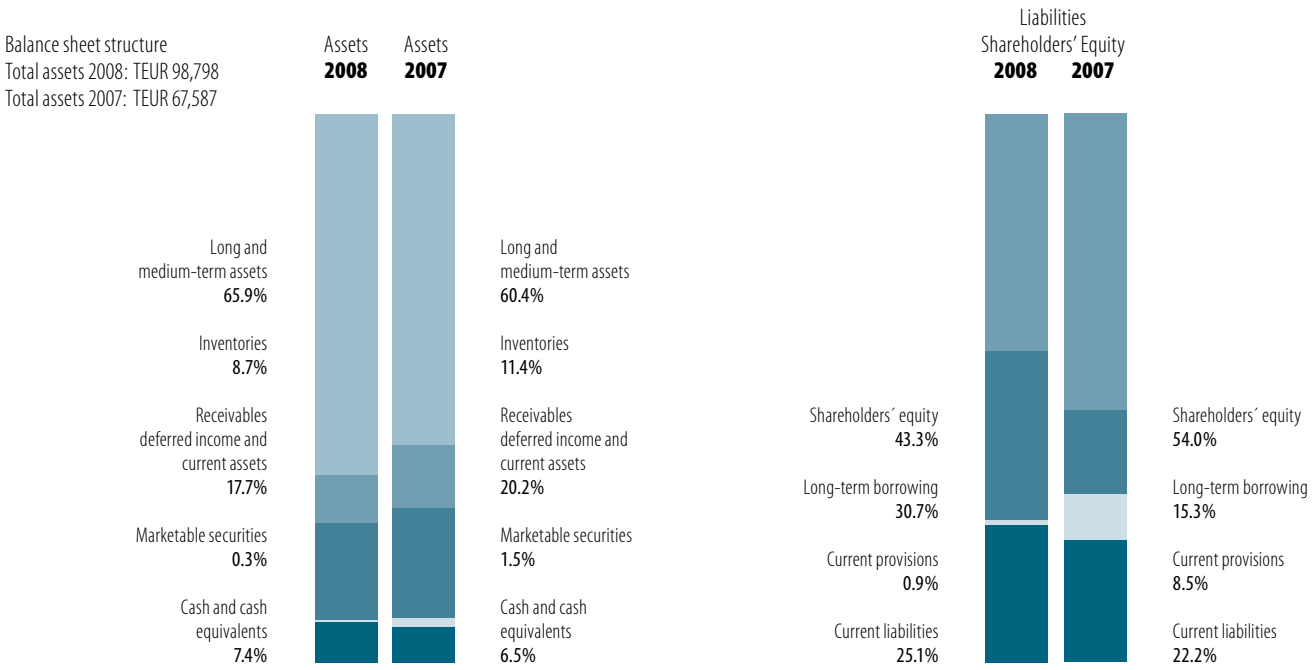
Earnings position

The earnings after tax and other shareholders' interests of EUR 4.5 million include positive special effects of EUR 1.1 million which can be attributed to one-off effects arising from the IBt S.A. transaction, special depreciations and tax adjustments.

After discounting these special effects, the profit after tax and other shareholders' interests for 2008 amounts to EUR 3.4 million (corresponding to 1.10 EUR / share). For comparison purposes, the negative special effect of EUR 0.85 million resulting from the tax reform in 2007, which in particular led to the depreciation of the active latent tax on loss carry-forwards, should be excluded. Compared to 2007, profit has increased by 23% from EUR 2.8 million to the stated EUR 3.4 million. In 2007, the official profit figure was actually only EUR 1.9 million.

The special effect in 2008 mainly results from the IBt S.A. transaction. The effect is due to the consolidation of the implant division of Eckert & Ziegler and the Belgian company IBt S.A., which also produces prostate cancer implants. Shares in the Eckert & Ziegler subsidiary Eckert & Ziegler BEBIG GmbH were exchanged for new IBt shares, so that IBt S.A. now owns 100% of Eckert & Ziegler BEBIG GmbH. At the same time, Eckert & Ziegler became the largest shareholder of its former competitor, gaining financial control of IBt S.A. due to its shares and voting rights. In addition, one-off expenses have been incurred in the Radiopharmaceuticals segment in relation to the suspension of development projects.

To be able to compare the earnings in 2008 and 2007, it is necessary to not only exclude the one-off revenues from the consolidation of the implant operations of BEBIG and IBt S.A., but also the expenses resulting from the actual realignment of the Therapy segment of Eckert & Ziegler. The principal idea was that the larger implant division and the opportunities it presented would lead to a reassessment of the management's priorities and thus to decreased revenues in other divisions. At the start of 2009, a shareholder in IBt S.A. filed a lawsuit against Eckert & Ziegler in a Brussels court to force a mandatory offer. As a risk provision, a sum of EUR 7.1 million was set aside in the 2008 fiscal year. The total special effect thus amounts to EUR 1.1 million or EUR 0.34 per share.



The special effects are broken down as follows:

Special effect	Segment	Amount in TEUR
Special revenues from IBt transaction	Therapy & Holding	+ 15,331
Special depreciations from IBt transaction	Therapy	- 5,481
Tax assessment corrections	Holding	- 1,025
Assessment corrections for development projects and tax	Radio-pharmaceuticals	- 2,272
Special provision for lawsuit	Holding	- 7,140
IBt minority interests in special effects	Therapy	+ 1,646
Total		+ 1,059

The following comment on the earnings has been corrected on account of the above special effects.

A comparison of the profit and loss accounts for 2007 and 2008 shows that the increased sales (+32%) were accompanied by sub-proportionally increased manufacturing costs (+22%). Positive economies of scale can be seen here from which Eckert & Ziegler will profit increasingly. On the other hand, sales costs and general and administrative costs increased over-proportionately by EUR 9.0 million to EUR 29.7 million, or 44%, mainly as a result of additional sales and administration costs of EUR 7.6 million in the Therapy segment. These costs are mainly due to the second operating site in Seneffe and the stock exchange listing of IBt S.A. The remaining overheads, including research and development costs, which will be dealt with in detail elsewhere, increased by EUR 0.2 million to EUR 1.2 million.

In the net result of financial activities, foreign exchange gains/losses showed a positive development, while the balanced interest expenditures and revenues due to the increased third-party financing of around EUR 0.8 million in the previous year rose by 52% to EUR 1.2 million. Thus, the profit before tax increased by 17% from EUR 4.9 million to EUR 5.8 million. The Group's tax rate fell from 39% to 37%, so that in spite of the increased pre-tax profit, relative tax expenditure only increased by 12%. Profits after tax increased by 21%. The bottom line is an annual net profit after minority interests of EUR 3.4 million for 2008, an increase of 23% on the corresponding figure for 2007, after discounting special effects.

Development of the segments

1. Nuclear Imaging and Industry
The Group's largest segment, and by far its greatest source of sales, the Nuclear Imaging and Industry segment, produces and sells radioactive components for industrial measurement systems, radiation sources for nuclear medicine imaging, calibration and measurement sources and also raw isotopes and other products.

Business with these articles saw a very positive development in 2008. A growth trend can be seen in all the key figures. Sales nominally increased by 19% from EUR 25.0 million to EUR 29.8 million. Exchange rate adjusted, the growth figure was actually 27%. The main sources of growth were the robust drill hole sources introduced into the market. The cost blocks increased by less than the sales: by only 15% in total, with personnel expenses increasing subproportionally by only 14%. Thus, the EBIT of EUR 4.9 million from the previous year increased by 43% to EUR 7.0 million. As less interest was paid in the segment and the tax rate decreased, the profit after tax and before minority interests increased by 65% from EUR 2.8 million to EUR 4.6 million. After minority interests, the rate of growth was 64%, with the segment's contribution to the Group's profit increasing from EUR 2.6 million to EUR 4.2 million, i.e. an increase to EUR 1.35 per share in 2008 compared with EUR 0.82 per share in 2007.

2. Therapy
The Therapy segment manufactures and sells implants for treating prostate cancer, ophthalmologic applicators for treating eye cancer, tumor radiation equipment, accessories for radiation therapy and other therapy products primarily for radio oncologists. The main sales markets are the European Union and neighboring regions (including Russia), which accounted for over 90% of sales with external customers, or EUR 25.3 million of the total sales of EUR 27.1 million. The remaining EUR 1.8 million of sales were essentially spread among exports to Asia and the last deliveries from a major order in Venezuela.

Total sales for the segment increased by 30% from EUR 20.8 to EUR 27.1 million, mainly due to the inclusion of the IBt customers from March 2008. Implant sales increased by 67%. After production in Belgium was stopped in the middle of the year, the IBt customers had to switch to BEBIG products and thus to a new seed design, and the majority of customers managed this, so that the expected rise in sales followed. Afterloaders saw new record sales of over EUR 6 million, an increase of 26% on the previous year. Sales in Russia and the other CIS states were very successful. However, sales of the other Therapy products fell by EUR 1.5 million compared to 2007, due to the deliberate priority shift in sales activities towards implant customers.

The segment saw a nominal loss before minority interests of EUR 4.1 million, of which EUR 1.8 million related to the minority interests, leaving a loss of EUR 2.3 million for the Group. However, the Therapy loss includes one-off expenses after minority interests for restructuring and special depreciations of EUR 1.6 million, thus reducing the operative loss after tax and minority interests to EUR 0.7 million. It is possible to identify 2 principal reasons for this loss. On the one hand, at 45% the increase in costs of EUR 8.6 million was significantly greater than the increase in sales, and on the other hand the unfavorable tax structure resulted in such high tax payments that the only slightly negative pre-tax loss of EUR 0.3 million for the segment was increased.

3. Radiopharmaceuticals
The Radiopharmaceuticals segment was created in 2006. It includes on the one hand the product group of synthesis modules for producing radiopharmaceuticals (Modular Lab), and on the other radiodiagnostics for diagnosing cancer. These short-life preparations, which are also known as radioactive contrast media, are produced almost exclusively to order in special cyclotrons and delivered "fresh" every day. The most important products among the contrast media are the weakly radioactive sugar F-18 fluorodeoxyglucose (FDG) and radioactively labeled cholines.

In the year under review, sales in the Radiopharmaceuticals segment continued to grow significantly, increasing by 71% from EUR 8.6 million to EUR 14.7 million. The gross margin grew overproportionally by 75% from EUR 4.3 million to EUR 7.5 million, while the operating profit/loss went from minus EUR 0.2 million to a profit of EUR 0.2 million. Compared with the previous years, the development costs were not activated for new projects, leading to additional development expenses and special depreciations. These were the main reasons why the profit targets were not met. In addition, at the cyclotron site in Italy, there was a problem that resulted in a production stoppage of several

Segment

Therapy

By merging with a Belgian competitor at the beginning of 2008, IBt Bebig became one of Europe's leading producers of low radioactive implants for the treatment of prostate cancer. IBt Bebig, which specializes in brachytherapy products, also manufactures cancer radiation devices such as afterloaders (as they are known) and eye applicators.

Implantation of low radioactive seeds against prostate cancer

A life-size prostate implant:

months. Apart from these difficulties, Radiodiagnostics achieved a major increase of 62%, making it the third-largest product sector in the Group. The synthesis modules saw even more growth. Here, sales doubled compared to 2007.

Financial position and net assets

Compared to 2007, total assets increased almost by half, from EUR 68 million to EUR 99 million. This increase is mainly due to the inclusion of IBt S.A. As the shareholders' equity does not grow at the same rate as the total assets, the equity ratio fell from 54% to 43%. Compared to 2007, profits increased more than the absolute balance sheet key figures, so that the total equity yield rose from 3% to 5%, while the shareholders' equity yield more than doubled, from 5% to over 11%.

The changes on the balance sheet can essentially be attributed to a small number of factors. Along with the ever-present impact of currency effects, which can be traced back to the fall of the US dollar against the euro, the balance sheet at the end of 2008 is dominated primarily by the inclusion of IBt and the NAS sealed source division, new financing and refinancing measures, and the advantageous changes to the net current assets. The following detailed statements can be made on these points:

1. People familiar with the Group from previous annual reports will be well aware that the Group balance sheet is dependent on exchange rate fluctuations. This results from the fact that important Group subsidiaries, in particular the Californian subsidiary Eckert & Ziegler Isotope Products Inc., publish their balance sheets in the American currency. In addition, the Group invoices roughly a third of its sales on a dollar basis. Any appreciation or depreciation in currency therefore has a considerable impact on current assets, profits carried forward and debts.

2. The inclusion of IBt S.A. leads to increases in practically every balance sheet item. The added balance sheet items will be explained in detail in the appendix. The most noticeable factor is the increase in intangible assets, especially due to the active goodwill of EUR 16 million.

3. The acquisition of the sealed source division of North American Scientific also added goodwill. Approximately EUR 2 million was activated. The liabilities side shows that the buying price was partially financed by third parties.

4. There was considerable financing in the Radiopharmaceuticals segment and in Eckert & Ziegler AG itself. The loan due mid-year, and therefore declared as short-term in the 2007 annual financial statements, was refinanced long-term, though with a redemption over the maturity period. It was possible to secure a long-term, low-interest subsidized loan for the development projects of the Radiopharmaceuticals segment.

5. Despite the units added and the significant increase in sales, it was possible to lower the net current assets from EUR 8 million to EUR 6 million. This success is a result of the consistent collection period and inventory management, as well as the extended financing of short-term liabilities. The average collection period was reduced from 77 to 71 days, with the storage period similarly falling from 167 to 154 days.

Cash flow

While the profit and loss account is distorted by various special effects and is therefore difficult to explain, the cash flow speaks loud and clear. In the first line of the year's profit, the special effects are still there, but they are immediately eliminated in the subsequent adjustments as non-cash effects. There remains a clear cash inflow from operating activities, with a new record of EUR 8.5 million, a 28% increase on the figure from 2007. This lively operative cash flow is a result of the positive sales figures from the profit and loss account, combined with the successfully reduced net current assets, as explained in the balance sheet analysis.

Whereas in 2008 the inflow of liquidity from operating activities increased considerably compared with the previous year, the cash flows for the remaining items essentially corresponded to the values of previous periods. There are just three exceptions:

1. In the financial year, selling and buying securities brought revenues of approx. EUR 0.75 million, significantly more than in the previous year.

2. The increase in third-party financing of approx. half a million EUR saw a similar effect, while approx. one million was redeemed in the previous year.

3. The Acquisition of Consolidated Companies item saw a development in the opposite direc-

tion, though on a smaller scale. The IBt transaction did not consume any Group liquidity; on the contrary, the consolidation actually added to the cash reserves. In contrast, the acquisition of Isotron and the NAS sealed source division were cash items. Even the Nuclitec acquisition had its first effect in 2008 with a purchase price advance payment. Overall, the item shows a liquidity consumption of EUR 0.5 million. In the previous year, the value was less than half of this.

Unchanged from 2007 but still worth mentioning is the dividend payment of EUR 0.3 per share with a total payment of approx. EUR 1.1 million.

Compared to 2007 and overall, the effects are mainly positive, with an increase in liquid assets of EUR 3 million.

Research & development

Total spending for research & development, adding activated development costs and without depreciation, amounted to EUR 2.8 million for the financial year (2007: EUR 2.0 million), an increase of 40% on the previous year. These values cannot be read directly from the profit and loss account.

In the financial year, various development projects were discontinued, or the plan forecasts were revised, so that the activation of development costs from the previous years were removed again. The development projects planned for the future are mainly extensions of existing product ranges, for example the expansion of the Modular Lab portfolio based on the existing technology platform. These developments do not fulfill the IFRS criteria for separating them from existing products, therefore future activations of development projects are expected to be significantly smaller in scope.

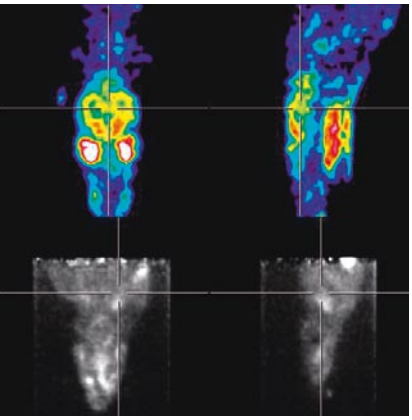
The extent to which Eckert & Ziegler is defined by its general innovation orientation is illustrated by the fact that in the year under review, the Group generated about 23% of its sales (approx. EUR 17 million of EUR 72 million) with articles that were incorporated into the product portfolio a maximum of two years previously (from 2006). Compared to the previous year, in which sales of new products defined as such accounted for about 35% or 19 of EUR 54 million, the new product sales ratio actually decreased, especially because the highest growth in sales were achieved with Radiodiagnostics, which with the exception of Eckert & Ziegler EURO-PET Köln/Bonn GmbH, have belonged to the Group since 2005 and therefore no longer qualify as new for 2008.

Specific details on the activities

In the Therapy segment, development continued on the accessories for the MultiSource® type of tumor radiation equipment. Various design and material alterations brought improvements to the visibility of the applicators in the X-ray device. The vaginal applicators are now also suitable for use in magnetic resonance tomography (MRT). Engineers and developers in the Therapy segment mastered numerous challenges that arose from the consolidation of the Belgian and German implant production facilities at the Berlin site. The fully automated

MultiSource® Afterloader for the treatment of cancers, Therapy Segment

Perflexion™ radiation source for the calibration of diagnostic cameras, Nuclear Imaging & Industry Segment



The effectiveness of new medications is examined in preclinical trials using radioactive diagnostics, Radiopharmaceuticals Segment

production lines will allow even greater production gains in the future. It was also possible to obtain expedited approval of IsoStrand®, a new seed implant used in prostate cancer therapy, ensuring a degree of product continuity for former IBt customers.

In the Nuclear Imaging & Industry segment, new drill hole sources were developed for the market, to be used in the oil and gas sector. The main focus here is on emitters that enable data to be recorded and transmitted during the drilling process.

This interpretation of geologically relevant data during drilling results in a considerable saving of both costs and time in the exploration of new deposits. Additionally, a number of new capsule types were developed based on specific customer requirements. The capsules are designed to meet extreme pressure and temperature requirements during this special drilling procedure. The physical requirements of this measurement system demand strenuous and complex structural analyses and testing of the capsules being used. Only special metal alloys can meet the demands of this environment. Therefore, comprehensive development work had to be carried out in order to be able to understand and apply the production technology necessary for these materials.

In the Nuclear Imaging sector, new radiation sources were developed for all the major device manufacturers (OEMs). The mainspring of these new developments is the trend in the Nuclear Imaging industry of designing gamma cameras that are easier to operate for users because of their automatic calibrating devices. This added function enables the cameras to be calibrated overnight, thus extending the time that can be used for diagnosis. This automatic calibration function presents enormous challenges in designing the emitters, as all the components required for the calibration must be installed inside the housing of the camera and must be controlled and monitored reliably. Therefore the new emitters set very low tolerances requirements with regard to dimensions and homogeneity. By choosing Eckert & Ziegler Isotope Products Inc. to develop these emitters, the major medical equipment manufacturers once again demonstrate their confidence in the innovative engineering expertise of the company.

Among the gallium generators, the successful IGG100 was further developed by optimizing its output parameters. In addition, the American development team created various prototype concepts for a medically sterile gallium generator. The collaboration with the Radiopharmaceuticals segment ensures that the technology of the new sterile generator is reliable.

In the Radiopharmaceuticals segment, the development work concentrated on the expansion of the Modular Lab range of synthesis modules. A manual system aimed at users with a lower marking volume was added to the range of devices for marking with gallium-68. The new module was developed in collaboration with Mainz University. In addition, an agreement was reached with an English research institute to cooperate on developing synthesis devices for very low volumes, such as those that often occur when marking antibodies with radioactive contrast media. Here, the object is to control the process reliably and consistently in spite of the small substance volumes.

In addition, new synthesis modules were developed for producing compounds with carbon-11 (11C), known as 11C tracers. Although contrast media based on fluorine-18 compounds continue to be the standard in nuclear medicine, there is growing interest in these new probes. One reason is their shorter half-life, which results in a considerable reduction in the patient's exposure to radiation, as well as that of the staff treating the patient. Furthermore, contrast media based on 11C provide the option of repeating measurements without any risk of an adverse impact from previous examinations. Lastly, the physicalchemical behavior of 11C offers interesting possibilities for diagnosing neurological diseases such as Alzheimer's disease and Parkinson's disease. The modules, which are used to couple high-specific-activity 11C methyl iodide with biologically active substances, are scheduled to be sold later on, in particular to pharmaceutical companies engaged in research.

Segment

Industry

More than 400 measuring and test device manufacturers around the world use enclosed radiation sources in special measuring devices. These sources are placed in drill heads for oil and gas exploration, for example.

Oil and natural gas extraction projects frequently make use of drilling systems whose drill bit contains a radioactive source. This allows measurements to be taken during the drilling process as well as real-time adjustments of the drill direction (logging while drilling LWD). This "intelligent" drilling results in significant cost and time savings in the exploration of new sites.

Segment

Nuclear Imaging

Diagnostic devices such as positron emission tomographs (PET) or SPECT and gamma cameras provide information about metabolic processes in the human body. Enclosed radiation sources are developed and produced at our US site to assist in quality assurance and calibration of these diagnostic devices.

Opportunities and risks

Shareholders in Eckert & Ziegler must be aware that the company is exposed to a large number of opportunities and risks which may influence the company's business activities and share price. This report will now outline what risks and opportunities the individual segments hold, and what effects this might have on the Group as a whole. Furthermore, the Group risk management and safeguarding measures that have been taken will be described.

Risk management

Eckert & Ziegler attempts to handle its business risks using a range of instruments. As part of the risk management system, yearly interviews with technical managers and leading executives are held at which new and existing risks are identified and ranked with respect to probability and potential effects on the company. As far as possible, preventive measures are taken to counter those risks which might damage the company, contingency plans are drawn up, and regular evaluations of these risk factors are organized. These include market and competitor surveys, evaluation of scientific literature, analysis of customer complaints, cost and sales statistics, and similar data.

Overall, a risk-minimizing approach is chosen. Existing risks are systematically monitored, and are minimized or guarded against by means of ongoing process improvements. New product developments and acquisitions are tested for possible risks at the outset and incorporated into the risk management system. Market developments are monitored, as are the activities of competitors, so that our own strategies can be modified and implemented at an early stage.

Group accounting at Eckert & Ziegler is responsible for observing and evaluating prevailing risks on a regular basis, and it reports to the Executive Board. These reports form the basis for regular meetings of the Executive Board at which significant risks to the survival and earnings of the Group and its subsidiaries are presented and discussed.

The Supervisory Board, to which all the main decisions are presented, explained and submitted for approval, and which is kept regularly informed about economic developments, serves as a further safeguard against risk.

Financial risks

At this point, the Group considers itself in possession of sufficient financial means to secure its position and pursue further development. It also sees itself as capable of meeting all financial obligations. However, in the coming business years, it anticipates a slight increase in the debt ratio in order to secure growth via further acquisitions and to finance the development of new products.

In financial year 2008, a series of new financing and refinancing measures were concluded with various institutions. In each case, multiple bidders were available, enabling the Executive Board to choose the most favorable offer. Even as the financial crisis was worsening in autumn 2008, new third-party financing deals with attractive conditions were readily available. At the start of 2009, a long-term loan was concluded and a successful capital increase was carried out with significant oversubscription, both for the financing of the nuclitec acquisition. Up to the present, the financial crisis has had no effect on the growth of the Group's shareholder or third-party financing. The Executive Board views the Group's solid financial underpinnings as the reason for its ability to obtain favorable lending conditions, pointing to its still relatively high equity ratio, high founder's share as well as the largely crisis-proof prospects of the profitable operational units. For the sake of completeness, no existing loans or lines of credit were cancelled by creditors.

In addition to economic and technical development risks, Eckert & Ziegler is also subject to the vicissitudes of the market. These can lead not only to revenue risks as a matter of course but also to liquidity risks, since the Group has received outside financing for some of its acquisitions and has provided guarantees for loans to its subsidiaries. The Group remains susceptible to problems even if the management reacts rapidly to reduce costs and/or leaves a threatened field of activity. However, the Executive Board is taking measures to limit risks through loans and guarantees in an amount which is justifiable in relation to the Group's overall assets.

Monitoring and control measures to avoid financial risk include the use of such instruments as the annual financial budget with revisions during the year, and fine-toothed analysis of deviations from the budget. This enables potential risks to be identified at an early stage

and suitable countermeasures to be implemented. Due to the high proportion of sales in the US, there is a certain degree of dependence on the US dollar exchange rate. However, because the subsidiary in the US responsible for most of this revenue also incurs its costs in US dollars, the effects of changes in the exchange rate are less than for conventional export business. For German exports, sales in foreign currencies are hedged by forward exchange contracts and simple put options when required.

Legal risks

The acquisitions of recent years have given rise to some contractual risks for the Group. Although the Executive Board sought to contain all risks in advance by means of unmistakable provisions and the services of qualified attorneys, disputes have still arisen over the interpretation of contracts. The Group is currently dealing with a lawsuit filed by a minority shareholder of IBt S.A. which is intended to force Eckert & Ziegler AG to submit a takeover bid for the remaining shares of IBt S.A. The Board views this lawsuit as groundless but cannot exclude the possibility that this or similar actions may find backing. Yet it would be inadvisable to refrain from acquisitions in order to avoid all risk. In the past, the Group has been able to add a number of profitable business fields only via acquisitions, and we must continue to accept such risks in the future in the interest of further development.

Personnel risks

In many segments, Eckert & Ziegler depends on the specialized knowledge of its employees. Especially in setting up new business fields, but also in development and sales, it relies on the expertise and skills of particularly well-qualified key individuals. In order to minimize the risk of losing talented personnel, the company strives to create a friendly and supportive atmosphere, a modern and secure working environment, adequate compensation, professional training and further education opportunities, and flexible working hours. Despite these measures and a demonstrated high degree of employee satisfaction, Eckert & Ziegler cannot guarantee that these employees will remain with the company or display the necessary commitment.

General risks associated with the production and handling of radioactivity in particular, and opportunities arising from this

The production risk includes the risk of being unable to buy all the raw materials and consumables at the right time and in the required quantities. This risk can be reduced by warehousing and by establishing alternative procurement sources, but it can never be eliminated altogether. With products being dispatched all over the world, in many cases as hazardous materials, Eckert & Ziegler is dependent on specialized service providers. There can be no guarantee that these services will be maintained in their existing form. Official licenses and permits are needed for the production and dispatch of many products, and Eckert & Ziegler can only exert indirect influence on when these are issued or renewed.

Both radioactivity itself and its use in medical or pharmaceutical products entail product liability risks. Eckert & Ziegler is addressing these risks by adhering to strict quality criteria. Its operational facilities are ISO-certified, and its quality management systems are regularly checked by both internal and external audits. In order to avoid accidents that injure employees, cause damage to the environment, or prompt regulatory agencies to close down production facilities, staff members regularly undergo training in occupational safety and radiation protection. Despite all these measures, it cannot be ruled out that events giving rise to liability could occur and pose a threat to the company. As far as is pos-

sible and feasible, appropriate insurance has been taken out to guard against liability risks.

Eckert & Ziegler has undoubtedly acquired a great deal of know-how thanks to its many years of experience in handling radioactivity. This experience also provides a safeguard against new competitors entering the market, as well as a wide range of options for accelerating organic and acquisition-driven growth in these business fields

General strategic risks

As a specialist for a broad portfolio of radioactive components, radiation equipment and radiopharmaceutical products, Eckert & Ziegler is better protected against slumps in the market than single-product companies. Although the different business fields feature related technology, they differ considerably in their product life cycles and in their customer and market structures. This variation generally lowers the risk that competitors will undermine the company's business foundation with new and better products. Nevertheless, the possibility cannot be entirely excluded that improved processes and efforts on the part of the competition might lead to the loss of important markets, and thus endanger the company.

To counter this threat, Eckert & Ziegler is actively seeking to develop new products and to identify and set up new business fields. However, the risk exists that these efforts will remain unsuccessful and that new business fields can only be developed too late, or inadequately, or not at all. Furthermore, the possibility cannot be ruled out that competitors will undertake more successful actions with other products or marketing strategies.

Risks in the Nuclear Imaging and Industry segment

Many nuclear medicine and industrial sub-segments have oligopolistic market structures, which means that the loss of major customers can have a marked impact on revenue and sales. Eckert & Ziegler strives to counter these sales risks by setting up medium and long-term supply contracts, but it cannot guarantee that it will always be successful at this endeavor in the future.

In addition to sales risks posed by major customers, the procurement side is subject to comparable risks posed by monopolies in certain raw materials markets, in particular isotopes. Among the major suppliers in these sectors are Russian companies, some state-owned, which are susceptible to political developments and strategic concerns.

In the Nuclear Imaging and Industry segment, beyond procurement and sales concerns, there are also issues related to transport processes, which are subject to the more stringent regulations for radioactive goods. These can lead to increased costs and transport times.

The segment relies on possibilities for disposing of the radioactive waste produced when taking back sources from customers and during production. The closure of one of these disposal facilities in the US that was mooted in the last Annual Report did indeed come to fruition. By contrast, the cost increase expected for the remaining disposal options has yet to manifest itself. Efforts are continuing to counter any increases in costs by adopting internal recycling, which reduces external waste. Since 2009, the Group has been able to improve the situation through its own disposal capacity.

Strategic risks and market risks in the Therapy segment

Major sales and revenue risks continue to lie in developing the European market for permanent implants for the treatment of prostate cancer. This innovative treatment method in European countries still faces the problem that the reimbursement by statutory health insurance programs is essential for the economic success of this method – in some key countries it is either not yet or only partially secured. In addition, the competitive situation has also reduced the profit margin here. The merger between a for-

mer competitor, the Belgian company IBt S.A., and Eckert & Ziegler BEBIG GmbH, made Eckert & Ziegler the European market leader for prostate products. Moreover, Eckert & Ziegler is attempting to enhance customer loyalty via an attractive service program and long-term supply contracts, and thus counter existing risks to sales and earnings.

In the radiation equipment segment, the risk exists that sales will be squeezed by companies' reluctance to make major investments during the financial crisis. This could have a particularly significant effect on projects in the CIS, where record sales figures were recorded for the reporting year.

Risks in the Radiopharmaceuticals segment

In the Radiopharmaceuticals segment, a risk to sales exists in the possibility that the necessary authorizations might not be granted or might be withdrawn. It is also possible that both the number of new customers and the sales themselves might not develop as expected due to less than ideal decisions on cost reimbursement by statutory health insurance programs.

A not insubstantial portion of FDG sales are made in Poland. Discontinuation of supply contracts there, for instance due to the development of local manufacturing capacities, could jeopardize those sales. However, Eckert & Ziegler is constantly seeking to exploit new sales markets and pursue distribution agreements with emerging manufacturers.

The Radiopharmaceuticals segment also faces threats posed by the global financial crisis. If the investment budgets of hospitals and research facilities are cut or eliminated altogether, sales prospects for device technology will be adversely affected.

Acquired in 2007, Eckert & Ziegler EURO-PET Köln/Bonn GmbH works with a cyclotron with an older design. The manufacturer, Siemens, has meanwhile discontinued production of spare parts and customer service for the facility. A model calculation was used to run through the worst-case scenario, which involved having to replace the cyclotron. Even this scenario is profitable. A replacement now even appears less likely because spare parts have since been procured and a number of employees have received training in maintenance and service.

Post balance sheet events

Along with the successful disposal of the subsidiary company Eckert & Ziegler f-con Pharma Italia s.r.l. in March 2009, three major events dominated the time between the end of the calendar year and the printing of this business report. The first event, chronologically, was the takeover of Braunschweig-based nuclitec GmbH, which was initiated in December. By being able to raise adequate interim funding on short notice, Eckert & Ziegler AG was able to bring forward payment of the sale price and take control of company shares effective as of January 20th, 2009. This enabled the company to take full control of its former competitor and begin to lay plans for its integration into the Eckert & Ziegler Group. These preparatory activities included changing the company's name to Eckert & Ziegler Nuclitec GmbH (EZN), partial replacement of management and the coupling of the various Nuclitec divisions with the corresponding segments of Eckert & Ziegler AG. As EZN was previously primarily active in the field of scientific and industrial radiation sources, it made sense to assign the largest part of the Braunschweig-based organization to the Nuclear Imaging & Industry segment. This segment includes environmental services as they are often associated with source production. However, Radiopharmaceutical activities (among other things the cleanrooms for yttrium production) are thematically well-suited to the Radiopharmaceuticals segment and will therefore be based there. On the whole, EZN has made a positive impression, and we are happy to welcome our new colleagues to the Group.

The capital increase raised to finance the acquisition – the second major event in the post-report period – was concluded in February 2009. Primarily open to shareholders of Eckert & Ziegler AG, it was nevertheless substantially oversubscribed and brought in roughly EUR 3 million. The money has since flowed into Eckert & Ziegler AG accounts and has been used to pay off the interim financing plan. The listing of the new shares is in preparation.

The final, and less advantageous, event in the post-report period was the lawsuit of a shareholder of Belgian company IBt S.A. aimed at forcing a takeover bid. This lawsuit was triggered by Eckert & Ziegler AG supporting in December 2008, mainly for cost-saving reasons, the transfer of the IBt voting shares to a new principal stockholder and mediating with this stockholder a version of the option contract more advanta-

geous to Eckert & Ziegler AG. As the investor is close to Eckert & Ziegler AG in an informal fashion, the claimant assumes as proven that Eckert & Ziegler AG only pursued the transfer because it wanted to assume control of IBt S.A. while avoiding a takeover bid.

This allegation is of course unfounded, as the main motive for the transfer were savings of around EUR 1 million, and Eckert & Ziegler AG already had sufficient legal influence on IBt S.A. due to the incorporation agreement of February 2008. This proximity would only be relevant if there actually existed an agreed course of action between the principal stockholder and Eckert & Ziegler AG, or if this principal stockholder were a stooge of Eckert & Ziegler AG. However, neither the claimant nor any of the other institutions investigating the case has been able to present any evidence of these two assumptions – not surprisingly, as these assumptions are not true and there is no agreed course of action. More detailed inspection of the situation revealed that neither Eckert & Ziegler nor the principal stockholder had any other motive.

However, this does not mean the lawsuit has no effect. In a culture of mistrust, accusations based on appearances are capable of flourishing, particularly considering that the legal situation allows for considerable judicial discretion, that there are hardly any precedents and there are no courts of appeal. As a considerable financial requirement would have to be met in a worst-case scenario, possibly amounting to more than a third of the business volume expected for 2009, the Executive Board has assigned the highest priority to dealing with the lawsuit and making risk provisions. The Board's first step was to make a provision of EUR 7.14 million in the 2008 annual financial statements in order to cover any impact on the balance sheet as a result of the lawsuit. The provision is the result of a business precautionary measure and is not, of course, an admission of guilt.

To counter existential risks, the Board will also immediately begin looking for and securing corresponding financing volumes. However, it assumes that a takeover bid will not have to be made from cash funds, because Eckert & Ziegler only received the IBt shares in exchange for company shares. The shares of listed companies, both the company's own and those of others, are therefore the most important financing basis. They can be obtained by Eckert & Ziegler by a range of measures, for example, from the company's own funds or through third-party financing. Along with the company's own shares and authorized capital, it would also be conceivable to use the share certificates of strategic partners with whom Eckert & Ziegler will be working more closely in the future in the form of a joint venture in the medical technology sector.

Changes to risks

In spite of the growth in its range of products, there has been no heightening of the risk profile for the Eckert & Ziegler Group which could endanger the company's intrinsic value. A large number of prevailing risks have already been considered in the Group's detailed planning for the coming year.

The Executive Board does not expect that there will be significant impact on financial year 2009 stemming from the abovementioned risks.

The clean room production of radiopharmaceuticals is opening up interesting new fields of activity for Eckert & Ziegler.

Outlook

The last financial year was marked by increasingly negative conditions, leading up to the worldwide collapse of the financial markets in the autumn. Up to now, Eckert & Ziegler has not been strongly affected by these developments, as the demand for medical products seems to be influenced by economic downturns less than demand in other sectors. However, if global prospects do not improve, it can be assumed that the operative business of Eckert & Ziegler will also be increasingly affected.

Of the other general conditions, the exchange rate between the US dollar and the euro is also of great significance. As the Industry segment situated in California, where most of its production is also carried out, is expected to make the largest profit and liquid contribution to the Group in 2009, even small changes in the exchange rate directly affect the sales and revenues of Eckert & Ziegler in 2009. At the time of printing of this business reports, the prospects are favorable. Compared with the previous year, where the average exchange rate was USD 1.48 per EUR, the dollar has strengthened considerably.

The exchange rate is also important with regard to competitiveness, especially in the Therapy segment (IBt S.A.). The lower the dollar, the better the costs situation and therefore the competitiveness of American implant manufacturers, and the greater the pressure on the sales prices and margins of IBt S.A.

In 2009, integration topics feature prominently in the company's program. Following the strong growth in the last years, the Executive Board's main focus is on integrating the new units intelligently into the Group, and on strengthening the self-financing capability and the revenues of the Group. Along with the integration of the radiation source division of North American Scientific in September 2008, the integration of the Braunschweig company Eckert & Ziegler nuclitec GmbH (EZN) is also of central importance. We hope this acquisition will also result in significance synergies that will impact on company revenues by 2010 at the latest. With the environmental services and clean room production of the Radiopharmaceuticals segment, EZN also opens up interesting new fields of activity for the Group.

In the Therapy segment, the aim will be to improve the revenue situation by, among other things, reducing overheads, and to launch the next generation of implant products on the market. In addition, having to deal with the takeover bid lawsuit named above will tie up resources.

Among radiopharmacists, work will concentrate primarily on internal matters, on development projects such as the approval of a pharmaceutical gallium generator, or on the expansion of the product spectrum for synthesis modules.

At present, there are no major acquisitions on the horizon, but Eckert & Ziegler AG will remain at the ready to seize any opportunities that may arise.

For the 2009 financial year, the Eckert & Ziegler Group plans to break through the EUR 100 million barrier, and to maintain this high standard through 2010 at least. The Executive Board also expects the 2008 profit after tax and minority interests and the correction of the special effects (EUR 3.4 million) to be matched in 2009. Following the complete integration of Eckert & Ziegler nuclitec GmbH in 2010, the Executive Board expects a significant increase in profits after tax and minority interests.

Remuneration report

Executive Board Remuneration

The remuneration of the Executive Board is specified by the Supervisory Board and is reassessed at two- to three-year intervals.

The remuneration of the Executive Board is currently composed of both fixed and variable elements. The level of the package as a whole, and the breakdown into individual elements, is in accordance with the principles of commensurateness. The concrete level varies according to the assigned area of responsibility, the personal performance and experience of the Executive Board member, the future prospects of the Company, and the competitive situation (remuneration by comparable companies).

The fixed remuneration elements represent approximately half of the total attainable income for Executive Board members. These consist of a fixed salary and a payment in kind. In addition to the base salary, the fixed salary element also includes health, long term care and pension insurance benefits. The payment in kind element primarily consists of the provision of a company car.

The remuneration system also provides for variable compensation elements. These are one-off or annually recurring elements tied to the short-term success of the Company. One-off bonuses can be granted on the basis of exceptional services to the Company. The agreement provides for an annual profit-based management bonus based on the consolidated profit and loss statement as per IFRS and limited by a maximum ceiling.

Variable risk-based components with long-term incentive effects have been suspended following the discontinuation of the stock option program previously in place. Executive Board members may, however, hold unexercised stock options granted to them in previous years. The stock option program entitles the holder of option rights to acquire a corresponding number of shares, whereby the option may only be exercised after a minimum waiting time of two years as of the date of issue, and only within specified time periods. In addition, the options may only be exercised provided that the development of the value of the share between the date of issue and the first time period authorized for exercise is more favorable than the development of the Technology All Share Index during the same time period.

There are no provisions governing the payment of severance compensation in the event that a board member fails to complete his term. Stock options can only be exercised while the holder has an ongoing contractual relationship with the Company or an affiliate.

Of the total remuneration of EUR 1,090,000 for the financial year 2008, fixed compensation elements accounted for EUR 580,000 and performance-based components accounted for EUR 510,000.

No remuneration payments were made to former Executive Board members or their dependents in the financial year 2008. Pension reserves in the amount of EUR 420,000 are held for a former member of the Executive Board. Moreover, for two active members of the Executive Board, the Company grants company pension coverage in the form of a pension plan reinsurance fund financed through deferred remuneration.

Name	Fixed components		Short-term performance-based components	Total	Paid by
	Fixed salary	Payments in kind, benefits	Bonus		
Dr. Andreas Eckert	240,000.00 EUR	23,589.36 EUR	200,000.00 EUR	463,589.36 EUR	Eckert & Ziegler AG
Dr. Edgar Löffler	84,000.00 EUR	12,051.18 EUR		96,051.18 EUR	Eckert & Ziegler AG
	84,000.00 EUR	12,064.80 EUR	150,000.00 EUR	246,064.80 EUR	Eckert & Ziegler BEBIG GmbH
Dr. André Heß	44,000.00 EUR	5,706.12 EUR		49,706.12 EUR	Eckert & Ziegler AG
	66,000.00 EUR	8,772.79 EUR	160,000.00 EUR	234,772.79 EUR	Eckert & Ziegler Radiopharma GmbH

Supervisory Board Remuneration

As per the articles of incorporation, members of the Supervisory Board receive an annual fixed remuneration of EUR 6,000, whereas the Chairperson receives double and a Deputy Chairperson receives one and a half times the base amount. Members of the Supervisory Board do not receive performance-related pay.

Over and above their annual remuneration, members of the Supervisory Board receive a payment of EUR 750.00 for each punctually and completely attended Supervisory Board meeting. VAT is reimbursed by the Company in so far as members of the Supervisory Board are authorized to charge VAT and exercise their right to do so.

No remuneration was paid to Supervisory Board members for services, in particular consulting and brokerage services, rendered outside of their activities on the Supervisory Board in the reporting year.

In the financial year 2008, members of the Supervisory Board received fixed remuneration in the amount of EUR 45,000 and Supervisory Board meeting remunerations of EUR 16,500, amounting to a total of EUR 61,500.

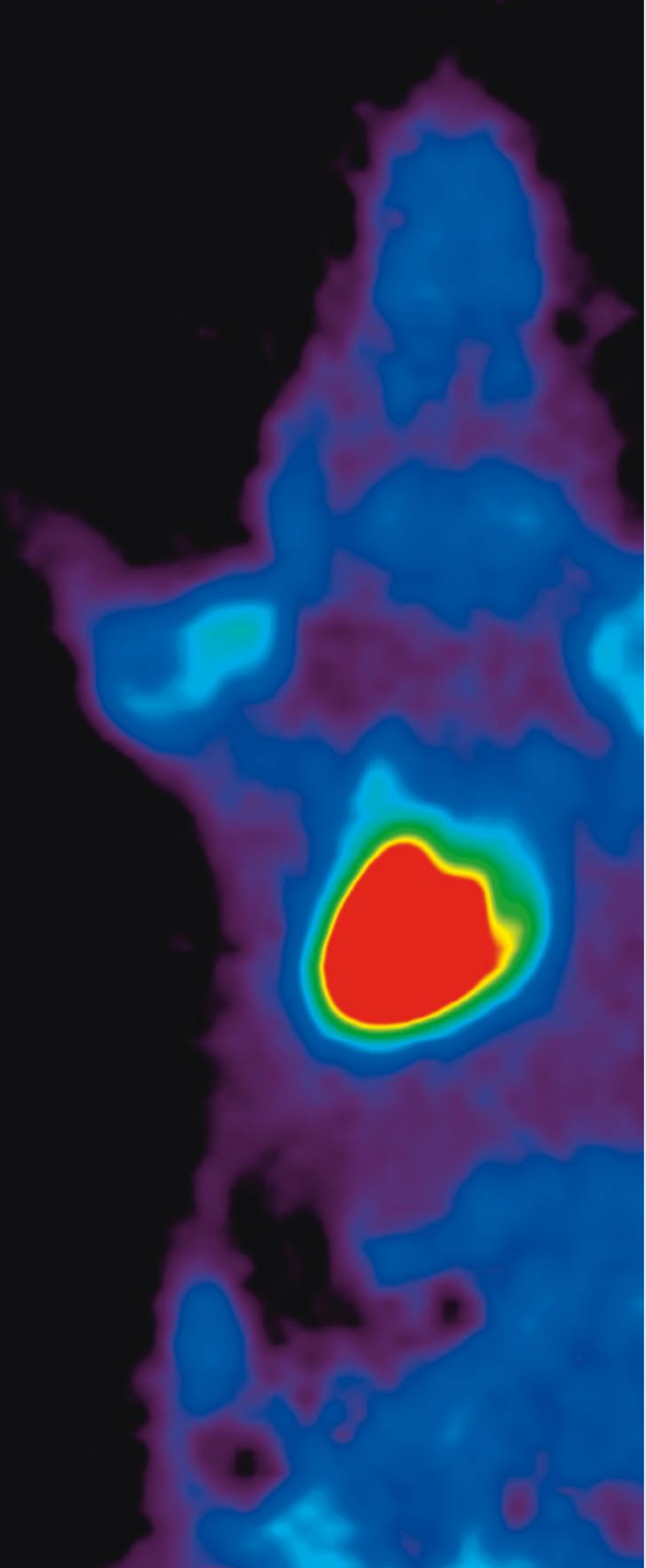
Name	Remunerated function	Fixed remuneration	Remuneration for meeting attendance	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	12,000 EUR	3,000 EUR	15,000 EUR
Ralf Hennig	Deputy Chairman of the Supervisory Board (to June 11, 2008)	4,000 EUR	2,250 EUR	6,250 EUR
Prof. Dr. Ronald Frohne	Supervisory Board Member	6,000 EUR	1,500 EUR	7,500 EUR
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board (since June 11, 2008	7,700 EUR	3,000 EUR	10,700 EUR
Frank Perschmann	Supervisory Board Member (to June 11, 2008)	2,700 EUR	2,250 EUR	4,950 EUR
Hans-Jörg Hinke	Supervisory Board Member	6,000 EUR	3,000 EUR	9,000 EUR
Dr. Gudrun Erzgräber	Supervisory Board Member (as of June 11, 2008)	3,300 EUR	750 EUR	4,050 EUR
Holger Bürk	Supervisory Board Member (as of June 11, 2008)	3,300 EUR	750 EUR	4,050 EUR

Directors' Dealings

The following reportable security transactions as per § 15a of the German Securities Trading Act (WpHG) involving Company stocks were reported for 2008:

Reporting party	Reason for the disclosure requirement	Date of transaction	Transaction type	Price	Quantity	Total volume
Eckert Wagniskapital und Frühphasen-finanzierung GmbH	Legal person closely associated with Executive Board Member Dr. Andreas Eckert	April 29, 2008	Purchase, off-market	9.00 EUR	50,000	450,000.00 EUR
Holger Bürk	Supervisory Board Member	August 05, 2008	Purchase, stock market	9.52 EUR	1,000	9,520.00 EUR
Holger Bürk	Supervisory Board Member	August 11, 2008	Purchase, stock market	9.60 EUR	1,000	9,600.00 EUR
Holger Bürk	Supervisory Board Member	Nov. 13, 2008	Purchase, stock market	8.00 EUR	395	3,160.00 EUR
Dr. Edgar Löffler	Executive Board Member	Dec. 22, 2008	Purchase, stock market	7.50 EUR	2,000	15,043.95 EUR
Dr. Sabine Schrag	Natural person closely associated with Executive Board Member Dr. Edgar Löffler	Dec. 23, 2008	Purchase, stock market	7.45 EUR	1,000	7,476.58 EUR
Holger Bürk	Supervisory Board Member	Dec. 23, 2008	Sale, stock market	7.95 EUR	1,395	11,090.25 EUR
Eckert Wagniskapital und Frühphasen-finanzierung GmbH	Legal person closely associated with Executive Board Member Dr. Andreas Eckert	Dec. 23, 2008	Securities lending	0.00 EUR	66,667	0.00 EUR

Members of the Executive Board directly or indirectly own more than 1% of Company-issued stock with a total of 37.86%. Members of the Supervisory Board own less than 1% of Company-issued stock.



Segment

Radio-pharma-ceuticals

Contrast media are used in nuclear imaging diagnostics to see tiny tumor clusters and problems in metabolic functions, for example. Eckert & Ziegler produces the radioactive substances for contrast media, as well as the synthesis devices with which they can be produced. Eckert & Ziegler is Germany's leading provider of the contrast media used in positron emission tomography.

Newly developed pharmaceuticals are first tested in preclinical studies to determine their effectiveness and whether or not they produce side effects. Radiolabeled substances can be injected to observe how the drug being tested is distributed through the tissue.

5 x 5 km team relay race in Berlin

Staff

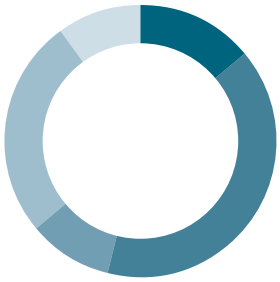
In the year under review, the average number of people employed by the Group per month rose by 83 to 395. The main reason for this increase was the inclusion of IBt S.A. employees.

In the period under review, staff costs amounted to EUR 23 million (2007: EUR 17 million). Roughly half of all employees hold a diploma from a university of applied science or a higher qualification. The Group invested EUR 160,000 (2007: EUR 124,000) in employee education programs.

In order to make it easier to combine family and professional life, Eckert & Ziegler offers, among other things, flexible daily and weekly working hours, part-time work and healthcare, and maintains employee contact with the company during periods of parental leave through a regular exchange of information, as well as running programs to assist people's return to work. The Group also promotes individual advanced training and education for employees with internal English courses and post-graduate studies in the areas of business management and medical physics.

In the 2008 financial year, numerous interns, students and graduates again took advantage of the opportunity afforded by their studies to familiarize themselves with Eckert & Ziegler AG as an interesting employer. A number of them were offered a permanent position after completing their projects.

Staff by areas



14% R&D
40% Production
10% Quality management
26% Sales and marketing
10% Administration

Eckert & Ziegler is a training company and believes that taking on trainees (currently eight trainees) both helps it to retain its own employees and provides school leavers with professional prospects in an industry with a promising future. In 2008, the Group was able to provide permanent employment for all trainees who completed their training.

In an attempt to find a better balance between the interests of employees and the interests of the company, Eckert & Ziegler has created a monthly bonus system for many divisions within the company. In 2008, around a quarter of the employees participated in this, with sales- or production-based bonuses paid. Furthermore, the proportion of employees who have a variable element to their pay but are not part of the management team was increased continuously.

In the year under review, the average time lost through illness in the Group was 1.37% (2007: 1.91%) and this was considerably lower than the state average and the average at a national level (Berlin-Brandenburg 3.55%, nationally 3.01%).

The Executive Board would like to take this opportunity to thank all members of staff for their commitment and performance. Thanks are also due to the works council, which, by liaising between the company's management and its workforce, has played its part in enabling many decisions to be implemented.

Berlin, March 23, 2009

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

Top left: Presentation of the Eckert & Ziegler Abstract Award for outstanding achievements in the field of nuclear medicine at the EANM 2008 in Munich.

Top right: The Forschergarten initiative offers children the chance to experience the natural sciences first hand.

Social Engagement

To help strengthen Germany's position as a center of innovation and research, Eckert & Ziegler supports early education initiatives in the natural sciences. The "Forschergarten" (www.forschergarten.de) project, sponsored jointly by Eckert & Ziegler, the Gläsernes Labor and the Friedrich-Fröbel School for Social Pedagogy, gives kindergarten and primary school children the chance to experience the natural sciences and technology in a hands-on environment, counteracting inhibitions towards science and improving the quality of early childhood education. The response to the initiative has been extremely positive and now includes over 90 participating kindergartens and primary schools in the Berlin region. In 2008, the number of children who participated in natural science experiment courses more than doubled to approximately 3,600.

To promote aspiring young scientists in the field of nuclear medicine, in 2008 Eckert & Ziegler, together with the European Society for Nuclear Medicine (EANM) offered an award for promising young nuclear scientists. The objective of the "EANM Eckert & Ziegler Abstract Award" is to motivate young scientists to present their ideas to larger audiences and promote an intensified exchange of ideas between nuclear scientists. The five EUR 1,000 awards were presented in October 2008 at the annual meeting of the EANM in Munich. The award winners – five talented young nuclear medicine researchers from the US, Japan, Sweden, Switzerland and Austria – were chosen from over 400 nominations by a jury of the EANM. The awards recognized work in the fields of cancer and dementia diagnostics.

Environment and Safety

In our production processes at Eckert & Ziegler Group, radioactive materials are handled only within closed cycles. Since the processed quantities are minimal and processed under negative pressure, and the exhaust air is centrally filtered, production-related emissions of pollutants into the environment were relatively low in the past fiscal year.

In order to improve safety in the workplace, efforts are being focused primarily on avoiding and reducing exposure to radiation. Thanks to process and plant optimizations, employee radiation exposure was again kept to the low levels of previous years, well below legal thresholds, despite substantially increased production volume in the reporting year. Only at one site in the Radiopharmaceuticals segment did the measured radioactivity exposure levels rise significantly due to increased production. At roughly 15% of the legally permitted annual total body dose and approximately 9% of the legally permitted hand dose, however, average exposure levels were nevertheless low.

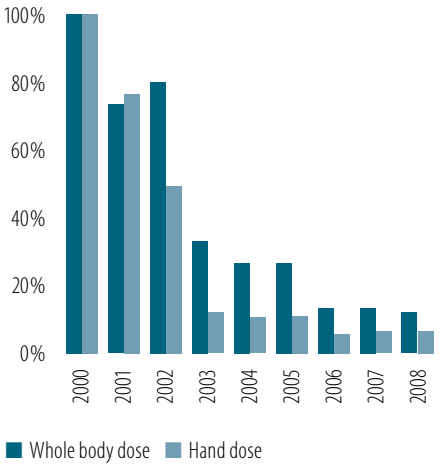
At Eckert & Ziegler BEBIG GmbH and Eckert & Ziegler Eurotope GmbH there were no reportable radiation exposure events. At Eckert & Ziegler EURO-PET Berlin GmbH, one reportable event occurred in 2008, which, however, did not lead to a substantial increase in employee exposure to radiation or emissions of radioactive substances. Apart from road accidents and trivial incidents, in the period under review only one incident due to other workplace safety concerns (in this case an accident on a stairway) was reported to the workers' compensation association.

The handling of radioactive materials, harmful substances and other hazards requires a comprehensive set of instructions and training programs in the field of workplace safety. All working areas with an increased risk potential are supervised by employees who have the appropriate level of expertise to manage this risk potential. In the reporting year 2008, the team in Berlin consisted of 32 radioactivity representatives (previous year: 29), 2 workplace safety representatives, 2 harmful substance representatives, 1 laser safety representative and 1 certified electrician.

At the Berlin plant, there were a total of 20 further training courses (compared with 14 the previous year) in the year under review, 11 of these relating to safety in the work-place (compared with 3 the previous year) and 9 relating to radiation protection (compared with 11 the previous year).

The production facilities, supply units and other equipment are inspected at regular intervals for any defects which may have an impact on safety, and new production facilities are approved and signed off by independent experts. This ensures that defects or signs of wear can be identified in good time and the safety of plants can be maintained at the highest level. Before a newly created workplace is approved, the hazard which it poses is evaluated and this is then reevaluated at regular intervals for existing workplaces as well.

Reduction in the mean annual dose at Berlin-Buch site
(in % by reference to the year 2000)



Quality Management

As a manufacturer of medicinal products and radiopharmaceuticals, Eckert & Ziegler is legally obliged to maintain comprehensive, formalized quality assurance systems. Responsibility for this is borne primarily by the manufacturing subsidiary companies which are regularly inspected by external authorities, for instance TÜV, the Regional Office for Health and Social Affairs Berlin (LAGeSo) or the German Calibration Service, to ensure compliance with the guidelines. In addition, for its own benefit, the company constantly seeks to improve on and exceed the required standards. In order to support this aim, it has concluded bonus agreements with a large number of managers and employees relating explicitly to quality targets.

The most important inspection audit in the year under review was conducted in June 2008 by TÜV Nord CERT GmbH for Eckert & Ziegler BEBIG GmbH in the therapy sector. The audit confirmed that the quality assurance systems conform to the European and Canadian directives and standards. Specifically, the following certificates were authenticated as part of this.

1. Certificate in accordance with Annex II of EC Directive 93/42/EEC.
Area of validity: brachytherapy radiation sources, brachytherapy afterloading systems

2. Certificate in accordance with Annex II of EC Directive 90/385/EEC. Area of validity: implantable seeds and accessories for brachytherapy

3. Certificate for the management system in accordance with DIN EN ISO 9001:2000. Area of validity: development, manufacture and distribution of radioactive components for medical applications

4. Certificate in accordance with EN ISO 13485:2003. Area of validity: development, manufacture and distribution of brachytherapy radiation sources, brachytherapy afterloading systems and blood irradiation equipment

5. Certificate in accordance with Canadian standard CAN/CSA ISO 13485:2003 (Medical Devices Regulation). Area of validity: development, manufacture and distribution of radioactive sources and equipment and accessories for brachytherapy

The certifications also apply to the products of STS Steuerungstechnik + Strahlenschutz GmbH, which is integrated into BEBIG's quality management system, and to Eckert & Ziegler Isotope Products GmbH (IPE), to the extent that BEBIG processes also apply to them.

In 2008 Eckert & Ziegler Radiopharma GmbH was registered as a pharmaceutical company. Related to this, the application for the permission of wholesale trade in medicinal products according to the German Medicines Law (AMG) §52a was submitted to the competent authority.

Following a mutual recognition procedure (MRP) marketing authorizations for the medicinal product (18F)-FDG-FR were granted in 7 European Countries, among others Poland and Sweden.

A GMP-concept for a new production site for pharmaceutical products (parenterals) in Berlin-Buch was prepared and submitted to the competent authority responsible for granting the manufacturing license

The periodical GMP inspection by the competent authority (LaGeSo) for EURO-PET Berlin GmbH, a manufacturing site for radiopharmaceuticals, took place in October 2008 and was run satisfactorily.

The manufacturing permit of EURO-PET Köln/Bonn GmbH for the Fludeoxyglucose F 18 injection solution was extended and the dispensing of the Fludeoxyglucose F 18 injection was further approved in November 2008 by the competent authority as a result of the worldwide scarcity of Technetium.

In the Nuclear Imaging and Industry segment, the risk management system was upgraded to ISO 14971: 2007 and implemented in the reporting year. Approval for all products was extended to the Japanese market. Several sealed radiation sources for quality assurance received approval for Canada. As part of the acquisition of North American Scientific's sealed source division, several registrations for sealed radiation sources and devices were transferred.

Since a quality management system was first implemented in 1998, the Eckert & Ziegler Group has in each case received – with no notable objections – all certifications currently in force.

Consolidated Financial Statements of the Eckert & Ziegler Group

Consolidated Statements of Income	40
Consolidated Statements of Cash Flows	41
Consolidated Balance Sheets	42
Consolidated Statements of Shareholders' Equity	43
Notes to the Group Financial Statements	44
Other disclosures required under HGB	78
Assurance from the legal representatives	78
Auditors' Report	79
Corporate Governance Report	84
Supervisory Board Report	86
Parent Company's Financial Statements of Eckert & Ziegler Aktiengesellschaft	87
Corporate Structure	92

Consolidated Statements of Income
Years ended December 31

	Appendix	2008 TEUR	2007 TEUR
Net sales	7.	71,612	54,444
Cost of sales		-37,453	-27,579
Gross profit on sales		34,159	26,865
Selling expenses	9.	-15,115	-10,231
General administration costs	10.	-14,609	-10,453
Research and development costs	11.	-3,108	-289
Other operating income	14.	17,241	564
Other operating expenses	15.	-8,979	-485
Write-downs on goodwill		0	
Profit from operations		9,589	5,971
Earnings from equity shares		0	9
Other financial items	16.	-120	-292
Earnings before interest and taxes (EBIT)		9,469	5,688
Interest received		73	63
Interest paid		-1,241	-830
Profit before tax		8,301	4,921
Profit tax	18.	-5,264	-2,771
Net income		3,037	2,150
Loss attributable to minority interests (profit in previous year)	19.	-1,465	202
Dividend to shareholders of Eckert & Ziegler AG		4,502	1,948
Earnings per share	20.		
Basic		1.43	0.62
Diluted		1.43	0.61
Average number of shares in circulation (basic – in thousands)		3,143	3,142
Average number of shares in circulation (diluted – in thousands)		3,158	3,171

	Appendix	2008 TEUR	2007 TEUR
Cash flow from operating activities:	39.		
Profit for the year		3,037	2,150
Adjustments for:			
Depreciation and amortization		9,150	3,731
Interest paid		1,241	767
Interest payments		- 986	- 573
Tax on earnings		5,264	2,771
Tax on earnings paid		- 3,292	- 1,854
Proceeds from grants less release of deferred income from grants		- 507	37
Deferred tax		- 297	- 10
Expense from share option plan		-	104
Unrealized foreign currency gains/losses		- 52	265
Effect of foreign currency rate changes on operating cash flows		57	15
Change in long-term provisions, other non-current liabilities		8,054	517
Gains/losses on the sale of subsidiaries/shareholdings		- 14,380	-
Losses on the disposal of non-current assets		26	18
Gains/losses on the sale of securities		- 77	1
Other		- 230	- 128
Changes in current assets and liabilities:			
Receivables		- 1,166	87
Inventories		543	- 2,051
Prepaid expenses, other current assets		86	- 8
Trade accounts payable and accounts payable to related parties		- 422	146
Income tax liabilities		260	31
Other liabilities		2,283	615
Cash inflows generated from operating activities		8,592	6,631
Cash flow from investment activities:	40.		
Additions to non-current assets		- 5,984	- 4,685
Sale of non-current assets		248	212
Aquisition of consolidated companies*		- 244	- 188
Advance payments on shareholdings		- 250	-
Sale of shareholdings		40	15
Sale of securities		1,381	70
Purchase of securities		- 652	-
Cash outflows from investment activities		- 5,461	- 4,576
Cash flow from financing activities:	41.		
Dividends paid		- 786	- 786
Distribution to minority interests		- 103	- 272
Acquisition/sale of own shares		-	21
Receipts from the take-up of long-term borrowings		7,581	294
Repayments form the take-up of long-term borrowings		- 2,528	- 1,203
Receipts from the take-up of short-term borrowings		1,440	513
Repayments form the take-up of short-term borrowings		- 5,858	- 763
Cash outflows from financing activities		- 254	- 2,196
Effect of exchange rates on cash and cash equivalents		59	- 167
Net increase (decrease in previous year) of cash and cash equivalents		2,936	- 308
Cash and cash equivalents at beginning of period		4,375	4,683
Cash and cash equivalents at end of period		7,311	4,375

* A portion of the sale price for the sealed source division NASM was financed via a loan by the seller in the amount of EUR 1,419,000, while another portion of the sale price in the amount of EUR 709,000 only falls due after 12 months provided that certain sales targets are reached (see also the note under point 42).

Conslidated Balance Sheets
As of December 31, 2008 and 2007

	Appendix	2008 TEUR	2007 TEUR
Assets			
Total non-current assets			
Intangible assets	21.	38,726	18,234
Property, plantand equipment	22.	23,807	17,745
Equity investments	42.	278	68
Other loans	23.	56	44
Deferred tax	18.	1,210	3,081
Other assets	24.	1,062	1,630
Total non-current assets		65,139	40,802
Current assets			
Cash and cash equivalents	25.	7,311	4,375
Securities	26.	332	1,033
Trad accounts receivable	27.	13,985	11,459
Inventories	28.	8,555	7,713
Other assets	29.	2,464	2,205
Assets held for disposal	30.	1,012	0
Total current assets		33,659	26,785
Total assets		98,798	67,587
Equity and liabilities			
Shareholders' equity	31.		
Subscribed capital		3,250	3,250
Capital reserves		30,316	29,750
Retained earnings		10,946	7,230
Other resrves		-3,297	-3,734
Own shares		-359	-359
Equity due to the shareholders of Eckert & Ziegler AG		40,856	36,137
Minorty interests		1,964	354
Total shareholders' equity		42,820	36,491
Non-current liabilities			
Long-term borrowings and finance lease obligations	32.	10,761	3,921
Deferred income from grants and other deferred income	33.	1,416	1,369
Deferred tax	18.	1,147	1,339
Retirement benefit obligations	34.	420	98
Other provisions	35.	15,969	3,478
Other liabilities	36.	529	175
Total non-current liabilities		30,242	10,380
Current liabilities			
Short-term borrowings and finance lease obligations	32.	7,751	8,256
Trade accounts payable		4,286	3,885
Advance payments received		1,002	290
Deferred income from grants and other deferred income	33.	371	935
Current tax payable		916	578
Other liabilities	37.	10,285	6,772
Liabilities held for disposal	30.	1,125	0
Total current liabilities		25,736	20,716
Total equity and liabilities		98,798	67,587

	Subscribed capital				Cumulative other equity items					
	Shares	Nominal value	Capital reserve	Retained earnings	Unrealized gains/losses on securities	Foreign currency exchange differences	Own shares	Equity attributable to shareholders	Minority shares	Group share-holders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance January 1, 2007	3,250,000	3,250	29,632	6,068	22	-2,701	-366	35,905	424	36,329
Foreign currency translation differences						-1,075		-1,075		-1,075
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 18 thousand)					42			42		42
Reversal of unrealized gains/losses on securities at previous balance sheet date					-22			-22		-22
Total of expenditures and income directly entered in equity	0	0	0	0	20	-1,075	0	-1,055	0	-1,055
Profit for the year				1,948				1,948	202	2,150
Total income for the period	0	0	0	1,948	20	-1,075	0	893	202	1,095
Dividends paid				-786				-786	-272	-1,058
Cost of share option plan			104					104		104
Application of own shares for acquisition and to service share options			12				9	21		21
Acquisition of own shares			2				-2	0		0
Balance December 31, 2007	**3,250.000**	**3,250**	**29,750**	**7,230**	**42**	**-3,776**	**-359**	**36,137**	**354**	**36,491**

	Subscribed capital				Cumulative other equity items					
	Shares	Nominal value	Capital reserve	Retained earnings	Unrealized gains/losses on securities	Foreign currency exchange differences	Own shares	Equity attributable to shareholders	Minority shares	Group share-holders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance January 1, 2008	3,250,000	3,250	29,750	7,230	42	-3,776	-359	36,137	354	36,491
Foreign currency translation differences						472		472		472
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 3 thousand)					7			7		7
Reversal of unrealized gains/losses on securities at previous balance sheet date					-42			-42		-42
Total of expenditures and income directly entered in equity	0	0	0	0	-35	472	0	437	0	437
Profit for the year				4,502				4,502	-1,465	3,037
Total income/loss for the period	0	0	0	4,502	-35	472	0	4,939	-1,465	3,474
Dividends paid				-786				-786	-104	-890
Purchase of minority interests									3,179	3,179
Provisions offset by own shares			566					566		566
Balance December 31, 2008	**3,250,000**	**3,250**	**30,316**	**10,946**	**7**	**-3,304**	**-359**	**40,856**	**1,964**	**42,820**

The Executive Board released the Group financial statements for forwarding to the Supervisory Board on March 23rd, 2009. The Supervisory Board is charged with checking the Group financial statements and clarifying whether it approves the Group financial statements.

Background, principles and practices

1. Organization and description of business activities

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin (hereinafter referred to as "Eckert & Ziegler AG" or "the Company") is a holding company whose specialized subsidiaries are engaged worldwide in the processing of radioisotopes and the development, manufacture and sale of components based on isotope technology, radiation equipment and radio-pharmaceuticals or of related products. The main areas of application for Group products are in medical technology, particularly in cancer therapy, as well as in nuclear-medical imaging and industrial radiometry. In these areas, the products of Eckert & Ziegler AG and its subsidiaries are aimed at radiation therapists, radio-oncologists and nuclear-medical specialists, among others.

The Company operates in a market characterized by rapid technological progress, heavy research expenditure, and constant new scientific discoveries. This market is subject to supervision by German Federal, State and local authorities. These regulatory authorities include the Regional Office for Health and Social Affairs Berlin (LAGeSo), the Technical Monitoring Agency (TÜV Nord CERT GmbH, Essen), the Federal Drug Office (BfArM) along with the corresponding foreign institutions, such as the US Food and Drug Administration (FDA) or the Nuclear Regulatory Commission (NRC). The Company is, therefore, directly affected by changes in technology and in products used in cancer treatment and for nuclear-medical imaging, by government regulations related to the industry in which Eckert & Ziegler AG operates, and by the general business environment within healthcare.

2. Reporting principles

The consolidated financial statements of Eckert & Ziegler AG as of December 31, 2008, have been prepared in accordance with International Financial Reporting Standards (IFRS). All of the standards of the London-based International Accounting Standards Board (IASB) which were applicable in the EU on the balance sheet date, as well as the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), have been observed. In addition, the supplementary applicable commercial provisions of Section 315a para. 1 HGB (German Commercial Code) have been observed. The Group financial statements, therefore, convey a fair presentation of the net assets, financial position and result of operations of the Group.

The reporting currency is the Euro. The amounts shown in the Group financial statements have been rounded to thousand Euros.

The financial statements of subsidiaries have been prepared as of the same date as the consolidated financial statements, this balance sheet date corresponding to that of Eckert & Ziegler AG. The annual financial statements cover the period under review from January 1 to December 31, 2008. The income statement has been prepared in accordance with the cost of sales method of presentation.

The Company is registered with the Commercial Register at Berlin-Charlottenburg under the number HRB 64 997 B and the consolidated financial statements and the Group management report as of December 31, 2008, were published in the electronic version of the Federal Official Gazette.

3. Accounting and valuation principles

Accounting and valuation policies – The reporting of assets and liabilities of the German and foreign subsidiaries included in the full consolidation is in line with standard accounting and valuation policies also used for comparative information with the previous year.

Reporting – In accordance with IAS 1.51 (Presentation of Financial Statements) separate classifications of current and non-current assets and current and non-current borrowings are shown on the face of the balance sheet.

Evaluations and estimates – For the preparation of consolidated financial statements in compliance with IFRS, it is necessary that estimates and assumptions are made that impact on the amount and disclosure of recognized asset values and liabilities, income and expense. Significant assumptions and estimates are made concerning useful life, earnings attainable from goodwill and non-current assets, realizability of receivables, the recognition and measurement of provisions and realizability of deferred tax assets in respect of loss carry-forwards. The assumptions and estimates are based on the available facts. Because of deviations in the development of these general conditions from the assumptions, the amounts included may differ from the original estimates.

Goodwill – Goodwill represents the excess of the aggregate purchase price for an enterprise, or part of one, over the fair value of net assets acquired.

Other intangible assets – Under other intangible assets are shown customer relations, capitalized development costs, patents, trademarks, software, licenses and similar rights. Development costs have been capitalized as intangible assets if the conditions for the capitalization of self-generated intangible assets under IAS 38 have been satisfied cumulatively. Capitalized development costs comprise all directly or indirectly attributable costs incurred from the date on which all the criteria for capitalization have been met. After successful completion of the development project, capitalized development costs are depreciated over the anticipated economic life of the product. Research costs, along with development costs not eligible for capitalization, are expensed as they arise.

Intangible assets other than intangible assets with unlimited economic lives are capitalized at acquisition or manufacturing cost and subject to normal straight-line amortization over their respective useful lives (2 to 20 years). Intangible assets with unlimited useful lives are reviewed on a yearly basis to establish whether or not that classification continues to apply.

Value impairment of non-financial assets – Under IFRS, goodwill and other intangible assets with unlimited economic lives have to be subject to a test for impairment at least annually, and with other intangible assets and property, plant and equipment this has to be carried out only where there are definite indications that this may have occurred. An impairment loss has to be expensed in cases where the recoverable amount of the asset does not exceed its carrying amount. The recoverable amount is, in principle, to be determined for each asset individually. In cases where a determination on an individual asset basis is not possible, this has to be carried out on the basis of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of net realizable value and utility value. Net realizable value is the amount obtainable from the sale under normal market conditions less the costs of disposal. The utility value is determined on the basis of discounted future net cash flows from the use of the asset. Cash flows used as the basis for the impairment test are estimated, and correspond to those used in long-term business plans.

As a result of the impairment test for the Therapy segment, non-scheduled depreciation of part of the goodwill became necessary on December 31, 2008. Furthermore, non-scheduled depreciation was carried out for miscellaneous intangible assets with unspecified useful lives in the Therapy and Radiopharmaceutical segments. (See notes under point 22). In 2007, no non-scheduled depreciation was necessary.

Property, plant and equipment – Property, plant and equipment is valued at acquisition or manufacturing cost less accumulated depreciation. The manufacturing costs of self-constructed plant and facilities include all the direct costs and attributable manufacturing overheads. Where applicable, acquisition or manufacturing costs include the estimated costs of demolition or dismantlement of the asset and restoration of the site. Self-constructed assets mainly relate to production lines. Property, plant and equipment acquired under finance leases within the meaning of IAS 17 are capitalized and depreciated over the estimated useful life of the asset. Other property, plant and equipment and tenant's fixtures acquired through finance leases are depreciated either over the lifetime of the rental or lease or the estimated economic life of the underlying asset, if shorter.

Depreciation expense is determined on the basis of the straight-line method. The depreciation period is fixed in accordance with the foreseeable economic life. The following economic lives are assumed:

Buildings	25 to 45 years
Tenant's fixtures	10 to 15 years
Plant and machinery	4 to 10 years
Fixtures and fittings	3 to 12 years

Upon scrapping or sale, the acquisition or manufacturing costs of the assets and the related accumulated depreciation are closed out, and any resulting gain or loss is credited or charged to income.

A significant portion of the Company's depreciable assets is used for the manufacture of its own products. The Executive Board regularly assesses the future usefulness of these assets, taking the business environment at the time into account. On this basis, the useful lives of various assets in the non-current assets were reassessed, which resulted in non-scheduled depreciation of the non-current assets. The Executive Board believes that there was no further impairment of utility as of December 31, 2008. It is possible, however, that its estimates concerning the utilization and realizability of the Company's depreciable assets could change in the short term owing to changes in the technological and regulatory environment.

Inventories – Inventories comprise raw materials, consumables and supplies, work in process and finished products. Inventories are stated at the lower of acquisition or manufacturing cost or net realizable value at the balance sheet date. Apart from direct costs, manufacturing costs include appropriate portions of material and manufacturing overheads as well as production-related depreciation, administration and social costs. Financing costs are not treated as part of acquisition of manufacturing cost. Where necessary, the average cost method is applied in order to simplify valuation.

Write-offs for obsolete or excess inventory are made on the basis of an inventory analysis carried out by the Executive Board and future sales forecasts.

Trade accounts receivable – Trade accounts receivable, such as accounts receivable from the sale of goods and services, are non-derivative financial assets representing fixed or determinable payments and are not listed on any stock exchange or similar market. After their initial recognition in the accounts, loans made and trade accounts receivable on the basis of the effective interest method are valued at their net book value less impairment of value. Gains or losses are reflected in the income statement when trade accounts receivable are written off or value-adjusted. Any interest amounts resulting from the application of the effective interest method are also recognized in the income statement.

Investments and marketable securities – Investments in quotes securities are not held for trading or held to maturity. They are, therefore, classified as available-for-sale financial assets, and measured at fair value based on quoted market prices on the balance sheet date. Unrealized gains and losses arising from subsequent measurement of available-for-sale securities are entered directly into equity less attributable tax until the securities are sold or an objective impairment is incurred. At this point the cumulative gain or loss is to be recognized as profit or loss for the period.

Derivative financial instruments – Derivative financial instruments such as currency futures or swaps are in principle only used for hedge purposes. They are shown in the Group balance sheet at fair value, with changes in value being passed through the income statement. Apart from an interest-currency swap the Group holds an interest swap (see "Other non-current assets" for details). No further derivatives were held at the balance sheet date.

Liquid assets with restricted availability – Liquid assets with restricted availability refer to amounts paid into a fund by the US subsidiary Eckert & Ziegler Analytics Inc., Atlanta, USA, which are intended to ensure the fulfillment of its future obligations to restore any contaminated plant and facilities.

Certain other cash resources are also subject to restriction, as under the law governing the pre-retirement scheme credits under that scheme have to be protected against the risk of insolvency.

The US subsidiary Eckert & Ziegler Isotope Products Inc. has transferred part of their property, plant and equipment by way of security for a bank loan.

A parcel of land of EURO-PET Berlin Zyklotron GmbH has been encumbered with a land charge as security for a bank loan.

We refer to the sections on "Other loans", "Other non-current assets" and "Loans" for more details.

Liquid funds – The Company considers all highly liquid funds with a maturity of up to three months to be cash equivalents, to be shown under cash and cash equivalents. In view of their short-term nature the nominal value of these items is taken as their fair value.

Financial liabilities – Financial liabilities include, in particular, accounts payable for goods and services, amounts owed to banks and other liabilities. After their initial recognition in the accounts financial liabilities on the basis of the effective interest method are valued at their net asset value.

Retirement benefit obligation – The valuation of the liability for pensions is based upon the projected unit credit method in accordance with IAS 19, Employee Benefits. Under the projected unit credit method future salary and pension growth is taken into account when measuring the obligation. Actuarial gains and losses are only recognized if they exceed 10 percent of the present value of the obligation (or the plan assets if this is higher). The amount of the surplus is spread over the average expected remaining working period of the employees concerned.

Provisions – Provisions are established when there is a current obligation resulting from a past event. Provisions are created in the accounts when the level of their use tends to be more likely than unlikely and the amount used can be reliably estimated. The amount set aside is the best possible estimate of the expense required in order to fulfill the current obligation as of the balance sheet date.

Provisions for environmental restoration – The costs for the demolition and clearance of assets, and also the restoration of the site, are part of acquisition or manufacturing cost under IAS 16, providing the costs have to be provided for under IAS 37.

Provisions for environmental restoration are based on statutory and civil obligations to decontaminate radioactively contaminated assets and buildings, to determine by measurement that they are free from contamination and to allow them to be open to access and general use again without danger. Accordingly, the estimate of costs includes labor costs for the demolition of the facilities, for the preparation of waste so that it can be decontaminated, for the cleaning of rooms and for the disposal of waste by experts, as well as the costs for the disposal and decontamination of radioactive waste. In this, it is only the radioactive waste from the decontamination of assets that is taken into account. Waste that arises from normal production is regularly decontaminated and the associated costs are shown as a separate item within cost of goods sold. Under IAS 37 the environmental costs are measured at current value, i.e. under the assumption that this work is carried out by outside contractors. Provisions are established at the present value of the costs expected as of the balance sheet date. Various assumptions underlie the calculation of the restoration obligations, based on estimates. These include estimates on the labor hours, daily

rates and expected material costs required. The amount of the provision allows for expected cost increases until the expense is incurred. The value of the obligation is checked on each balance sheet date. In the event of changes to the value, the non-current assets and provisions are adjusted accordingly.

Leasing – If the conditions for a finance lease are satisfied, the leased assets in use according to IAS 17 are capitalized as property, plant and equipment and depreciated in full over the life of the leasing agreement. The leasing liabilities are valued at the present value of the lease payments.

Revenue recognition – In accordance with IAS 18, revenue from product sales is realized when performance is complete (generally upon shipment), provided a contractual agreement exists, at a fixed and determinable price, and payment by the customer can be counted on. No guarantees or rights of return are granted to the customer beyond his statutory rights. Licensing fees are recognized in the period to which they relate. For transactions involving several part performances, the revenues are divided between the various performances on the basis of their fair values.

Advertising – Expenditure on advertising and other sales-related costs are charged to expense as incurred.

Research and development – Research expenditure is recognized as expense in the period when it is incurred. Development costs are to be capitalized in accordance with IAS 38 (Intangible Assets) where cumulative conditions are met. Development costs that cannot be capitalized are expensed as they arise. Cost of goods sold includes, apart from costs of materials and labor, also the material and labor burden directly attributable to the development projects.

Income taxes – Deferred tax is calculated by means of the liability method under IAS 12 (Income Taxes). Under this method, deferred tax assets and liabilities are reported in order to reflect future tax impacts attributable to differences between the carrying amounts of assets and liabilities in the Group financial statements and their respective values for tax purposes, as well as from tax loss carry-forwards. Deferred tax assets and liabilities are measured on the basis of statutory tax rates expected to apply to taxable income in the years in which these temporary timing differences are expected to be reversed. The effects of a change in tax rates on deferred tax assets and liabilities are shown in the income statement for the financial year in which the legislative changes were approved. Deferred tax assets are only recognized if it is likely that these asset values will be realized. Deferred tax assets and liabilities are shown net if the corresponding criteria of IAS 12 are fulfilled.

Current income taxes are calculated on the basis of the year's respective national results for tax purposes and the national tax rules.

Share option plan/employee share option scheme – Accounting for the employee share scheme is in line with IFRS 2 (Share-based Payment). Under this, the fair value of all share options issued has to be established at the time of issue, and spread as staff costs over the vesting period. The fair value of each option issued on the issue date is calculated by means of an option price model. The charge to staff costs is linked to an increase in capital reserves.

Investment grants and other subvention payments – In accordance with IAS 20.7, subvention payments are recognized only if the company satisfies the conditions for award of the grant. Funds that the company receives from public or private sources for investment or development projects are recorded as deferred income in the financial year of receipt. Grants are offset direct against such expenditure in the period it is incurred. The deferred grants in the Group financial statements were received for the purchase of property, plant and equipment and development costs. They are released to income over the useful lives of the respective property, plant and equipment or intangible assets.

Earnings per share – Earnings or loss per share is calculated by dividing the profit allocated to the shareholders of Eckert & Ziegler AG by the average number of shares in circulation during the financial year. Diluted earnings per share reflect the potential dilution that would occur of all options to acquire shares were exercised at a price below the average share price during the period. It is computed by dividing profit for the year by the sum of the average number of shares in circulation during the financial year plus the diluted shares arising from the exercise of all the outstanding options (calculated by applying the treasury stock method).

New accounting standards

The Group financial statements comply with all the standards of the IASB mandatory in the EU at the balance sheet date, as well as the IFRIC and SIC statements in force. The Executive Board is not anticipating any material effects on future Group financial statements from changes to existing standards made by the IASB under further projects to further develop IFRS and to achieve convergence with US-GAAP, nor from new standards which do not come into force until after December 31, 2008. The following standards and interpretations are not applied in the present financial statements. The following standards and interpretations are not used in the present financial statement.

Standard	Description	Obligatory for financial years beginning on	Use planned from:	Possible impact on future financial statements
IAS 27	Consolidated and separate financial statements	July 1, 2009	Jan. 1, 2010	insignificant
IFRS 8	Operating segments	Jan. 1, 2009	Jan. 1, 2009	insignificant
IAS 32	Financial instruments: Presentation	Jan. 1, 2009	Jan. 1, 2009	insignificant
IFRS 2	Supplements to IFRS 2 - Share-based payment	Jan. 1, 2009	Jan. 1, 2009	insignificant
IAS 1	Supplements to IAS 1 - Presentation of financial statements	Jan. 1, 2009	Jan. 1, 2009	insignificant
IAS 23	Supplements to IAS 23 - Borrowing costs	Jan. 1, 2009	Jan. 1, 2009	insignificant
IFRIC 13	Customer loyalty programs	Jan. 1, 2009	Jan. 1, 2009	none
IFRIC 14	The limit on a defined benefit asset, minimum funding requirements and their interaction	Jan. 1, 2008	Jan. 1, 2008	none

Companies included in the consolidation

In the consolidated financial statements of Eckert & Ziegler AG all companies are included where Eckert & Ziegler AG, either indirectly or directly, is able to determine the financial and business policies (control concept). The companies included in the consolidation as of December 31, 2008 are:

	Share of voting rights
International Brachytherapy S.A., Seneffe, Belgium	29.9%
Eckert & Ziegler BEBIG GmbH, Berlin, Germany	29.9%
Isotron Isotopentechnik GmbH, Berlin, Germany *	29.9%
Eckert & Ziegler BEBIG Iberia S.L.U., Madrid, Spain *	29.9%
Eckert & Ziegler Italia s.r.l., Milan, Italy *	29.9%
Eckert & Ziegler BEBIG SARL, Paris, France *	29.9%
Eckert & Ziegler MMI GmbH, Berlin, Germany *	29.9%
Eckert & Ziegler BEBIG Radiotherapy SARL, Paris, France *	29.9%
IBt S.A. BEBIG GmbH, Berlin, Germany *	29.9%
IBt S.A. Ltd., London, United Kingdom *	29.9%
IBt S.A. Inc., Norcross, USA *	29.9%
Eckert & Ziegler Isotope Products Inc., Valencia, USA **	100%
Eckert & Ziegler CNL Scientific Resources Inc., San Francisco, USA *	100%
Eckert & Ziegler Analytics Inc., Atlanta, USA *	100%
Eckert & Ziegler Isotope Products GmbH, Berlin, Germany *	100%
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic	80%
Eckert & Ziegler Radiopharma GmbH, Berlin, Germany	100%
Eckert & Ziegler EUROTOPE GmbH, Berlin, Germany *	100%
Eckert & Ziegler EURO-PET Linköping AB, Linköping, Sweden *	100%
Eckert & Ziegler EURO-PET Berlin GmbH, Berlin, Germany *	70%
Eckert & Ziegler f-con Europe GmbH, Holzhausen, Germany *	74.2%
Eckert & Ziegler f-con Deutschland GmbH, Holzhausen, Germany *	74.2%
Eckert & Ziegler f-con Pharma Italia s.r.l., Milan, Italy *	91.4%
Eckert & Ziegler EURO-PET Köln-Bonn GmbH, Bonn, Germany *	74.2%
Eckert & Ziegler BEBIG Therapy GmbH (previously: STS Steuerungstechnik + Strahlenschutz GmbH, Berlin, Germany	100%

* indirect interest

** Eckert & Ziegler Isotope Products Inc. has given a commitment to its bank to abide by certain financial covenants. Eckert & Ziegler Isotope Products Inc. may pay a dividend to Eckert & Ziegler AG only if to do so does not breach those covenants.

Changes to companies included in the consolidation

In the financial year 2008 the following shares were acquired and the following changes were made to the companies included in the consolidation:

– Eckert & Ziegler f-con Europe GmbH: In January 2008 Eckert & Ziegler Radiopharma GmbH increased its stake in Eckert & Ziegler f-con Europe GmbH from 61% to 74%. Due to the negligible purchasing price, the increased percentage of share had no significant effect on the Eckert & Ziegler Group's assets and earnings.

– International Brachytherapy S.A.: In February 2008, Eckert & Ziegler AG invested its stake in Eckert & Ziegler BEBIG GmbH as a contribution in kind in International Brachytherapy S.A. (IBt S.A.), Seneffe (Belgium) and in return for this it received 38.5% of the nominal shares (which is equivalent to 29.9% of the voting shares) in IBt arising from a capital increase, as well as receiving an additional 2.8 million Euros. Furthermore, Eckert & Ziegler AG reserved the option to purchase 5 million voting shares (beneficiary shares) in IBt S.A. Taking these potential voting rights into account, Eckert & Ziegler AG has more than half the voting rights in IBt S.A., meaning that IBt S.A. will be included in the Group financial statements under full consolidation, as per IAS 27.14. Eckert & Ziegler AG continues to have controlling options as a result of the occupancy of the Board of Directors of IBt S.A. The acquisition of the company is described under point 42.

– Isotron Isotopentechnik GmbH: In May 2008, Eckert & Ziegler BEBIG GmbH acquired all the shares in Isotron Isotopentechnik GmbH, Berlin, Germany. The acquisition of the company is described under point 42.

– Eckert & Ziegler EURO-PET Linköping AB: In December 2008, Eckert & Ziegler Radiopharma GmbH acquired all the shares in the Swedish shelf company AB Coport 164. The company was then renamed Eckert & Ziegler EURO-PET Linköping AB.

– On July 4, 2008, the new sales and distribution companies Eckert & Ziegler BEBIG Therapy SARL and Eckert & Ziegler BEBIG Radiotherapy SARL were founded for products in the Therapy segment for the French market.

– Furthermore, in the 2008 fiscal year, STS Steuerungstechnik + Strahlenschutz GmbH was renamed Eckert & Ziegler BEBIG Therapy GmbH, and IBt S.A. GmbH was renamed IBt S.A. BEBIG GmbH.

Consolidation principles

Consolidation of investments in subsidiaries is carried out in accordance with IFRS 3 (Business Combinations) under the purchase method. Under this, the assets and liabilities acquired are measured at fair value on the date of purchase. Next, the costs of acquiring the purchased shares are netted against the proportionate share of the newly valued shareholders' equity in the subsidiary. A positive difference resulting from this is included under intangible assets as goodwill, a negative difference is included affecting the operating result in the income statement. The initial consolidation is carried out as of the date of purchase.

All significant receivables and payables as well as transactions between related enterprises have been eliminated as part of the consolidation.

If shares in fully consolidated subsidiaries are sold to minority interests without control of the subsidiary being lost, the existing loophole in IAS 27 (2003) (the standards currently used) is interpreted to the effect that any difference in amount between the accounting value increase of the minority interest and the service in return is included in the income statement. If the revised IAS 27 (2008) is used, this type of difference in amount would be recorded as not affecting net income in the shareholder's equity.

4. Currency translation

The financial statements of subsidiaries prepared in foreign currency and included in the Group consolidation are translated into Euro in accordance with IAS 21. As the subsidiaries conduct their business affairs autonomously from a financial, economic and organizational standpoint, the functional currency of the companies included corresponds to their respective national currency. Assets and liabilities are translated at mid-market rates on the balance sheet date. To keep things simple, translation of the income statement is at the weighted average rate for the year. Until the subsidiary is disposed of, differences resulting from the translation of the financial statements are not passed through the income statement, but shown as a separate item within equity.

At initial recognition, foreign currency items are measured at historical rates in the annual financial statements of the companies included in the consolidated financial statements. Monetary items are expressed at the mid-market rate as of the balance sheet date. The resultant exchange gains and losses at the balance sheet date are recognized in the income statement.

The following exchange rates were used for the currency translation:

Country	Currency	Dec. 31, 2008	Dec. 31, 2007	Average rate 2008	Average rate 2007
USA	USD	1.4097	1.471887	1.477595	1.365159
CZ	CZK	26.6426	26.6677	24.912185	27.826474
GB	GBP	0.974	n.a.	0.79785	n.a.
SK	SEK	10.9861	n.a.	10.9861	n.a.

5. Limited comparability of group financial statements with the previous year

The changes in the companies included in consolidation during financial years 2008 and 2007 have affected the Group's net assets and result of operations, in part distorting the comparability of the consolidated balance sheet and income statement with the previous year.

6. Changes to estimates

In the 2008 fiscal year, the Group altered estimates in the following areas:

a) Change to the useful life of clinic equipment

In the Therapy segment, the Company provides customers with equipment to enable them to carry out operations with our products. Due to changed market conditions, new equipment must be provided at shorter intervals than was originally planned. The useful life of the corresponding assets was therefore reduced from 8 to 5 years.

The reduction of the useful life affects the depreciation that is recorded in the sales and distribution costs.

	2008	2009	2010	2011	2012	thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) in write-downs	297	205	132	-19	-89	-526

b) Change to the useful life of specific production facilities

In the course of annual budget planning, the capacity utilization and the state of our cyclotrons in Berlin and Cologne/Bonn were checked. Due to increased production volumes, the useful life of the Berlin cyclotron was reduced from 20 to 13 years.

The change to the useful life has the following effect on the depreciation that is recorded in the production costs, in the year under review and subsequent periods:

	2008	2009	2010	2011	2012	thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) in write-downs	83	83	83	83	83	-415

c) Evaluating provisions in the context of a tax audit

Since 2004, the German tax authorities have been carrying out an audit of Eckert & Ziegler AG for the periods of assessment from 2000 to 2002. According to the interim reports now available, it seems that the fiscal authorities intend to decide on substantial additional payments. The Company continues to firmly believe that fundamental parts of these additional demands are contestable and are based on a one-sided interpretation of circumstances on the part of the financial auditors. However, as the items in question could probably only be clarified by means of protracted legal action, the Company has recorded provisions amounting to EUR 1,822,000 in the present financial statement. The expenses are reported as follows: EUR 875,000 under tax expense in the income statement; EUR 735,000 under other operating expenses; EUR 212,000 under interest paid.

d) Evaluating deferred tax assets on loss carry-forwards

The recoverability of the deferred tax assets on loss carry-forwards was checked again in the 2008 fiscal year on the basis of budgeting. In addition to assumptions about developments in the sectors in which Eckert & Ziegler AG is active, attention was also paid to the changed organizational structure within the Eckert & Ziegler Group, as well as the significantly worsened macroeconomic conditions (financial crisis). On the basis of this budgeting, non-scheduled depreciation amounting to EUR 1,831,000 was carried out on deferred tax assets in the year under review.

e) Discontinuation of development projects and associated value impairment of internally generated intangible assets

Since 2006, the Company has been working on developing a "Pulsed Dose Rate Radiotherapy" device. Due to problems with further development of the software and hardware resulting from a stark increase in the complexity, increased functions and safety-related enhancements, the device would require completely new software, which would have led to additional costs amounting to EUR 1,000,000. As Sales and Distribution simultaneously decreased its sales forecasts, the management decided in the 2008 fiscal year to discontinue the project.

This results in non-scheduled depreciation amounting to EUR 1,259,000 in the year under review, as well as a corresponding liquidation of prepaid expenses totaling EUR 295,000, which is shown under the research and development costs.

In the "Gallium and Yttrium Chemistry" project, stricter legal provisions meant that larger sales volumes could only be achieved with a gallium generator approved for pharmaceutical purposes, contrary to earlier assumptions. Work is currently ongoing for the relevant approval. However, as it is currently not possible to reliably estimate the time at which the approval will be obtained, the developments previously capitalized for the project were subjected to a non-scheduled depreciation amounting to EUR 220,000 in 2008. The expense is shown in the Group income statement under research and development costs.

Notes on the group income statement

7. Revenue

The Company generates its income mainly from the sale of goods and, to a lesser extent, from the provision of services. The revenues have once more gone up in the financial year 2008 from EUR 54,444,000 to EUR 71,612,000. Approximately 75% of the increase in growth was due to organic growth, about 25% of the growth coming from business entities newly acquired in financial year 2008.

The classification of revenue by geographical segments and business units is given in the section on segmental reporting.

8. Cost of sales

Cost of goods sold includes, apart from costs of materials, labor and depreciation directly attributable to sales, also a proportion of the material and labor burden and earnings from the liquidation of prepaid expenses. Cost of materials, including changes in inventory, amounted to EUR 20,002,000 for 2008 and EUR 16,928 for 2007.

9. Selling expenses

Expenditure on advertising and other sales-related costs are charged to expense as incurred.

Selling expenses are broken down as follows:

	2008	2007
	TEUR	TEUR
Staff costs	5,476	3,935
Costs associated with the sale of goods	3,124	1,953
Provisions	2,230	1,419
Advertising	1,012	1,023
Write-downs	1,697	629
Other	1,576	1,272
Total	15,115	10,231

10. General administration costs

General and administration costs include:

	2008	2007
	TEUR	TEUR
Staff and ancillary staff costs	8,194	5,453
Rental charges	957	632
Write-downs	1,517	1,319
Proceeds from the release of deferrals and accruals	-229	-470
Consultancy costs	770	722
Communication costs	324	239
IR costs	157	193
Insurance, premiums	388	371
Other	2,531	1,994
Total	14,609	10,453

11. Research and development costs

Costs for research and development amounted to EUR 3,108,000 in 2008 and EUR 289,000 in 2007. The costs are composed of the following:

- Directly attributable staff and material costs that cannot be capitalized in the research and development areas
- Scheduled depreciation in the research and development areas for acquired property and equipment and intangible assets, as well as the corresponding liquidation of prepaid expenses
- Non-scheduled depreciation of intangible assets generated internally in previous years, as well as the corresponding liquidation of prepaid expenses
- Other directly attributable expenses in the research and development areas
- Proportionate burden of the research and development areas

The costs of research and development of EUR 3,108,000 (2007: EUR 289,000) include primarily non-scheduled depreciation and amortization of EUR 1,479,00 (2007: EUR 0) scheduled depreciation and amortization of EUR 369,000 (2007: EUR 155,000), staff costs of EUR 1,595,000 (2007: EUR 361,000) and cost of materials of EUR 292,000 (2007: EUR 54,000) and earnings from the liquidation of prepaid expenses of EUR 325,000 (2007: EUR 4,000).

12. Payments to employees and number of employees

The items in the income statement include depreciation and amortization of EUR 23,224,000 (2007: EUR 16,812,000).

Staff costs for the financial years 2008 and 2007 are as follows:

	2008	2007
	TEUR	TEUR
Wages and salaries	20,656	14,650
Social security contributions and expenditure on pensions and old-age support	2,490	2,162
- of which for pensions	83	23

Payments arising from termination of employment amounted to EUR 752,000 and are shown under the cost of sales.

On average 395 persons were employed by Group companies during 2008. They were working in the following departments:

	2008	2007
Production	158	125
R&D/equipment manufacture	55	43
Administration	40	33
Sales and marketing	103	82
Quality management	39	29
Total	395	312

Information on total earnings from current and previous board members and current members of the supervisory board is provided in the remuneration report in the Group management report.

13. Depreciation and amortization

The items in the income statement include depreciation and amortization of intangible assets amounting to EUR 23,224,000 (2007: EUR 1,021,000).

Amortization of intangible assets is included in the following items in the income statement:

	2008		2007	
	budgetary	extra-budgetary	budgetary	extra-budgetary
	TEUR	TEUR	TEUR	TEUR
Cost of sales	629	0	54	0
Distribution costs	485	0	192	0
General administration costs	691	0	668	0
Research costs and noncapitalized development costs	339	1.479	107	0
Other operating expenditure	0	450	0	0
Total	2,144	1,929	1,021	0

Depreciation of property, plant and equipment is included in the following items in the income statement:

	2008		2007	
	budgetary	extra-budgetary	budgetary	extra-budgetary
	TEUR	TEUR	TEUR	TEUR
Production costs	1,650	1,359	1,574	0
Distribution costs	1,212	0	437	0
General administration costs	826	0	651	0
Research costs and noncapitalized development costs	30	0	48	0
Total	3,718	1,359	2,710	0

14. Other operating income

Other operating income in 2008 includes the capital gains amounting to EUR 14,380,000 from incorporating Eckert & Ziegler BEBIG GmbH into IBt S.A., as well as earnings from the discontinuation of an obligation to the Walloon government by IBt S.A. amounting to EUR 1,734,000.

Furthermore, other operating income essentially includes income from the release of provisions, income from the release of impairment losses and, in the previous year, income from the inclusion affecting the operating result of the negative difference in the first consolidation of Eckert & Ziegler EURO-PET Köln/Bonn GmbH of EUR 120,000.

Income from the release of provisions in the reporting year was EUR 69,000 (2007: EUR 120,000).

15. Other operating expenses

Other operating expenses essentially include expenses relating to a lawsuit filed against Eckert & Ziegler AG by a minority shareholder in IBt S.A. to submit a mandatory takeover bid of the remaining IBt S.A. shareholders at a price of EUR 3.47 per share. Eckert & Ziegler AG believes that this obligation does not and has never existed. However, it is currently difficult to predict how the court will decide this matter, particularly considering that the legal situation allows for considerable judicial discretion, that there are hardly any precedents and there are no courts of appeal. As the Executive Board cannot currently assume that the probability of a court ruling in the minority interests' favor is greater than a ruling in favor of Eckert & Ziegler AG, the Company has created a provision of EUR 7,140,000 in case of possible excess liabilities.

Other expenses amounting to EUR 725,000 arise from possible demands from the financial authorities connected to the ongoing audit of Eckert & Ziegler AG. EUR 450,000 are allotted to the value impairment of the goodwill for the "Therapy" cash-generating unit.

Other operating expenditure also includes expenditure resulting from impairment losses from claims and defaults on receivables (EUR 312,000), as well as losses from the sale of assets (EUR 26,000).

16. Remaining net result of financial activities

The remaining net result of financial activities consists of the following:

	2008	2007
	TEUR	TEUR
Exchange gains	1,815	595
Exchange losses	-1,764	-968
Income from holdings	3	4
Other remaining net result of financial activities	-174	77
Total	-120	-292

The market valuation of a derivative security instrument for interest security produced, in 2008, a loss of EUR 174,000 (2007: a profit of EUR 77,000), which is included in other remaining net result of financial activities. The market valuation of a derivative security instrument for interest and currency security produced, in 2008, a loss of EUR 190,000 (2007: EUR 13,000), which is included in the exchange losses.

17. Interest earnings

Interest and similar income in the financial year amounted to EUR 73,000 (2007: EUR 63,000), while interest expenditure was EUR 1,241,000 (2007: EUR 830,000).

18. Income tax expense

Under German tax laws income tax expense consists of corporation tax, trade tax and solidarity surcharge.

Loss carry-forwards mainly relate to German companies in the Eckert & Ziegler Group. Losses in Germany can be carried forward indefinitely.

The tax rate for the computation of the tax charge in Germany for corporation tax and trade tax during the financial year was 30.2 percent and 27.4 percent respectively. Tax rates in Germany are as follows:

	2008	2007
Trade tax – basic rate	3.5%	5%
Trade tax – rate of assessment	330% bzw. 410%	330% bzw. 410%
Corporation tax	15%	25%
Solidarity surcharge on corporation tax	5.5%	5.5%

Income tax expense/income (-) is made up as follows for the financial years ended December 31, 2008 and 2007:

	2008	2007
	TEUR	TEUR
Pretax earnings:		
Germany	5,092	782
Foreign subsidiaries	3,209	4,139
	8,302	4,921
Current taxes:		
Germany	1,396	291
Foreign subsidiaries	2,325	1,514
	3,721	1,805

Of the current taxes in 2008, TEUR 875 is attributable to previous years.

	2008	2007
	TEUR	TEUR
Deferred taxes:		
Germany	1,723	998
Foreign subsidiaries	-180	-32
	1,543	966
Total taxes:	5,264	2,771

Reconciliation of the Group's tax expense, based on the tax rates applicable in Germany, to the Group's actual reported tax charge is as follows:

	2008	2007
	TEUR	TEUR
Expected tax expenditure based on the German tax rate	2,507	1,914
Tax differences on the income from foreign subsidiaries	-237	-279
Taxes for previous years	875	21
Non-deductible expenditure	2,670	243
Tax-free income	-4,054	-12
Other	3	8
Adjustments based on the tax reform	0	876
Decrease in the value of capitalized deferred taxes on losses carried forward	1,417	0
Decrease in the value of capitalized deferred taxes on temporary differences		
Non-capitalized deferred taxes on losses in the financial year	1,831	0
Actual tax expenditure	5,264	2,771

In 2007 the Enterprise Tax Reform Act 2008 was promulgated in Germany. One of the announced changes is the reduction of the rate of corporation tax from 25% to 15% from January 1, 2008. Trade tax is no longer deductible as a business expense and the basic rate of trade tax is reduced from 5% to 3.5%. The effects of the change in tax law on deferred taxes were to be accounted for in 2007. The change in the tax rate in the previous year has given rise to an impairment charge of EUR 876,000. To calculate the deferred taxes, the following tax rates were used for German companies on December 31, 2008 (these rates did not change from December 31, 2007): corporation tax of 15%, solidarity surcharge of 5.5% on the corporation tax and trade tax of 12% and 14%. For foreign companies the prevailing local rates of tax have been applied in calculating deferred taxes.

Deferred taxes are based upon the differences between the values of assets and liabilities in the consolidated financial statements and those in the tax accounts of individual Group companies, as well as in respect of available tax loss carry-forwards. Deferred tax assets and liabilities have been netted in the balance sheet to the extent permitted under IAS 12.

Deferred tax expense of EUR 1,938,000 (2007: EUR 1,094,000) in respect of tax loss carry-forwards, while deferred tax income of EUR 395,000 (2007: 128,000) has been incurred on timing differences. An expense of EUR 49,000 from currency translation has been offset against this deferred tax income (2007: EUR 74,000).

During the year under review deferred tax expense of EUR 15,000 (2007: deferred tax income of EUR 4,000) was netted directly within equity without affecting net income.

As part of the initial consolidation of IBt S.A. deferred tax assets of EUR 1,104,000 and deferred tax liabilities of EUR 1,183,000 were recorded. The initial consolidation of Isotron GmbH resulted in deferred tax liabilities of EUR 2,000. In the previous year, deferred tax assets of EUR 244,000 and deferred tax liabilities of EUR 22,000 were recorded in the context of the initial consolidation of EPK. EUR 8,000 were reclassified from deferred tax liabilities to liabilities connected to sales, in the context of the planned sale of FCI.

A total of EUR 1,231,000 (2007: EUR 3,169,000) deferred taxes were accounted on tax loss carry-forwards. Of that, EUR 1,175,000 (2007: EUR 3,136,000) may be carried forward indefinitely; the rest is restricted to five years. Deferred tax assets of EUR 856,000 (2007: EUR 1,878,000) relate to companies in the radio-pharmacy segment that suffered another fiscal loss in 2008. As a result of impairment loss tests, deferred tax assets amounting to EUR 1,831,000 (2007: EUR 0) were subjected to non-scheduled depreciation in 2008 (see point 6). The amount of deferred tax assets on loss carry-forwards that were not recorded in the balance sheet of December 31, 2008 is EUR 14,771,000 (2007: EUR 0).

Deferred tax assets and liabilities at the individual balance sheet item level are shown in the following table:

	Deferred tax assets		Deferred tax liabilities	
	2008	2007	2008	2007
	TEUR	TEUR	TEUR	TEUR
Taxable losses carried forward	1,231	3,169	0	0
Fixed assets	259	522	3,113	3,293
Stock options	108	108	0	0
Securities	0	0	3	18
Receivables	75	48	93	133
Reserves	1,479	1,021	0	0
Other	122	340	2	22
Subtotal	3,274	5,208	3,211	3,466
Set-off	-2,064	-2,127	-2,064	-2,127
Amount according to consolidated balance sheet		1,210	3,081	1,147

The German tax authorities commenced a tax audit in 2004 of Eckert & Ziegler AG for the periods of assessment from 2000 to 2002 which is likely to be completed in the 2009 financial year. According to the interim reports now available, it can be assumed that the fiscal authorities intend to specify tax-related additional payments amounting to EUR 875,000. The Company continues to firmly believe that fundamental parts of these additional demands are contestable and are based on a one-sided interpretation of circumstances on the part of the financial auditors. However, as the items in question could probably only be clarified by means of protracted legal action, the Company has recorded provisions amounting to EUR 875,000 in the present financial statement.

19. Profit/loss attributable to minority interest

Group profit after tax contains shares of losses amounting to EUR 1,465,000 (2007: shares of profits amounting to EUR 202,000) attributable to minority interests.

20. Earnings per share

Earnings per share have been calculated as follows:

	At the end of the year	
	2008	2007
	TEUR	TEUR
Numerator for calculating the profit and the diluted profit per share – net income for the year/net loss for the year	4,502	1,948
Denominator for calculating the profit per share - weighted average number of shares (in thousands)	3,143	3,142
Effect of diluting stock options	15	29
Numerator for calculating the diluted profit per share – weighted average number of shares (in thousands)	3,158	3,171
Undiluted profit per share (in EUR)	1.43	0.62
Diluted profit per share (in EUR)	1.43	0.61

The average share price during the reporting period has been used to determine the dilutive effect of share options.

The call and put option transaction concluded on December 29, 2008 obliges Eckert & Ziegler AG to acquire in part against Eckert & Ziegler AG shares if the owner of the voting stock of IBt S.A. exercises the put option. Issuing these shares was not taken into account when calculating the diluted earnings per share, as the effect of this has a secondary significance in the 2008 financial year.

Furthermore, the new shares issued in February 2009 would have affected the earnings per share if the increase in capital had been carried out before December 31, 2008.

Notes on the consolidated balance sheet

21. Intangible assets

Under intangible assets are shown goodwill, customer relations, prohibitions to compete, patents and technologies, licenses and software, capitalized development costs as well as other intangible assets.

Intangible assets not subject to scheduled depreciation are mainly goodwill. In addition, other intangible assets with a book value of EUR 829,000 (2007: EUR 1,017,000) are also not subject to any scheduled depreciation due to their unlimited economic lives. These are predominantly trademarks with an unlimited useful life that are allocated to the Nuclear Imaging and Industry segment. On December 31 of the financial years 2008 and 2007 the book values of the intangible assets with unlimited useful lives, which are not subject to scheduled depreciation, include the following:

	2008	2007
	TEUR	TEUR
Business and firm values	26,907	9,948
Other	829	1,017
As at Dec. 31	27,736	10,965

The increase in intangible assets with unlimited useful lives compared to the previous year is essentially due to additions of goodwill connected to the acquisition of IBt S.A., Isotron Isotopentechnik GmbH and the sealed source division of North American Scientific.

The item Goodwill changed during 2008 and 2007 as follows:

	2008	2007
	TEUR	TEUR
As at Jan. 1	9,948	10,773
Additions	17,549	4
Adjustments resulting from conditional purchase price payments	-388	0
Reclassification as held for sale	-86	0
Decrease in value	-450	0
Currency conversion differences	334	-829
As at Dec. 31	26,907	9,948

On December 31, 2008, the contingent sales price balanced in the context of the F-CON Group (purchased in 2005) was adjusted on the basis of a new estimate, and the goodwill resulting from the company merger was reduced accordingly to EUR 388,000.

The allocation of goodwill and the intangible assets with unlimited economic lives to business segments is as follows:

	2008		2007	
	Value of the firm	Others	Value of the firm	Others
	TEUR	TEUR	TEUR	TEUR
Therapy	15,503	0	0	0
Nuclear medicine and Industry	11,208	697	9,277	673
Radiopharmacy	196	132	671	344
As at Dec. 31	26,907	829	9,948	1,017

The capitalized goodwill and intangible assets with unlimited economic lives were subjected to an impairment test in accordance with IFRS 3 and IAS 36 in 2008. In this conjunction the goodwill was allocated to cash generating units (CGU). The amounts that can be attained by the CGUs on the valuation date correspond to the higher of the two amounts from the fair value, minus the sales costs and the relevant utility value of the cash generating unit. The fair value of the CGU is only specified if the CGU's book value exceeds the utility value and the CGU is traded on an active exchange, thereby providing the basis for a reliable estimation of the fair value.

The CGU's utility values are the result of discounted future cash flows that are specified on the basis of current budgeting over a five year period. In addition to assumptions about developments in the sectors in which Eckert & Ziegler AG is active, attention was also paid to the changed organizational structure within the Eckert & Ziegler Group, as well as the significantly worsened macroeconomic conditions (financial crisis). For the subsequent period a growth rate of 0% to 1.5% was applied to the cash flows. The cash flows were discounted for the "Therapy" CGU with a weighted average cost of capital before tax of 10.43% and for the other CGUs with a standardized Group weighted average cost of capital before tax of 7.66%. In its determination of the discounting factors the Executive Board relied on external information on the Eckert & Ziegler Group and the IBt S.A. Group.

In the "Nuclear Imaging and Industry" and "Radiopharmaceuticals" segments, there was no need to adjust the values of the goodwill or intangible assets with unlimited useful lives as at December 31, 2008, taking the utility values identified for each as the basis.

For the "Therapy" segment, the utility value and the fair value (which corresponds to the market price of IBt S.A. shares on December 31, 2008 (EUR 2.45)) were identified minus the costs of disposal, in accordance with the assumptions explained above. The larger of the two values – in this case the fair value minus the costs of disposal – was referred to in order to identify the impairment charge. This resulted on December 31, 2008, in an impairment charge to the goodwill of EUR 450,000 (2007: EUR 0), which is shown in the other operating expenditure.

The book values of the intangible assets subject to scheduled depreciation were as follows as at December 31 of the financial years 2008 and 2007:

a) Acquired intangible assets

	2008	remaining write-down period	2007
	TEUR		TEUR
Customer relations	6,034	6-8 years	1,668
Licenses/Software	946	1-7 years	941
Patents/Technologies	798	6-17 years	418
Other	431	1-8 years	152
Prohibitions on competition	237	5-6 years	344
As at Dec. 31	8,446		3,523

b) Internally generated intangible assets

	2008	remaining write-down period	2007
	TEUR		TEUR
Active development costs (ongoing projects)	661		1,384
Equipment for radio-pharmaceutical synthesis	1,884	4 years	2,362
As at Dec. 31	2,545		3,746

During the 2008 financial year, development costs totaling EUR 756,000 (2007: EUR 1,854,000) were capitalized. The item development costs as at December 31, 2008 and 2007 includes the following:

	2008	2007
	TEUR	TEUR
Equipment system for radiopharmaceutical synthesis	1,884	2,362
Pulsed dose rate radiotherapy	0	1,120
Pharmgrade generator	0	220
C 11 marking systems	610	0
Other	51	44
As at Dec. 31	2,545	3,746

Development of the "Pulsed Dose Rate Radiotherapy" device was discontinued in 2008. This results in non-scheduled depreciation of EUR 1,259,000 (see also the note under point 6e).

The equipment for the radio-pharmaceutical synthesis was completed in December 2007 and is scheduled to be depreciated over a period of 5 years. The other capitalized development costs are not currently being depreciated, as the development of the systems has not been finalized and the assets, therefore, cannot be used by the Company as yet.

In the income statement the depreciation on intangible assets has been allocated on the basis of the functional area of the relevant intangible assets to manufacturing costs, sales costs, research and non-capitalized development costs or general administrative costs (see also notes under point 13).

The movements of the intangible assets between January 1 and December 31, 2008 are shown in the fixed asset movement schedule.

22. Property, plant and equipment

Movements in property, plant and equipment from January 1 to December 31, 2008, are shown in the non-current assets movement schedule.

Assets that have been acquired by way of finance leases are included in property, plant and equipment. Net book values of assets accounted for as finance leases amount as of December 31, 2008, to EUR 3,448,000 (2007: EUR 1,993,000).

In addition to current replacement investments, the additions during financial year 2007 mainly concern expansion of existing production plants.

Own work capitalized totaled EUR 784,000 (2007: EUR 0) in the year under review. Net book values of the internally generated assets in property, plant and equipment amount, as of December 31, 2008, to EUR 2,091,000 (2007: EUR 1,507,000).

Assets from the property, plant and equipment amounting to EUR 3,781,000 (2007: EUR 451,000) were transferred by way of security for bank loans.

23. Other loans

The other loans concern securities provided amounting to EUR 40,000 (2007: EUR 29,000), as well as cash paid into a decontamination fund totaling EUR 16,000 (2007: EUR 15,000). Payments into the fund relate to future obligations to decommission and restore plant and facilities belonging to Eckert & Ziegler Analytics Inc., Atlanta, USA. These amounts are prescribed by law, are under state control and their access is therefore restricted.

24. Other non-current assets

Other non-current assets include an interest-currency swap of EUR 764,000 (2007: EUR 954,000) and an interest swap of EUR 7,000 (EUR 181,000). These are derivatives recognized in accordance with IAS 39.9 as financial assets affecting the current period at fair value. Further information on these derivative financial instruments can be found in the notes under point 38.

Contractual rights to reimbursement in connection with environmental restoration provisions of EUR 200,000 (2007: EUR 352,000) are shown under other assets. In addition, cash equivalents of EUR 17,000 (2007: EUR 85,000), which are intended to protect credits under the preretirement scheme against the risk of insolvency, as required by the law governing that scheme, are shown under other assets. The cash is subject to restricted access.

25. Cash and cash equivalents

Cash and cash equivalents of EUR 7,311,000 (2007: EUR 4,375,000) are represented by checks, cash in hand and cash at banks maturing within three months.

26. Securities

All of the securities are classified as available for-sale financial assets. The following summary shows the composition of securities as of December 31, 2008 and 2007:

				Dec.31, 2008
	Acquisition costs	Non-realized profits	Non-realized losses	Current value to be adjusted (fair value)
	TEUR	TEUR	TEUR	TEUR
Bonds	101	3	-1	103
Investment funds	220	9	0	229
Total securities in current assets	321	12	-1	332

				Dec.31, 2007
	Acquisition costs	Non-realized profits	Non-realized losses	Current value to be adjusted (fair value)
	TEUR	TEUR	TEUR	TEUR
Bonds	176	4	-2	178
Investment funds	797	68	-10	855
Total securities in current assets	973	72	-12	1,033

The fair value of securities is determined by quoted prices.

Bonds have a remaining period to redemption of less than 6 months as of December 31, 2008.

27. Trade accounts receivable

Trade accounts receivable consist of the following items as of December 31, 2008 and 2007:

	2008	2007
	TEUR	TEUR
Accounts receivable	14,568	11,968
less value corrections	-583	-509
As at Dec. 31	13,985	11,459

28. Inventories

Inventories consist of the following items as of December 31, 2008 and 2007:

	2008	2007
	TEUR	TEUR
Raw materials and supplies	5,689	6,073
Finished products	2.101	1.505
Unfinished products	989	322
	8,779	7,900
less value correction	-224	-187
As at Dec. 31	8,555	7,713

Raw materials, consumables and supplies mainly consist of nuclides and components needed for the fabrication of end products.

Adjustments made on the basis of a comparison of net realizable value against book value increased by EUR 37,000.

29. Other short-term assets

The item Other short-term assets amounting to EUR 2,464,000 (2007: EUR 2,200,000) mainly includes deferrals, prepayments made, amounts owed by tax authorities and loans made.

The directors of Eckert & Ziegler Cesio s.r.o., who are also minority shareholders, were each granted a loan by Eckert & Ziegler AG. As of December 31, 2008 the amounts owed, including interest, were EUR 509,000 (2007: EUR 499,000).
The loans are due for repayment.

30. Assets and debts held for disposal

In December 2008, the Executive Board decided to begin actively searching for a purchaser for the subsidiary Eckert & Ziegler f-con Pharma Italia s.r.l. in Milan, Italy (FCI). The background for this decision was a changed market situation for radioactive contrast media in Northern Italy. The margins for products for positron emission tomography, an innovative procedure for precise diagnosis of various cancers, has been placed under considerable pressure in recent years due to a variety of new providers. Furthermore, FCI was struggling with a long production stop of the cyclotron that had been operated together with Milan University's policlinic in a joint venture.

As a result, the assets and debts of the subsidiary, which are assigned to the "Radio-pharmaceuticals" segment and are part of the "Europe" geographical segment, were reclassified as available for disposal. The evaluation of the disposal Group at the fair value did not result in any additional need to adjust the value of the subsidiary's assets. The assets and debts of the disposal Group classified as held for disposal are presented as follows as of December 31, 2008:

	2008
	TEUR
Intangible assets	290
Fixed assets	170
Cash and cash equivalents	71
Accounts receivable	471
Other assets	10
Assets of the disposal group regarded as being for disposal	1,012
Leasing obligations	87
Accounts payable	963
Other obligations	75
Liabilities of the disposal group regarded as being for disposal	1,125

In March 2009, the sale of the subsidiary to an outside third party was successfully completed.

31. Shareholder's equity and minority interest

The movements of the shareholders' equity and the minority interest are shown in the equity movement schedule.

On June 11, 2008, the Annual General Meeting resolved to use the net profit of Eckert & Ziegler AG for the previous year amounting to EUR 949,000 to pay a total dividend of EUR 786,000 or EUR 0.25 in respect of each eligible share certificate and to allocate an amount of EUR 164,000 to other revenue reserves.

The share capital of the Company amounted to EUR 3,250,000.00 as of December 31, 2008, and is divided into 3,250,000 fully paid-up nonpar shares.

Effective February 6, 2009, the Group's nominal capital was increased by EUR 628,633 to EUR 3,878,633 on the authority of the Executive Board's decision of May 30, 2006. It is divided into 3,878,633 non-par-value owner bearer shares. The new shares issued in February 2009 are eligible for dividends as of January 1, 2008.

According to the German Aktiengesetz (Stock Companies Act) any dividend that may be distributed to the shareholders has to relate to the net profit for the year shown in the financial statements that are based on German commercial law. The AGM has been asked to pay the shareholders a dividend of EUR 1,132,000 (EUR 0.30 per share) out of the net profit of Eckert & Ziegler AG for 2008.

Authorized capital

Through a resolution of the shareholders' meeting on May 30, 2006 the Executive Board was authorized, with the approval of the Supervisory Board, to increase the Company's nominal capital by up to EUR 1,625,000 by issuing up to 1,625,000 bearer shares for cash or non-cash contributions, while excluding the subscription rights of existing shareholders where relevant (authorized capital). The Executive Board is authorized, with the approval of the Supervisory Board, to determine any further rights attaching to the shares and the conditions for the share issue. The exclusion of subscription rights is permissible for capital increases with non-cash contributions, particularly for the acquisition of enterprises or parts thereof, equity investments in enterprises or patents. Exclusion of subscription rights is permissible in the case of capital increases against investment in kind, particularly in order to purchase companies, participation, parts of companies or industrial property rights. For capital increases against cash contributions, exclusion of subscription rights is only permissible to the extent that it is necessary for the equalization of highest-ranking amounts, or if the capital increase does not exceed 10 percent of the nominal capital, and the issue price of the new shares does not lie significantly below the stock market price of the shares at the time that the Executive Board determines the issue price. The authorization is valid until June 30, 2009. The Executive Board, with the Supervisory Board's approval, exercised its authority, increasing the capital by EUR 628,633.00 through the issuance of 628,633 non-par-value owner bearer shares.

Contingent capital
The nominal capital has been conditionally increased by up to a further EUR 300,000.00 (authorized but unissued share capital), split into a maximum of 300,000 shares. The increase in contingent capital is only implemented subject to the holders of share options, which the Executive Board was authorized to issue by the shareholders' meeting held on April 30, 1999, using their rights to subscribe to shares in the Company and the Company not fulfilling the option rights by the transfer of its shares or by making a cash payment.

Notification regarding changes to voting share percentage
In May 2008, Eckert & Ziegler AG published a statement in the register of companies announcing that "Mr. Jürgen Ziegler, Germany, (…) declared [to Eckert Ziegler] on May 7, 2008, in accordance with § 21 Abs. 1 WpHG, that his proportion of the voting rights from shares in ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 has fallen below the threshold of 5% of the voting rights and now amounts to 4.80% (corresponding to 155,992 voting rights)."

In April 2008, Eckert & Ziegler AG published a statement in the register of companies announcing that "Baden-Württembergische Investmentgesellschaft mbH Stuttgart, Germany, declared [to Eckert Ziegler] on April 2nd, 2008, in accordance with § 21 Abs. 1 WpHG, that its proportion of the voting rights from shares ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 has fallen below the threshold of 3% of the voting rights and now amounts to 3.85% (corresponding to 125,000 voting rights)."

Reserves
The capital reserves indicate the amount that was obtained by issuing interests, including shares over and above the nominal amount (capital surplus). Furthermore, the capital reserves list the amounts that are recorded in connection with share-based remunerations (IFRS 2).

The part of the obligation that arose due to the option writer item of the put option transaction and which leads to mandatory offsetting by own shares if the owner exercises the option was recorded in the capital reserves to the amount of EUR 566,000 (provisions offset by own shares). In the year under review, no expenditure was recorded in the capital reserves from issuing share options (2007: EUR 104,000).

Retained earnings consist of unappropriated past earnings of consolidated Group companies. In addition, retained earnings include adjustments resulting from the first application of the IFRS. Retained earnings also include conversion differences of EUR 3,776,000 (2007: EUR 3,776,000) resulting from translating financial statement from the foreign subsidiaries. Also included in the reserves are value changes of the available-for-sale securities (after tax) amounting to EUR 35,000 (2007: EUR 25,000).

Own shares
In the AGM on June 11, 2008, the Executive Board was authorized, with the Supervisory Board's approval, to use the Company's own shares that had been purchased previously due to earlier authorizations as follows, including in ways other than via the stock exchange or by an offer to all shareholders:

– Own shares can be redeemed without the need for a decision from a shareholders' meeting concerning the redemption or its execution.

– Own shares can be realized against a service in kind, provided that this serves to procure companies, participation, parts of companies, industrial property rights such as patents, brands or licenses for these, or contribution in kind in the form of assets or services.

– Own shares can be realized against cash provided that the sales price does not fall significantly below the average closing share price on the Frankfurter stock exchange over the past five trading days before the sale comes into effect (not including additional acquisition costs), as per § 186, section 3, clause 4 of the AktG (Companies Law).

– Own shares can be used to meet the obligations of the Company's share option plan agreed in the AGM of April 30, 1999, and altered in the AGM of May 20, 2003. The Company's Supervisory Board is responsible for reaching a decision here if own shares are to be transferred to members of the Company's Executive Board.

In March 2003, the Executive Board exercised the authority invested in it in previous years and acquired a total of 320,000 own shares (approx. 9.8% of the nominal capital) at an average share price of EUR 3.35.

In October 2003, 5,503 of these shares were resold. The acquisition in 2004 of Eckert & Ziegler MMI GmbH and Eckert & Ziegler Isotope Products GmbH was financed partly using the Company's own shares. To do so, a total of 139,648 of the Company's own shares were applied. Up to now, 51,000 own shares (2007: 2,700 shares, 2006: 2,900 shares, 2005: 32,000 shares, 2004: 13,400 shares) have been utilized to service share options under the employee share scheme. In financial year 2007, 200 of the Company's own shares, which were used for servicing employee stock options, were repurchased on the stock exchange.

In the context of the option to acquire further voting stock in IBt S.A., Eckert & Ziegler AG accepted an obligation to settle part of the effective price with 66,667 own shares if the contractual partner exercises its option. This liability was balanced by appropriating EUR 566,000 to the capital reserve for own shares with no effect on net income. In the previous year, transactions in own shares gave rise to a total profit of EUR 12,000, which was appropriated to the capital reserve for own shares with no effect on net income. The balance of own shares stood at 106,835 shares as December 31, 2008. This equates to a share of 3.3% of the Company's nominal capital.

Changes in the number of outstanding share options are shown in the Other Information section.

The number of shares in circulation in the 2008 and 2007 financial years was as follows:

	2008	2007
	Shares	Shares
As at Jan. 1	3,143,165	3,140,665
Use of own shares to service employee options or for acquisitions	0	2,700
Use of own shares (share buy-back program)	0	-200
As at Dec. 31	3,143,165	3,143,165

32. Borrowings and financial leasings

Borrowing and financial leasing liabilities consist of the following items as of December 31, 2008 and 2007:

	2008	2007
	TEUR	TEUR
Loan obligations to banks	12,640	5,667
Leasing obligations	1,487	219
other loan obligations	4,385	6,291
Total loan and leasing obligations at Dec. 31	18,512	12,177
- of which short-term	7,751	8,256
- of which long-term	10,761	3,921

The following table gives an overview of borrowings as of December 31 in each of the financial years:

		2008	2007
	Annual interest rate	TEUR	TEUR
Leasing obligations		1,487	219
Loans from existing shareholders following acquisition of shares	0% to 7.5%	2,690	5,203
Loans from minority shareholders	5.00%	895	852
Loans from related persons	6.50%	700	0
Loans from Comerica Bank (USA)	Libor + 2.75%	626	504
Loans from Commerzbank AG (KfW - Foreign Program)	7.38%	213	306
Loans from Commerzbank AG (KfW - Global Loans)	4.27%	2,200	0
Loans from Commerzbank AG (KfW - Global Loans)	6.10%	1,930	0
Loans from Deutsche Industrie Bank AG (IKB) (ERP - Innovation Program)	4.80%	1,881	0
Loans from Deutsche Industrie Bank AG (IKB) (Loans with Profit Participation)	8.6% plus 3% if profit made	0	1,795
Loans from Deutsche Bank AG	3-month EURIBOR + 1%	750	1,750
Loans from Landesbank Berlin	4.85% to 5.72%	596	1,008
other loans	0% to 6%	2,544	490
short-term money market credits	4.4% to 5%	1,140	0
other revolving credits	variable	860	50
Total loan obligations as at Dec. 31		18,512	12,177

In the 2008 financial year, borrowing and financial leasing liabilities increased again compared with the previous year. The increase can be accounted for in part due to long-term financing of new R&D projects, while existing borrowings are repaid as planned or refinanced. Another reason for the increase was the borrowing and financial leasing liabilities connected to the initial consolidation of IBt S.A.

The loan from Deutsche Industriebank AG (IKB) (profit-participating loan), initially amounting to EUR 2,812,000, was completely repaid by June 30, 2008. This was refinanced by means of a loan from Commerzbank AG (KfW global loan) with a repayment period to September 30, 2014. The loan is to be paid back in constant quarterly installments of EUR 100,000.

To pay off the loans guaranteed by the former shareholders in the context of company acquisitions, Eckert & Ziegler EURO-PET Köln/Bonn GmbH took out a loan with Commerzbank AG (KfW global loan) amounting to EUR 2,200,000. The loan has a repayment period to December 30, 2013, and will be repaid in quarterly installments of EUR 110,000 plus interest, starting from March 3, 2009. The Company's cyclotron was transferred to the bank by way of security for the loan.

The loan from Deutsche Industriebank AG (IKB) from the ERP innovation program is used to finance R&D projects in Eckert & Ziegler Radiopharma GmbH. The total loan amounts to EUR 5,000,000, of which EUR 1,850,000 has been drawn upon. The loan has a repayment period to September 30, 2015, and will be repaid in quarterly installments of EUR 208,000 plus interest, starting from December 30, 2009.

The loans granted by the Landesbank Berlin to EURO-PET Berlin Zyklotron GmbH are secured by a mortgage of EUR 451,000 on EURO-PET Berlin Zyklotron GmbH's business premises in Berlin and a guarantee from Eckert & Ziegler AG.

The loan from Comerica Bank to Eckert & Ziegler Isotope Products, Inc. (IPL) is secured by an assignment of IPL's noncurrent assets.

IPL has been granted a credit line by a bank of up to USD 3,500,000 (EUR 2,483,000). Part of the credit line consists of a guarantee for up to USD 2,510,000 (EUR 1,781,000) which has been utilized as security for the decontamination plan. Of an additional credit line of up to USD 1,000,000 (EUR 709,000) for financing non-current assets, IPL has utilized USD 410,000 (EUR 291,000) as of December 31, 2008.

Eckert & Ziegler AG and its German subsidiaries have joint credit lines available of EUR 7,175,000, of which EUR 1,298,000 has been utilized.

The interest rate agreed for the loan of EUR 750,000 granted by Deutsche Bank was the three-month EURIBOR rate + 1 percent at the time of taking up the credit. The risk of an interest rate change was hedged by means of an interest swap, so that the effective rate is 4.5 percent.

The remaining periods to maturity of the borrowings on December 31, 2008 and 2007 are as follows:

	2008	2007
	TEUR	TEUR
Remaining period up to 1 year	7,331	8,256
Remaining period 1 to 5 years	9,494	3,921
Remaining period over 5 years	200	0
Total loan obligations as at Dec. 31	17,025	12,177

33. Deferred income from grants and other deferred income

The item "Deferred income from grants and other deferred income" is made up of the following as of December 31 in each of the years:

	2008	2007
	TEUR	TEUR
limited short-term grants	305	859
Other accrued and deferred items	66	76
Limits on grants and other accrued and deferred items in the short term	371	935
limited long-term grants	1,416	1,369
As at Dec. 31	1,787	2,304

34. Retirement benefit obligations

Pension undertakings have been made for a former member of the Executive Board as part of the Company's old-age provision which is based on a defined benefit pension plan. Pension obligations are calculated in accordance with IAS 19 under the projected unit credit method by taking the present value of pension benefits earned up to the measurement date, including probable future increases in pensions. The determination of present value involves using a discount rate of 5.80% (2007: 5.25%). As the person concerned will already have left company service and reached pensionable age in 2008, the scale of the obligation changes annually merely with the pension payments, with the interest compounded and with actuarial gains and losses. This produced the following obligations determined actuarially in each of the financial years ending December 31:

	2008	2007
	TEUR	TEUR
Cash values of performance-oriented pension entitlements	386	384
Fund assets at the current value to be adjusted	0	-302
Actuarial profits (+) and losses (-)	34	16
Pension reserves as at Dec. 31	420	98

The amounts shown for retirement benefit obligations have changed as follows:

	2008	2007
	TEUR	TEUR
Pension reserves as at Jan. 1	98	129
Expenditure on pension obligations	38	18
Distribution of actuarial profits (+) and losses (-)	0	0
Expenditure and income of fund or plan assets	312	-27
Plan asset interest earnings	-10	-22
Pension payments	-18	0
Pension reserves as at Dec. 31	420	98

The following amounts were recognized in the income statement in each of the financial years:

	2008	2007
	TEUR	TEUR
Interest expenditure	38	18
Distribution of actuarial profits (+) and losses (-)	0	0
Earnings of fund or plan assets	-10	-22
Total recorded	28	-4

The cash value of the performance-oriented pension claims and the fair value of the plan assets have developed as follows:

	2008	2007	2006	2005	2004
	TEUR	TEUR	TEUR	TEUR	TEUR
Defined benefit obligation	386	384	398	406	331
Plan assets	0	302	252	219	189
Funded status	-386	-82	-146	-187	-142

Pension plans are also in place for two current board members and designed as an employee-financed contributory defined benefit (deferred compensation). The level of deferred compensation for the pension plan amounted to EUR 104,000 in 2008 (2007: EUR 100,000). The defined benefits are financed through a fully covered relief fund.

35. Other provisions

The following table gives an overview of the movements in other provisions in 2008 and 2007.

	2008	2007
	TEUR	TEUR
Disposal reserves	8,829	3,478
Other reserves	7,140	0
Other reserves at Dec. 31	15,969	3,478

Movements in the provisions for environmental restoration in 2008 are as follows:

	2008	2007
	TEUR	TEUR
Disposal reserves as at Jan. 1	3,478	3,062
Additions/reductions	4,903	405
Addition of interest	374	146
Currency conversion	74	-135
Disposal reserves as at Dec. 31	8,829	3,478

For valuation of environmental restoration provisions in 2008 an adjustment has been made to align discount rates suitable for the maturity period to changes in the capital markets, in accordance with IFRIC 1. These adjusted interest rates lie between 2.42 and 3.92%. Retaining the previous year's interest rates of 4.0% to 4.7% would have resulted in a provision for environmental restoration which was EUR 799,000 lower.

For some sites, amounts have been paid into a fund whose use is restricted to future restoration. These payments are shown under other loans and amount to EUR 16,000 (2007: EUR 15,000).

Contractual rights to reimbursement in connection with environmental restoration provisions of EUR 200,000 (2007: EUR 352,000) are shown under other non-current assets.

The other provisions concern a provision for a possible excess liability in connection with the lawsuit filed by an IBt S.A. shareholder against Eckert & Ziegler AG to submit a mandatory takeover bid. This is the result of the difference between the price that may have to be paid and the current market value of IBt S.A. shares, multiplied by the number of shares which will probably be subject to a mandatory takeover. The acceptance rate of two thirds on which this is based was specified taking the specific circumstances of the offer.

36. Other non-current liabilities

The Other non-current liabilities essentially include the liability from the option writer item of a put option transaction related to the acquisition of further voting stock in IBt S.A. amounting to EUR 500,000 (2007: EUR 0).

37. Other liabilities

Other current liabilities are composed of the following as of December 31 in each year:

	2008	2007
	TEUR	TEUR
Wages and salaries	2,961	2,813
Social security	132	130
Obligations to financial authorities	399	574
Obligations resulting from interest deferral	28	282
Obligations resulting from other expenditure deferrals	5,640	2,303
Other obligations	1,125	670
As at Dec. 31	10,285	6,772

The liabilities shown as short-term provisions in the previous year were assigned to Other current liabilities this year. The description for the previous year was adjusted accordingly.

38. Additional information on financial instruments

This section gives an overview of the importance of financial instruments for Eckert & Ziegler AG and provides additional information on the balance sheet positions containing financial instruments.

Overview of financial assets and liabilities

The following table shows the book values of all categories of financial assets and liabilities:

	Dec. 31, 2008	Dec. 31, 2007
	TEUR	TEUR
Financial assets		
Cash and cash equivalents	7,311	4,375
Financial assets available for sale	332	1,033
Loans and receivables	16,797	13,364
Derivative financial instruments	771	1,135
Total	25,211	19,907
Financial liabilities		
Financial liabilities relating to continued acquisition costs	33,276	18,160
	33,276	18,160

Loans and receivables are as follows:

Loans and receivables		Dec. 31, 2008	Dec. 31, 2007
		TEUR	TEUR
Accounts receivable	Short-term	13,985	11,459
Receivables from affiliated persons and companies	Short-term	511	503
Receivables from the tax office	Short-term	1,227	471
Receivables from drawing rights	Long-term	200	352
Other receivables	Long-term/ short-term	874	579
		16,797	13,364

The financial liabilities for continued acquisition costs are as follows:

Liabilities relating to continued acquisition costs		Dec. 31, 2008	Dec. 31, 2007
		TEUR	TEUR
Loan commitments	short-term	7,091	8,172
Loan commitments	long-term	9,885	3,786
Financial leasing commitments	short-term	660	84
Financial leasing commitments	long-term	877	135
Accounts payable	short-term	4,286	3,885
Obligations toward staff	short-term	314	375
Other obligations	short-term	2,494	1,547
Other obligations	long-term	7,669	176
		33,276	18,160

The composition of the borrowing and financial leasing liabilities is explained in point 32.

Fair value of financial assets and liabilities

The following table shows the fair value and the book value of the financial assets and liabilities that are evaluated for acquisition costs or continued acquisition costs.

	Dec. 31, 2008		Dec. 31, 2007	
	Current value to be adjusted	Book value	Current value to be adjusted	Book value
	TEUR	TEUR	TEUR	TEUR
Financial assets, valued with respect to acquisition costs or continued acquisition costs				
Cash and cash equivalents	7,311	7,311	4,375	4,375
Accounts receivable and other receivables	13,985	13,985	11,459	11,459
Other non-derivative financial assets 2.8122.812	1,905	1,905		
	24,108	24,108	17,739	17,739
Financial liabilities, valued with respect to acquisition costs or continued acquisition costs				
Accounts payable	4,286	4,286	3,885	3,885
Commitments toward banks and other financial debts	16,858	16,858	12,063	11,958
Liabilities resulting from finance-leasing	1,537	1,537	219	219
Other non-derivative financial liabilities	10,477	10,477	2,098	2,098
	33,158	33,158	18,265	18,160

The fair value of cash and cash equivalents, short-term receivables, liabilities from deliveries and services and from other current liabilities corresponds approximately to the book value. The primary reason for this is the short maturity period of these instruments.

The Company specifies the fair value of bank borrowings and other financial debts, liabilities from finance leases and other long-term financial liabilities by deducting expected future cash flows with the interest rates that apply for similar financial debts with comparable remaining periods to maturity.

The following table shows the financial assets and liabilities evaluated to the fair value:

	Dec.31, 2008	Dec.31,2007
	TEUR	TEUR
Financial assets, valued at the current value to be adjusted		
Financial assets available for sale	332	1,033
Derivative financial instruments	771	1,135
	1,103	2,168

The fair value for assets classified as available-for-sale was specified with reference to rates published on an active exchange.

The Company was informed of the fair value for derivative financial instruments by banks with which the Company concluded the transactions in question.

Risk analysis

In the course of its operational activities, the Group is exposed to credit, liquidity and market risks in the finance sector. Market risks relate in particular to interest rate changes and foreign exchange risks.

Credit risk

Credit risk or risk of non-payment is the risk that a customer or contractor of the Eckert & Ziegler Group cannot meet its contractual obligations. The result of this is on the one hand the risk of depreciation of financial instruments due to issues of solvency and on the other hand the risk of partial or complete loss of contractually agreed payments.

For the Group, a possible credit risk arises essentially from its receivables from goods and services. Exposure is primarily influenced by the size of the customer and region-specific regulations and customs for handling the reimbursement of medical services by public authorities.

In general a rating is obtained for new customers and initial deliveries are in principle made against cash in advance. For deliveries to customers who because of their size or location are regarded as permanently unreliable, cash in advance or letters of credit are used as a safeguard.

As part of the Group-wide risk management, the credit risk is monitored by means of regular analysis of overdue payments of all receivables from goods and services..

Exposure

The maximum loss risk corresponds to the book value of the financial assets on the balance-sheet date in an amount of EUR 17,900,000 (2007: EUR 15,532,000).

With the exception of receivables for goods and services the balance sheet does not contain any overdue or depreciated financial assets. The Company estimates the loss risk of these other financial assets as very low.

The maximum credit exposure at the date of the annual accounts with respect to receivables from goods and services was, by geographical regions, as follows:

	Dec.31, 2008	Dec.31, 2007
	TEUR	TEUR
Europe	9,126	7,445
North America	3,498	3,031
Other	1,361	983
	13,985	11,459

The age structure of due, but not depreciated receivables is shown as at December 31, 2008 as follows:

	Dec.31, 2008	Dec.31, 2007
	TEUR	TEUR
not due	6,444	6,327
1 to 90 days	5,670	3,157
over 90 days	1,871	1,975
	13,985	11,459

The overdue, but not yet depreciated receivables relate essentially to claims on doctors' practices and foreign clinics. On the basis of past experience, inpayment is expected at the above-mentioned level.

Customer-specific details are used to determine the depreciation on receivables from goods and services. The movement in depreciation on receivables from goods and services is shown below:

	2008	2007
	TEUR	TEUR
As at January 01	509	443
Net allocations	94	90
Amount drawn upon	-25	-15
Exchange rate effects	4	-9
As at December 31	582	509

Liquidity risk
The liquidity risk is the risk that the Group is not able to meet its financial obligations on time. The aim and function of liquidity management is to ensure that the provision of borrowed funds and capital resources is always adequate.

As part of financial planning, a liquidity forecast is produced from which among other things it is possible to identify the borrowed fund financing requirement in advance.

The Group generates its financial means mainly from its operating business. Eckert & Ziegler AG and its subsidiaries have at their disposal credit lines amounting to EUR 10,367,000 (2007: EUR 7,132,000) if required for this purpose. In some cases new third-party financing is taken up according to the above framework conditions for extraordinary investments and acquisitions and to repay due loans.

As at the date of the annual accounts the consolidated balance sheet shows various short-term and long-term obligations also to credit institutions. For the future liquidity of the Company, it is necessary for this third-party financing to continue and for it to be refinanced in the short term.

In fiscal year 2008, a series of new financing and refinancing measures were concluded with various institutions. In each case, multiple bidders were available, enabling the Executive Board to choose the most favorable offer. Even as the financial crisis was worsening in autumn 2008, new third-party financing deals with attractive conditions were readily available. At the start of 2009, a long-term loan was concluded and a successful capital increase was carried out with significant oversubscription, both for the financing of the Nuclitec acquisition. Thus neither the subprime crisis of 2007 or the financial crisis and its consequences in 2008 and the start of 2009 have not had any effect on the Group's increase of own and third-party financing. The Executive Board views the Group's solid financial underpinnings as the reason for its ability to obtain favorable lending conditions, pointing to its still relatively high equity ratio, high founder's share as well as the largely crisis-proof prospects of the profitable operational units. For the sake of completeness, no existing loans or lines of credit were cancelled by creditors.

From the possibilities for third-party financing and the predicted liquidity requirement it can be deduced that the Company has adequate financial means at the present time to be able to secure its existence and its further development. It also sees itself in a position to fulfill all its payment obligations even if a slight increase in the debt ratio were necessary in coming financial years in order to be able to ensure growth by means of additional acquisitions and finance development of new products.

Exposure:
The contractually agreed due dates for financial obligations including interest payments are shown below:

Analysis of contractually agreed due dates						Dec. 31, 2007
		Book value	Payments made			
			Total	up to 1 year	1 to 5 years	over 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan commitments	fixed interest rate	12,040	13,387	4,070	9,317	
Loan commitments	variable interest rate	2,595	2,771	1,859	782	130
Loan commitments	interest free	2,340	2,340	1,442	798	100
Financial leasing commitments	fixed interest rate	1,537	1,576	646	930	
Accounts payable	interest free	4,286	4,286	4,286		
Obligations toward staff	interest free	314	314	314		
Other obligations	interest free	10,164	10,164	2,524	7,640	
		33,276	34,838	15,141	19,467	230

Analysis of contractually agreed due dates						Dec. 31, 2007
		Book value			Payments made	
			Total	up to 1 year	1 to 5 years	over 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan commitments	fixed interest rate	10,151	11,315	6,662	4,507	146
Loan commitments	variable interest rate	1,807	1,893	1,893	0	0
Financial leasing commitments	fixed interest rate	219	280	113	113	54
Accounts payable	interest free	3,885	3,885	3,885	0	0
Obligations toward staff	interest free	375	375	375	0	0
Other obligations	interest free	1,723	1,723	1,547	160	16
		18,160	19,471	14,475	4,780	216

An interest rate in 2008 of 4.42 percent (2007: 4.76 percent) is used as the basis for payment outflows for variable-interest-rate obligations.

Foreign exchange risks

The Group's international business activity exposes it to foreign exchange risks which result from the influence of exchange rate fluctuations on business and assets and liabilities denominated in foreign currency (transaction risks).

The main foreign currency transactions in the Eckert & Ziegler Group concern the US dollar as a result of loan repayments of the American subsidiaries and export business of the German subsidiaries. The effect is only partially compensated by the operating activity of a subsidiary which buys mainly in US dollars and sells mainly in Euros. In addition to US dollars there are further surpluses of foreign currency as a result of exports in the foreign currencies, Japanese yen, Polish zloty and Swedish krone. In these currencies there are virtually no cost positions so that the complete conversion into foreign currency is exposed to the currency risk.

Various measures counter the transaction risks described above. The loans to the American subsidiaries are in some cases secured by an interest-foreign currency swap on the following conditions:

Interest-currency swap

Transaction date: February 08, 2001
Start date: February 12, 2001
End date: January 31, 2011

As at the balance-sheet date, the Company still has a financial obligation arising from this business of USD 2,026,000 (2007: USD 2,315,000), at a fixed interest rate of 10.0% p.a. Against this it receives EUR 2,185,000 (2007: EUR 2,497,000) at a fixed interest rate of 8.77% p.a. The fair value of this swap business as at December 31, 2008, is EUR 764,000 (2007: EUR 954,000). The expenditure from the change in market valuation has been shown under foreign currency losses. The credit institution with which the swap business was concluded notified the Company of the fair value. According to a statement by the credit institution, all EUR and/or USD cash flows have been discounted, added and balanced using the relevant zero interest rates (calculated from the current EUR and/or USD interest rate trends) to determine the current cash value of cross-currency swaps (EURUSD; fix against fix). For this purpose the USD cash flows have been converted into EUR using the current EUR-USD exchange rate. The resulting balances then show a positive and a negative cash value from the existing contractual relationship for the contractors.

Export business in Japanese yen and Polish zloty are guaranteed by means of foreign currency options and forward business. As at the balance-sheet date there were no open positions arising from foreign currency forward and option business.

Exposure:

The exposure of the Group in respect of transaction risk as at the date of the annual accounts was as follows:

Foreign currency exposure	Dec.31, 2008						Dec.31, 2007		
converted into TEUR	USD	CAD	GBP	CHF	PLN	SEK	USD	CHF	SEK
Payment means	325		50			12	212	118	
Accounts receivable	851	23	175	258	118	33	977	44	18
Accounts payable	-54		-51	-44	-19		-47		
Balance sheet exposure	1,122	23	174	214	99	45	1,142	162	18
Contractual payment obligation resulting from interest rate/currency swap	-1,307						-1,573		
Net exposure	-185	23	174	214	99	45	-431	162	18

Sensitivity analysis

As at the date of the annual accounts an increase in the Euro of 10% compared with the following currencies would have led – subject to otherwise unchanged assumptions – to the increases (decreases) in equity and the annual result indicated below:

Effect in TEUR	Dec.31, 2008						Dec.31, 2007		
	USD	CAD	GBP	CHF	PLN	SEK	USD	CHF	SEK
Share capital							0	0	0
Annual profit	17	-2	-16	-19	-9	-4	39	-15	-2

As at the date of the annual accounts, a reduction in the Euro of 10% compared to the above-mentioned currencies would have led to an identical, but opposite effect on the currencies mentioned.

The currency conversion rates indicated under item 4 have been used as the basis for the sensitivity analysis.

Interest rate risks

The Group is exposed to risks in interest rate changes essentially in the area of medium-term to long-term financial assets and liabilities subject to interest as a result of fluctuations in market interest rates.

No safeguarding measures have been taken for items which cause no payment effect in the event of interest rate changes.

In order to limit the risk of interest rate changes when procuring short-term credit the Company arranged an interest swap with a maturity of 12 years in October 2005. A purchase amount of EUR 2,000,000 at a fixed interest rate of 3.53% was secured. For this Eckert & Ziegler AG pays a fixed quarterly amount of EUR 17,650 until October 2017. Against this, the bank pays variable amounts quarterly (in each case the 3-month EURIBOR) until the agreement has expired. The fair value of this swap business as at December 31, 2007 is EUR 7,000 (2007: EUR 181,000) and is shown in the balance sheet under other long-term assets. The loss from the change in market valuation has been shown in the profit and loss account under other remaining net result of financial activities. The credit institution with which the swap business was concluded notified the Company of the fair value. According to a statement by the credit institution, all payments to be made by the customer or the bank calculated from the valuation date to the end of the agreement have been discounted, added and balanced on the basis of the current interest structure trend in order to determine the current cash value of the interest swap. The variable interest payments (EURI-BOR) were deducted on the basis of the forward interest rates for the corresponding period calculated from the current interest structure trend. The resulting balances then show a positive and a negative cash value from the existing contractual relationship for the contractors.

Exposure:
As at the balance-sheet date, the Company has the following medium-term and long-term interest-bearing assets and liabilities:

Medium- and long-term assets and liabilities on which interest is payable	Dec.31, 2008	Dec.31, 2007
	TEUR	TEUR
Financial assets on which interest is payable	1,072	3,020
of which variable interest	229	1,208
of which fixed interest	843	1.812
Financial liabilities on which interest is payable	8,986	12,177
of which variable interest	809	1,807
of which fixed interest	8,177	10,370

Sensitivity of the fair values for fixed-interest financial instruments:
Assets available for sale amounting to EUR 178,000 are shown under the fixed-rates assets in 2007. In the previous year, a fall in the market interest rate in a bandwidth of 100 base points would have led to a increase to the fair value of EUR 2,000, which would have been shown in the shareholders' equity. An increase in the market interest rate in a margin of 100 base points would have resulted in a reduction in the fair value or equity by EUR 2,000.

Furthermore the interest and currency swap and the interest swap are shown under fixed-interest financial assets. A fall in the market interest rate by 100 base points would – with otherwise the same assumptions – result in a reduction of the fair value and hence the annual result by EUR 151,000 (2007: EUR 131,000). An increase in the market interest rate by 100 base points would result in an increase in the fair value and/or the annual result by EUR 120,000 (2007: EUR 129,000).

All other fixed-interest financial instruments are valued at continued acquisition costs. Therefore a change in the market interest rate would not have affected the valuation of these financial instruments as at the balance-sheet date.

Sensitivity of payment flows for variable-interest financial instruments:
Taking into account the interest swap arranged, a rise in the market interest rate of 100 base points as at the date of the annual accounts would result – subject to otherwise unchanged assumptions – in the increases (decreases) in the annual result given below:

Effect in TEUR	Dec.31, 2008		Dec.31, 2007	
	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Net interest for financial instruments on which variable interest is payable	-6	6	-5	5
Covered by interest rate swap	20	-20	20	-20
Net effect on annual profit	14	-14	15	-15

Capital management
Capital at risk forms the basis for capital management. All lendings, investments and guarantees which Eckert & Ziegler AG has given to and/or for subsidiaries are used for this purpose. The EBIT of the segment is compared with the capital at risk. The quotient from both values gives the return on capital at risk. The trend of this risk for the segments is observed by the Executive Board over the course of time and used for backward-oriented valuations and forward-oriented targets.

Eckert & Ziegler AG (parent company) is subject to the provisions of company and commercial law in Germany of minimum capitalization in accordance with paragraph 92 of the AktG (Companies Law). According thereto an extraordinary general meeting must be called if the sum of the equity under commercial law of the parent company falls below 50% of the share capital. This did not occur in the financial year 2007.

Notes on the group cash flow statement
Cash and cash equivalents shown in the Group cash flow statement are represented by cash in hand, checks, cash at banks and all highly liquid cash equivalents maturing within three months.

The Group cash flow statement depicts how cash balances in the Eckert & Ziegler Group have changed by cash inflows and outflows in the course of the financial year. In accordance with IAS 7 (Cash Flow Statements) cash flows in the Group cash flow statement have been split under cash inflows from operating, investing and financing activities.

39. Operating activities

The cash inflows and outflows are determined indirectly, starting with profit after tax. Profit/loss after tax is adjusted for expense not involving the movement of cash and supplemented by changes in assets and equity and liabilities.

40. Investing activities

Cash flows from investing activities are derived from actual payment transactions. They include cash flows in connection with the acquisition and disposal of non-current assets and marketable securities which do not form part of cash and cash equivalents. Inflows and outflows of cash from the acquisition and disposal of enterprises are also shown here.

41. Financing activities

Cash flows from financing activities are derived from actual payment transactions and include not only the take-up and repayment of credits and other financial liabilities, but also cash flows between the Group and its shareholders, such as dividend payments, for example.

Changes in the balance sheet items which are considered as movements in the Group cash flow statement are adjusted to exclude non-cash effects of currency translation and changes in companies included in the consolidation. Further, investing and financing transactions that have not led to changes in cash and cash equivalents are not included in the cash flow statement. For these reasons changes to the balance sheet items concerned in the Group cash flow statement are not directly reconcilable to the corresponding amounts in the published consolidated balance sheet.

Other disclosures

42. Company acquisitions and disposals

a) Incorporation of Eckert & Ziegler BEBIG GmbH (BEBIG) as investment in kind into International Brachytherapie S.A. (IBt S.A.), Seneffe (Belgium)

On February 26th, 2008, Eckert & Ziegler AG invested its 100% stake in Eckert & Ziegler BEBIG GmbH as a contribution in kind in International Brachytherapy S.A. (IBt S.A.), Seneffe (Belgium) and in return for this it received 38.5% of the nominal shares (equivalent to 29.9% of the voting shares) in IBt S.A. arising from a capital increase, as well as receiving an additional EUR 2,839,000 from IBt S.A. In addition, Eckert & Ziegler was granted an option to acquire additional voting stock. Taking these potential voting rights into account, Eckert & Ziegler AG has more than half of the voting rights in IBt S.A., so these are included in Eckert & Ziegler's consolidated financial statements under full consolidation.

As Eckert & Ziegler AG controls Eckert & Ziegler BEBIG GmbH's assets and debts, both before and after the transaction, these were not reevaluated after the transaction. The book value of Eckert & Ziegler BEBIG GmbH's assets and debts in the Eckert & Ziegler AG consolidated financial statements amounted to EUR 5,126,000 at the time of transaction. The value of the service in return for selling 61.5% to Group minority interests consists of the newly acquired 38.5% of IBt S.A.'s assets and debts (valuated at the market price of IBt S.A. on the day of the transaction), plus the settlement payment mentioned above, totaling EUR 17,532,000. The difference between the increase of the minority interest by EUR 3,152,000 and the capital revenue is shown as a capital gain of EUR 14,380,000 under other operating income. If the Company had used the revised IAS 27 (2008), the difference in amount would have been recorded as not affecting net income in the shareholder's equity.

The original purchase price of the assets and debts from IBt S.A. newly acquired by the Group was also specified with reference to the market price of IBt S.A. on the date of acquisition, taking the settlement payment into account. This price, after the additional expenses of EUR 97,000 associated with the acquisition, is EUR 14,792,000. In the context of the conclusion of a call and put option transaction on purchasing further voting stock, subsequent acquisition costs arose amounting to EUR 1,066,000 due to the option writer item of the put option transaction. When the option is exercised, EUR 500,000 has to be paid in cash (shown under the other non-current liabilities). Additionally, when the option is exercised, 66,667 of the Company's own shares are to be transferred; the current market value at the time of the conclusion of the put option was EUR 566,000 (shown in the capital reserves). This makes for total acquisition costs and additional acquisition costs of EUR 15,858,000.

The acquisition of IBt S.A. was included in the consolidated accounts in accordance with the acquisition method whereby the results of the company are included in the present set of accounts as from the date of acquisition. The purchase price, which includes the additional expenses associated with the acquisition, was allocated to the assets acquired on the basis of their fair values at the time of the acquisition. This allocation of the purchase price produced a goodwill of EUR 15,842,000, which represents the synergies and competitive advantages arising from the merger with BEBIG, in particular. The allocation of the purchase price on the basis of the estimated fair values of the assets was as follows:

	Book value at the time of acquisition	Conversion	Current value at the time of acquisition
	TEUR	TEUR	TEUR
Assets			
Intangible assets	74	3,430	3,504
Fixed assets	4,867		4,867
Inventory stocks	845		845
Receivables	1,093		1,093
Other assets and accrued and deferred items	256		256
Bank credits and cash assets	2,116		2,116
Deferred tax demands	7,653	-6,549	1,104
Liabilities			
Leasing obligations	-4,017		-4,017
Long-term liabilities	-2,682		-2,682
Reserves	-301	-3,200	-3,501
Accounts payable	-1,568		-1,568
Other short-term liabilities	-325		-325
Income tax liabilities	-471		-471
Deferred tax liabilities		-1,183	-1,183
Book value of assets and debts taken over	7,540		
Revaluation of assets and debts		-7,502	38
of which share of Eckert & Ziegler AG (38.5%)		-2,885	15
Goodwill			15,842
Purchase price of the company acquisition			15,857
less purchase price components not paid in cash			-15,760
less acquired bank credits and cash assets			-2,116
Net capital flow from acquisition of subsidiaries			-2,019

As a result of the acquisition of IBt S.A., additional cash amounting to EUR 2,116,000 was obtained. Prior to the acquisition the book value of the net assets acquired amounted to EUR 7,540,000. The loss to IBt S.A. included in the present consolidated financial statements amounts to EUR 2,926,000, of which EUR 1,830,000 are allotted to minority interests. If the company had already been included in the consolidated accounts as of January 1, 2008, Group turnover would have been EUR 1,093,000 higher and the consolidated profit (before minority interests) would have been EUR 749,000 lower.

b) Acquisition of Isotron GmbH

On May 28, 2008, Eckert & Ziegler BEBIG GmbH purchased 100% of the shares in Isotron Isotopentechnik GmbH, Berlin, Germany. The total purchase consideration amounted to EUR 157,000, which was paid in cash. No additional acquisition costs arose in the context of purchasing the shares.

The acquisition was included in the consolidated accounts in accordance with the acquisition method whereby the results of the company are included in the present set of accounts as from the date of acquisition. The purchase price was allocated to the assets acquired on the basis of their fair values at the time of the acquisition. This allocation of the purchase price produced a goodwill of EUR 109,000, which represents the synergies arising from the merger with BEBIG, in particular. The allocation of the purchase price on the basis of the estimated fair values of the assets was as follows:

	Book value at the time of acquisition	Conversion	Current value at the time of acquisition
	TEUR	TEUR	TEUR
Assets			
Fixed assets	7	184	191
Inventory stocks	60		60
Receivables	527	200	727
Bank credits and cash assets	62		62
Liabilities			
Reserves	-104	-384	-488
Accounts payable	-445		-445
Other short-term liabilities	-57		-57
Deferred tax liabilities	0	-2	-2
Book value of assets and debts taken over	50		
Revaluation of assets and debts		-2	48
Goodwill			109
Purchase price of the company acquisition			157
less acquired bank credits and cash assets			-62
Net capital flow from acquisition of subsidiaries			95

As a result of the acquisition of Isotron Isotopentechnik GmbH, cash amounting to EUR 62,000 was obtained. The book value of the acquired net assets was EUR 50,000 before the merger. The loss to Isotron Isotopentechnik GmbH included in the present consolidated financial statements amounts to EUR 121,000, of which EUR 47,000 are allotted to minority interests. If the company had already been included in the consolidated accounts as of January 1, 2008, Group turnover would have been EUR 1,781,000 higher and the consolidated profit would have been EUR 82,000 higher.

c) Acquisition of the sealed source division of NASM

On September 5, 2008, Eckert & Ziegler Isotope Products Inc. acquired the sealed source division of North American Scientific Inc. (NASM). The purchase price amounts to up to USD 5,990,000 (depending on future sales), of which USD 43,000 are additional acquisition costs. USD 3,043,000 was paid in cash, USD 2,000,000 is allotted to a short-term vendor loan. A further USD 947,000 is allotted to a conditional purchase price liability, which is dependent on the sales volumes achieved with a specific NASM customer in the next 12 months.

The purchase price, which includes the additional expenses associated with the acquisition, was allocated only provisionally on the balance sheet date to the assets in stock on the basis of their fair values at the time of the acquisition:

	Book value at the time of acquisition	Conversion	Current value at the time of acquisition
	TEUR	TEUR	TEUR
Intangible assets	2,313		2,313
Fixed assets	22		22
Inventory stocks	318		318
Net identifiable assets	2,653	0	2,653
Goodwill			1,596
Purchase price for the business division		4,249	
less purchase price components not paid in cash			-2,091
Net capital flow from the acquisition			2,158

The acquisition of the sealed source division of NASM involved the acquisition of net assets with a book value of EUR 2,653,000. The sale of products from the NASM sealed source division included in the present consolidated financial statements amounts to EUR 649,000. If the segment had already been included in the consolidated accounts as of January 1, 2008, Group turnover would have been EUR 1,345,000. The acquired business has been completely integrated into existing business during the course of the financial year, meaning the individual costs cannot be assigned to the old and new businesses. It is therefore practically impossible to determine the earnings or losses of the acquired business since it was purchased.

d) Acquisition of Eckert & Ziegler EURO-PET Linköping AB

On December 19, 2008, Eckert & Ziegler Radiopharma GmbH purchased 100% of the shares in the newly founded AB Coport 164, Linköping (Sweden). The company was then renamed Eckert & Ziegler EURO-PET Linköping AB. The purchase price paid in cash totaled EUR 10,000 and corresponds to the fair value of the acquired assets.

f) Acquisitions and disposals since the balance sheet date

In January 2009, Eckert & Ziegler AG acquired all shares in nuclitec GmbH, Braunschweig, Germany, and its French and American sister companies nuclitec sarl and nuclitec Inc. The agreed purchase price for the companies and the remaining cash reserves in the companies was EUR 6,600,000. At the conclusion of the contract in December 2008, Eckert & Ziegler AG initially acquired for EUR 250,000 an option to purchase all shares in nuclitec. This payment is shown in the present financial statement as an advance payment on shareholdings. A capital increase was carried out to partially finance the transaction. The net book value of the acquired assets at the time of acquisition was EUR 1,537,000. Details of the purchase price allocation and the presentation of the transactions in the consolidated accounts are currently being prepared. Owing to the complexity of the transactions and the proximity of the acquisition date to the due date for the presentation of the consolidated financial statements it was not practically possible to include more detailed information in these consolidated financial statements.

43. Employee share scheme

On April 30, 1999, the annual general meeting authorized the Executive Board to set up a share option plan for employees and management of the Company and its subsidiaries. The annual general meeting of May 20, 2003 made minor revisions to some details of the plan. The employee share scheme decided on by the Executive Board with the consent of the Supervisory Board provides for the granting of options to purchase a maximum of 300,000 shares from the authorized but unissued share capital, provided the Company does not redeem the option rights by the transfer of its own shares or by making a cash payment. A single option entitles the holder to receive one share. The effective price for the initial tranche of options is equivalent to the share price fixed at the Company's stock exchange flotation, while the effective price for subsequent tranches will be calculated from the average price of the Eckert & Ziegler's share on the last five trading days prior to the passing of the Executive Board resolution on the granting of options.

The earliest time when the options granted may be exercised is after a vesting period of two years, counting from the date of issue and only within specified exercise dates. In addition, exercise is dependent on reaching certain performance criteria. The increase in the Company's share price in the period between the issue day and the first effective date must exceed the increase in the Neuer Markt Index (or after the termination of that index, the rise in the Technology All-Share Index) during the same period. Options must be exercised within five years of the vesting period. In the event of termination of employment, options not yet exercised lapse.

In 2008 the vesting period for the options granted in 2006 (8th tranche/tranche 2006) expired. It was established in the financial year that the performance criteria were not satisfied in relation to the options granted in 2006. All options of these tranches have thus lapsed.

In 2007 the vesting period for the options granted in 2005 (7th tranche/tranche 2005) expired. It was established in the financial year that the performance criteria were not satisfied in relation to the options granted in 2005. All options of these tranches have thus lapsed.

In 2006 the vesting period for the options granted in 2004 (6th tranche/tranche 2004) expired. It was established in 2006 that the performance criteria were satisfied in relation to the options granted in 2004. Thus, the exercise of the options is possible in principle. The first period for exercising options commenced on August 26, 2006, with the last possible date being August 26, 2011.

In 2005 the vesting period for the options granted in 2003 (5th tranche/tranche 2003) expired. It was established in 2005 that the performance criteria were satisfied in relation to the options granted in 2003. Thus, the exercise of the options is possible in principle. The first period for exercising options commenced on August 9, 2005, with the last possible date being August 25, 2010.

In 2004 it was established that the performance criteria were satisfied in relation to the options granted in 2002 (4th tranche/tranche 2002). Thus, the exercise of the options in this tranche is possible in principle. The first period for exercising options commenced on August 28, 2004, with the last possible date being August 25, 2009.

For the tranches issued in the years 2000 (2nd tranche/tranche 2000) and 2001 (3rd tranche/tranche 2001) the performance criteria were not met; all options of these tranches have thus lapsed.

It was established in the financial year 2002 that the performance criteria were satisfied in relation to the options granted in 1999 (1st tranche/tranche 1999). Thus, the exercise of the options is possible in principle. The first period for exercising options commenced on March 28, 2002, with the last possible date being February 25, 2007. The remaining options in these tranches lapsed on that date.

Movements in the number of outstanding share options in the last two financial years are as follows:

	2008		2007	
	Options	Weighted average effective price	Options	Weighted average effective price
	Shares	EUR	Shares	EUR
Outstanding at start of year	86.150	8,07	140.350	10,18
Issued	0	0,00	0	0,00
Exercised	0	0,00	2.700	7,63
Lapsed	18.500	12,19	51.500	13,85
Outstanding at start of year	67.650	6,94	86.150	8,07
Exercisable at end of year	67.650	6,94	67.650	6,94

No stock options were exercised in the year under review. The weighted average share price on the dates on which share options were exercised in the previous year EUR 11.69.

The following table gives an overview of the share options outstanding on December 31, 2008.

Tranche	Exercise price	Outstanding options at December 31, 2008	Remaining period for the exercising of options
	EUR	Number	Year
4th Tranche/Tranche 2002	25,04	11.600	0,65
5th Tranche/Tranche 2003	5,30	11.050	1,56
6th Tranche/Tranche 2004	7,84	45.000	2,65
		67.650	

In accounting for the employee share scheme the Company applies the relevant standard for this, IFRS 2 (Share-based Payment). Under IFRS 2, share-based compensation payments that are made through equity instruments are to be measured at fair value. The fair value of each option exercised on the effective date is calculated by means of an option price model and recognized as staff costs over the vesting period. These staff costs entail an increase in capital reserve. In the 2008 financial year, no further staff costs needed to be recorded when applying IFRS 2, whereas in 2007 staff costs amounting to EUR 104,000 were posted.

The option price for options granted in the respective financial years was calculated by means of a binomial model. The non-tradable aspect was reflected in the binomial model by an option take-up factor representative of the relevant behavior of option plan participants. Further, the conditions for exercising options were taken into account by a discount on the option price. In the 2008 and 2007 financial years, no new options were issued.

44. Leasing agreements

a) Financial obligations as lessee

The Company has concluded leasing contracts to be capitalized (finance leases) and contracts not to be capitalized (operating leases) for equipment, vehicles, and property and buildings. In the financial years ending 2008 and 2007, rental and leasing expenditure amounted to EUR 1,169,000 and EUR 925,000, respectively.

The Company concluded a long-term leasing contract (finance lease) connection with an administration and production building erected in Berlin by the Company on a third-party property. This contract gives rise to annual payments of EUR 167,000, of which EUR 89,000 are offset against the building costs. The contract will initially run until December 31, 2014. After this time expires, the Company has the right (including multiply and for partial areas) to opt for an extension to the usage period until the offset account for the newly constructed building has been balanced. Payments for use of any of the premises may not be increased before December 31, 2014. Payment to use any newly created areas will be renegotiated at this time.

The future minimum rental payments on non-redeemable leasing contracts not to be capitalized (operating lease: with initial or residual periods to maturity of more than one year), as well as future minimum payments on leasing contracts to be capitalized are as follows to December 31, 2008:

	Other rental and leasing contracts	Of which, finance leases	Cash value of the finance leases
	TEUR	TEUR	TEUR
To end of each year (December 31)			
2009	1,738	646	659
2010	1,075	405	385
2011	744	288	275
2012	525	147	134
2013	448	91	82
thereafter	1,503	0	0
Total minimum rental or leasing payments	6,033	1,577	1,536

The finance leases involve property, plant and equipment only. The book value of the assets on December 31, 2008 was EUR 1,855,000 (EUR 237,000 on December 31, 2007). In the year under review, EUR 656,000 (2007: EUR 113,000) were recorded as the expenditure on finance leases. There are no conditional rental payments in the year under review or in the future. Furthermore, the leasing agreements contain no restrictions or obligations.

45. Other financial obligations and contingent liabilities

In a case lodged against Eckert & Ziegler AG on January 17th, 2006, HEK GmbH, Lübeck claims a payment of 0.7 million Euro and the transfer of 35,450 shares. This claim is essentially based on an earn-out agreed in a sales contract through Eckert & Ziegler MMI GmbH (formerly MCP Medical International GmbH) from March 15th, 2004. Eckert & Ziegler AG has recorded a provision of EUR 60,000 for this lawsuit in the present financial statement. In February 2009, Eckert & Ziegler AG and HEK GmbH agreed on a settlement of the dispute. According to this, Eckert & Ziegler AG shall pay HEK GmbH EUR 60,000, in return for which, HEK GmbH has pledged to withdraw its claim against Eckert & Ziegler AG.

At the time of reporting, the companies Eckert & Ziegler AG, Eckert & Ziegler BEBIG GmbH and Eckert & Ziegler Eurotope GmbH are still undergoing an audit. According to the interim reports now available, it can be assumed that the fiscal authorities intend to specify additional payments amounting to EUR 1,822,000. The Company continues to firmly believe that fundamental parts of these additional demands are contestable and are based on a one-sided interpretation of circumstances on the part of the financial auditors. However, as the items in question could probably only be clarified by means of protracted legal action, the Company has recorded provisions amounting to EUR 1,822,000 in the present financial statement.

46. Segment reporting

The Eckert & Ziegler Group has organized its activities in three operational reporting units. The individual segments provide different products and are also organizationally separated by the locations.

The applicable reporting principles for the individual segments are consistent with the reporting principles described in the summary of the fundamental accounting and valuation principles (Notes 3). The segment information is not consolidated. This corresponds to the information used by the Executive Board in regular reporting. Transactions between the segments are processed at market prices.

The Nuclear Imaging and Industry segment produces and operates standards and radiation sources for medical and industrial purposes. Standards are radioisotopes for calibration purposes. They are generally sold to scientific institutes. Industrial radiation sources are used in various measuring facilities for industrial plants and other measuring devices, such as safety equipment in airports. They are sold to manufacturers or operators of plants. Since 2008, Eckert & Ziegler has also been supplying radiation sources used in oil exploration. The medical radiation sources include radioactive sources for calibrating gamma cameras. The production sites for this segment are in North America and Europe. Worldwide sales and distribution also takes place from these locations.

The Therapy segment concentrates on product development, manufacturing, launching and sales of radioactive products for cancer therapy. Particular focuses include prostate cancer treatment using radioactive iodine seeds. The merger between a former competitor, the Belgian company IBt S.A., and BEBIG, consolidated under Eckert & Ziegler, made Eckert & Ziegler the European market leader for prostate products. Another fundamental component of the segment is low and high dose rate radiotherapy devices. The product range, which is mainly directed towards radio-therapists, is completed by iridium radiation sources and various therapy accessories. Production takes place in Europe only and the products are sold around the world, with the exception of the iodine seeds, which are not sold in North America.

Radiopharmaceuticals with operational facilities in Berlin, Bonn and Milan is the Group's newest and fastest-growing segment. The products in this segment comprise radioactive contrast media for positron emission tomography (PET) and synthesis modules for producing radiopharmaceuticals. The equipment is used both in practice in diagnostics in nuclear medicine and in research. This segment is an essentially European business. The synthesis modules are sold around the world, however.

Another segment, which represents the costs and revenues of the Berlin holding company, is not actively involved in operations.

	Nuclear medicine and Industry		Therapy		Radiopharmacy		Other		Elimination		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	29,812	24,966	27,067	20,822	14,733	8,629	0	27	0	0	71,612	54,444
Sales to other segments	394	76	369	520	295	20	1,781	974	-2,839	-1,590	0	0
Total segment sales	30,206	25,042	27,436	21,342	15,028	8,649	1,781	1,001	-2,839	-1,590	71,612	54,444
Segment earnings before interest and tax (EBIT)	6,967	4,859	-3,253	2,384	-87	-274	5,842	-1,281	0	0	9,469	5,688
Earnings before minority shares	4,598	2,822	-4,115	742	-2,593	-925	5,147	-528	0	39	3,037	2,150
Earnings before minority shares excluding extraordinary items	4,598	2,786	-851	933	-321	-689	198	-34	0	0	3,624	2,996

	Nuclear medicine and Industry		Therapy		Radiopharmacy		Other		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Segment assets	34,529	27,820	44,149	18,740	16,552	17,384	67,427	37,982	162,657	101,926
Elimination of shares, participations and receivables between the segments									-65,069	-37,420
Deferred tax assets									1,210	3,081
Total consolidated assets									98,798	67,587
Segment liabilities	-16,474	-12,591	-23,165	-15,410	-19,443	-20,034	-18,525	-5,215	-77,607	-53,250
Elimination of liabilities between the segments									22,776	23,493
Deferred tax liabilities									-1,147	-1,339
Consolidated liabilities									-55,978	-31,096
Investment	593	825	2,665	2,109	2,726	4,542	0	3	5,984	7,479
Write-downs (excluding extrabudgetary write-downs)	-1,230	-1,159	-2,461	-1,513	-1,769	-937	-192	-122	-5,652	-3,731
Write-downs resulting from non-compliance in impairment tests				-450						-4500
Non-cash earnings/expenditure	-170	-98	2,575	43	-1,319	-277	6,660	-766	7,746	-1,098

The total segment sales to external customers each correspond to the consolidated values.

Sales based on geographic areas	2008		2007	
	Million EUR	%	Million EUR	%
Europe	43,9	61	30,8	56
North America	20,3	28	19,0	35
Asia/Pacific	6,2	9	2,6	5
Other	1,2	2	2,0	4
Total	71,6	100	54,4	100

The classification by geographical regions is based on the headquarters of the beneficiary. Sales in North America are limited almost exclusively to the USA.

The following table shows the consolidated assets, liabilities (each with deferred taxes deducted) and investment by geographical region.

	Assets		Liabilities		Investment	
	2008	2007	2008	2007	2008	2007
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Europe	69,277	43,491	46,072	23,352	5,398	3,839
North America	28,311	20,958	8,759	6,372	586	623
Total	97,588	64,449	54,831	29,724	5,984	4,462

Principal customers

In the Therapy segment in 2007, sales amounting to approximately 1.3 million EUR can be attributed to one principal customer (corresponds to approx. 2% of the Group's consolidated sales).

47. Related parties and companies

In accordance with IAS 24, transactions with parties or companies that control Eckert & Ziegler AG or are controlled by Eckert & Ziegler AG must be specified. Transactions between Eckert & Ziegler AG and related parties and companies are handled under the same conditions as transactions with outside third parties.

a) Members of management in key positions

Executive Board

Dr. Andreas Eckert (Executive Board Chairman, responsible for the areas: management, investor relations, finances, business development and for the Nuclear Imaging and Industry segment), Berlin, businessman
On other boards: Chairman of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Burbank, USA; Chairman of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Dr. Edgar Löffler (Member of the Executive Board, responsible for the Therapy segment), Berlin, medical physicist
On other boards: Member of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Until December 31, 2007:
Dr. Andreas Hey (Member of the Executive Board, responsible for the Radiopharmaceuticals segment), Berlin, medical doctor
On other boards: Member of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA

As of March 1, 2008:
Dr. André Heß (Member of the Executive Board, responsible for the Radiopharmaceuticals segment), Berlin, graduate chemist and industrial engineer
On other boards: Member of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; representative of Eckert & Ziegler AG on the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Supervisory Board

The members of the Company's Supervisory Board in the 2008 financial year were:

Prof. Dr. Wolfgang Maennig, Berlin, (Chairman)
University professor
On other supervisory bodies: Ecodasa AG, Berlin; Berliner Verkehrsbetriebe (BVG) AöR, Berlin; Hamburgisches WeltWirtschaftsInstitut (HWWI) gGmbH, Hamburg

Prof. Dr. Nikolaus Fuchs, Berlin (Vice-chairman)
Managing partner in Lexington Consulting GmbH and unaffiliated honorary professor
On other supervisory bodies: none

Since June 11, 2008:
Holger Bürk, Niedereschach
Executive Board Chairman and President of the Management Board of ConcentriXX AG
On other supervisory bodies: none

Until June 11, 2008:
Ralf Henning, Rangsdorf,
CEO of Henning Consulting
On other supervisory bodies: none

Until June 11, 2008:
Frank Perschmann, Berlin
CEO of BBO Datentechnik GmbH
On other supervisory bodies: none

Since June 11, 2008:
Dr. Gudrun Erzgräber, Schwanebeck,
Retired
On other supervisory bodies: none

Prof. Dr. Ronald Frohne, Berlin,
Lawyer and accountant, honorary professor
On other supervisory bodies: Würzburger Versicherungs-Aktiengesellschaft, Würzburg; TAG Tegernsee Immobilien- und Beteiligungs-Aktiengesellschaft, Hamburg; Medienboard Berlin-Brandenburg GmbH, Potsdam; TELLUX-Beteiligungsgesellschaft mbH, Munich; Scholz & Friends AG, Berlin; AGICOA – Association de Gestion Internationale Collective des Oeuvres Audiovisuelles, Geneva; CAB (The Feature Film Producers' Association for the Distribution of Fees in Pursuance of Section 35 of the Danish Copyright Act), Copenhagen

Hans-Jörg Hinke, Berlin,
CEO of CARISMA Wohnbauten GmbH, Berlin
On other supervisory bodies: none

The remuneration of the members of the Executive and Supervisory Boards is listed in the Compensation Report in the annual report.

As of December 31, 2008, there are no advance payments or loans to members of the Executive or Supervisory Boards of Eckert & Ziegler AG.

b) Other related parties and companies

- Eckert Wagniskapital und Frühphasenfinazierung GmbH (formerly: Eckert Strategieberatung und Kapitalbeteiligungsgesellschaft mbH (EWK)), which holds 37.4% of the shares in Eckert & Ziegler AG, and whose sole shareholder, Dr. Andreas Eckert, is the Executive Board Chairman of Eckert & Ziegler AG.
- Glycotope GmbH, which is 34.0% owned by EWK.
- Mr. A. Schmidt, CEO and minority shareholder of the subsidiary Eckert & Ziegler f-con Europe GmbH.
- Dr. Stabell, CEO and minority shareholder of the subsidiary Eckert & EURO-PET Berlin GmbH.

In 2008 and 2007, the following transactions were carried out with these related parties and companies:

Since January 1, 2004, there has been a contract between Glycotrope and Eckert & Ziegler BEBIG GmbH, under which Eckert & Ziegler BEBIG GmbH provides services in the area of IT and personnel accounting. Monthly compensation is on the basis of the work provided. In the year under review, Eckert & Ziegler BEBIG GmbH received EUR 5,000 for services provided. To December 31, 2008, receivables amounted to EUR 2,000.

To partially finance the purchase price of the sealed source division of North American Scientific (NASM), Dr. Andreas Eckert guaranteed Eckert & Ziegler Isotope Products Inc. a loan of EUR 700,000 for 5 years at 6.5%. As of December 31, 2008, the loan amounted to EUR 700,000.

Mr. Schmidt guaranteed the subsidiary Eckert & Ziegler f-con Europe GmbH two loans. As of December 31, 2008, the loan, including interest, amounted to EUR 425,000.

Dr. Stabell, receives goods deliveries at market prices from the subsidiary Eckert & EURO-PET Berlin GmbH. In the year under review, the invoices amounted to EUR 6,000. As of December 31, 2008, receivables amounted to EUR 1,000.

The accounting balances for parties and companies related to the Eckert & Ziegler Group with regard to receivables, loans made, liabilities and loan commitments are as follows to December 31 of the 2008 and 2007 financial years:

	2008	2007
	TEUR	TEUR
Receivables from deliveries and services from related parties and companies	3	12
Loans made from related parties and companies	509	499
Trade accounts payable and accounts payable to related parties and companies	0	10
Loan commitments to related parties	1,125	455

48. Events since the balance sheet date

In January 2009, Eckert & Ziegler AG acquired all shares in nuclitec GmbH, Braunschweig, Germany, and its French and American sister companies nuclitec sarl and nuclitec Inc. The agreed purchase price for the companies and the remaining cash reserves in the companies was EUR 6,600,000. A capital increase was carried out to partially finance the transaction.

In February 2009, Eckert & Ziegler Strahlen- und Medizintechnik AG successfully completed a cash capital increase. The Company increased its share capital by 19.3%. 628,633 shares were issued at a purchase price of EUR 5.00 each. The subscription period for shareholders ended on February 3rd, 2009. After the capital increase was entered in the commercial register, the nominal capital is now EUR 3,878,633 divided in 3,878,633 shares. The new shares will be available for trade on the Frankfurt Stock Exchange (Prime Standard) once the stock prospectus has been completed.

In February 2009, a shareholder in IBt S.A. filed a lawsuit against Eckert & Ziegler in a Brussels court to force a mandatory offer. Eckert & Ziegler holds 29.89% of the shares in IBt S.A. and is to be ordered to offer the remaining shareholders in IBt S.A. a mandatory offer for their approx. 10 million shares at a share price of EUR 3.47 per share. Eckert & Ziegler AG believes that this obligation does not exist and has never existed. However, it is currently difficult to predict how the court will decide this matter, particularly considering that the legal situation allows for considerable judicial discretion, that there are hardly any precedents and there are no courts of appeal. As the Executive Board cannot currently assume that the probability of a court ruling in the minority interests' favor is greater than a ruling in favor of Eckert & Ziegler AG, the Company has created a provision of EUR 7,140,000 in case of possible excess liabilities.

In March 2009, all shares in the subsidiary were sold to Eckert & Ziegler f-con Pharma Italia s.r.l. (FCI). All of FCI's assets and liabilities were classified as "held for sale" and are shown in the balance sheet as assets or liabilities for sale.

Other notes required by the German Commercial Code

49. Other income/expenses

The other income/expenses includes income relating to other periods amounting to EUR 14,735,000 (2007: EUR 194,000) and expenses relating to other periods amounting to EUR 1,902,000 (2007: EUR 39,000). The income relating to other periods is essentially related to income from incorporating Eckert & Ziegler BEBIG GmbH into IBt S.A. Other income includes income from the release of provisions and income based on inpayment from receivables posted in previous years. Expenses relating to other periods essentially result from risk provisioning connected to the ongoing audit.

50. Fees for auditors

In the 2008 fiscal year, fees amounting to EUR 205,000 (2007: EUR 185,000) were recorded for the annual auditors of the Group's consolidated financial statements for annual audits. In addition to this, fees totaling EUR 25,000 were recorded for support services connected to an audit of the 2006 annual audit by Deutsche Prüfstelle für Rechnungslegung and fees for a review of the financial figures in the course of Eckert & Ziegler BEBIG GmbH's contribution in kind to IBt S.A.

51. Declaration in accordance with § 161 of AktG (Companies law) of adherence to the german corporate governance code (compliance statement)

The Executive and Supervisory Boards submitted the declaration of compliance with the recommendations of the German Corporate Governance Code, as required of Eckert & Ziegler as a listed company according to § 161 of the AktG (Companies Law). This compliance statement was made permanently available to shareholders via the company's website.

Berlin, March 23, 2009

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert Dr. Edgar Löffler Dr. André Heß

Assurance from the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Berlin, March 23, 2009

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert Dr. Edgar Löffler Dr. André Heß

Auditors' Report

We have audited the consolidated financial statements, comprising the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement, the notes to the financial statements as well as the Group management report prepared by Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, for the business year from January 1, 2008 to December 31, 2008. Preparation of the consolidated financial statements and the Group management report in accordance with the IFRS as they are to be applied in the EU, and supplementing this in accordance with the commercial law regulations of § 315a paragraph 1 of the German Commercial Code (Handelsgesetzbuch – HGB) is the responsibility of the legal representatives of the Company. Our responsibility is to express an opinion on these consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with §317 of the HGB and the German generally accepted standards for the audit of financial statements promulgated by the German Auditors' Institute (Institut der Wirtschaftsprüfer – IDW). These standards require that we plan and perform the audit such that misstatements and infringements materially affecting the presentation of the net assets, financial position, and results of operations reported in the consolidated financial statements and in the Group management report in accordance with the applicable accounting regulations are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit comprises assessing the annual financial statements of the companies included in the consolidated financial statements, the determination of the scope of consolidation, the accounting and consolidation principles used, and the significant estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

Berlin, March 23, 2009

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Kronner
Wirtschaftprüfer

Brandt
Wirtschaftsprüfer

		Costs					
	Balance IFRS Dec. 31, 2006	Additions	Acquisition	Disposal	Transfers	Currency-translation	Balance Dec. 31, 2007
Non-current assets							
I. Intangible assets							
1. Goodwill	11,414	4	0	0	0	-929	10,489
2. Other intangible assets	12,513	2,228	132	8	0	-541	14,324
	23,927	**2,232**	**132**	**8**	**0**	**-1,470**	**24,813**
	23,903,073						
II. Property, plant and equipment							
1. Buildings on third-party land	8,044	367	0	95	268	-317	8,267
2. Plant and machinery	22,845	1,451	2,648	446	141	-372	26,267
3. Other plants and equipment, fixtures and fitting	2,609	471	14	42	0	-89	2,963
4. Plants under construction	934	164	0	0	-409	-91	598
	34,432	**2,453**	**2,662**	**583**	**0**	**-869**	**38,095**
	58,359	**4,685**	**2,794**	**591**	**0**	**-2,339**	**62,908**

	Depreciation and amortiziation					Net book value	
Balance IFRS Dec. 31, 2006	Additions	Disposal	Transfers	Currency-translation	Balance Dec. 31, 2007	Balance IFRS Dec. 31, 2006	Balance Dec. 31, 2007
641	0	0	-26	-74	541	10,773	9,948
5,301	1,021	0	26	-310	6,038	7,212	8,286
5,942	**1,021**	**0**	**0**	**-384**	**6,579**	**17,985**	**18,234**
							0
2,072	367	7	0	-100	2,332	5,972	5,935
14,430	1,970	383	0	-268	15,749	8,415	10,518
2,010	373	40	0	-74	2,269	599	694
0	0	0	0	0	0	934	598
18,512	**2,710**	**430**	**0**	**-442**	**20,350**	**15,920**	**17,745**
24,454	**3,731**	**430**	**0**	**-826**	**26,929**	**33,905**	**35,979**

	Costs							
	Balance Dec. 31, 2008	Additions from company acquisitions	Other Additions	Disposal	Transfers	Reclassification to disposal group	Currency translation	Balance Dec. 31, 2008
Non-current assets								
I. Intangible assets								
1. Goodwill	10,489	17,549	0	388	0	-86	363	27,927
2. Other intangible assets	14,324	5,816	1,325	1,592	20	-373	210	19,730
	24,813	**23,366**	**1,325**	**1,980**	**20**	**-459**	**573**	**47,657**
II. Property, plant and equipment								
1. Buildings on third-party land	8,267	2,355	217	89	184	0	136	11,070
2. Plant and machinery	26,267	361	3,032	223	373	-332	167	29,645
3. Other plants and equipment, fixtures and fittings	2,963	2,365	1,235	104	62	-44	34	6,512
4. Plants under construction	598	0	2,013	143	-639	0	17	1,847
	38,095	**5,081**	**6,497**	**558**	**-20**	**-376**	**355**	**49,074**
	62,908	**28,446**	**7,822**	**2,538**	**0**	**-835**	**928**	**96,731**

	Depreciation and amortiziation							Net book value	
	Balance Dec. 1, 2008	Additions	Disposal	Transfers	Reclassification to disposal group	Currency translation	Balance Dec. 31, 2008	Balance Dec. 1, 2008	Balance Dec. 31, 2008
	541	450	0	0	0	29	1,020	9,948	26,907
	6,038	3,623	1,506	-224	-169	150	7,911	8,286	11,819
	6,579	**4,073**	**1,506**	**-224**	**-169**	**178**	**8,930**	**18,234**	**38,726**
	2,332	550	0	0	0	50	2,932	5,935	8,139
	15,749	2,702	220	224	-169	133	18,420	10,518	11,225
	2,269	1,745	95	0	-37	33	3,915	694	2,596
	0	80	80	0	0	0	0	598	1.847
	20,350	**5,077**	**395**	**224**	**-206**	**216**	**25,267**	**17,745**	**23,807**
	26,929	**9,150**	**1,902**	**0**	**-375**	**394**	**34,197**	**35,979**	**62,533**

To increase public trust of the management and to monitor German joint-stock corporations which are listed on the stock exchange, the commission appointed by the German federal government presents recommendations for responsible corporate management in the German Corporate Governance Code, which is updated regularly.

In addition to outlining legal regulations, the German Corporate Governance Code contains further internationally and nationally recognized standards for good and responsible corporate management.

Eckert & Ziegler AG welcomes the substance and aims of the German Corporate Governance Code. Since its establishment, its principles have shaped responsible and transparent corporate management of Executive Board and Supervisory Board actions.

In this reporting year, too, the company adhered in the main to the recommendations of the German Corporate Governance Code. Only in a few, well-founded cases were there exceptions to the recommendations.

As a company listed on the stock exchange, Eckert & Ziegler is obliged in accordance with § 161 of the German Stock Companies Law to submit an annual declaration of compliance with the German Corporate Governance Code. This declaration must make it clear that the German Corporate Governance Code has been and is being complied with or which recommendations have not been or are not being applied:

Declaration on the Corporate Governance Code as per § 161 of the German Stock Companies Law

The Executive Board and Supervisory Board of Eckert & Ziegler Strahlen- und Medizintechnik AG hereby declare the following in accordance with §161 of the German Stock Companies Law:

Eckert & Ziegler Strahlen- und Medizintechnik AG will comply with the recommendations of the German Corporate Governance Code – the version of June 6, 2008 – with the following exceptions:

Deductible amount with the D&O insurance:

The D&O insurance policy taken out for the Executive Board and the Supervisory Board provides for no deductible amount.

Formation of commissions:

The Supervisory Board has established no commissions, in particular no auditing commission or nomination commission.

Executive Board remuneration:

There is currently no regulation concerning Executive Board remuneration through components with a long-term incentive effect and risk character.

Age limit for members of the Executive Board and Supervisory Board:

No age limits have been set either for members of the Executive Board or for members of the Supervisory Board.

Supervisory Board remuneration:

The members of the Supervisory Board receive no performance-based remuneration.

Since the declaration of compliance on December 3, 2007, Eckert & Ziegler Strahlen- und Medizintechnik AG has complied in full with the recommendations of the German Corporate Governance Code – the version of June 14, 2007 – excluding the exceptions stated in the declaration.

Berlin, December 3, 2008

For the Executive Board:

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

For the Supervisory Board:

Prof. Dr. W. Maennig

Declaration of exceptions to the recommendations of the German Corporate Governance Code

The Executive Board takes the following stance – also on behalf of the Supervisory Board – in relation to the exceptions to the recommendations of the German Corporate Governance Code specified in the declaration of compliance of December 3, 2008:

Deductible amount with the D&O insurance

The agreement of a deductible amount with the D&O insurance (liability insurance for members of the Executive Board and Supervisory Board) has been dispensed with as it is not apparent that this fundamentally boosts the motivation and sense of responsibility of the members of the boards. In addition, there are currently no generally recognized principles for the appropriateness of such an arrangement.

Formation of commissions

The need to form commissions, in particular an auditing commission or nomination commission, is not viewed as a matter of priority by the Supervisory Board because of the small number of members on the Supervisory Board and the specific circumstances of the company. All of the duties conferred on such committees are therefore undertaken by the Supervisory Board itself.

Executive Board remuneration

On the basis of the experience gained with the earlier share option program, in particular in relation to how it was received by employees, no comparable follow-up program has so far been concluded for senior managers.

Age limit for members of the Executive Board and Supervisory Board

The Executive and Supervisory Boards are of the opinion that a general age limit for members of the Executive Board and Supervisory Board does not represent an appropriate criterion for searching for and excluding members of these bodies. Rather, when it comes to appointing peo-ple to the Executive Board and Supervisory Board, the fundamentally important factor is whether the members have the necessary knowledge, skills and specialist experience required.

Supervisory Board remuneration

The Executive and Supervisory Boards are of the opinion that remuneration linked to the profits of the business is not compatible with the legally prescribed function of the Supervisory Board as an independent monitoring body or with the associated requisite neutrality of interest.

Monitoring of activity and consulting with the Executive Board

The Executive Board regularly and fully informed the Supervisory Board in fiscal year 2008 about the course of business, business policies, planning, and risk management for Eckert & Ziegler Strahlen- und Medizintechnik AG as well as for the enterprises for which it holds equity investments. The Supervisory Board was directly involved in all decisions of key importance to the business.

A total of four meetings of the Supervisory Board were held during the year under review. In addition to the meetings, the Executive Board promptly informed and consulted with the Supervisory Board regarding emergent issues. In regularly occurring individual discussions, the Chief Executive Officer informed the Chairman of the Supervisory Board about important developments and upcoming decisions. There were no Supervisory Board committees during the period under re-view.

Approvals of Executive Board decision proposals followed careful consideration of all relevant documents and intensive discussions with the Executive Board.

The Supervisory Board in its advisory capacity focused on the following main topics:

– Sale of the seed business to International Brachytherapy S.A.
– Sale of the rest of the therapy business to International Brachytherapy S.A.
– Risk management

Examination of the 2008 annual financial statement

The annual financial statements for Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statements for the Eckert & Ziegler Group, the management report for Eckert & Ziegler Strahlen- und Medizintechnik AG, the management report for the Eckert & Ziegler Group, the Executive Board's proposal to the annual general meeting on the appropriation of the year's retained earnings, and the reports by the auditors, namely KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft of Berlin, were all submitted to the Supervisory Board and supplied to each of its members.

Representatives of the auditing company took part in the Supervisory Board meeting held on March 25, 2009 to evaluate the financial statements, and reported on the main audit findings. The auditors confirmed in their report that all legal requirements have been complied with, and they issued an unconditional accounts certification. The Supervisory Board acknowledged the findings of the audit with assent.

Following its concluding examination, the Supervisory Board had no reservations regarding the audited financial statements or any of the other documents submitted. It hereby approves the annual and consolidated statements presented to it.

Other

In the year under review, members Ralf Hennig and Frank Perschmann retired from the Supervisory Board. The Supervisory Board would like to thank both gentlemen for a constructive working relationship over a number of years.

The annual general meeting on June 11, 2008 reappointed Prof. Dr. Wolfgang Maennig and Prof. Dr. Ronald Frohne to the Supervisory Board for another term of office, and appointed Dr. Gudrun Erzgräber as a new member of the Supervisory Board. Mr Holger Bürk was another new ap-pointment to the Supervisory Board.

At its constitutive meeting, the Supervisory Board elected Prof. Dr. Wolfgang Maennig as Chair-man of the Supervisory Board and Prof. Dr. Nikolaus Fuchs as Deputy Chairman of the Supervi-sory Board.

Supervisory Board member Prof. Dr. Ronald Frohne was able to participate in only two meetings of the Supervisory Board during fiscal year 2008 due to professional commitments abroad.

A word of thanks

The Supervisory Board thanks the members of the Executive Board and senior management as well as the employees of the companies belonging to the Eckert & Ziegler Group for their strong commitment and performance in fiscal year 2008.

Berlin, March 2009

The Supervisory Board

Prof. Dr. Wolfgang Maennig
Chairman

	2008	2007
	TEUR	TEUR
1. Sales revenue	2,253	1,001
2. Other operating income	22,448	344
	24,701	1,345
3. Staff costs		
a) Wages and salaries	-1,464	-1,355
b) Social security contributions and expenditure on pensions and old-age support	-108	-108
- of which for pensions TEUR -41 (previous year: TEUR -21)		
	-1,572	-1,463
4. Depreciation and amortization	-288	-209
5. Other operating expenses	-9.316	-741
6. Earnings from transfer agreements	8	890
7. Income from holdings of which from affiliates TEUR 2.859 (previous year: TEUR 0)	2,859	0
8. Income from other securities and from loans included under long-term investments of which from affiliates TEUR 399 (previous year: TEUR 316)	399	316
9. Interest receivable and similar income	1,064	1,471
10. Write-downs on long-term investments and on marketable securities	-14,114	-355
11. Expense from absorption of losses	-561	0
12. Interest payable and similar expense	-301	-282
13. Net income/loss (-) from ordinary activities	2,879	972
14. Income tax expense	-1,001	-30
15. Profit for the year	1,878	942
16. Withdrawals from treasury stock reserve	0	9
17. Allocations to treasury stock reserve	0	-2
18. Unappropriated retained earnings/losses (-)	1,878	949

Balance Sheets – Assets (Parent Company)
of Eckert & Ziegler Aktiengesellschaft as of December 31

	2008	2007
	TEUR	TEUR
Assets		
A. Non-current assets		
I. Intangible assets		
Patents, licenses, trademarks and similar rights and software	1,878	649
II. Property, plant and equipment		
Other plant and equipment, fixtures and fittings	13	16
III. Long-term investments		
1. Shares in affiliates	25,932	11,472
2. Loans to affiliates	12,124	3,769
3. Deposits on long-term investments	250	0
	38,306	15,241
Total non-current assets	40,197	15,906
B. Current assets		
II. Receivables and other assets		
1. Trade accounts receivable	0	4
2. Amounts due from affiliates	10,783	19,686
3. Other assets	762	809
	11,545	20,499
II. Securities		
1. Own shares	360	360
2. Other securities	323	965
	683	1,325
III. Cash at bank	439	493
Total current assets	12,667	22,317
C. Prepaid and deferred expenses	1	13
D. Deferred tax	0	77
Total assets	52,865	38,313

	2008	2007
	TEUR	TEUR
Liabilities and Shareholders' equity		
A. Shareholders' equity		
I. Subscribed capital	3,250	3,250
Nominal amount of authorized but unissued common stock EUR 300 thousand		
II. Additional paid-in capital	27,166	27,166
III. Retained earnings		
1. Treasury stock	360	360
2. Retained earnings	1,231	1,069
	1,591	1,429
IV. Unappropriated retained earnings/losses (-)	1,878	949
Total shareholders' equity	33,885	32,794
B. Special reserves for contributions to non-current assets	405	157
C. Provisions		
1. Retirement benefit obligations and similar obligations	379	356
2. Deferred tax liabilities	935	10
3 Other reserves	8,528	634
	9,842	1,000
D. Liabilities		
1. Bank borrowings	4,568	1,750
2. Trade accounts payable	19	14
3. Amounts due to affiliates	2,658	364
4. Other liabilities	1,488	2,234
(of which for taxes TEUR 358; previous year TEUR 95)		
(of which for social security TEUR 1; previous year TEUR 0)		
Total liabilities	8,733	4,362
Total liabilities and shareholders' equity	52,865	38,313

Afterloading therapy
Short-term radiation in cancer treatment in which a mostly wire-bonded radioactive source is propelled electrically for a brief period into the target tumor area by means of a tube-like catheter or by cannulas. Several sessions are usually necessary.

Blood radiation equipment
BIOBEAM blood radiation equipment works by means of gamma rays directed at blood, blood components and biological material. It is particularly suited for use in immune hematology, transfusion medicine and radio-biological research.

Brachytherapy
Contact treatment mainly in the form of irradiation with a minimal distance between the source of radiation and the tissue which is to be irradiated

Calibrated-reference emitters
Radioactive sources used as a reference standard for measuring instruments

Calibration
Referencing of measuring instruments to specified standards

Cobalt sources (CO-60)
Radioactive source with the radioactive nuclide Co-60 which is well suited for radiating the surface of tumors. The MultiSource® cancer radiation system uses cobalt-60 sources.

Contrast medium
Medicinal product which improves the representation of structures and functions of the body in imaging processes

Cyclotron
Circular particle accelerator for production of radioactivesubstances

Emitter
Here: device that transmits radioactive rays. Sometimes also referred to as "source"

Eye applicator
Anatomically formed radiation source for radiation treatment of eye tumors

Fluoroethylcholine
A newly developed, highly specific radioactive agent for precise diagnosis of prostate cancer which is used in positron emission tomography (PET)

Fluorodeoxyglucose (FDG)
Glucose marker. Radioactively labeled glucose (sugar)

Gallium generator
Device for generating gallium-68 which is obtained from germanium-68. Gallium-68 is used to diagnose specific cancers.

Gamma camera
Camera for imaging diagnosis in nuclear medicine. It is used in scintigraphy.

IFRS
(Abbreviation for International Financial Reporting Standards) Standards to which the present Group financial statements were drawn up

Implantation
Placement or insertion of foreign materials into an organism

Implants
Natural or synthetic elements implanted in the body (here they are synonymous with seeds)

Iodine-125
Radioisotope of iodine. Low-energy photon radiation is used therapeutically.

Isotope
Chemical element having the same atomic number but different atomic weight. Isotopes can be stable or can disintegrate when subject to ionizing radiation (radioactive isotopes).

Modular Lab
Synthesis device for the production of radioactive diagnostics

Nuclear Imaging
Imaging for nuclear medical purposes

Nuclear medicine
Specialist medical area concerned with the diagnostic and therapeutic use of open, usually ephemeral radionuclides

Oncology
Specialist medical area which deals with the origin and treatment of malignant tumors

Ophthalmology
Science of the eye and eye diseases

Permanent implants
Implants intended to remain in the organism/body permanently

PET scanner
Device used for positron emission tomography (PET), a specialized imaging process in nuclear medicine

PET tracers
Radioactively marked substances introduced into living organisms to diagnose cancer in the framework of PET examinations

Photon
Tiny energy package

Positron
Elementary particle with the mass of an electron, but with positive charge

Positron emission tomography (PET)
Nuclear medical examination for producing sectional images using photons created by positron decay

Prostate
Prostate gland. Chestnut-size organ situated around theneck of the male urethra

Radioactivity
Property of unstable nuclides emitting spontaneously or through disintegration of the atomic nuclei alpha and beta rays or electromagnetic waves (gamma rays)

Radiodiagnostics
Diagnostic radiopharmaceuticals. See also Radiopharmaceuticals

Radiography
Conventional X-raying

Radioisotope
See Radionuclide

Radionuclide
Radioactive isotope

Radiopharmaceuticals
Substances and medications which, because of their radioactive nuclides, are effective as diagnostic and therapeutic agents in nuclear medicine

Radiopharmacy
Development and production of radiopharmaceuticals

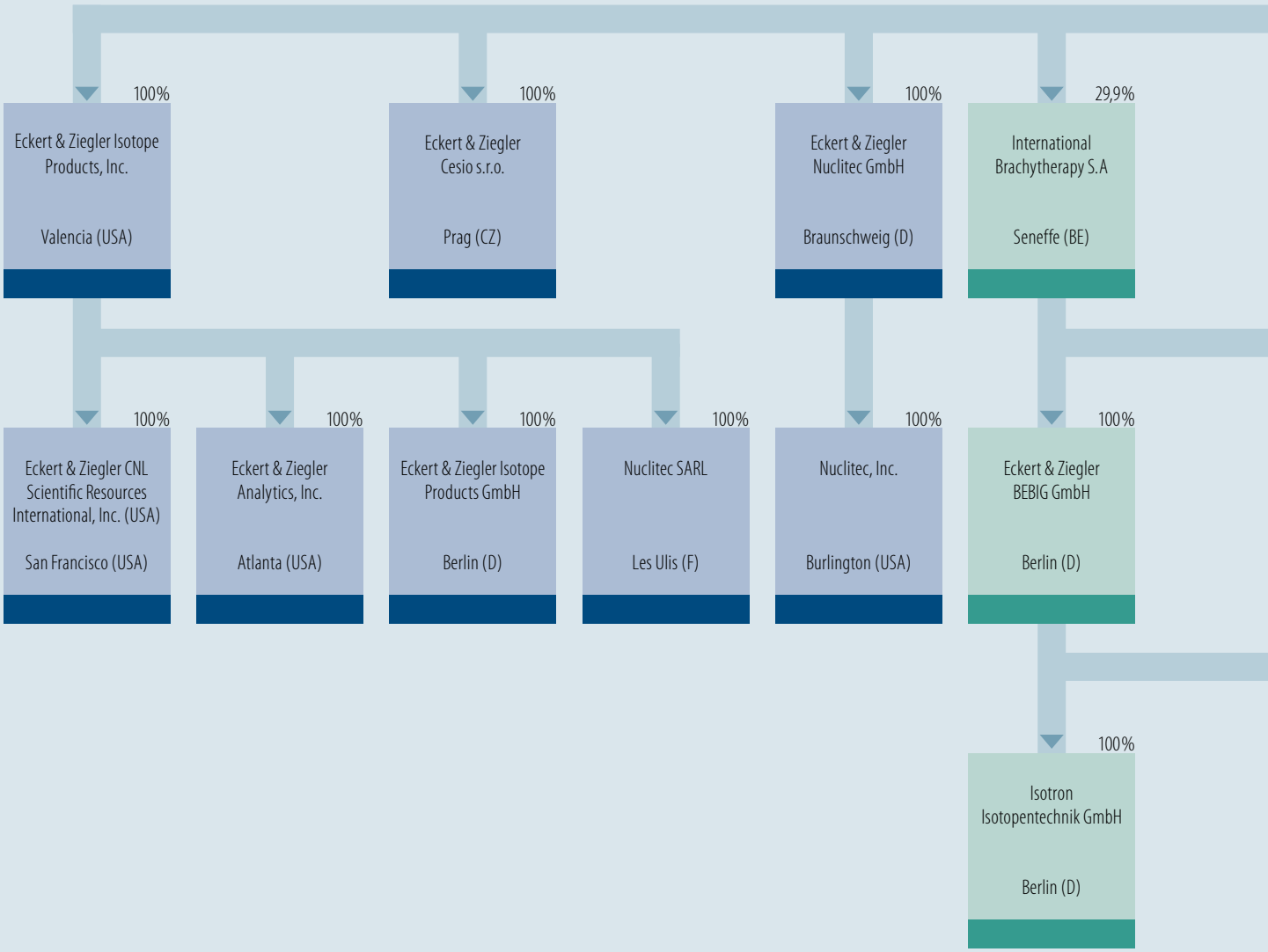
Raw isotope
Radioactive starting substance for producing radiation sources

Seed
Small metal pins containing radioisotopes for interstitial radiation therapy

SPECT
Abbreviation for Single Photon Emission Computer Tomography. Imaging method in nuclear medicine, and also PET

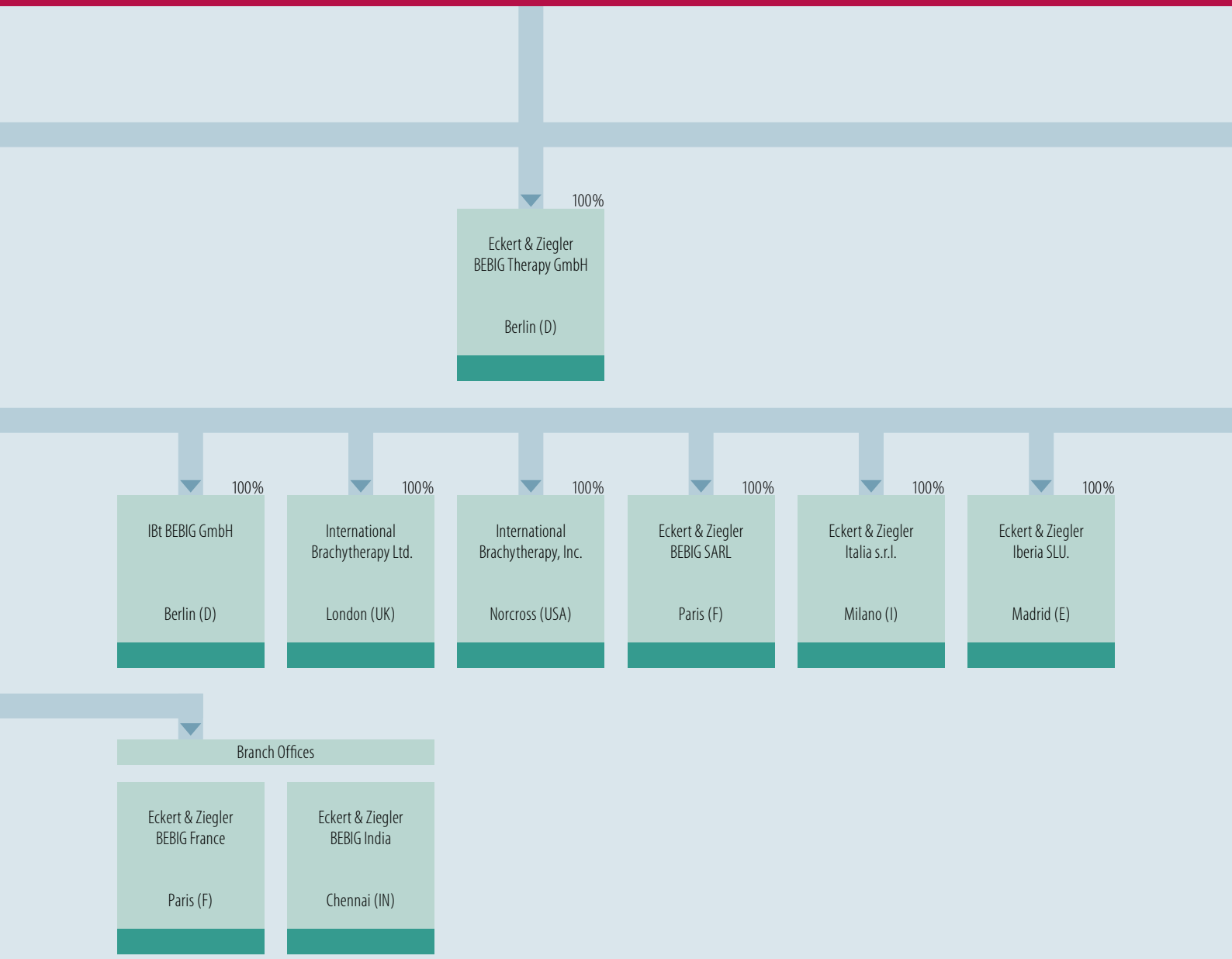
Synthesis modules
Here: components of the modular equipment system of the product Modular-Lab for automated synthesis of radiopharmaceuticals and radioactive chemicals

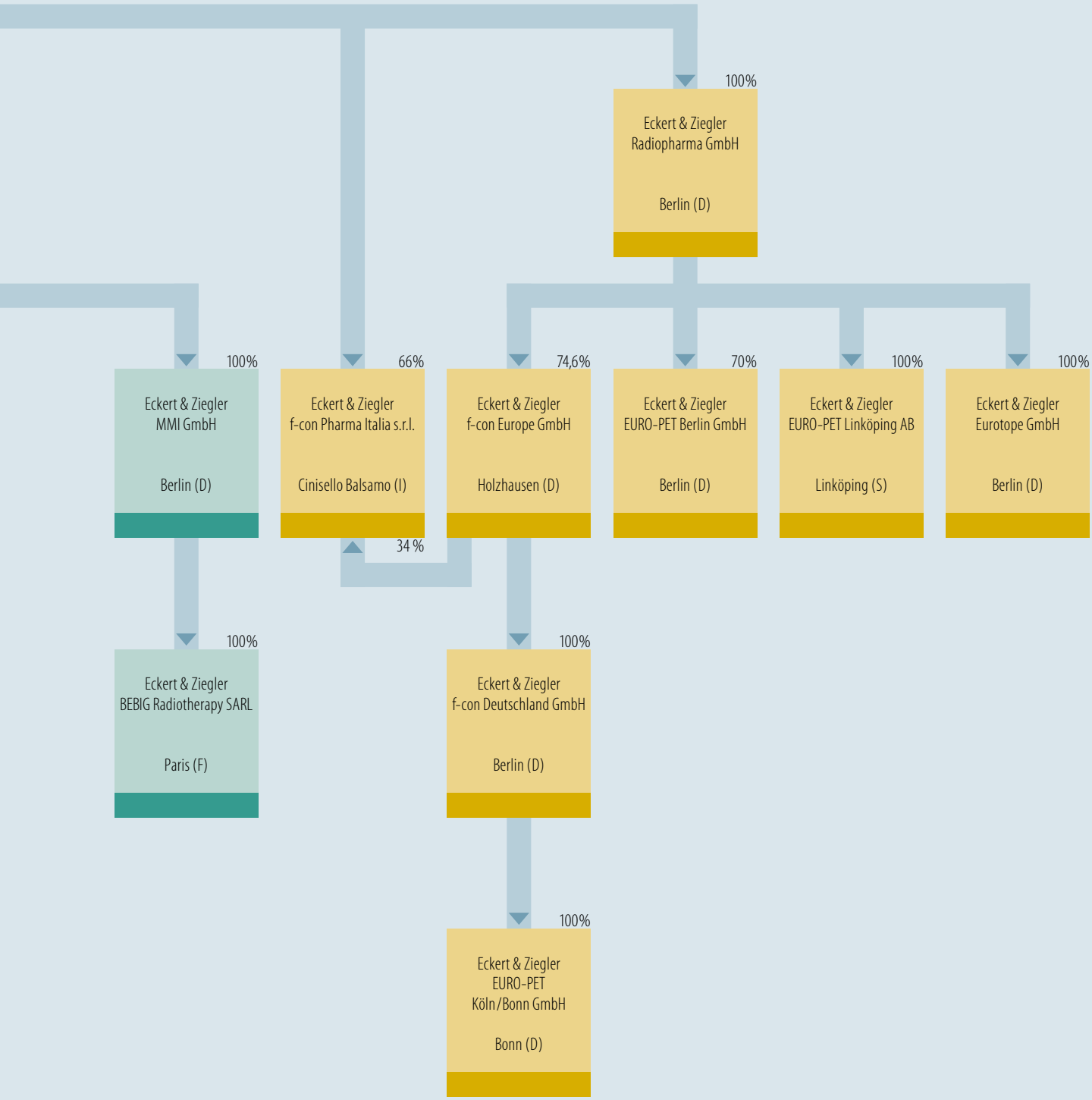
Corporate Structure
As of January 23, 2009



Nuclear Medicine and Industry segment

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin





Radiopharmaceuticals segment

Executive Board and Supervisory Board (before capital increase)

Balance December 31, 2008		Stock	Stock options
Dr. Andreas Eckert	Executive Board	2,010	10,000
(Eckert Wagniskapital und Frühphasenfinanzierung GmbH*)		(1,213,779)	(0)
Dr. André Heß	Executive Board	2,500	0
Dr. Edgar Löffler	Executive Board	12,250	10,000
Prof. Dr. Wolfgang Maennig	Supervisory Board	0	0
Holger Bürk	Supervisory Board	28,000	0
Dr. Gudrun Erzgräber	Supervisory Board	0	0
Prof. Dr. Ronald Frohne	Supervisory Board	0	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	0	0
Hans-Jörg Hinke	Supervisory Board	0	0

Executive Board and Supervisory Board (after capital increase)

Balance February 28, 2009		Stock	Stock options
Dr. Andreas Eckert	Executive Board	2,010	10,000
(Eckert Wagniskapital und Frühphasenfinanzierung GmbH*)		(1,542,841)	(0)
Dr. André Hess	Executive Board	3,000	0
Dr. Edgar Löffler	Executive Board	17,082	10,000
Prof. Dr. Wolfgang Maennig	Supervisory Board	3,091	0
Holger Bürk	Supervisory Board	35,976	0
Dr. Gudrun Erzgräber	Supervisory Board	0	0
Prof. Dr. Ronald Frohne	Supervisory Board	0	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	0	0
Hans-Jörg Hinke	Supervisory Board	0	0

*formerly Eckert Consult GmbH

Financial Calendar

March 27, 2009
Annual Report 2008

March 27, 2009
Balance Press Conference in Berlin

May 5, 2009
Quarterly Report I/2009

May 6, 2009
Analyst Conference in Frankfurt

May 20, 2009
Annual General Meeting in Berlin

August 4, 2009
Quarterly Report II/2009

November 3, 2009
Quarterly Report III/2009

November 2009
German Equity Forum in Frankfurt

Contact

Eckert & Ziegler
Strahlen- und Medizintechnik AG

Karolin Riehle
Investor Relations

Robert-Rössle-Str. 10
13125 Berlin
Germany
www.ezag.de

Telephone +49 (0) 30 94 10 84 - 0
Telefax +49 (0) 30 94 10 84 - 112
E-Mail info@ezag.de

ISIN DE000565970
ISIN DE000A0L1L69
WKN 565970

Imprint

Publisher
Eckert & Ziegler
Strahlen- und Medizintechnik AG

Photography
Archive
Austrian Research Centers, Seibersdorf (A)
BK Medical, Herlev (DK)
Getty Images, München
Massimo Rodari, Berlin
Sebastian Heise, Berlin
Thomas Lotzow, Berlin
Wirtschaftsverband Erdöl- und Erdgasgewinnung e.V., Hannover

Layout
RWS Group GmbH, Berlin

Printed by
Stock Printservice, Berlin