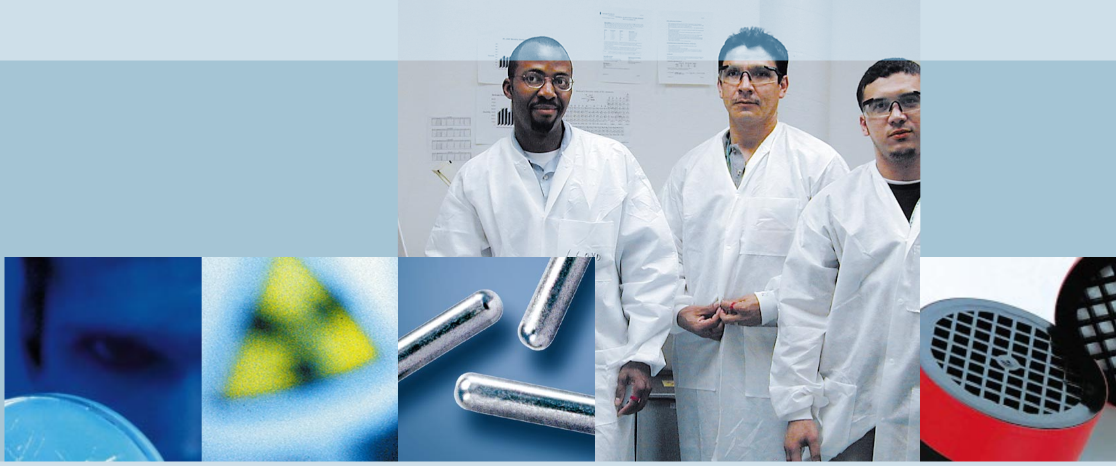

QUARTERLY REPORT

II/2002

Eckert & Ziegler

Dear Shareholder,

The worldwide recession has not left Eckert & Ziegler AG completely untouched in the second quarter. For the first time, therefore, we have to report a stagnation in sales figures for this half year. While operating income for the core business nevertheless rose by 19% to 1.6 million EUR in the first half of the year, this figure still remains below our own expectations.

The segment showing the strongest growth rate, although at a relatively low level, was cardiology once again with an increase of more than 50% over the figure for the first six months of the previous year.

The oncology segment, in contrast, showed a disappointing development. It increased by only 16%, which is due amongst others to the bankruptcy in May by the sole sales partner in the USA. Although good preparatory work enabled us to take over approximately 80% of the customer base, a drop in sales in the weeks preceding the bankruptcy petition was inevitable. In connection with this development, it was necessary to write off claims to the sales partner of 140 thousand EUR, which depressed the operating income in the second quarter. Thanks to the freedom of action regained in the largest market by far for prostate seeds, we view these events as an unanticipated opportunity for further growth in this area in the coming years. In the short term, however, we expect that establishing our own sales structure will exert more of a downward pressure on results.

Whereas a decline in sales was recorded in the USA, sales in Europe increased by double-digit figures. In particular, direct sales increased by the considerable figure of 35% over the first half of 2001, although still remaining well below expectations. A decisive factor for future market development here is the question of reimbursement for this method of treatment, despite all the indisputable benefits for patients. A rapid solution to this problem cannot be expected in view of the general financial difficulties affecting healthcare systems. Reimbursement already announced in France, for example, has been delayed following the change of government in Paris. We are therefore compelled to lower our short-term growth targets in the oncology segment (prostate).

In the industrial segment, sales developed according to plan. Although a nominal drop in sales was recorded in comparison to the first six months of 2001, that year included a special transaction of 900 thousand USD which helped a competitor past a shortage of raw materials. Without this special transaction, the segment showed a growth of 4.5% over the first half of the previous year. A further boost for the second half of the year is expected from the introduction of explosive detection equipment at American airports. The first order has already been received.

In the nuclear imaging segment, a major customer imposed a halt on its delivery of equipment in the first half of the year due to quality problems. This interruption in demand caused sales to decline by 5% in the first six months. The halt is not expected to be lifted until 2003, which should then promote sales in this segment again.

The considerable nominal drop in operating income during the first half of the year is due solely to investment in the biotechnology segment, amounting to 1.56 million EUR in the first half of the year (silent partnership plus contract research). Despite these outlays, however, the operating result is still positive. Without these costs, income rose by 19% in fact, which however is due in large part to the modified goodwill depreciation.

The fact that result before tax showed an overall negative development is due above all to major changes in the dollar exchange rate during the second quarter. In recent years, Eckert & Ziegler AG has loaned its American subsidiary approximately 8.3 million USD at a 15-year term. This loan, which is internal to the corporate group, led to currency losses of 1.2 million EUR in the second quarter, while the market value of a cross-currency swap used to safeguard a partial sum rose by only 0.5 million EUR. This resulted in net currency losses of 700 thousand EUR. In forming a correct assessment of these sums, however, one should keep in mind that these losses need not appear at all in the profit and loss account if they are made available to the subsidiary as equity capital instead of as a loan, even though this does not affect the financial situation of the corporate group in any way. The result before tax of last year included 2.6 million EUR from a special payment by a customer for a premature contract termination.

The cash flow statement for the second quarter is strongly influenced by the decision at the shareholders' annual meeting to distribute approximately 1.5 million EUR in dividends, and the return of short-term credit lines in the amount of 500 thousand EUR.

Milestones

- Shareholders' meeting decides on dividends of 0.45 EUR per share
- FDA authorization for prostate seeds, and start of direct sales in the USA
- Order for security equipment at American airports, using nickel sources

Research and Development

For both cardiovascular and oncology products, developments of several production modules have been released to operations in the second quarter.

Immunology projects for chelation and indium marking as well as various cell binding studies were successfully concluded. The development team also succeeded in establishing a suitable tumor model in animal experiments for the pre-clinical trials, and in producing additional antibody formats as well as stably expressing master cells. For dendritic cells, cultures could be successfully established without a conditioned medium, and the functional use of frozen/thawed cell cultures could be demonstrated. Application has been made for a patent to produce immunostimulating MUC-1 proteins.

Staff

The number of employees decreased over the same period of the previous year by approx. 3%, to a total of 212. This does not include the staff of NEMOD.

Outlook

Sales and revenue expectations for the second half of the year are dependent to a large degree on the further course of the exchange rate with the dollar. Because two thirds of the sales of the American subsidiary IPL contribute to the figures, the consolidation rate applied will exert a very considerable influence on the result for the corporate group. A 5% increase in sales by IPL combined with a fall of 15% in the exchange rate – as currently indicated – would result in a nominal drop in sales. Because we also have to scale down growth forecasts for the European oncology market, we currently anticipate for 2002 nominal results slightly below the level of the previous year.

Because a further drop in the dollar would also mean additional exchange rate losses in internal corporate group financing, we can no longer exclude losses of as much as 40 cents per share for 2002. The biotechnology investments included therein amount to approximately 4 million EUR.

Dr. Andreas Eckert, Chairman of the Management Board

Gerald Pohland, Board Member

Dr. Edgar Löffler, Board Member

Berlin, July 31, 2002

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

	6-monthly report 01 – 06/2002	6-monthly report 01 – 06/2001
Cash flows from operating activities		
Net profit/loss	- 633	2.366
Adjustments for:		
Depreciation and amortization	2,009	3,175
Proceeds from grant, net	273	84
Deferred taxes	-197	- 64
Accumulated other comprehensive income	905	- 789
Effect of exchange rates on operating cash flows	- 17	17
Long-tern accruals, other long-term liabilities	- 308	603
Calculated interest and discounted debts	9	9
Gain (-)/loss on the sale of subsidiaries	1,360	-
Others, net	- 59	- 255
Changes in short-term assets and short-term liabilities:		
Accounts receivable	245	- 1,152
Inventories	191	- 1,027
Prepaid expenses and other current assets	52	- 450
Accounts payable and accounts payable to affiliates	- 568	681
Accrued income taxes	- 706	1,221
Other accrued liabilities	- 413	- 224
Deferred income	- 399	78
Other liabilities	80	197
Net cash provided by operating activities	1,824	4,470
Cash flows from investing activities		
Purchase of property, plant and equipment	- 1,346	- 4,394
Investments in or sales of affiliates	- 1,150	- 128
Purchases and sales of available-for-sale securities	1,573	172
Others	- 20	3
Net cash used in investing activities	- 943	- 4,347
Cash flows from financing activities		
Dividends paid	- 1,463	
Change in long-term borrowing	- 156	104
Change in short-term borrowing	- 357	86
Net cash provided by (used in) financing activities	- 1,976	190
Net effect of currency translation in cash and cash equivalents	- 19	53
Net increase (decrease) in cash and cash equivalents	- 1,114	366
Cash and cash equivalents at beginning of period	4,448	3,453
Cash and cash equivalents at end of period	3,334	3,819

Consolidated Income Statement – US GAAP (in thousand EUR)

	Quarterly report II/2002 04 – 06/2002	Quarterly report II/2001 04 – 06/2001	6-monthly report 01 – 06/2002	6-monthly report 01 – 06/2001
Revenues	7,868	8,964	15,988	16,163
Cost of Revenues	- 4,206	- 5,331	- 8,575	- 9,246
Gross profit/loss	3,662	3,633	7,413	6,917
Selling and Marketing expenses	- 792	- 663	- 1,530	- 1,283
General and administrative expenses	- 2,056	- 2,089	- 4,138	- 3,544
Research and development expenses	- 840	- 217	- 1,667	- 448
Other operating income expenses	- 140		- 36	
Amortization (and impairment) of goodwill	-	- 157	-	- 299
Operating income/loss	- 166	507	42	1,343
Interest income and expenses	- 38	- 62	- 76	- 67
Foreign currency exchange gains/losses	- 792	76	- 694	43
Other income/expense	35	2,673	131	2,700
Result before income tax (and minority interest)	- 961	3,194	- 597	4,019
Income tax	228	- 1,325	- 36	- 1,653
Result before minority interest	- 733	1,869	- 633	2,366
Net income/loss	- 733	1,869	- 633	2,366
Net earnings per share (basic)	- 0.23	0.58	- 0.19	0.73
Net earnings per share (diluted)	- 0.23	0.57	- 0.19	0.73
Weighted average shares outstanding (basic)	3,250	3,250	3,250	3,250
Weighted average shares outstanding (diluted)	3,250	3,254	3,250	3,257

Statement of Shareholders' Equity (in thousand EUR)

	Common Stock	Additional paid-in capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance, January 01, 2001	3,250	26,926	1,195	902	32,273
Stock-based Compensation		- 289			- 289
Net Income			3,240		3,240
Changes in Other Comprehensive Income				622	622
Balance, December 31, 2001	3,250	26,637	4,435	1,524	35,846
Balance, January 01, 2002	3,250	26,637	4,435	1,524	35,846
Stock-based Compensation					0
Dividends paid			- 1,462		- 1,462
Net Loss			- 633		- 633
Changes in Other Comprehensive Income				- 1,281	- 1,281
Balance, June 30, 2002	3,250	26,637	2,340	243	32,470

Consolidated Balance Sheet – US GAAP (in thousand EUR)

Assets	6-monthly report 01– 06/2002	Annual report 01–12/2001
Current assets		
Cash and cash equivalents	3,334	4,448
Short-term investments/marketable securities	2,177	3,751
Trade accounts receivable	3,491	3,930
Accounts reveivable due from related parties	653	772
Inventories	4,047	4,636
Deferred tax asset	423	261
Prepaid expenses and other current assets	627	303
Total curreent assets	14,752	18,101
Non current assets		
Property, plant and equipment	18,694	19,658
Intangible assets	5,265	6,180
Goodwill	7,530	8,371
Investments	152	202
Notes receivable/loans	68	68
Deferred taxes	37	5
Other assets	447	488
Total non current assets	32,193	34,972
Total assets	46,945	53,073

Liabilities and shareholders' equity	01– 06/2002	01–12/2001
Current liabilities		
Current portion of capital lease obligation	52	58
Short-term debt and current portion of long-term debt	324	814
Trade accounts payable	1,095	1,790
Advance payments received	36	38
Accrued expenses	1,847	2,408
Deferred revenues	926	1,155
Income tax payable	923	1,663
Deferred taxes	2	38
Other current liabilities	867	434
Total current liabilities	6,072	8,398
Non current liabilities		
Long-term debt, less current portion	2,999	3,279
Capital lease obligations, less current portion	163	219
Deferred revenues	3,302	3,028
Deferred taxes	788	802
Pension accrual	88	92
Others	1,063	1,409
Total non current liabilities	8,403	8,829
Shareholders' equity		
Share capital	3,250	3,250
Additional paid-in capital	26,637	26,637
Retained earnings	2,340	4,435
Accumulated other comprehensive income	243	1,524
Total shareholders' equity	32,470	35,846
Total liabilities and shareholders' equity	46,945	53,073

(Accounting Policies refer to the following page)

Accounting and Valuation Methods

See also the information in the 2001 annual report on the accounting and valuation methods.

A new item in 2002 is the accounting procedure for the atypical silent partnership in NEMOD Immuntherapie AG. Signed on 22 March 2002, the holding agreement stipulates that Eckert & Ziegler AG will provide a total of 9 million EUR as venture capital to NEMOD over the next 2 years, provided that specified milestones are attained and that the supervisory board grants its respective authorization. Eckert & Ziegler AG will participate in the profits and losses of NEMOD AG in proportion to the capital that it actually provides. A subordination declaration was made in connection with claims resulting from this holding.

The overall result for NEMOD AG is listed as a research and development investment in the Eckert & Ziegler AG annual report, independent of the assigned level of profit or loss as stipulated in the contract. The holding is not listed on the balance sheet; instead, an active or passive minority interest will be formed for the difference between the capital actually provided and the R&D investment reported. For June 30, the sum of 160 thousand EUR was listed for this purpose under additional short-term liabilities.

The result from this area will be listed separately under the immunology heading in the segment reports.

Financial calendar

August 13, 2002	Quarterly Report II/2002
November 12, 2002	Quarterly Report III/2002
January 29, 2003	3rd Berlin MedTech Day
March 27, 2003	Annual Report
March 27, 2003	Balance press conference
March 28, 2003	Analyst presentation
May 15, 2003	Shareholders' meeting

Eckert & Ziegler
Strahlen- und Medizintechnik AG

Robert-Rössle-Str. 10
D-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

WKN 565 970
ISIN DE 0005659700

Operating segments (in thousand EUR)

01–06/2002

	Industry & Nucl. Imaging	Cardiology & Oncology	Immunology	Others	Consolidation	Totals
Sales to external customers	10,656	4,999		333		15,988
Sales to other segments	112	172		672	- 956	
Total segment sales	10,768	5,171		1,005	- 956	15,988
Depreciation and amortization	- 779	- 1,019		- 211		- 2,009
Interest income	29	74		1,063	- 955	211
Interest expenses	- 563	- 484		- 202	962	- 287
Net income from continuing operations	349	202	- 1,001	- 144	- 39	- 633
Income tax	- 428	- 109	359	124	18	- 36
Segment assets	25,825	16,365		33,803	- 29,048	46,945
Equity investments	69	28				97

01–06/2001

	Industry & Nucl. Imaging	Cardiology & Oncology	Immunology	Others	Consolidation	Totals
Sales to external customers	11,495	4,029		639		16,163
Sales to other segments	151	89		875	- 1,115	
Total segment sales	11,646	4,118		1,514	- 1,115	16,163
Depreciation and amortization	- 960	- 1,969		- 246		- 3,175
Interest income	77	18		969	- 971	93
Interest expenses	- 588	- 344		- 211	983	- 160
Net income from continuing operations	542	1,407		417		2,366
Income tax	- 638	- 848		- 167		- 1,653
Equity investments	29,716	19,478		37,595	- 29,489	57,300

Sales by geographic areas II/2002	million EUR	%
North America	11,761	73
Europe	3,766	23
Asia/Pacific	438	3
Others	23	< 1
	15,988	100

Stocks and stock options

Management Board and Supervisory Board		Stocks	June 30, 2002 Stock options
Dr. Andreas Eckert	Management Board	10	2,500
(Eckert Consult GmbH)		(1,260,446)	(0)
Gerald Pohland	Management Board	4,750	15,000
Dr. Edgar Löffler	Management Board	0	10,000
Prof. Dr. Wolfgang Maennig	Supervisory Board	2,680	0
Margit Jatzke	Supervisory Board	385	0
Ralf Hennig	Supervisory Board	141	0
Prof. Dr. Ronald Frohne	Supervisory Board	0	0
Frank Perschmann	Supervisory Board	1,000	0
Prof. Dr. Detlev Ganten	Supervisory Board	0	0