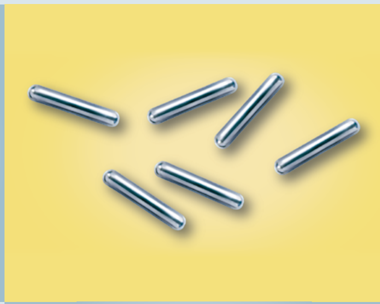
Quarterly Report II/2007



Eckert & Ziegler

		Q1-2 2007	Q1-2 2006	Change
Revenue	Million EUR	**26.5**	23.2	14%
Return on revenue before tax	%	**10**	9	3%
EBITDA	Million EUR	**4.8**	4.8	1%
EBIT	Million EUR	**2.9**	2.5	14%
EBT	Million EUR	**2.5**	2.2	18%
Net income before minority interest	Million EUR	**1.6**	1.5	2%
Net income / loss	Million EUR	**1.5**	1.4	3%
Earnings per share (basic)	EUR	**0.46**	0.45	2%
Earnings per share (diluted)	EUR	**0.46**	0.45	2%
Cash flow from operating activities	Million EUR	**2.3**	1.6	39%
Depreciation and amortization	Million EUR	**1.9**	2.2	-14%
Employees (as of June 30)	Persons	**317**	292	9%

Cover captions:

Upper left: Modular Lab LDF for marking and dispensing radiopharmaceuticals (beta-nuclides) in patient syringes

Upper center: Iodine-125 implants for treating prostate cancer

Upper right: Strong team – Eckert & Ziegler employees at the 2007 5 x 5 km relay race in Berlin

Lower center: MultiSource® cancer radiation system

Business development for the Eckert & Ziegler Group

Following the record year of 2006, the first six months of the new business year have continued to show favorable development.

In the first half of 2007, the Eckert & Ziegler Group posted sales of 26.5 million EUR, which amounted to 3.3 million EUR or 14% above the figure for the same period of last year. The operating result increased by 24% over the first half of last year, to 2.9 million EUR, and income after taxes rose by 3% to 1.5 million EUR.

In all three segments, sales increased over the same 6-month period of 2006. With an increase in sales of 30% to 3.1 million EUR, the Radiopharmaceuticals segment achieved the greatest percent growth over last year. Sales in the Therapy segment rose by 19% to 10.4 million EUR, and by 8% to 12.9 million EUR in the Nuclear Imaging and Industry segment. Without the unfavorable course taken by the US$/EUR exchange rate, the Nuclear Imaging and Industry segment's increase in sales over last year would have been more than twice as high, thanks to outstanding developments especially in industrial products and raw isotopes.

Net assets, financial position, and profit situation

Net assets

The Eckert & Ziegler Consolidated Balance Sheet showed a slight decline as of 30 June 2007 compared to 31 December 2006, at 62.8 million EUR (31 December 2006: 64.2 million EUR). This decline comprised 0.6 million EUR for long-term and 0.7 million EUR for short-term assets.

Equity capital at the Eckert & Ziegler Group remained nearly the same. Because of the decline in total assets, the equity capital rate improved to 58% (31 December 2006: 57%). The Group thus commands a solid capital structure, which provides it with sufficient capacity for future action.

Liabilities as of 30 June 2007 were reduced by 1.4 million EUR compared to the figure on 31 December 2006. This consisted primarily of long-term liabilities which were lowered by 1.4 million EUR, while the short-term liabilities remained largely unchanged.

Financial position

The cash flow from operating activities was 2.3 million EUR for the first half of 2007, following 1.6 million EUR for the same period of last year. Investments amounted to 1.8 million EUR compared to 1.3 million EUR for the first half of last year. Investments in the first half of this year as well as last year made use of revenue from the sale of securities.

The cash flow from financing activities was -2.4 million EUR (2006: -1.2 million EUR). These funds were used to repay loan liabilities of 1.3 million EUR. Another 0.8 million EUR were paid out as dividends to shareholders of Eckert & Ziegler AG, and 0.3 million EUR to minority interests.

Milestones

■ April 2007

PET scans (Positron Emissions Tomography) for diagnosing certain types of lung cancer will now be remunerated by state-supported insurance companies in Germany not only on an inpatient but also on an outpatient basis by contracting physicians. The decision to do so will help establish this diagnostic method and can be expected to boost sales of radiopharmaceutical products from Eckert & Ziegler.

■ May 2007

The Institut Curie in Paris, a leading French research and treatment center for radiation therapy, renewed its cooperation agreement with Eckert & Ziegler AG for the supply of prostate implants. This extended agreement is valued at nearly 2 million EUR.

■ June 2007

The first HDR afterloader from Eckert & Ziegler was installed in India. This system, which works with a long-lived radioactive cobalt source, successfully started up operations at the MGM Hospital in Bhimavaram.

Group liquidity as of 30 June 2007, consisting of the net cash volume plus short-term securities and other monetary investments, was 3.8 million EUR (31 December 2006: 5.8 million EUR).

Profit situation

Profits at the Eckert & Ziegler Group showed a very positive development in the first half of the year. After taxes and minority interests, the Group posted a profit of approximately 1.5 million EUR (2006: 1.4 million EUR) or 0.46 EUR per share (2006: 0.45 EUR per share). These values for the first half of 2007 thus exceed the corresponding values for the same period of last year.

As in previous periods, the main source of profit was the Nuclear Imaging and Industry segment, which contributed around 1.5 million EUR after taxes and minority interests. Both the operating result and the income after minority interests increased substantially. The operating result grew by 22% (+0.5 million EUR), while the income after minority interests also increased by 22% (+0.3 million EUR).

The Therapy segment also succeeded in raising both its operating result and its income after taxes. The operating result increased by 48% (+0.4 million EUR) to 1.2 million EUR, which enabled income after taxes to increase by 35% (+ 0.1 million EUR) to 0.5 million EUR.

The Radiopharmaceuticals segment posted a result of -0.4 million EUR. However, these losses for the first half of the year were within the anticipated range.

Research and development

In the Radiopharmaceuticals segment, a new dispensing system was developed (Modular Lab LDF) which reduces radiation levels in the dispensing of radioactive contrast agents to well below legally specified limits. Because it is compatible with other modules in the Modular Lab family and can be run by the same software, this new system can also be used to automate other syntheses and processes that feature problematic radiation protection technology.

Another development in this segment was the completion and initial sales of a syringe dispensing module (SDM). This system allows radioactive contrast agents to be dispensed in the precise amounts for patient doses, which eliminates various measurement and refill procedures at hospitals. This system can also be combined with other modules from the Modular Lab family, which means that direct dispensing procedures can be performed at smaller scales following the actual synthesis.

In the Nuclear Imaging and Industry segment, preparations have been made for the market introduction of a new gallium generator which is compatible with the Eckert & Ziegler Group's synthesis modules. Plans call for the actual market introduction to take place at this year's annual conference of the European Association of Nuclear Medicine (EANM) in Copenhagen in October of 2007.

Staff

As of 30 June 2007, the Eckert & Ziegler Group employed a staff of 317 (compared to 292 on 30 June 2006). The total number of staff increased by 16 over the figure for the end of 2006.

Outlook

The favorable results for the first half of 2007 have laid the foundation for another successful business year. Business development has thus far met the Board's expectations.

The corporate tax reform in Germany is expected to generate a one-time, non-monetary burden of 0.8 million EUR (0.25 EUR per share) (see the section on Significant Events below). The Board continues to expect a result of 2.8 million EUR (0.90 EUR per share) for the 2007 business year before special and one-time effects.

The ongoing decline in the exchange rate with the dollar, however, does represent a certain risk for the expected results. Forecasts suggest that the dollar will continue to weaken over the second half of the 2007 business year.

Full order books confirm our growth expectations for implants used to treat prostate cancer, as well as for industrial components and tumor radiation systems in the second half of the 2007 business year.

	Quarterly Report II/2007 04–06/2007	Quarterly Report II/2006 04–06/2006	**6-monthly Report 01–06/2007**	6-monthly Report 01–06/2006
	TEUR	TEUR	TEUR	TEUR
Revenue	**13,459**	11,892	**26,458**	23,176
Cost of goods sold	**-6,364**	-5,784	**-13,341**	-11,914
Gross profit on sales	**7,095**	6,108	**13,117**	11,262
Selling expenses	**-2,634**	-2,120	**-4,793**	-4,172
General and administrative expenses	**-2,775**	-2,610	**-5,414**	-5,107
Research and development expenses	**-47**	-163	**-53**	-266
Other operating income	**38**	329	**123**	865
Other operating expenses	**-75**	-231	**-84**	-247
Operating income/loss	**1,602**	1,313	**2,896**	2,335
Interest receivable and payable, net	**-183**	-255	**-357**	-391
Gains/losses on currency exchange, net	**-39**	32	**4**	-15
Other income/expense, net	**-**	95	**-**	228
Income before tax and minority interest	**1,380**	1,185	**2,543**	2,157
Income tax expense	**-607**	-341	**-974**	-617
Net income from continuing operations	**773**	844	**1,569**	1,540
Income from discontinued operations, net	**-**	-	**-**	-
Minority interests in net income of consolidated subsidiaries	**-70**	-75	**-109**	-121
Net income/loss	**703**	769	**1,460**	1,419
Earnings per share				
Basic	**0.22**	0.25	**0.46**	0.45
Diluted	**0.22**	0.24	**0.46**	0.45
Earnings per share – continued operations				
Basic	**0.25**	0.27	**0.50**	0.49
Diluted	**0.24**	0.27	**0.49**	0.49
Average number of shares in circulation (basic)	**3,141**	3,123	**3,141**	3,123
Average number of shares in circulation (diluted)	**3,173**	3,158	**3,173**	3,158

	6-monthly Report 06-30-2007	Annual Report 12-31-2006
	TEUR	TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	**15,331**	15,920
Intangible assets	**7,588**	7,212
Goodwill	**10,545**	10,773
Equity investments	**74**	74
Deferred taxes	**3,963**	4,118
Other non-current assets	**2,078**	2,084
Total non-current assets	**39,579**	40,181
Current assets		
Cash and cash equivalents	**2,777**	4,683
Marketable securities	**1,031**	1,081
Trade accounts receivable, less allowance for doubtful accounts	**11,090**	11,110
Receivables from related parties	**4**	27
Inventories	**6,722**	5,888
Prepaid expenses and other current assets	**1,641**	1,204
Total current assets	**23,265**	23,993
Total assets	**62,844**	64,174
EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	**3,250**	3,250
Capital reserve	**29,708**	29,632
Retained earnings	**6,741**	6,068
Cumulative other comprehensive income	**-3,232**	-2,679
Own shares	**-358**	-366
Minority interests	**261**	424
Total shareholders' equity	**36,370**	36,329
Non-current liabilities		
Long-term debt, less current portion and finance lease obligations	**6,083**	7,319
Deferred income from grants and other deferred income	**1,179**	1,270
Deferred taxes	**1,693**	1,706
Retirement benefit obligations	**134**	129
Other non-current liabilities	**3,421**	3,449
Total non-current liabilities	**12,510**	13,873
Current liabilities		
Short-term debt and current portion of long-term debt and finance lease obligations	**2,965**	3,365
Trade accounts payable	**3,750**	3,855
Prepayments received	**419**	331
Provisions	**3,917**	3,971
Deferred income from grants and other deferred income	**955**	960
Income tax payable	**534**	300
Other current liabilities	**1,424**	1,190
Total current liabilities	**13,964**	13,972
Total liabilities and shareholders' equity	**62,844**	64,174

	6-monthly Report 01 – 06/2007	6-monthly Report 01 – 06/2006
	TEUR	TEUR
Cash flows from operating activities		
Profit for the period	**1,568**	1,419
Adjustments for:		
Depreciation and amortization	**1,925**	2,233
Proceeds from grants less release of deferred income from grants	**-91**	-533
Deferred taxes	**163**	-86
Income (-)/expense from stock option plan	**65**	53
Unrealized foreign currency gains (-)/losses	**-148**	258
Long-term reserves, other long-term liabilities	**30**	-19
Gains/losses from the disposal of non-current assets	**-5**	10
Gains (-) / losses (+) on the sale of securities	**-**	-25
Other items, net	**9**	-40
Changes in current assets and liabilities:		
Receivables	**-197**	619
Inventories	**-929**	-24
Prepaid expenses and other current assets	**37**	85
Accounts payable and accounts payable to affiliates	**164**	-1,200
Tax reserves	**-141**	-246
Other liabilities	**-173**	-868
Net cash generated from operating activities	**2,277**	1,636
Cash flows from investing activities		
Additions to/sale of non-current assets	**-1,814**	-2,082
Purchase/sale of securities	**50**	826
Net cash used in investing activities	**-1,764**	-1,256
Cash flows from financing activities		
Dividends paid	**-786**	-469
Change in long-term borrowing	**-969**	-877
Change in short-term borrowing	**-346**	64
Distributions to minority interests	**-272**	-
Treasury stock used for stock options	**20**	97
Net cash generated from financing activities	**-2,353**	-1,185
Effect of exchange rates on cash and cash equivalents	**-66**	-122
Decrease/increase in cash and cash equivalents	**-1,906**	-927
Cash and cash equivalents at beginning of period	**4,683**	4,950
Cash and cash equivalents at end of period	**2,777**	4,023

	Subscribed capital: Shares	Subscribed capital: Nominal value	Capital reserve	Retained earnings	Cumulative otherequity items: Unrealized gains/losses on securities	Cumulative otherequity items: Exchange differences	Own shares	Equity attri-butable to shareholders	Minority interest	Group share-holders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance Jan 1, 2006	3,250,000	3,250	29,346	4,316	41	-1,664	-434	34,855	100	34,955
Dividends paid				-469				-469		-469
Cost of share option plan			116					116		116
Application of own shares for acquisitions and to service share option plan			170				68	238		238
Profit for the year				2,221				2,221	324	2,545
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 14 thousand)					22			22		22
Reversal of unrealized gains/ losses on securities at previous balance sheet date					-41			-41		-41
Foreign currency translation differences						-1,037		-1,037		-1,037
Balance Dec 31, 2006	**3,250,000**	**3,250**	**29,632**	**6,068**	**22**	**-2,701**	**-366**	**35,905**	**424**	**36,329**

	Subscribed capital: Shares	Subscribed capital: Nominal value	Capital reserve	Retained earnings	Cumulative otherequity items: Unrealized gains/losses on securities	Cumulative otherequity items: Exchange differences	Own shares	Equity attri-butable to shareholders	Minority interest	Group share-holders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance Jan 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			65					65		65
Application of own shares for acquisitions and to service share option plan			11				8	19		19
Profit for the year				1,459				1,459	109	1,568
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 22 thousand)					22			22		22
Reversal of unrealized gains/ losses on securities at previous balance sheet date					-22			-22		-22
Foreign currency translation differences						-553		-553		-553
Balance June 30, 2007	**3,250,000**	**3,250**	**29,708**	**6,741**	**22**	**-3,254**	**-358**	**36,109**	**261**	**36,370**

01 – 06/2007

	Nuclear Medicine & Industry	Therapy	Radio-pharma-ceuticals	Others	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	12,910	10,405	3,137	6		26,458
Sales to other segments	88	257	1	491	-837	
Total segment sales	12,998	10,662	3,138	497	-837	26,458
Depreciation & amortization	-577	-1,044	-243	-61		-1,925
Non-cash income and expenses	-46	182	-179	20		-23
Net income/loss before minority interest	1,616	451	-411	-87		1,569
Segmental assets	27,968	17,641	12,146	37,345	-36,218	58,882
Segmental liabilities	-12,672	-15,094	-12,876	-6,050	21,910	-24,782
Capital expenditure	310	991	512	1		1,814

Sales by geographic areas 01 – 06/2007	Million EUR	%
North America	10.1	38
Europe	13.7	52
Asia/Pacific	1.4	5
Others	1.3	5
	26.5	100

01 – 06/2006

	Nuclear Medicine & Industry	Therapy	Radio-pharma-ceuticals	Others	Consoli-dation	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	11,997	8,771	2,408			23,176
Sales to other segments	415	57	7	339	-818	
Total segment sales	12,412	8,828	2,415	339	-818	23,176
Depreciation & amortization	-658	-1,233	-263	-79		-2,233
Non-cash income and expenses	503	388	132	-641		382
Net income/loss before minority interest	1,358	336	-177	23		1,540
Segmental assets	27,370	19,164	8,335	36,728	-31,614	59,983
Segmental liabilities	-13,185	-19,223	-9,671	-5,117	21,159	-26,037
Capital expenditure	350	1,594	130	8		2,082

Sales by geographic areas 01 – 06/2006	Million EUR	%
North America	9.2	40
Europe	11.6	50
Asia/Pacific	0.9	4
Others	1.5	6
	23.2	100

General information

This unaudited Consolidated Interim Report for the first half of 2007 comprises the reports from Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (also "Eckert & Ziegler AG" below).

Accounting and valuation methods

Eckert & Ziegler AG's Consolidated Interim Report of 30 June 2007 was produced like the 2006 Annual Report in accordance with the International Financial Reporting Standards (IFRS). It takes into account all standards stipulated for application in the EU on that date by the International Accounting Standards Board (IASB) in London, as well as official interpretations by the International Financial Interpretations Committee (IFRIC) and/or the Standing Interpretations Committee (SIC).

The accounting and valuation methods contained in the appendix to the 2006 Annual Report were applied unchanged.

To prepare the Consolidated Interim Report in accordance with IFRS, it is necessary to make estimates and assumptions about the level and extent of the assets, debts, revenues, and expenditures on the balance sheet. The actual values can deviate from the estimates. Major assumptions and estimates are made for useful lives, obtainable revenues from fixed assets, viability of outstanding accounts, and accounting and valuation of provisions.

This Interim Report contains all the information and adjustments needed to acquire a view of the total assets, financial position, and profit situation of Eckert & Ziegler AG corresponding to actual conditions at the time of the Interim Report. Sub-year results for the ongoing business year cannot necessarily be used to derive conclusions about the development of future results.

Companies included in the consolidation

Eckert & Ziegler AG's Consolidated Interim Report includes all companies for which Eckert & Ziegler AG is able to directly or indirectly determine financial and business policy (control function). Between 31 December 2006 and 30 June 2007, there were no changes to the consolidation cycle, so the companies included in the Interim Report of 30 June 2007 are the same as those in the Consolidated Financial Statement of 31 December 2006.

Limited comparability of this Consolidated Interim Report with last year

Altmann Therapie GmbH & Co. KG left the consolidation cycle as of 31 December 2006. This substantially affected the Group's asset and profits situations, which makes it difficult to compare this Consolidated Interim Report with that of the year before.

Currency conversion

Financial statements for subsidiaries outside the European Currency Union are converted in accordance with the notion of functional currency. The following exchange rates were used:

Country	Currency	Exchange rate on 30 June 2007	Exchange rate on 30 June 2006	Average rate for the first half of 2007	Average rate for the first half of 2006
USA	US$	1.347500	1.255100	1.331847	1.238104
Czech Republic	CZK	28.694405	28.486800	28.199994	28.449502

Events after Balance Sheet Date Disclosures

On 6 July 2007, the upper house of the German Parliament passed the 2008 corporate tax reform. The expected reduction in income tax rates will require a re-evaluation of deferred tax items. The Consolidated Financial Statement for the third quarter of 2007 is therefore expected to show an additional, one-time, non-monetary tax burden of approximately 0.8 million EUR. This corresponds to an amount of 0.25 EUR per share.

Number of Own Shares

On 30 June 2007 Eckert & Ziegler AG held 106,835 of its own shares. This corresponds to 3.3% of the company's capital stock.

Dividends Paid

In the second quarter of 2007 dividends in the amount of EUR 785,791.25 (2006: EUR 469,164.75) were paid. This corresponds to a dividend of EUR 0.25 per share (2006: EUR 0.15 per share).

Statement as per §37y of the WpHG in conjunction with §37w(2) no. 3 of the WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, this Interim Consolidated Financial Statement gives a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Interim Group Management Report gives 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 for the remaining months of the financial year.

Berlin, 07 August 2007

Dr. Andreas Eckert,
Chief Executive Officer

Dr. Edgar Löffler,
Executive Vice President

Dr. Andreas Hey,
Executive Vice President

Financial Calendar

08-07-2007
Quarterly Report II/2007

11-06-2007
Quarterly Report III/2007

11-13-2007
German Equity Capital Forum in Frankfurt

03-28-2008
Annual Report 2007

03-28-2008
Balance Sheet Press Conference in Berlin

04-15-2008
Medtech Day in Frankfurt

05-06-2008
Quarterly Report I/2008

06-11-2008
Annual General Meeting in Berlin

08-05-2008
Quarterly Report II/2008

11-04-2008
Quarterly Report III/2008

November 2008
German Equity Capital Forum in Frankfurt

Eckert & Ziegler
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