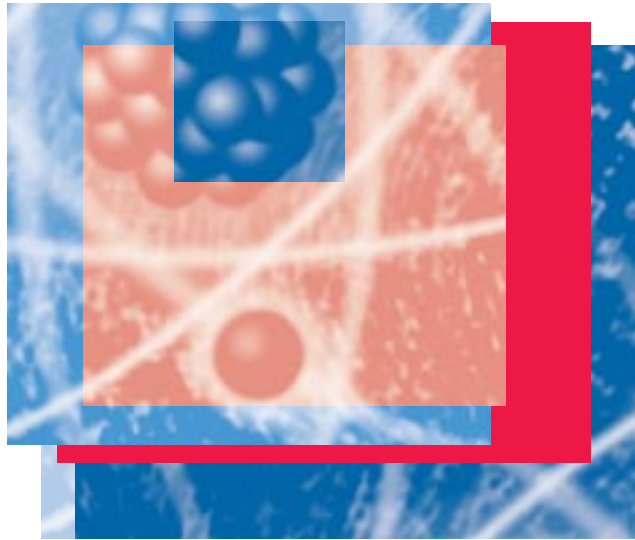


ECKERT & ZIEGLER AG

STRAHLEN- UND MEDIZINTECHNIK



Quarterly Report
III/1999

Dear Shareholder,

The business development of Eckert & Ziegler AG is characterized by extraordinarily strong dynamics also in the third quarter of 1999. As compared with the comparable period in 1998, from January 1 to October 30 1999 the sales increased by 486% to 7.0 million EUR (1.2 million EUR). Because of a delay in the complete start-up of a highly automated production line, there were time-lags in the delivery of radiation sources in the third quarter. These initial difficulties are expected to be eliminated before the end of the year.

Sales development

Broken down according to individual production areas, metrological and scientific radiation sources (4.2 million EUR), as well as medical reference sources, (1.6 million EUR) accounted for a significant portion of the sales. Oncological and cardiological components contributed to the sales with a total of 1.2 million EUR.

69%, the majority of the turnover, were achieved on the American market. Europe accounted for 29% of the turnover, and Asia and others accounted for 2%.

Milestones

- Founding of jojumarie GmbH, subsidiary for developing and producing intelligent instruments.
- Long-term basic contract with California medical equipment manufacturer (RMS) concerning the production and market introduction of a new balloon catheter
- Long-term basic contract with European manufacturer for irradiation devices with a value of up to 12 EUR for the development and production of radioactive components.
- Dedication of a new logistics center in California for medical radiation sources.
- Naming of Dr. André Heß as business manager of Eurotope GmbH
- Start of construction for a new production and administration building in Berlin (2,000 m²)
- Introduction of a stock option program for employees

Research and development

The expenditure for research and development amounted to around 1.2 million EUR up to 30 September 1999. The emphasis was on the development of new production lines and medical radiation sources.

Result

The profit of the usual business activity amounted to 0.7 million EUR in the reporting period. As a result of the delay in the start-up of a production line, the adjusted plan for the year 1999 is for the profit of the usual business activity to be 0.8 million EUR with sales of 9.9 million EUR

Employees

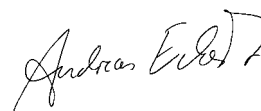
Further employees were hired in order to attend the extraordinary growth with personnel. On September 30, 1999 the number of employees amounted to 129 (50).

Outlook

Eckert & Ziegler AG will continue to develop its position as a complete supplier for isotope technology. The high demand for medical radiation sources and contracts just about to be concluded assure a constant growth. We will develop our current marketing structures in support of this. We intend to supplement our product portfolio and create access for us to new markets with strategic joint ventures and the acquisition of further companies.

Highly qualified employees are to be bonded to the company for the long term with a stock option program.

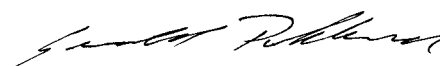
Present production bottlenecks are to be eliminated before the end of the year.



Dr. Andreas Eckert
Chairman of the Board



Jürgen Ziegler
Board Member



Gerald Pohland
Board Member

Berlin, November 15, 1999

Profit and Loss Statement

(in thousand EUR)

	01-09/99	01-09/98
Sales	7,098	1,207
Increase/decrease in inventory	205	-54
Capitalization of self-built assets	1,518	1,046
Other operating income	2,027	886
Total operating performance	10,848	3,085
Cost of material	-2,301	-909
Personnel costs	-3,594	-1,055
Depreciation expenses	-1,189	-307
Other operating expenses	-2,742	-925
Financial results	-319	-54
Results from ordinary activities	703	-165
Extraordinary items	-1,495	
Profit before taxes	-792	-165
Income taxes	-412	-2
Differences from currency translation	1	
Net loss / income of the year	-1,203	-167
Net loss of third parties	-0	
Earning per share (EUR)	-0.40	-0.05

Consolidated Balance Sheet (HGB)

(in thousand EUR)

	September 30, 1999	September 30, 1998
Assets		
Fixed assets		
Intangible assets	2,256	40
Property, plant and equipment	7,960	3,137
Financial assets	327	103
	10,543	3,280
Current assets		
Inventory	1,585	385
Receivables and other assets	1,992	407
Securities	5,611	382
Cash and cash equivalents	1,331	2,409
	10,519	3,583
Prepaid expenses	280	10
Deferred taxes	60	-
	21,402	6,873
Equity and Liabilities		
Equity		
Common stock	3,000	51
Capital reserve	9,791	7
Retained earnings	273	237
Net loss	-1,203	-167
Equity of third parties	10	
Currency translation differences	141	-
	12,012	128
Deferred income - investment grants	2,639	1,691
Accruals	1,481	571
Liabilities	5,270	4,483
	21,402	6,873

Consolidated Cash Flow Statement (HGB)

(in thousand EUR)

	01-09/99	01-09/98
Operating activities		
Net profit according to HGB	-1,203	-167
Costs in connection with the IPO	1,260	
Depreciation and amortisation	1,134	307
Changes in deferred income – investment grants	248	172
Changes in pension accruals	15	15
Increase/decrease in current assets	-854	115
Increase in current liabilities	596	86
Net cash from operating activities	1,196	528
Investing activities		
Purchase of investments	-3,817	-9
Purchase of other long term assets	-3,508	-1,474
Net cash used in investing activities	-7,325	-1,483
Financing activities		
Proceeds from issuance of share capital	8,975	-
Principal from long term borrowings	-555	3,429
Net cash from financing activities	8,420	3,429
Net increase in cash and cash equivalents	2,291	2,474
Cash and cash equivalents on January 1	4,803	284
Cash and cash equivalents on September 30	7,094	2,758

Reconciliation

(in thousand EUR)

	01-09/99	01-09/98
Net profit according to HGB	-1,203	Monthly US-GAAP transitional calculations were not performed in 1998.
Capitalization of patent costs	34	
Fixed assets (costs of construction)	-94	
Investment grant	36	
Inventory valuation	12	
Currency translation	11	
Costs of issuance of new shares (IPO)	778	
Purchase price allocation at IPL	-151	
Deferred taxes	401	
	1,027	
Profit after tax according to US-GAAP	-176	

Company calendar

- March 29, 2000: Balance press conference + analyst presentation
- March 30, 2000: Annual report 1999
- May 17, 2000: Annual general meeting

(subject to changes)

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