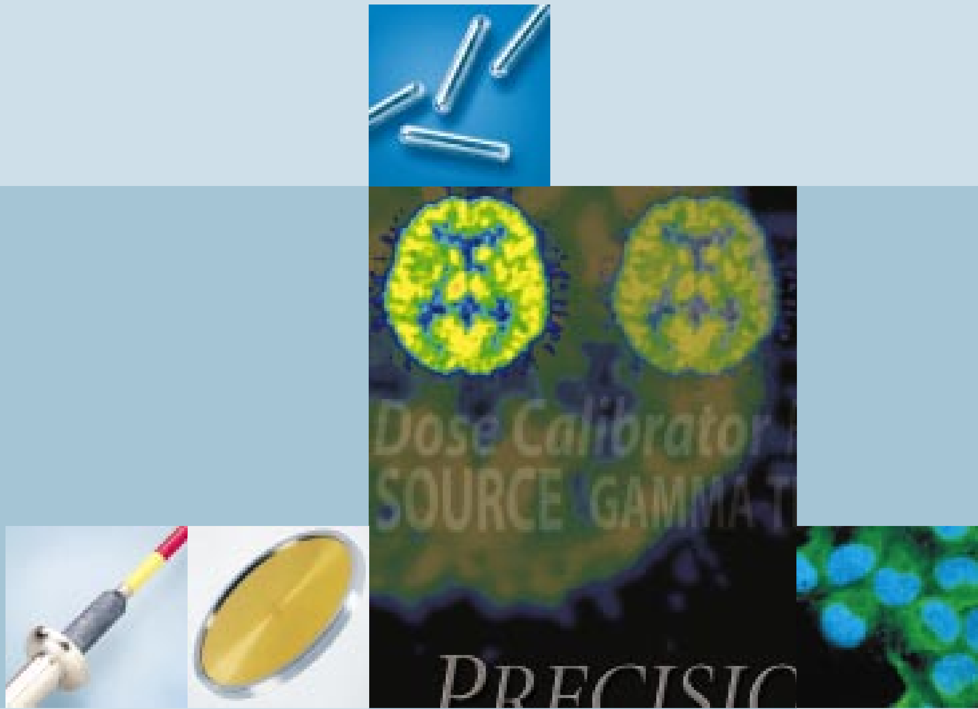
Quarterly Report
III/2001



Eckert & Ziegler

Dear Shareholder,

The third quarter 2001 was overshadowed by the horrible attack of September 11 and the consequent events. This has dampened our delight about the continued growth in the third quarter. Compared to the first nine months of 2000 we increased sales by 55 % and by 26 % in comparison to the third quarter 2000. These results are especially remarkable since the third quarter figures included for the first time, the entire sales of a business unit acquired in June 2000. This corresponds to an organic growth of over 22 % excluding the favorable dollar exchange rates.

This growth was driven by the oncolgy segment which compared to the third quarter 2000 increased by 70 %. In comparison to the second quarter 2001 we saw, as expected, a slight decrease due to the European vacation months. In July and August traditionally the numbers of surgeries and therefore the demand for seeds decreased.

In the cardiology segment events turned out to be less positive. Competitors released several studies on drug coated stents that suggest that they will become a viable alternative to cardiovascular radiation. Some publications forecast a market entrance of these competing products as early as mid 2003. As a result of these publications, one of our customers decided to terminate his development of a radioactive catheter and to discontinue the recently launched production process. The announced provisions for contingent losses of 750,000 EUR for the restructuring of the cardiology segment are not yet included in the figures for September 30. Our negotiations with the customer regarding indemnities have not been completed and these indemnities could substantially reduce the provisions.

While two out of the original three customers have receded out of the cardiovascular segment, our third partner, Novoste Corporation, USA, reported excellent results with its product. The potential sales were limited by our production capacity. We therefore will upgrade to three shifts to meet this high demand. Overall, the cardiology segment grew by 34 % compared to the third quarter 2000 and by 16 % in comparison to the second quarter 2001. Mid-term we expect a further increase in sales. It is currently not possible to predict whether drug coated stents will totally replace cardiovascular radiation treatment. However, since the cardiology segment has contributed less than 10 % to total turnover, the mid term impact should be minor, even in the worst case scenario.

The industrial sources and the nuclear imaging segments showed an internal growth of 10 % compared to the third quarter 2000 (excluding the favorable dollar exchange rates) and thereby met our expectations. In comparison to the first nine months 2000 growth was over 40 %. The earning contribution of these segments increased disproportionately of approximately 55 %. However this did not meet our expectations which were based on the acquisition of the worldwide sources business from DuPont Pharmaceuticals Company, USA, in June 2000. The Management Board has therefore strengthened the direction of this segment by instituting an operations manager whose function will be to increase the return on sales from 12 % to at least 20 % in the next several months.

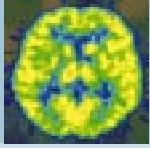
At the end of September the Eckert & Ziegler group discontinued its involvement in the division of medical robotics and sold Jojumarie Intelligente Instrumente GmbH. Up to this point the segment contributed approximately 380,000 EUR in sales. The sale resulted in a book profit on the group level of 342,000 EUR as opposed to an operating loss of 240,000 EUR from this segment.

Milestones

- Long term contract with General Electric Medical Systems for the delivery of nuclear medical sources valued at more than 5 Mio EUR
- Entrance into a new business segment: Radiopharmaceuticals
- Sale of the non-strategic segment of medical robotics
- Appointment of Nigel Talboys as the new General Manager for Sales and Marketing of BEBIG GmbH

Research and Development

All preparations for the GMP production of antibodies are now completed, and a first order for the manufacturing of master and working cell banks has been issued. Work to scale-up the antibody production will follow. The expenses for these steps are covered by NEMOD, our strategic partner, who also manages the clinical testing. In the field of medical devices we will concentrate on the enhancement of our product portefolio. Development in the cardiovascular radioactive



sources has been widely terminated due to the previously mentioned competitive situation.

With the development of antibody based radiopharmaceuticals, Eckert & Ziegler also acquired certain rights to an incubator company engaged in the development of numerous molecular biological products. Primarily, these products are innovative pharmaceuticals for cancer treatment. The advancement in some of these products are such that they will enter into Phase I clinical trials in the next quarters. The Board of Management is reviewing whether a potentially stronger engagement in this segment is beneficial for Eckert & Ziegler.

Employees

Compared to the previous year the number of employees increased by approximately 18 % to 230 (195).

Forecast

The year end forecasted earnings of 1 EUR per share have already partially been achieved as of the end of the third quarter with 0.95 EUR per share. However, this includes 288,000 EUR of earnings resulting from stock options. Without these earnings the result per share amounts to 0.86 EUR per share. The achievement of the goal of 1 EUR per share is dependent upon the negotiations regarding the indemnities with our customer of the cardiology segment. The result of these negotations will determine the amount of the accrued expenses. If the accrued expenses should entail 750,000 EUR, the earning contribution of the fourth quarter would be minimal (approximately 0.05 EUR per share).

In this instance the Board of Management predicts an EBIT of approximately 5.1 Mio EUR and sales of more than 30 Mio EUR for the current year 2001.

For 2002 the company projects a sales growth of approximately 20 % to around 37 Mio EUR with an EBIT of 6 Mio EUR; this EBIT must be achieved by the operational business without the indemnity of 2.6 Mio EUR which is included, as expected, in our 2001 earnings.

Dr. Andreas Eckert
Chairman of the Management Board

Jürgen Ziegler
Board Member

Gerald Pohland
Board Member

Dr. Edgar Löffler
Board Member

Berlin, October 31, 2001

Statement of Shareholders' Equity (in thousand EUR)

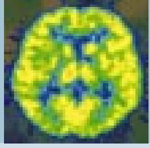
	Common Stock	Additional paid-in capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance, January 01, 2000	3,000	9,431	- 58	784	13,157
Issuance of common stock in public offering	250	17,216			17,466
Net Income			1,109		1,109
Changes in Other Comprehensive Income				780	780
Balance, September 30, 2000	3,250	26,647	1,051	1,564	32,512
Balance, January 01, 2001	3,250	26,926	1,195	902	32,273
Stock-based Compensation		- 289			- 289
Net Income			3,089		3,089
Changes in Other Comprehensive Income				336	336
Balance, September 30, 2001	3,250	26,637	4,284	1,238	35,409

Consolidated Income Statement – US GAAP (in thousand EUR)

	Quarterly report III/2001 07 – 09/2001	Quarterly report III/2000 07 – 09/2000	9-monthly report 01 – 09/2001	9-monthly report 01 – 09/2000
Revenues	8,492	6,699	24,655	15,871
Others	-	-		
Cost of Revenues	- 4,744	- 3,871	- 13,990	- 8,981
Gross profit/loss	3,748	2,828	10,665	6,890
Selling and Marketing expenses	- 611	- 319	- 1,894	- 880
General and administrative expenses	- 1,716	- 1,153	- 4,621	- 3,161
Research and development expenses	- 312	- 34	- 760	- 89
Other operating income and expenses	342	-	342	-
Amortization (and impairment) of goodwill	- 149	- 139	- 448	- 162
Other general Depreciation and amortiziation	- 351	- 238	- 956	- 560
Others	9	- 14	- 25	- 14
Operating income/loss	960	931	2,303	2,024
Interest income and expenses	- 50	- 22	- 117	96
Income from investments and participations	-	-		
Income /expense from associated companies	-	-		
Foreign currency exchange gains/losses	- 151	42	- 108	35
Other income/ expense	47	- 42	2,747	- 29
Result before income tax (and minority interest)	806	909	4,825	2,126
Income tax	- 84	- 369	- 1,736	- 1,026
Result before minority interest	722	540	3,089	1,100
Minority interest	0	0	0	9
Net income/loss	722	540	3,089	1,109
Net earnings per share (basic)	0.22	0.17	0.95	0.36
Net earnings per share (diluted)	0.22	0.17	0.95	0.35
Weighted average shares outstanding (basic)	3,250	3,250	3,250	3,111
Weighted average shares outstanding (diluted)	3,250	3,265	3,250	3,127

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

	9-monthly report 01 – 09/2001	9-monthly report 01 – 09/2000
Cash flows from operating activities		
Net profit/loss	3,089	1,109
Adjustments for:		
Minority Interest	-	- 9
Depreciation and amortization	4,268	1,821
Proceeds from grants, net	43	1,729
Other, net	552	669
Changes in short-term assets and short-term liabilities:		
Increase in short-term assets	- 2,485	- 6,695
Increase in short-term liabilities	1,472	4,464
Net cash provided by operating activities	6,939	3,088
Cash flows from investing activities		
Purchase of property, plant and equipment	- 7,393	- 19,745
Investments in or sales of affiliates	- 128	7
Purchases and sales of available-for-sale securities	- 301	- 1,607
Other	5	247
Net cash used in investing activities	- 7,817	- 21,098
Cash flows from financing activities		
Proceeds from issuance of share capital	-	17,466
Change in long-term borrowing	- 105	1,400
Change in short-term borrowing	52	100
Net cash provided by (used in) financing activities	- 53	18,966
Net effect of currency translation in cash and cash equivalents	0	31
Net increase (decrease) in cash and cash equivalents	- 931	987
Cash and cash equivalents at beginning of period	3,453	1,044
Cash and cash equivalents at end of period	2,522	2,031



Consolidated Balance Sheet – US GAAP (in thousand EUR)

Assets	**9-monthly report 01 – 09/2001**	**Annual report 01 – 12/2000**
Current assets		
Cash and cash equivalents	2,522	3,453
Short-term investments / marketable securities	3,733	3,768
Trade accounts receivable	4,828	5,102
Accounts receivable due from related parties	877	353
Inventories	4,625	3,154
Deferred tax asset	137	257
Prepaid expenses and other current assets	1,142	688
Total current assets	17,864	16,775
Non current assets		
Property, plant and equipment	20,492	18,636
Intangible assets	6,186	5,845
Goodwill	8,279	8,589
Investments	198	71
Notes receivable / loans	81	119
Deferred taxes	9	9
Other assets	482	454
Total non current assets	35,727	33,723
Total assets	53,591	50,498

Liabilities and shareholders' equity	**01 – 09/2001**	**01 – 12/2000**
Current liabilities		
Current portion of capital lease obligation	57	55
Short-term debt and current portion of long-term debt	215	916
Trade accounts payable	2,516	1,859
Advance payments received	117	214
Accrued expenses	1,949	2,543
Deferred revenues	950	1,022
Income tax payable	1,647	430
Deferred taxes	- 36	0
Other current liabilities	643	592
Total current liabilities	8,058	7,631
Non current liabilities		
Long-term debt, less current portion	3,232	4,197
Capital lease obligations, less current portion	228	261
Deferred revenues	4,739	4,697
Deferred taxes	615	606
Pension accrual	80	86
Others	1,230	747
Total non current liabilities	10,124	10,594
Minority interest	0	0
Shareholders' equity		
Share capital	3,250	3,250
Additional paid-in capital	26,637	26,926
Retained earnings	4,284	1,195
Accumulated other comprehensive income	1,238	902
Total shareholders' equity	35,409	32,273
Total liabilities and shareholders' equity	53,591	50,498

(Accounting Policies please refer to the following page)

Accounting Policies

Concerning the accounting policies refer to the indications in the annual financial statements 2000.

The operating segments have been adapted to the actual situation. Opposed to the annual financial statements the segments of cardiology and oncology do no longer contain the figures of the financial and administrative holding. These figures are now included in the "Others" segment.

Since in the group reporting, the area of medical robotics did not achieve the status of a separate segment, the sale of Jojumarie Intelligente Instrumente was not treated as discontinued operations of a segment as defined by US-GAAP. The costs and earnings of this area up to its sale were not shown separately but were inlcuded in the group figures. The gain resulting from the disposal of the assets and liabilities of the segment was shown as net income under Other Operating Income and Expenses. Since this income was only generated on the group level no income tax has been calculated.

In the third quarter the cumulated tax liabilities of the US subsidiary have been restructured under fiscally optimized conditions. This restructuring of the annual tax liabilities also includes the tax burden of the first and second quarter retrospectively, resulting in the appearance of a very low tax rate for the third quarter.

Operating segments (in thousand EUR)

01–09/2001	Industry & Nucl. Imaging	Cardiology & Oncology	Others	Consolidation	Totals
Sales to external customers	17,250	6,455	950		24,655
Sales to other segments	199	97	996	- 1,292	
Total segment sales	17,449	6,552	1,946	- 1,292	24,655
Equity earnings from affiliates					
Depreciation and amortization	- 1,467	- 2,418	- 383		- 4,268
Interest income	99	23	1,447	-1 ,427	142
Interest expenses	- 895	- 492	- 318	1,446	- 259
Net income from continuing operations	891	2,182	- 317	333	3,089
Segment assets	28,294	18,281	37,156	- 30,140	53,591
Segment liabilities	13,826	9,652	5,245	- 21,135	7,588
Equity investments		128	70		198

Stocks and stock options

		September 30, 2001 Stocks	Stock options
Dr. Andreas Eckert	Management Board	10	2,500
(Eckert Consult GmbH)		(1,260,446)	(0)
Jürgen Ziegler	Management Board	742,857	2,500
Gerald Pohland	Management Board	4,750	5,000
Dr. Edgar Löffler	Management Board	0	0
Prof. Dr. Wolfgang Maennig	Supervisory Board	4,250	0
Margit Jatzke	Supervisory Board	385	0
Ralf Hennig	Supervisory Board	141	0
Dr. Johannes Mauser	Supervisory Board	271	0
Frank Perschmann	Supervisory Board	200	0
Prof. Dr. Detlev Ganten	Supervisory Board	0	0

Financial calendar

March 27, 2002	Annual report 2001
March 27, 2002	Balance press conference
March 28, 2002	Analyst presentation
May 15, 2002	Shareholders' meeting

Eckert & Ziegler
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