

	Q1 – 2 2005	Q1 – 2 2004	Change
(Amounts in million EUR)			
Sales	18.8	16.8	12%
Return on sales before tax (in %)	8%	5%	54%
EBITDA	3.5	2.9	19%
EBIT	1.7	1.0	67%
EBT	1.5	0.9	73%
Net income from continuing operations	0.8	0.4	98%
Group net income / loss (-)	0.8	1.6	- 52% *
Group net income / loss (-) per share (in EUR)	0.25	0.52	- 53% *
Cash flow from operating activities	1.2	2.4	- 52%
Depreciation and amortization (net)	1.3	1.4	- 7%
Employees (as of June 30)	236	228	4%

*) Special effect in 2004 due to the deconsolidation of NEMOD with an amount of 1,191 Thousand EUR

Cover page

Left: Phantom for quality assurance
of PET systems.

Center: Line sources for nuclear medical PET
and SPECT systems

Right: Calibration standards for research
and measuring radioactivity in the environment

Dear Shareholder,

Eckert & Ziegler AG picked up considerable momentum in the second quarter of 2005. With sales of 10.2 million EUR, the company posted its best second-quarter result since being listed on the stock exchange. This represents an increase of around 17% over what was also a strong second quarter in 2004, but unlike last year, it has not been affected by the accounts for production systems. The increase derives solely from therapeutic products for cancer treatment, such as implants for prostate cancer as well as new product areas (radiation systems) acquired last year for which the first-quarter delivery delays were largely resolved.

Based on the half-year figures, cumulative Group sales rose to 18.8 million EUR, representing a rise of 12% over the year before. The Therapy segment showed the greatest growth in sales, from 6.9 million EUR last year to 8.2 million EUR this year, representing an increase of 18%. The Nuclear Medicine and Industry segment posted a somewhat more modest increase of 8% (10.6 million EUR compared to last year's 9.8 million), due in part to the need to compensate in that segment for the dollar exchange rate, which was about 4% less favorable than last year.

On the profit side, the result before income tax and minority interest rose by about 73% over the first half of 2004, from 0.9 to 1.5 million EUR. This yielded a net income from continuing operations of 0.8 million EUR, essentially doubling the figure for the same period last year (0.4 million EUR). In addition to an increase of 0.4 million EUR in gross profit from sales, other contributing factors included a reduc-

tion of 0.4 million EUR in R&D costs and a gain in foreign currency exchange of 0.5 million EUR, as well as other revenue sources. As expected, these results were offset by an increase of 0.6 million EUR in sales costs. Earnings per share from continuing operations amounted to 0.25 EUR. The EPS of the last years period contained a special effect of TEUR 1,191 net from the deconsolidation of NEMOD. Without taking into account this special effect the EPS showed an increase of 94%.

Total assets in the first half of the year showed a similar progression to the sales volume, rising by a good 16% over the start of the year, from 49.0 to 56.7 million EUR. This included two major increases of 4.7 million EUR each, in property, plant and equipment and in long-term debt and capital lease obligations, deriving in large part from the initial consolidation of EURO-PET Berlin Zyklotron GmbH. Levels of liquid funds and money-like securities declined by 0.7 million EUR since the start of the year, from 7.1 to 6.4 million EUR. Major outflows here included dividend payments (0.8 million EUR) and an expansion of net current assets (1.2 million EUR).

In terms of content, the Therapy segment focused on integrating the newly acquired products, in particular by setting up a distribution network outside Europe and acquiring authorizations for additional countries, as well as on developing and supplementing the product portfolio. The Nuclear Medicine and Industry segment, in contrast, concentrated on acquisitions to ensure growth and strengthen activity in the radiopharmaceutical sector. The latter included a majority acquisition of the contrast media manufacturer

EURO-PET Berlin Zyklotron GmbH in the first quarter, which Eckert & Ziegler AG is seeking to restructure, and another of the f-con Europe GmbH distributor and its German and Italian subsidiaries as of July 1, 2005.

Research and Development

In the Therapy division, the new IsoSeed® generation was developed to the point of readiness for the market. This new implant now provides substantially better X-ray visibility, thus enabling optimal application for all seed implantation systems.

The American subsidiary Isotope Products Laboratories started the development of a radiopharmaceutical grade 68Ge/68Ga radionuclide generating system in cooperation with the Battelle Institute and Pacific Northwest National Laboratory, both in the USA. These systems consist of production modules that enable physicians to easily and precisely generate the contrast media needed for diagnosing cardiac diseases and cancer.

Staff

Eckert & Ziegler AG employed a total number of staff of 236 (228) throughout the Group as of June 30, 2005.

Milestones

- Majority acquisition of f-con Europe GmbH, a distributor of radioactive contrast media (PET tracers) for cancer diagnosis.
- Siemens rates BEBIG as a "preferred supplier worldwide" for the brachytherapy and accessories sectors.
- Radioactive implants for treating prostate cancer are delivered for the first time to Russia.
- Delivery of cancer radiation systems to Russia.
- A physician's symposium on brachytherapy organized jointly with the Ernst von Bergmann Hospital is well received.
- The district council of Berlin-Pankow designates Eckert & Ziegler "Pankow's Most Family-Friendly Company" of 2005.

Outlook

With the majority acquisition of f-con Europe GmbH and its subsidiaries (f-con Deutschland GmbH and f-con Italia) as of 1 July 2005, Eckert & Ziegler AG is strengthening its position in the Nuclear Medicine sector. In addition to activities in the Therapy sector, a major focus during the third quarter will be on integrating and partially restructuring these new units.

As a first milestone we expect the launch of delivery of radioactive contrast media (PET tracers) from a newly constructed production facility in Milan within the next weeks.

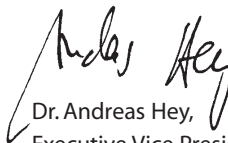
The Board continues to expect that sales will exceed 40 million EUR for the full year of 2005, and also anticipates earnings per share of between 0.50 and 0.80 EUR.



Dr. Andreas Eckert,
CEO



Dr. Edgar Löffler,
Executive Vice President Therapy



Dr. Andreas Hey,
Executive Vice President
Nuclear Medicine & Industry

Berlin, June 30, 2005

Accounting and Valuation Methods

See also the information in the 2004 annual report on the accounting and valuation methods.

Since February 1, 2005, holdings in EURO-PET Zyklotron GmbH have been included in the consolidated financial statements in the course of full consolidation. The complex initial consolidation is still based on provisional figures, which means that changes might yet result. If changes of this type are made, they would affect a number of balance sheet items.

EC regulation 1606/2002 of July 19, 2002 requires parent companies listed in organized capital markets in the EU region to prepare their consolidated financial statements as of 2005 in accordance with the International Accounting Standards (IAS), renamed the International Financial Reporting Standards (IFRS). Eckert & Ziegler AG will start applying IFRS to its consolidated financial statements of December 31, 2005. Due to having previously used the US-GAAP standards, the switch to IFRS will have no significant effect on company ratios.

Consolidated Income Statement – US-GAAP | Quarterly Report II/2005

	Quarterly report II/2005 04 – 06/2005	Quarterly report II/2004 04 – 06/2004 (previous year)	6-monthly report 01 – 06/2005	6-monthly report 01 – 06/2004 (previous year)
(Amounts in thousands)	EUR	EUR	EUR	EUR
Net sales	10,234	8,783	18,811	16,757
Cost of goods sold	- 5,307	- 4,762	- 10,623	- 8,957
Gross profit on sales	4,927	4,021	8,188	7,800
Selling expenses	- 1,516	- 1,202	- 2,839	- 2,202
General and administrative expenses	- 2,303	- 2,404	- 4,162	- 4,113
Research and development expenses	- 94	- 226	- 170	- 564
Other operating income and expense, net	66	15	71	23
Operating income/loss	1,080	204	1,088	944
Interest receivable and payable, net	- 155	- 89	- 240	- 172
Gains/losses on currency exchange, net	38	19	337	149
Other income/expense, net	68	- 58	292	- 65
Income before tax	1,031	76	1,477	856
Income tax expense	- 458	- 106	- 641	- 434
Net income from continuing operations	573	- 30	836	422
Results from deconsolidation of affiliates	0	1,191	0	1,191
Minority interests in net income of consolidated subsidiaries	- 74	- 11	- 74	- 41
Net income/loss	499	1,150	762	1,572
Weighted average shares outstanding (basic)	3,093	3,003	3,091	3,003
Weighted average shares outstanding (diluted)	3,140	3,035	3,130	3,033
Net earnings per share (basic)	0.16	0.38	0.25	0.52
Net earnings per share (diluted)	0.16	0.38	0.24	0.52

Consolidated Balance Sheet – US-GAAP | Quarterly Report II/2005

	6-monthly report June 30, 2005	Annual report December 31, 2004
(Amounts in thousands)	EUR	EUR
Assets		
Current assets		
Cash and cash equivalents	3,947	5,504
Marketable securities	2,458	1,607
Trade accounts receivable, less allowance for doubtful accounts	8,253	6,924
Receivables from related parties	23	8
Inventories	6,061	5,473
Deferred taxes	1,065	1,190
Prepaid expenses and other current assets	679	366
Total current assets	22,486	21,072
Non current assets		
Property, plant and equipment	17,442	12,753
Intangible assets	3,853	4,620
Goodwill	8,819	6,922
Equity investments	68	68
Notes receivable/loans	0	340
Deferred taxes	2,162	1,367
Other long-term assets	1,916	1,816
Total non current assets	34,260	27,886
Total assets	56,746	48,958
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt and current portion of long-term debt and capital lease obligations	425	200
Trade accounts payable	2,731	1,845
Prepayments received	223	261
Accrued expenses	2,303	2,626
Deferred income from grants and other deferred income	1,220	1,241
Income tax payable	- 59	- 44
Deferred taxes	102	47
Other current liabilities	679	641
Total current liabilities	7,624	6,817
Non current liabilities		
Long-term debt, less current portion and capital lease obligations	7,116	2,384
Deferred income from grants and other deferred income	3,224	2,827
Deferred taxes	1,208	1,060
Pension reserves	145	142
Other non-current liabilities	2,981	2,913
Minority interests	240	165
Total non current liabilities	14,914	9,491
Shareholders' equity		
Common stock	3,250	3,250
Additional paid-in capital	27,857	27,481
Retained earnings	6,150	5,388
Cumulative other comprehensive income	- 2,548	- 2,928
Treasury stock	- 501	- 541
Total shareholders' equity	34,208	32,650
Total liabilities and shareholders' equity	56,746	48,958

Consolidated Statement of Cash Flows – US-GAAP | Quarterly Report II/2005

	6-monthly report 01 – 06/2005	6-monthly report 01 – 06/2004 (previous year)
(Amounts in thousands)	EUR	EUR
Net profit/loss	762	1,572
Adjustments for:		
Depreciation and amortization	1,782	1,901
Proceeds from grants less release of deferred income from grants	- 500	151
Deferred taxes	350	- 36
Income (-)/expense from stock option plan	282	0
Unrealized foreign currency gains (-)/losses	- 56	63
Long-term reserves, other long-term liabilities	309	192
Book profit from deconsolidation NEMOD	-	- 1,191
Gains (-)/losses on the disposal of property, plant and equipment	1	- 17
Gains (-)/losses on the sale of securities	-	- 6
Other items, net	15	23
Changes in current assets and liabilities:		
Receivables	- 1,004	- 1,281
Inventories	- 505	- 1,061
Prepaid expenses and other current assets	59	121
Accounts payable and accounts payable to affiliates	638	591
Tax reserves	- 76	203
Other liabilities	- 895	1,200
Cash inflows from operating activities	1,162	2,425
Additions to intangible assets and property, plant and equipment	- 1,245	- 839
Acquisitions of consolidated enterprises	- 123	- 3,524
Sale of securities	- 801	- 1,778
Other items	- 13	- 16
Cash outflows/inflows from investing activities	- 2,182	- 6,157
Dividends paid	- 775	-
Change in long-term borrowing	- 246	- 131
Change in short-term borrowing	224	73
Treasury stock used for stock options	133	1,100
Cash outflows from financing activities	- 664	1,042
Effect of exchange rates on cash and cash equivalents	127	36
Decrease/increase in cash and cash equivalents	- 1,557	- 2,654
Cash and cash equivalents at beginning of period	5,504	8,942
Cash and cash equivalents at end of period	3,947	6,288
Short term investments	2,458	2,632
Cash and short term investments at the end of period	6,405	8,920

Statement of Shareholders' Equity – US-GAAP | Quarterly Report II/2005

	Common Stock	Additional Paid-in Capital	Retained Earnings	Cumulative Other Comprehens. Income	Treasury Stock	Total Shareholders' Equity
(Amounts in thousands)	EUR	EUR	EUR	EUR	EUR	EUR
Balance, January 01, 2004	3,250	26,752	2,054	- 2,188	- 1,054	28,814
Application of treasury stock for acquisitions and to service stock option plan		655			513	1,168
Stock-based compensation		74				74
Net income			3,334			3,334
Other comprehensive income				- 740		- 740
Balance, December 31, 2004	3,250	27,481	5,388	- 2,928	- 541	32,650
Balance, January 01, 2005	3,250	27,481	5,388	- 2,928	- 541	32,650
Treasury stock used for stock option program		94			40	134
Stock-based compensation		282				282
Net income			762			762
Changes in other comprehensive income				380		380
Balance, June 30, 2005	3,250	27,857	6,150	- 2,548	- 501	34,208

Stock and Stock Options

Management Board and Supervisory Board		June 30, 2005	
		Stocks	Stock Options
Dr. Andreas Eckert	Management Board	10	21,500
(Eckert Consult GmbH)		- 1,260,446	0
Dr. Andreas Hey	Management Board	0	0
Dr. Edgar Löffler	Management Board	7,500	12,750
Prof. Dr. Wolfgang Maennig	Supervisory Board	0	0
Prof. Dr. Ronald Frohne	Supervisory Board	19,549	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	0	0
Ralf Hennig	Supervisory Board	141	0
Hans-Jörg Hinke	Supervisory Board	0	0
Frank Perschmann	Supervisory Board	1,000	0

Operating Segments – US-GAAP | Quarterly Report II/2005

01 – 06/2005

	Nuclear Medicine & Industry		Therapy	Others	Consoli- dation	Totals
(Amounts in thousands)	EUR	EUR	EUR	EUR	EUR	EUR
Sales to external customers	10,612	8,198		1		18,811
Sales to other segments	116	92		291	- 499	
Total segment sales	10,728	8,290		292	- 499	18,811
Depreciation and amortization	- 653	- 1,071		- 59	1	- 1,782
Interest receivable	7	2		774	- 762	21
Interest payable	- 410	- 488		- 123	761	- 260
Net income from continuing operations	528	531		- 297		762
Income tax expenses	- 231	- 276		- 133	- 1	- 641
Segmental assets	29,228	20,080		34,690	- 27,522	56,476
Segmental liabilities	- 11,745	- 13,942		- 2,151	17,669	- 10,169
Equity investments		68				68
Additions to property, plant and equipment (without financial investments)	281	965		1		1,247

Sales by geographic areas 01 – 06/2005

	million EUR	%
North America	8.8	47
Europe	8.8	47
Asia/Pacific	1.2	6
Others	0.0	<1
	18.8	100

01 – 06/2004 (previous year)

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

Sales by geographic areas 01 – 06/2004 (previous year)

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

Financial Calendar

August 09, 2005:

Quarterly Report II/2005

November 08, 2005:

Quarterly Report III/2005

March 31, 2006:

Annual Report 2005

March 31, 2006:

Balance press conference
in Berlin

April 04, 2006:

Analyst presentation
and MedTech Day in Frankfurt

May 09, 2006:

Quarterly Report I/2006

May 30, 2006:

Annual general meeting
in Berlin

August 08, 2006:

Quarterly Report II/2006

November 07, 2006:

Quarterly Report III/2006

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