Quarterly Report **1|2008**

Eckert & Ziegler

		Q1-3/2008	Q1-3/2007	Change
Revenue	Million EUR	14.3	13.0	10%
Return on revenue before tax (operational)	%	13%	9%	42%
EBITDA	Million EUR	14.7	2.3	not applicable
EBIT	Million EUR	12.0	1.3	not applicable
EBT	Million EUR	11.8	1.2	not applicable
EBT (operational)	Million EUR	1.6	1.2	35%
Net income before minority interest	Million EUR	8.5	0.8	not applicable
Net income/loss	Million EUR	8.0	0.8	not applicable
Earnings per share (basic)	EUR	2.53	0.24	not applicable
Earnings per share (diluted)	EUR	2.52	0.24	not applicable
Cash flow from operating activities	Million EUR	0.1	1.3	-93%
Depreciation and amortization	Million EUR	2.7	1.0	184%
Employees (as of March 31)	Persons	431	303	42%

Cover page:

CEO Dr. Andreas Eckert (Eckert & Ziegler AG, right) and François Blondel (IBt S.A., left) meet at IBt in the Belgian town of Seneffe (large photo)

EUR 7.3 million special income resulting from initial consolidation of IBt

The defining event in the first quarter of 2008 was the merger of the Implants division of Eckert & Ziegler with the Belgian company International Brachytherapy S.A. (IBt), which also produces prostate cancer implants. In technical terms, this took place as part of an IBt capital increase. This involved the exchange of all of the shares held in the EZAG subsidiary Eckert & Ziegler BEBIG GmbH for new IBt shares so that IBt now owns 100% of Eckert & Ziegler BEBIG GmbH. In turn, Eckert & Ziegler emerged to become the largest shareholder in its former competitor and in future it will consolidate it within the Group.

As the transaction involved two companies listed on the stock exchange with different national regulations and a complex consolidation process with several stages, only an expert report from the Berlin auditors Dr. Böckmann & Partner GbR was able to confirm that the consolidation of IBt with Eckert & Ziegler, which is required under the IFRS rules, resulted in an extraordinary book profit of a good EUR 14 million. Up until this point, the Executive Board had only been able to issue cautious statements on special book income and only forecast what the effects of the business merger would be on operational business.

However, after it had been confirmed that the merger of the implants businesses and the consolidation of IBt would result in a considerable extraordinary book profit at Eckert & Ziegler, it seemed appropriate to the Executive Board to detail not just the extraordinary income arising from the merger of the implants businesses but also the foreseeable encumbrances arising from the effective reorganization of the Therapy segment of Eckert & Ziegler AG. A series of intangible assets and in particular reported losses carried forward were therefore revalued for the quarterly report and non-cash special amortizations and restructuring provisions amounting to EUR 6.7 million were implemented. The basic idea behind this was that the enlarged Implants division and the opportunities associated with this would ultimately lead to the management having different priorities and therefore in individual cases would result in other divisions recording lower earnings. In turn, the latter would have involved the risk that at the end of the year various intangible assets would not have passed their security value retention tests which are generally only envisaged for five years. In order to avoid this, it therefore appeared sensible to make an adjustment at this stage and to credit the special amortizations against those extraordinary earnings with which they have a causal link.

The net income from the initial consolidation of IBt accounted for in this quarter therefore only amounts in total to EUR 7.3 million or EUR 2.34 per share.

Operational business development of the Eckert & Ziegler Group

Following the record year in 2007, the first three months of the new fiscal year have progressed very well in operational terms as well, i.e. disregarding the special income.

In the first quarter of 2008, the Eckert & Ziegler Group was able to generate sales of EUR 14.3 million and was therefore EUR 1.3 million or 10% above the level achieved in the corresponding period in the previous year. In organic terms, i.e. without the effects of the IBt transaction, there was a considerable increase in both the operating result (of 52% or EUR 0.7 million) and the Group result prior to minority interests (of 49% or EUR 0.4 million) compared with the same period in the previous year.

Sales in the Nuclear Medicine and Industry segment grew by 8% in real terms compared with the same period in the previous year (disregarding the USD depreciation). The Nuclear Medicine and Industry segment is traditionally the Group's biggest segment and it produces primarily products used for medical imaging and industrial metrology. The main drivers of growth in the segment in the first quarter of 2008 were industrial components. Their sales in fact grew by 23% on a US dollar basis. This can be attributed in particular to the high demand from the oil and gas sector and also from control and regulation systems. The bulk of sales were generated with customers in North America and therefore in USD. Given that the exchange rate between the USD and the euro continues to fall, the significant increase in sales did not have the impact on the balance sheet that was hoped for. In nominal terms, the sales for the segment fell by 2%, but this was down to delays in deliveries which will be made up for in the 2nd quarter and mean that for the first six months of 2008 nominal growth in sales can in fact be anticipated.

In the Therapy segment, sales of implants for treating prostate cancer rose by 19%, and incorporating the IBt sales they in fact rose by 44%. In the case of the tumor radiation equipment, in contrast to the first quarter of the previous year no major order was secured, which meant that for the Therapy segment overall sales fell by 2% compared with the comparable period for the previous year to EUR 5.3 million.

Sales in the Radiopharmaceutical segment doubled under the leadership of the new director Dr. Heß to almost EUR 3.1 million. Approx. a third of the growth of EUR 1.5 million can be attributed to increases in products from the Modular-Lab product group (a sensational +202%), a third to organic revenues achieved with contrast media for positron emission tomography (PET), and a third to the incorporation of Eckert & Ziegler EURO-PET Köln/Bonn GmbH, which was added in the second half of 2007.

Earnings position

As in the previous periods, the main source of operational earnings after tax and minority interests of other shareholders (i.e. without special income) was the Nuclear Medicine and Industry segment, which, after taxes and minority interests, contributed EUR 0.5 million to net income. The Therapy segment generated net income of EUR 0.2 million. The result here is impacted on for the first time by the minority interests. The Radiopharmaceutical segment was able to halve the loss made in the same period in the previous year to EUR 0.1 million and recorded positive EBIT of EUR 0.2 million for the first time.

In addition to the operational earnings after tax and interests of other shareholders totaling EUR 0.6 million or EUR 0.19 per share for the Group (previous year EUR 0.8 million or EUR 0.24 per share), there is the abovementioned special income of EUR 7.3 million or EUR 2.34 per share, which means that the quarterly net income after tax and interests of other shareholders amounts to EUR 8.0 million or EUR 2.53 per share for the Group.

Research and development

In the Therapy segment, there was a continued effort to advance the development of accessories for tumor radiation equipment of the Multisource® type. Various changes to the design and materials used enable the visibility of the applicators in the X-ray unit to be improved. In addition, the vaginal applicators are now suitable for use in magnetic resonance tomography (MRT).

In the Radiopharmaceutical segment, the range of equipment for marking with gallium-68 was expanded to include a manual system which is aimed at users with a low marking volume. The new module was developed together with the University of Mainz. In addition, a cooperation agreement has been reached with an English research institute to develop synthesis equipment for very low volumes as are often encountered, for instance, when it comes to marking antibodies with radioactive contrast media. The key thing here is to manage the process reliably and such that it can be reproduced despite the low levels of substances involved.

In the Nuclear Medicine and Industry segment, Eckert & Ziegler began producing a new source for calibrating SPECT-CT cameras. The use of these line sources with a very homogeneous activity distribution in a device for the automated calibration of cameras results in a considerable reduction in the level of radiation to which the staff involved in the calibration process are exposed. In addition, development projects began for producing calibration sources for the new generations of cameras from the various large-scale equipment manufacturers.

Staff

As of March 31, 2008, the Eckert & Ziegler Group employed 431 members of staff (previous year: 303 members of staff). Compared with the end of 2007, the number of employees throughout the Group rose by 77. This increase was essentially down to the incorporation of the IBt Group.

Outlook

For fiscal year 2008, the Executive Board anticipates earnings of EUR 3 million without incorporating the special effects from the consolidation of IBt. The growth expectations are based primarily on continued improvements in sales and earnings in the Radiopharmaceutical segment and also significant boosts to growth from industrial components and increases seen with the implants for treating prostate cancer. However, in the case of the latter the result is impacted on by new minority interests.

One of the areas of risk for the earnings forecast of EUR 3 million is a further deterioration in the exchange rate of the dollar outside of the range witnessed in recent times.

Thanks to its solid financial position and healthy capital structure, the Eckert & Ziegler Group enjoys a solid foundation for ensuring that the business will continue to develop successfully over the long term. The excellent development seen in the first three months of the new fiscal year affirms the positive outlook for 2008.

1|2008

February

■ Eckert & Ziegler incorporates its business with implants for treating prostate cancer into IBt S.A. and in return for this receives 6.75 million shares in the Belgian medical technology company. This swap sees Eckert & Ziegler rise to become the biggest shareholder in IBt. The new Group with headquarters in Seneffe, Belgium will have production sites in Seneffe and Berlin.

■ Eckert & Ziegler Iberia S.L. wins a tender worth EUR 0.7 million to supply Spanish hospitals on a long-term basis with implants for treating prostate cancer. Thanks to this major order, Eckert & Ziegler strengthens its position in the market as a supplier of radiation therapy products in Spain.

March

■ The Supervisory Board of Eckert & Ziegler AG appoints Dr. André Heß to become the company's third Executive Board member. Heß takes over responsibility for the Radiopharmaceutical segment and his remit is to develop this segment further so that it becomes an important mainstay of the Group's operations.

■ The Executive Board of Eckert & Ziegler AG appoints Dr. Roger Knopp and Dr. Andrea Hawerkamp as new managing directors of the special equipment manufacturer Eckert & Ziegler Eurotope GmbH.

Consolidated Statements of Income

(Amounts in thousand EUR exept for per share data)	Quarterly Report I/2008 **01-03/2008** TEUR	Thereof special income and non-recurrent expenses **01-03/2008** TEUR	Adjusted Quarterly Report I/2008 **01-03/2008** TEUR	Quarterly Report I/2007 **01-03/2007** TEUR
Revenue	14,254	-	14,254	12,999
Cost of sales	-9,529	-2,233	-7,296	-6,977
Gross profit on sales	4,725	-2,233	6,958	6,022
Selling expenses	-2,978	-	-2,978	-2,159
General and administrative expenses	-2,770	-	-2,770	-2,639
Research and development expenses	-1,903	-1,621	-282	-6
Other income	1,067	-	1,067	85
Other expenses	-32	-	-32	-9
Profit from operations	-1,891	-3,854	1,963	1,294
Other financial items	13,890	14,038	-148	43
Earnings before interest and tax (EBIT)	11,999	10,184	1,815	1,337
Interest yield	21	-	21	14
Interest paid	-262	-	-262	-188
Profit before tax	11,758	10,184	1,574	1,163
Income tax expense	-3,229	-2,838	-391	-367
Net income	8,529	7,346	1,183	796
Of which: share of profit attributable to minority interest	-572	-	-572	-39
Of which: dividend to shareholders of Eckert & Ziegler AG	7,957	7,346	611	757
Earnings per share				
Basic	2.53	2.34	0.19	0.24
Diluted	2.52	2.32	0.19	0.24
Average number of shares in circulation (basic)	3,143	3,143	3,143	3,141
Average number of shares in circulation (diluted)	3,160	3,160	3,160	3,177

	Quarterly Report I/2008 01-03/2008	Quarterly Report I/2007 01-03/2007
	TEUR	TEUR
Cash flows from operating activities:		
Profit for the period	8,529	796
Adjustments for:		
Depreciation and amortization	2,724	958
Proceeds from grants less release of deferred income from grants	24	-85
Deferred tax	2,551	-1
Expense from share option plan	-	32
Unrealized foreign currency gains/losses	-215	-36
Long-term provisions, other non-current liabilities	-954	-6
Profit/loss from sale of consolidated enterprises	-14,038	-
Gains/ losses from the disposal of non-current assets	-	-1
Gains/losses on the sale of securities	1	-
Other items	9	4
Changes in current assets and liabilities:		
Receivables	293	266
Inventories	-602	-415
Prepaid expenses and other current assets	-49	19
Trade accounts payable and accounts payable to related parties	691	172
Profit tax liabilities	-105	43
Other liabilities	1,228	-458
Cash inflows generated from operating activities	87	1,288
Cash flows from investing activities:		
Additions to / sale of non-current assets	-862	-823
Acquisition of consolidated enterprises	2,116	-
Purchase/sale of shareholdings	40	-
Purchase / sale of securities	35	50
Funds inflow and outflow from investing activities	1,329	-773
Cash flows from financing activities:		
Change in long-term borrowings	-268	-925
Change in short-term borrowings	-270	-1,342
Cash outflows from financing activities	-538	-2,267
Effect of exchange rates on cash and cash equivalents	-75	-39
Decrease/increase in cash and cash equivalents	803	-1,791
Cash and cash equivalents at the beginning of period	4,375	4,683
Cash and cash equivalents at the end of period	5,178	2,892

Consolidated Balance Sheets

	March 31, 2008	Dec. 31, 2007
	TEUR	TEUR
Assets		
Non-current assets		
Intangible assets	28,197	18,234
Property, plant and equipment	21,743	17,745
Equity investments	28	68
Deferred tax assets	8,025	3,081
Other assets	1,748	1,674
Total non-current assets	59,741	40,802
Current assets		
Cash and cash equivalents	5,178	4,375
Securities	1,008	1,033
Trade accounts receivable	11,900	11,459
Receivables from related people and companies	2	5
Inventories	9,075	7,713
Other assets	2,622	2,200
Total current assets	29,785	26,785
Total assets	89,526	67,587
Equity and liabilities		
Shareholders' equity		
Subscribed capital	3,250	3,250
Capital reserve	29,750	29,750
Retained earnings	15,187	7,230
Other reserves	-4,608	-3,734
Own shares	-359	-359
Equity to which the shareholders in Eckert & Ziegler are entitled	43,220	36,137
Minority interest	9,396	354
Total shareholders' equity	52,616	36,491
Non-current liabilities		
Long-term borrowings and finance lease obligations	5,578	3,921
Deferred income from grants and other deferred income	1,394	1,369
Deferred tax liabilities	1,129	1,339
Pension accruals	100	98
Other non-current liabilities	3,611	3,653
Total non-current liabilities	11,812	10,380
Current liabilities		
Short-term borrowings and finance lease obligations	8,497	8,256
Trade accounts payable	5,977	3,885
Advance payments received	630	290
Provisions	6,966	5,139
Deferred income from grants and other deferred income	918	935
Current tax payable	704	578
Other current liabilities	1,406	1,633
Total current liabilities	25,098	20,716
Total equity and liabilities	89,526	67,587

	Subscribed capital				Cumulative other equity items					
	Shares	Nominal value	Capital reserve	Retained earnings	Unrealized gains/losses on securities	Exchange differences	Own shares	Equity attributable to shareholders	Minority interest	Group shareholders 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
Dividends paid				-786				-786	-272	-1.058
Cost of share option plan			104					104		104
Application of own shares for acquisitions and to service share option plan			12				9	21		21
Purchase of own shares			2				-2	0		0
Profit for the year				1,948				1,948	202	2,150
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 income for the period	0	0	118	1,162	20	0	7	1,307	-70	1,237
Foreign currency translation differences						-1,075		-1,075		-1,075
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	Exchange differences	Own shares	Equity attributable to shareholders	Minority interest	Group shareholders 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
Profit for the year				7,957				7,957	572	8,529
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 21 thousand)					49			49		49
Reversal of unrealized gains/losses on securities at previous balance sheet date					-42			-42		-42
Total income for the period	0	0	0	7,957	7	0	0	7,964	572	8,536
Foreign currency translation differences						-881		-881		-881
Addition minority interest								0	8,470	8,470
Balance March 31, 2008	**3,250,000**	**3,250**	**29,750**	**15,187**	**49**	**-4,657**	**-359**	**43,220**	**9,396**	**52,616**

01-03/2008	Nuclear Imaging & Industry	Therapy	Radio-pharmacy	Others	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	5,858	5,277	3,119	0	0	14,254
Sales to other segments	2	1,336	2	251	-1,591	0
Total segment sales	5,860	6.613	3,121	251	-1,591	14,254
Depreciation and amortization	-244	-2,119	-318	-43		-2,724
Non cash related income/ expense	279	1,867	-2,118	12,595		12,623
Net income/loss before minority interest	475	-2.602	-2.151	12.807		8,529
Net income/loss before minority interest (operative)	475	796	-83	-5		1,183
Segment assets	25,420	45,377	16,488	52,035	-57,819	81,501
Segment liabilities	-10,740	-17,039	-18,444	-6,179	16,620	-35,782
Capital investment	91	275	481	15		862

Sales by geographic areas 01-03/2008	Million EUR	%
North America	4.7	33
Europe	8.6	60
Asia/Pacific	0.7	5
Others	0.3	2
	14.3	100

01-03/2007	Nuclear Imaging & Industry	Therapy	Radio-pharmacy	Others	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	5,984	5,367	1,645	3		12,999
Sales to other segments	0	50	0	255	-305	0
Total segment sales	5,984	5,417	1,645	258	-305	12,999
Depreciation and amortization	-302	-519	-107	-30		-958
Non cash related income/ expense	-1	-82	47	129		93
Net income/loss before minority interest	602	346	-158	6		796
Segment assets	28,100	21,060	6,825	36,113	-33,834	58,264
Segment liabilities	-12,219	-16,533	-9,410	-5,044	19,420	-23,786
Capital investment	157	366	283	1		807

Sales by geographic areas 01-03/2007	Million EUR	%
North America	4.7	36
Europe	7.0	54
Asia/Pacific	0.9	7
Others	0.4	3
	13.0	100

1. General information

These unaudited interim consolidated financial statements as of March 31, 2008 comprise the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (also referred to hereinafter as "Eckert & Ziegler AG").

2. Accounting and valuation methods

The consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2008 have been prepared, like the annual financial statements for 2007, in accordance with the International Financial Reporting Standards (IFRS). All of the standards of the International Accounting Standards Board (IASB), London 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 followed.

The accounting and valuation methods outlined in the appendix to the annual financial statements for 2007 have been applied unchanged.

For the preparation of the consolidated financial statements in compliance with the IFRS, it is necessary for estimates and assumptions to be made that impact on the amount and disclosure of recognized asset values and liabilities, income and expenditure. The actual values may differ from the estimates. Significant assumptions and estimates are made concerning useful lives, earnings attainable from goodwill and non-current assets, the realizability of receivables, and the recognition and measurement of provisions.

This interim report contains all of the necessary information and adjustments required to produce a picture which reflects the actual circumstances in respect of the assets, financial situation and earnings position of Eckert & Ziegler AG at the time the interim report was produced. The earnings achieved during the course of the current fiscal year do not necessarily allow conclusions to be drawn about the development of future earnings.

3. Companies included in the consolidation

The consolidated financial statements of Eckert & Ziegler AG cover all companies where Eckert & Ziegler AG, either indirectly or directly, is able to determine the financial and business policies (control concept).

Company acquisitions and disposals

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), Seneffe (Belgium) and in return for this received 38.5% of the ordinary shares (or 29.9% of the voting shares) in IBt arising from an increase in capital. Furthermore, it obtained an option to purchase further shares with voting rights. As an additional constituent of the price paid, a compensatory payment was agreed which is a function of the value of the net current assets in Eckert & Ziegler BEBIG GmbH transferred as part of the transaction. Through the sale of Eckert & Ziegler BEBIG GmbH, Eckert & Ziegler AG realized a profit of EUR 14,038,000.

As Eckert & Ziegler AG holds an option to purchase further shares in IBt, from 26 February 2008 IBt was, in accordance with IAS 27.14, incorporated into the consolidated financial statements of Eckert & Ziegler AG by way of a full consolidation. The price paid for the shares in IBt was EUR 25,650,000. The additional acquisition costs accrued up to 31 March 2008 amount to EUR 90,000. At the time that these interim financial statements were published, the process of collecting data required to identify and value the assets, debts and contingency debts was not yet complete. To this extent, in accordance with IAS 3.62, the inclusion on the balance sheet of the company acquisition at the end of the interim financial statement period could only be recorded provisionally.

The company acquisition is included on the balance sheet in this interim financial statement by means of the following provisional values:

	Book values	Market value to be settled*
	TEUR	TEUR
Fixed assets	18,741	18,741
Short-term assets	14,345	14,345
Fixed liabilities	-7,626	-7,626
Short-term liabilities	-11,871	-11,871
Net assets	13,589	13,589
Share of Eckert & Ziegler AG in net assets (38.5%)		5,228
Procurement costs		25,740
Business or company value		20,512

* The process of determining the market values of the assets and liabilities to be settled is not yet complete. Provisional values have therefore been applied in accordance with IFRS 3.62.

4. Limited comparability of consolidated financial statements with the previous year

In the 3rd quarter of 2007, 100% of the shares in MC Pharma GmbH, Bonn were acquired and the company was then renamed and now trades as Eckert & Ziegler EURO-PET Köln/Bonn GmbH.

In the 1st quarter of 2008, Eckert & Ziegler AG invested the implants business of Eckert & Ziegler BEBIG GmbH as a contribution in kind in IBt S.A., Seneffe (Belgium) and, in return for this, received 38.5% of the ordinary shares (which equates to 29.9% of the voting shares) in IBt arising from an increase in capital.

Compared with the 1st quarter of 2007, this has impacted substantially on the financial situation and earnings position of the Group, which means that it is difficult to compare the Group report with the previous year's report.

5. Currency translation

The financial statements for the companies outside of the European Monetary Union are translated based on the concept of functional currency. The following exchange rates were used for the currency translation:

Country	Currency	Exchange rate on March 31, 2008	Exchange rate on Dec. 31, 2007	Average rate: Jan.1-March 31, 2008	Average rate: Jan.1-March 31, 2007
USA	USD	1.580000	1.471887	1.491331	1.323970
Czech Republic	CZK	25.379000	26.667700	25.357541	28.010420

6. Portfolio of own shares

As of March 31, 2008, Eckert & Ziegler AG held 106,835 own shares, which represents no change compared with December 31, 2007. This equates to a share of 3.3% of the company's nominal capital.

7. Substantial transactions with affiliated persons

In respect of the substantial transactions with affiliated persons, we refer to the publications made in the consolidated financial statements dated December 31, 2007.

8. Events of special significance

At the conclusion of the first three months of fiscal year 2008, there were no events of special significance.

Financial Calendar

May 6, 2008
Quarterly Report I/2008

June 11, 2008
Annual General Meeting in Berlin

August 05, 2008
Quarterly Report II/2008

November 04, 2008
Quarterly Report III/2008

November 2008
German Equity Capital Forum in Frankfurt

Contact

Eckert & Ziegler
Strahlen- und Medizintechnik AG

Thomas Scheuch
Investor Relations

Robert-Rössle-Str. 10
13125 Berlin
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	DE0005659700
WKN	565 970