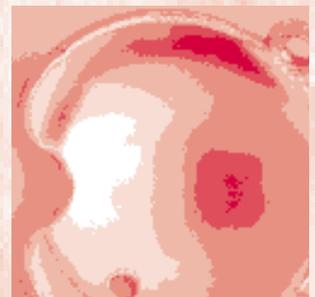
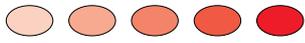


# 1998 MANAGEMENT REPORT

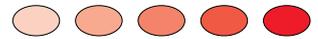




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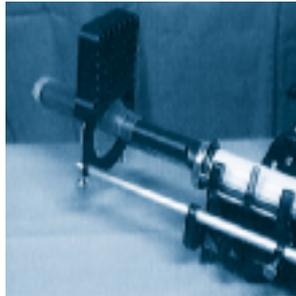
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# 1998 MILESTONES



## February

New production warehouse completed



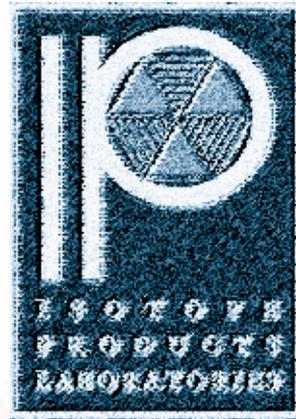
## March

Contract signed on long-term cooperation in the field of prostate therapeutics, construction started on production facility



## July

Quality assurance system acquires ISO 9001 certification



## August

Acquisition of Isotope Products Laboratory, an American isotope producer (consolidated as of 1 January 1999)

Urkunde  
Förderpreis 1998  
für den Mittelstand in Berlin und Brandenburg



„Innovationstransfer:  
Neue Unternehmen, Märkte und Berufe“

I. Preis

Anerkennung für beispielhafte Innovationstransfer, Produkt- und Marktinnovationen, neue geschaffene Qualifikationen bzw. Berufsbilder und erfolgreich realisierte Gründungsideen erhält:

*Eckert & Ziegler Strahlen- und Medizintechnik AG*

Wir danken dem Teilnehmer für seine Mitwirkung und wünschen auch weiterhin Mut, neue Wege zu finden und zu gehen.

*Dr. Jürgen Röttgers*

Minister für Bildung, Wissenschaft, Forschung und Technologie,  
Schleswig-Holsteinische Ministerpräsidentenkonferenz

*Ulrich Hagedorn*

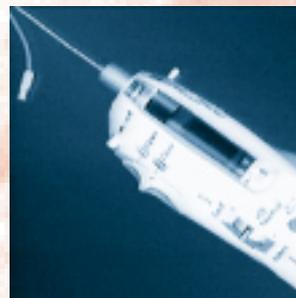
Spezialdirektor des Landes der Berliner Volksbank AG,  
Ausschüsse des Förderpreises

Berliner Volksbank

Die Bank für Berlin und Brandenburg

## September

Berlin Brandenburg innovation award



## October

European Union market authorization acquired for the BetaCath™ restenosis prevention system



## December

Capital stock raised to 5 million German marks



## SUPERVISORY BOARD REPORT

Throughout the 1998 fiscal year, the executive board provided the supervisory board with regular written and spoken reports on business developments pertaining to both Eckert & Ziegler Strahlen- und Medizintechnik AG and the Eckert & Ziegler AG Group. Particular attention was devoted to the market status and sales figures of the business against the background of general economic developments, as well as to the financial state of the corporation and its subsidiaries including their revenue developments. Major policy decisions were discussed in joint sessions with the executive board.

The year-end financial statement of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statement of the Eckert & Ziegler AG Group, and the management reports for Eckert & Ziegler Strahlen- und Medizintechnik AG and the Eckert & Ziegler AG Group were audited by accountants from Price Waterhouse GmbH. Both the year-end financial statement and the management report received an unqualified audit opinion as according with the Commercial Code. The auditor also gave an unqualified audit opinion to the consolidated financial statement prepared in accordance with the Commercial Code. The year-end financial statement for Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statement for the Eckert & Ziegler AG Group, the joint management report for Eckert & Ziegler Strahlen- und Medizintechnik AG and the Eckert & Ziegler AG Group, and the executive board's proposal for utilizing the year's net profit were submitted to the supervisory board together with the auditor's examination reports.

The supervisory board examined the year-end financial statement for Eckert & Ziegler Strahlen- und Medizintechnik AG, the management report for Eckert & Ziegler Strahlen- und Medizintechnik AG, the proposal for utilizing the year's net profit, and the auditor's report. It also considered the consolidated financial statement for the Eckert & Ziegler AG Group, the group management report for the Eckert & Ziegler AG Group, and the examination report from Price Waterhouse GmbH.

The accountant who signed the audit opinion for the Eckert & Ziegler Strahlen- und Medizintechnik AG year-end financial statement was also present for the relevant point on the agenda at the supervisory board meeting devoted to the annual accounts, and presented a report on the audit performed. The supervisory board agreed with the results as presented by the auditor.

Having concluded its examination, the supervisory board has no objections to raise and therefore approves the year-end financial statement prepared by the executive board and the management report of Eckert & Ziegler Strahlen- und Medizintechnik AG as well as the auditor's report. It agrees with the proposal for utilizing the year's net profit, and on behalf of the board and the management team, thanks all the employees for their good work.

Berlin, March 30, 1999

The Supervisory Board of Eckert & Ziegler Strahlen- und Medizintechnik AG

Professor Dr. Wolfgang Maennig  
Chairman

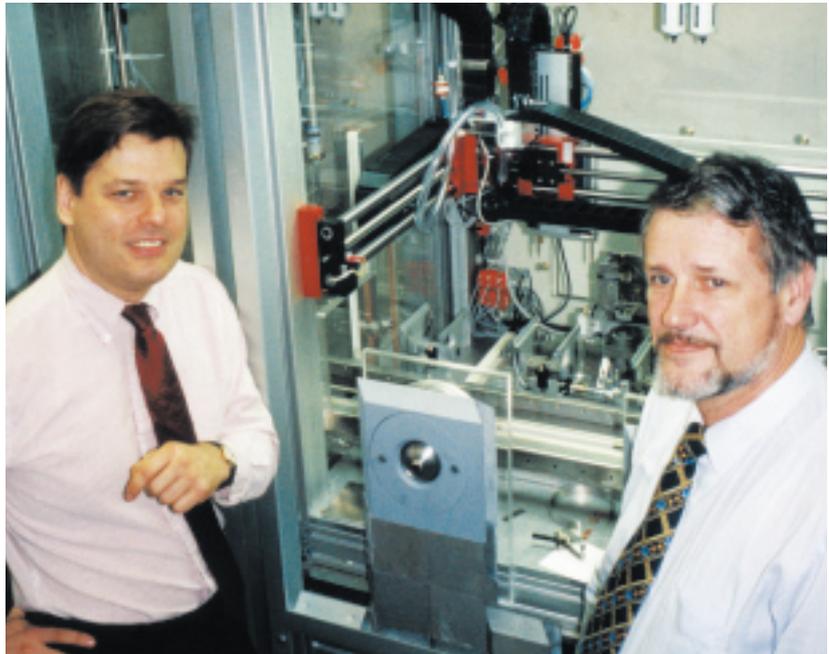


**Introduction**

Eckert & Ziegler AG and its subsidiaries are leading international specialists in the development and production of low-level radiation sources. Such products form a key component in many applications in the fields of medicine and measurement technology. Measurement uses include level gauges in the beverage industry, quality assurance in highway engineering, in the cigarette industry, in almost all large-scale chemical plants, in drilling probes in the oil industry and in countless scientific measurement instruments. They are used for precision thickness measurement of thin layers, and in the production of films, papers and metals. They are also used for environmental purposes in dust measurement instruments.

Radioactive components are especially important in the field of medicine. They can be used to treat many of the most common and most devastating diseases in industrial countries, including cancer and heart disease. For this reason many medical device companies throughout the world have devoted substantial resources to the development of new minimally invasive irradiation systems. These products are able to treat cancer and restenosis, a major heart ailment, effectively and with almost no side effects.

Almost all medical device companies, including Global Players, rely on external know how for the development, production, or distribution of radioactive components. Eckert & Ziegler AG concentrates on the needs of these companies, and, as an international and independent isotope specialist, provides the appropriate products and services. As a result, its client list today includes many renowned life science and medical device companies, in addition to engineering firms and international instrument makers in Europe, the U.S., and Japan.



**The two founders of Eckert & Ziegler AG, Dr. Andreas Eckert (left) and Jürgen Ziegler, with a manufacturing box under construction**

The corporation is only at the beginning of its possibilities. Increased life expectancy and improved diagnostic options will cause a dramatic increase in demand for effective therapies in coming years. Eckert & Ziegler AG should benefit from these trends and be able to participate in the ensuing growth opportunities. As a strategic development partner with innovative medical equipment manufacturers, Eckert & Ziegler AG today already frequently manages the entire isotope know-how for new developments, thus playing a decisive role in the creation, approval, market introduction and production of treatment systems.

**Business Trends**

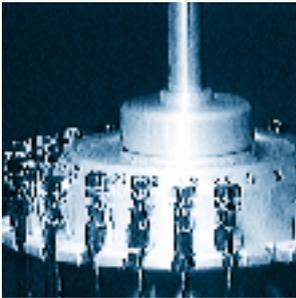
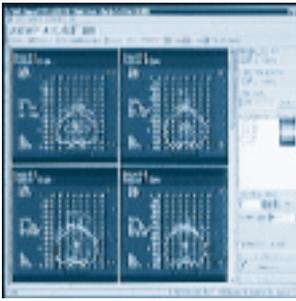
In comparison with previous years, the consolidated result, namely total sales, other income, and company manufactured capitalized items, has increased significantly, entering the two-digit million range for the first time, to a total of 12.5 million DM. In comparison with the first fiscal year of 1992, this shows an increase of 3.060% or, converted over the last seven years, an average annual increase of 63%.

The operating result of 12.5 million DM in 1998 was a multiple of the income from sales (3.3 million DM). This unusual relationship is due to the fact that Eckert & Ziegler AG





## STATUS REPORT



receives development contributions from its system partners. These contributions are not posted as sales but as "other income" in much the same way as state subsidies would be posted. The company must frequently also design and build production facilities where mass production will later be carried out. For this, the Eckert & Ziegler group has also received substantial allotments from development partners, causing the total of other income to increase to 4.4 million DM.

These development cost contributions and investment assistance will be dropped in the future when a product has been fully developed. Then, as a rule, they should be more than compensated by the subsequent manufacturing sales.

Finally, the particular aspects of the isotope business cause a high extent of company manufactured capitalized items, which in 1998 amounted to a total of approximately 4.8 million DM. One factor at work here is that there are hardly any other suppliers throughout the world offering to design and construct production facilities where radioactive components can be manufactured safely and efficiently. They have to be produced in-house. Therefore, two years ago, Eckert & Ziegler AG established the subsidy EUROTOPE Entwicklungsgesellschaft für Isotopentechnologien mbH [EUROTOPE Development Company for Isotope Technologies, Inc.], where teams of specialists devote themselves to the design, manufacture and testing of production facilities. EUROTOPE GmbH has meanwhile become the leader in building machines with which miniaturized components in the submillimeter range can be manufactured fully automatically.

As in previous years, a positive operating result was again achieved in 1998. However, since Eckert & Ziegler AG had to make enormous prepayments in the start-up phase and also had to post expenditures for future growth in the 1998 fiscal year, the operating cash flow gives a better impression of the company's result, reaching a record level of 5.2 million DM (41% of operating result). Together with the influx of funds from financing activities (10.0 million DM) and the

outlay of funds for investments (6.5 million DM), this led to a net cash flow of 8.7 million DM in this fiscal year.

This cash flow has put Eckert & Ziegler AG in a position to implement an extensive investment program with which the assets have more than doubled, creating the basis for further growth. Among other things, the company constructed a new production warehouse and a radiation bunker where large quantities of raw materials can be stored properly and safely. Funds amounting to more than 5.1 million DM were used to set up manufacturing facilities for new products.

With the increase in operating result, there was also an increase in the number of full-time employees, including trainees, to 44 employees at the Berlin site as of December 31, 1998. Meanwhile, this number has grown to almost 60 employees in the first quarter of 1999. The planned start of various production lines and a full order book will most likely lead to a further increase. Management consequently decided to lease and renovate additional buildings. New laboratories for practical development work are also available to the company in the new workshop building of the Biomedical Research Campus.

An important milestone in 1998 was the certification of the company's quality management system. It is now recognized as meeting the requirements of ISO 9001, an achievement that should further strengthen Eckert & Ziegler's position as a partner of choice for medical device manufacturers. In the past fiscal year Eckert & Ziegler AG was able to document its capabilities as an innovative development corporation through a number of patents or patent applications. The company also received the Berlin Brandenburg Exemplary Innovations Award for its new low-level radioactive beta components for the prevention of restenosis.

The definite increase in company performance has been reflected in growing confidence on the part of the financial community. Among others, Eckert & Ziegler AG was able to acquire a 5.5 million DM long-term loan of an equity capital type from IKB Nachrangkapital GmbH



[IKB Deferred Capital Co.] (Düsseldorf). Finally, in December, it succeeded in raising its equity capital by 4.9 million DM through a private placement. These funds are to serve as the basis for further growth and for the planned listing on a stock exchange.

## Research and development

In fiscal year 1998, Eckert & Ziegler AG has financed numerous development projects. It was concentrated on new miniaturized radioactive components. As in the past, these development activities were mostly conducted as part of extensive cooperation agreements covering a term of several years, securing a share of the future production volume for Eckert & Ziegler AG.

## Prospects

Acquisition of the California company Isotope Products Laboratory (IPL), a renowned developer and producer of radioactive components, has served to improve the long-term competitive position of the company. This acquisition was concluded in January 1999, following the exercise of the corresponding purchase option in the summer of fiscal year 1998. With the acquisition of IPL, approximately 50 employees and ten million DM in sales were added to the group. Now a total of approximately 120 employees are employed at sites in Berlin-Pankow, Prague and Los Angeles.

In the coming years, Eckert & Ziegler Strahlen- und Medizintechnik AG intends to further expand its position as a provider of radioactive components for the treatment of cancer and heart disease. On the basis of the initial consolidation of IPL and long-term delivery contracts, management expects sales to be several times higher, doubling the operating result and leading to a substantial increase in income. A major portion of this is due to the new strontium 90 radiation sources for prevention of restenosis. Here Eckert & Ziegler AG's system partner, Novoste Corporation (USA), is the only corporation so far that has received EU market approval for its cardio-vascular radiation system. Further revenue increases are expected with the start of other new manufac-

turing lines, in particular for the production of seeds for treating prostate cancer.

In the medium term, management considers the company to be positioned well to obtain new development projects. In contrast to larger competitors, Eckert & Ziegler AG is not seen as a competitive threat, and is therefore regarded as a more attractive strategic partner. In comparison with smaller competitors and those operating on a national level, Eckert & Ziegler can clearly distinguish itself through its international orientation, the broad offering of services over several stages of the value creation chain and a critical mass of specialists and know how. The concentration of molecular medicine facilities near the headquarters and close contact with the Berlin Buch Biomedical Research Campus combine to create the prerequisites for further growth. Eckert & Ziegler AG should remain a desirable partner for innovative isotope users, even with a progressive trend toward more biological treatment systems.

## Relationships with affiliated companies

For fiscal year 1998, the board of directors has compiled a report on the relationships with affiliated companies, explaining that taking into account the circumstances with which the board was familiar at the respective times, the company has received a suitable equivalent value for each transaction and has not suffered any disadvantage as a result of measures taken or omitted.

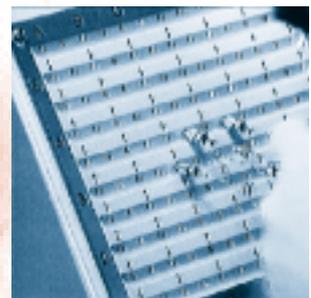
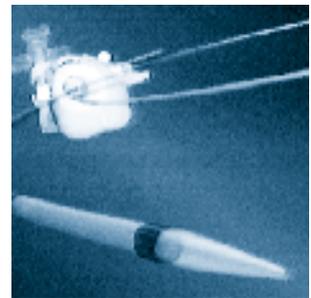
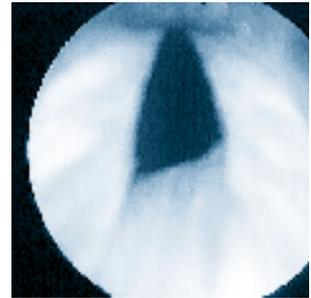
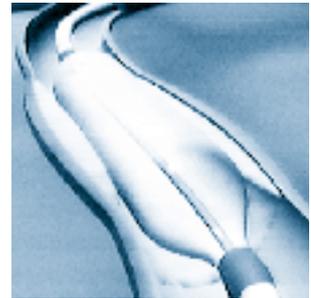
Berlin, March 25, 1999

Eckert & Ziegler  
Strahlen- und Medizintechnik AG

Board of Directors

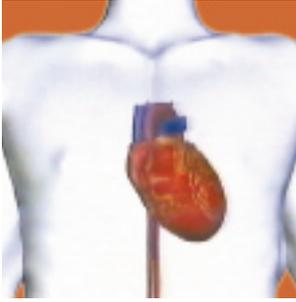
Dr. Andreas Eckert

Jürgen Ziegler





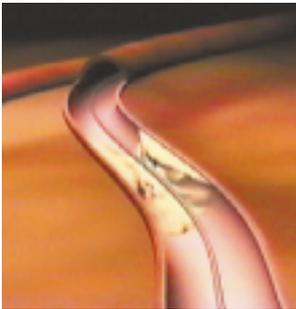
## HEART AND CIRCULATORY AILMENTS



Together with well-known international producers of medical equipment, Eckert & Ziegler AG develops radiation sources and radioactive components for treating the interior of vascular walls. A primary aim of the treatment is to prevent renewed constriction of cardiac arteries (restenosis), an adverse condition that often follows balloon dilatation.



The demand for effective prevention of restenosis is enormous. In the industrial countries, almost one million persons per year undergo balloon dilatations, known in medical terms as percutane transluminal coronary angioplasty (PTCA), in which a small balloon is used to dilatate and thus reopen a blocked artery. The total cost of these procedures is estimated at more than fifteen billion US dollars.



Unfortunately, balloon dilatation often does not result in long-term treatment success. For many patients, renewed arterial constriction at the same location can occur in as short a period of time as half a year.

Short-term radiation of the inner walls of the arteries can significantly reduce the incidence of restenosis and therefore the number of further treatments. For this reason, Eckert &

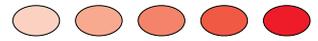
Ziegler AG has concentrated a large part of its resources on developing and constructing suitable microradiation sources.

These sources have been successfully incorporated into a hydraulic catheter system from Novoste Corporation. Containing components from the Berlin production facility, this equipment has been on the market in the European Union since January of 1999. Authorization for the American market is expected for the year 2000.

Due to the dramatic advantages it offers, management anticipates radiation therapy to be rapidly adopted for the prevention of restenosis. Moreover, it is likely that other manufacturers of medical equipment will bring isotopic technology systems onto the market, thus further promoting the demand for radioactive components. The management of Eckert & Ziegler AG is confident that its product and services will also be in high demand in the coming years.

Part of a production line for radiation sources used in preventing restenosis





Beta emitters for treating eye tumors were among the first cancer therapy products from Eckert & Ziegler AG. They have received considerable media attention recently in Germany in connection with the case of Mukarim Emil, an infant whose parents permitted the operation to take place only after highly publicized discussion. The highly effective and mild treatment offers good prospects for a cure.

The eye tumor plaques were developed at the former GDR Academy of Sciences in the 1960s. Following German reunification, BEBIG Isotopentechnik und Umweltdiagnostik GmbH, a subsidiary of Eckert & Ziegler AG, was able to continue their production. As ruthenium-106 plaques, they are used by ophthalmologists worldwide. They have virtually no competitors and are one of the few Eckert & Ziegler AG products supplied directly to hospitals.

Concerning new products, Eckert & Ziegler AG is now concentrating its efforts on radiation sources for use in combating prostate cancer. With approximately 50,000 cases diagnosed in Germany annually, this is one of the most common types of cancer affecting men. In the United States, the largest single national market, around 200,000 new cases are diagnosed every year. The past few years have seen a rapidly increasing trend toward minimally invasive radiation therapy. This has been fueled in large part by the publication of long-term studies showing that undesirable side effects such as incontinence and impotence occur at a considerably lower rate for radiation therapy than for surgical procedures. In addition, treating prostate cancer with radioactive iodine seeds is considered less traumatic and is also less costly than alternative therapies.

According to the BBI Newsletter (Biomedical Business International) of April 1996, the market volume in the USA for brachytherapy in conjunc-

tion with prostate cancer will rise from 17.8 million US dollars in 1995 to 112 million by the year 2000, and then to 264 million by 2005. Compared to treatments involving surgical operations and external radiation, the percentage of cases treated by brachytherapy is expected to rise from 4% in 1995 to 19% by 2000, and then to 36% by 2005. A similar progression is predicted for Europe.

Eckert & Ziegler AG attaches great significance to this and other oncology-related sectors for the future. A broad spectrum of innovative projects and strategic alliances will ensure that we will be able to further expand our position in this market.



**Eye tumors often strike the elderly. Treatment using radiation sources can save the eye itself. These patients, who were treated with eye plaques from Berlin-Buch, were thus able to retain their sight.**





Eckert & Ziegler Strahlen- und Medizintechnik AG is a genuine combination of East and West German elements. It unites the know-how from research in the former East with western business approaches.

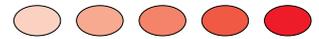
Dr. Andreas Eckert, born in West Berlin, has long-term international experience working for the United Nations in New York, and later as a business consultant and marketing instructor in Berlin. Jürgen Ziegler, his counterpart from East Berlin, spent more than twenty-five years working in development at the Central Institute for Isotope Technology of the GDR Academy of Sciences. The two founded BEBIG Isotopentechnik und Umweltdiagnostik GmbH from the bankruptcy estate of the institute after it was closed following German reunification.

BEBIG became the core of a rapidly expanding group which soon acquired a subsidiary in Chicago. Its president, Peter Nilsen, made further significant contributions to the continued growth of the company and its position in the US market. He and Len Hendrickson, an experienced veteran in the field, are now managing Isotope Products Laboratory Inc. (IPL) in the city of Burbank near Los Angeles. Like BEBIG and

the Berlin-based Eurotope Entwicklungs-gesellschaft für Isotopentechnologien mbH, IPL is a wholly-owned subsidiary of the Eckert & Ziegler Strahlen- und Medizintechnik AG. The holding company is run by a management team consisting of Andreas Eckert, Jürgen Ziegler, and Gerald Pohland.

On 31 December 1998, three shareholders held the 22,472 shares of Eckert & Ziegler AG. These are Eckert Consult Organisations- und Strategieberatung GmbH in Zepernick (12,000 shares), Jürgen Ziegler (8,000 shares), and Concord Effekten AG in Frankfurt (2,472 shares).

**(above): The company building on the grounds in Berlin-Buch, housing the development laboratories of EUROTOPE GmbH.**



### What does the company actually do?

*Eckert & Ziegler AG and its subsidiary companies are involved in the development and manufacture of radioactive components, especially for cancer and cardiac remedies. These components are the key parts of a series of minimally invasive treatment devices with which cancer and narrowing of the arteries can be cured gently and highly effectively.*

### Is radioactivity really dangerous?

*Everything is dangerous and risk lurks everywhere. The benefit which is gained from anything is always decisive. The possibilities for application in medicine and quality assurance undoubtedly justify the use of radioactive substances.*

*Apart from this, risks during use are kept within limits as can be anticipated with certainty from almost 50 years of experience now: for example, the additional health risk, which can arise from using radioactive treatment methods, amounts to just a fraction of that which a cigarette smoker considers to be acceptable everyday. It is significantly less than the risk of driving a car or with other everyday activities.*

*It is similar for production and handling: the trade associations and insurance companies assess the health risk from working with radioactive substances as only a quarter as high as the health risk at work on a "construction site" or half as high as the statistical risks facing a full-time housewife. Isotope technology even comprises relatively safer work places: the life expectancy of employees in the nuclear energy sector or in American nuclear laboratories is statistically significantly above average.*

### Will genetic engineering soon replace conventional methods of treatment?

*Molecular biological methods of treatment also use radioactive substances though in a much lower dose. Eckert & Ziegler AG will be there with certainty when such methods of treatment gain acceptance and come onto the market. It also has an excellent starting position in this regard since its headquarters are located at one center of the European bio-scene, namely on*

*the grounds of the molecular biology research campus in Berlin-Buch.*

*For today's patients, unfortunately, the possibilities of genetic engineering lie in the future. They need treatment here and now and these highly effective, minimally invasive irradiation systems offer one of the world's most effective and gentlest possibilities for curing various cancers and cardiac diseases.*

### The medicine sector is changing daily. Will Eckert & Ziegler AG be able to keep pace?

*Change is our daily business and our successes in the past would have been impossible without pronounced flexibility and orientation toward innovation. Numerous patents and patent applications and the honor of receiving the Berlin-Brandenburg prize for innovation speak clearly of this.*

*The probability that Eckert & Ziegler AG will be successful in the future will improve with its listing on the stock market. We can widen our technical base and we will become even more attractive to the best employees and joint venture partners.*

### Do you fear globalization?

*Our market is already the global market. We are represented everywhere and have our own manufacturing sites in eastern Europe and the United States. Our customers are largely located abroad and they themselves are generally globally oriented. Since we are organized flexibly and internationally and for speed, globalization is an opportunity for us, rather than a threat.*

### For what purposes will you use the resources from being listed on the stock market?

*We want to grow, grow and grow. And that is capital-intensive in our sector as in all high technology areas. Most of our resources therefore go into laboratories, workshops, manufacturing plants and equipment—internationally as well, in part. The remainder flows into development and reserves.*





**CORPORATE BALANCE SHEET AS OF DECEMBER 31, 1998—ASSETS**

<b>ASSETS</b>			December 31*
	DM	DM	1997
			DM
<b>Fixed assets</b>			
Intangible assets			
Franchises, industrial property rights and similar rights and values as well as licenses to such rights and values	8,134.00		4,135.00
Down payments made	85,119.00		26,830.20
		93,253.00	30,965.20
Tangible assets			
Buildings on outside premises	920,753.00		227,178.64
Technical installations and machinery	6,547,538.45		1,827,980.09
Other installations, furniture and fixtures	248,623.99		61,989.39
Down payments made and plants under construction	1,308,275.00		1,739,808.37
		9,025,190.44	3,856,956.49
Financial investments			
Shares in affiliated companies	46,078.58		4,598.58
Loans to affiliated companies	193,605.60		216,824.53
Shares in associated companies	2,301.81		2,758.80
		241,985.99	224,181.91
		9,360,429.43	4,112,103.60
<b>Liquid assets</b>			
Supplies			
Raw materials and supplies	548,155.00		264,690.35
Unfinished products	85,246.00		150,310.00
Finished products and goods	35,281.45		34,533.43
Down payments made	154,716.30		173,883.00
		823,398.75	623,416.78
Accounts receivable and other assets			
Accounts receivable for supplies and services	509,271.12		730,134.47
Accounts receivable from affiliated companies	126,194.66		135,295.25
Accounts receivable from associated companies	487.20		-
Other assets	543,631.35		269,305.62
		1,179,584.33	1,134,735.34
Checks, cash on hand, postal account credit, credit with credit institutions		9,406,573.54	555,785.87
		11,409,556.62	2,313,937.99
<b>Deferred charges to expenses</b>		20,801.39	24,994.76
		20,790,787.44	6,451,036.35



## CORPORATE BALANCE SHEET AS OF DECEMBER 31, 1998—LIABILITIES

LIABILITIES			December 31* 1997
	DM	DM	DM
<b>Equity capital</b>			
Subscribed capital	112,360.00		100,000.00
The capital increase by 12,360.00 DM was entered in the Register of Companies on January 6, 1999			
Capital reserves	4,887,663.12		–
Profit shown in the balance	534,865.73		462,960.99
		5,534,888.85	562,960.99
<b>Difference from consolidation of funds</b>		–	14,145.96
<b>Special item for investment grants</b>		4,676,192.00	2,971,095.00
<b>Reserves</b>			
Reserves for pensions and similar liabilities	240,156.00		199,480.00
Tax reserves	18,049.00		18,049.00
Reserves for potential taxes	395,354.00		395,354.00
Other reserves	1,022,087.04		473,201.50
		1,675,646.04	1,086,084.50
<b>Accounts payable</b>			
Accounts payable to credit institutions	300,751.32		502,322.48
Down payments received on orders	29,217.37		168,578.00
Accounts payable for deliveries and services	581,582.09		196,697.91
Accounts payable to affiliated companies	77,047.75		114,369.14
Accounts payable to associated companies	34,800.00		44,773.28
Other accounts payable	7,880,662.02		790,009.09
– including those for taxes: DM 49,517.73 (previous year: DM 31,793.48)			
– including those for social security: DM 51,275.08 (previous year: DM 55,599.67)			
		8,904,060.55	1,816,749.90
		20,790,787.44	6,451,036.35

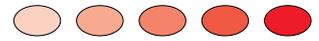


## PROFIT AND LOSS STATEMENT

### CORPORATE PROFIT AND LOSS STATEMENT FOR THE FISCAL YEAR FROM JANUARY 1, 1998 TO DECEMBER 31, 1998

			1997*
	DM	DM	DM
Gross proceeds from sales		3,279,353.62	2,979,789.50
Increase (reduction) in inventory of finished and unfinished products		( 60,866.00)	126,176.43
Other company manufactured capitalized items		4,813,000.37	1,946,160.45
Other operating proceeds		4,455,835.06	4,511,344.39
		12,487,323.05	9,563,470.77
Cost of materials			
Expenditures for raw materials and supplies for goods ordered	(2,983,688.85)		(1,021,886.19)
Expenditures for services obtained	( 276,867.84)		( 624,010.49)
		(3,260,556.69)	(1,645,896.68)
Expenditure on personnel			
Salaries and wages	(2,603,264.22)		(1,447,083.52)
Social security contributions and expenditures for old age benefits and for support – including for old age pensions: DM 45,144.59 (previous year: DM 206,796.16)	( 473,721.08)		( 459,511.85)
		(3,076,985.30)	(1,906,595.37)
Depreciation on intangible assets and property		(1,262,688.56)	( 709,584.13)
Other operating expenses		(4,572,717.19)	(4,336,063.44)
Expenses from associated companies		( 456.99)	( 23,064.13)
Other interest and similar income – including those from affiliated companies: DM 25,370.15 (Previous year: DM 18,602.01)		101,514.32	23,781.97
Interest and similar expenses		(343,527.90)	( 87,477.93)
Results of ordinary business activities		71,904.74	878,571.06
Taxes on income and profits		–	( 415,610.07)
Net income for the year		71,904.74	462,960.99
Profit carried forward from the previous year		462,960.99	–
Profit as shown in the balance		534,865.73	462,960.99

\* The previous year's figures admit of only partial comparison, as consolidation took place during that fiscal year.



## CORPORATE CASH FLOW STATEMENT FOR FISCAL YEAR 1998

	thousand DM	thousand DM
Current business operations:		
Net income for the year		72
Depreciation	1,263	
Transfer to / liquidation of special reserves	1,705	
Added to pension reserves	40	
Liquidation of the difference from consolidation of funds	( 14)	
Increase in short-term accounts receivable	( 241)	
Increase in short-term accounts payable	2,337	
Influx of funds from current business operations		5,090
		5,162
Investment activity:		
Investment in fixed assets	(6,552)	
Net deductions in fixed assets	42	
Outlay of funds from investment activities		(6,510)
Financial activity:		
Payments received from capital increase	4,900	
Payments received from accepting loans	5,500	
Payments made to pay off bank loans	( 388)	
Influx of funds from financial activity		10,012
Changes in financial assets with a payment effect		8,664
Financial assets at the start of the fiscal year		556
Financial assets at the end of the fiscal year		9,220
including: – liquid assets		9,407
– short-term bank loans		( 187)



## ASSETS

### TRENDS IN CORPORATE ASSETS IN THE FISCAL YEAR FROM JANUARY 1, 1998 TO DECEMBER 31, 1998

	Acquisition and production costs					As of 12/31/98 DM
	As of 1/1/98 DM	Additions DM	Deductions DM	Transfers DM		
<b>Intangible assets</b>						
Franchises, industrial property rights etc.	4,800.00	7,245.00	-	-		12,045.00
Down payments made	26,830.20	58,288.80	-	-		85,119.00
	31,630.20	65,533.80	-	-		97,164.00
<b>Tangible assets</b>						
Buildings on outside premises	709,405.85	824,243.63	-	-		1,533,649.48
Technical installations and machinery	3,080,495.97	4,002,406.88	-	1,739,808.37		8,822,711.22
Other installations, furniture and fixtures	349,303.87	292,752.00	42,587.00	-		599,468.87
Down payments made and plants under construction	1,739,808.37	1,308,275.00	-	(1,739,808.37)		1,308,275.00
	5,879,014.06	6,427,677.51	42,587.00	-		12,264,104.57
<b>Financial investments</b>						
Shares in affiliated companies	4,598.58	41,480.00	-	-		46,078.58
Loans to affiliated companies	216,824.53	17,956.32	41,175.25	-		193,605.60
Shares in associated companies	48,000.00	-	-	-		48,000.00
Other shares	7,295.60	-	-	-		7,295.60
	276,718.71	59,436.32	41,175.25	-		294,979.78
	6,187,362.97	6,552,647.63	83,762.25	-		12,656,248.35
	Depreciation			Net book value		
	As of 1/1/98 DM	Additions DM	Deductions DM	As of 12/31/98 DM	As of 12/31/98 DM	As of 12/31/97 DM
<b>Intangible assets</b>						
Franchises, industrial property rights etc.	665.00	3,246.00	-	3,911.00	8,134.00	4,135.00
Down payments made	-	-	-	-	85,119.00	26,830.20
	665.00	3,246.00	-	3,911.00	93,253.00	30,965.20
<b>Tangible assets</b>						
Buildings on outside premises	482,227.21	130,669.27	-	612,896.48	920,753.00	227,178.64
Technical installations and machinery	1,252,515.88	1,022,656.89	-	2,275,172.77	6,547,538.45	1,827,980.09
Other installations, furniture and fixtures	287,314.48	106,116.40	42,586.00	350,844.88	248,623.99	61,989.39
Down payments made and plants under construction	-	-	-	-	1,308,275.00	1,739,808.37
	2,022,057.57	1,259,442.56	42,586.00	3,238,914.13	9,025,190.44	3,856,956.49
<b>Financial investments</b>						
Shares in affiliated companies	-	-	-	-	46,078.58	4,598.58
Loans to affiliated companies	-	-	-	-	193,605.60	216,824.53
Shares in associated companies	45,241.20	456.99	-	45,698.19	2,301.81	2,758.80
Other shares	7,295.60	-	-	7,295.60	-	-
	52,536.80	456.99	-	52,993.79	241,985.99	224,181.91
	2,075,259.37	1,263,145.55	42,586.00	3,295,818.92	9,360,429.43	4,112,103.60



## CORPORATE ADDENDUM FOR THE FISCAL YEAR FROM JANUARY 1, 1998 TO DECEMBER 31, 1998

### General information

For the first time, Eckert & Ziegler AG has prepared a consolidated statement of accounts according to the specifications of the [German] Uniform Commercial Code (HGB) for fiscal year 1998. The figures for previous years were determined for comparison purposes.

The information, organization and explanations presented below are based on the Balance Sheet and the Profit and Loss Statement for the Eckert & Ziegler corporation.

Eckert & Ziegler AG is a subsidiary of Eckert Consult GmbH, Berlin. Eckert Consult GmbH, Berlin has not prepared a consolidated statement of accounts. The board of directors of Eckert & Ziegler AG has prepared a dependency report.

The fiscal year of the corporation is the calendar year. Therefore, the consolidated statement of accounts was prepared for December 31, 1998.

The fiscal year of BEBIG Isotopentechnik und Umweltdiagnostik GmbH [BEBIG Isotope Technology and Environmental Diagnostics Inc.] (hereinafter referred to as "BEBIG GmbH") extended from March 1, 1998 until December 31, 1998. In 1998, BEBIG Isotopentechnik und Umweltdiagnostik GmbH changed its fiscal year to the calendar year and has therefore inserted an abbreviated fiscal year.

BEBIG GmbH has prepared an interim statement for calendar year 1998 for the consolidated statement of accounts.

The comparability of the corporate results for 1998 with those for the year 1997 is limited due to the following simplifications:

All the special depreciation according to the Development Area Act, taken by the corporation in preceding years up to December 31, 1997, was eliminated in the consolidated comparative figures for the previous year, forming suitable reserves for potential taxes. In addition, certain intracompany income and expense items were not eliminated in 1997.

### Consolidation Group

The following companies were included in the consolidated statement of accounts according to the book value method:

- Eckert & Ziegler AG Strahlen- und Medizintechnik AG, Berlin, capital stock 100,000 DM.

Its 100% subsidiaries:

- BEBIG Isotopentechnik und Umweltdiagnostik GmbH, Berlin, capital stock 50,000 DM.

- EUROTOPE Entwicklungsgesellschaft für Isotopentechnologien mbH (hereinafter abbreviated as EUROTOPE GmbH), Berlin, capital stock 100,000 DM.

Subsidiaries of BEBIG GmbH:

- Emich Ultraschall GmbH [Emich Ultrasonics Inc.], Berlin, capital stock 50,000 DM, 100% share.

and by the equity method:

- BEBIG Trade GmbH, Berlin, capital stock 100,000 DM, 48% share.

Two other subsidiaries of BEBIG Isotopentechnik und Umweltdiagnostik GmbH have not been included:

- CESIO s.r.o., Prague, Republic of Czechoslovakia, capital stock 100,000 Kc, 80% share.

- BEBIG Trade, Inc., Chicago, USA, capital stock US \$ 25,000, 100% share

The information on CESIO s.r.o. can be obtained only with a great delay and has very little influence on the overall corporate situation with regard to assets, income or financial situation. Most sales are with BEBIG GmbH.

BEBIG Trade, Inc., Chicago, was acquired by Eckert & Ziegler AG as of December 18, 1998. Its sales are exclusively to BEBIG GmbH and Eckert & Ziegler AG. The assets existing in addition to the liabilities with respect to BEBIG GmbH amount to less than US \$ 10,000. A full consolidation was also waived in this case.

For the reasons given above, these two companies were also no listed as associated companies in the consolidated statement of accounts.

### Consolidation Principles

The time of entry into the corporate association, not the time of first inclusion in the consolidated statement of accounts, was chosen as the basis for the capital consolidation. In the case of BEBIG Trade GmbH, EUROTOPE GmbH and BEBIG GmbH, the time of entrance corresponds to the time when the company was founded. At this time, the share values posted for the parent corporation corresponded to the capital stock of the respective subsidiary. All profits or losses posted by the subsidiaries since the founding of these subsidiaries are posted in the corporate balance sheet profits as of December 31, 1998.

Emich Ultraschall GmbH was acquired on December 31, 1997. The purchase price was DM 1, and the capital stock according to the year end closing statement of December 31, 1997 amounted to 14,146.96 DM. There was no reappraisal of the assets as part of the preparation of HB II. The difference in the amount of 14,145.96 DM has been posted in the consolidated statement of accounts for 1997 under the entry "difference from consolidation of funds." It was liquidated in 1998, increasing profits, according to § 309, paragraph 2, no. 1 of the [German] Uniform Commercial Code (HGB).

Interim profits were eliminated inasmuch as necessary.

As part of debt consolidation, accounts receivable and accounts payable were set off with a neutral effect on profits.



The self-constructed installations, and the finished and unfinished products were re-evaluated with the lower corporate manufacturing costs for the corporate balance sheet.

The expenses for start up and expansion of business operations were not taken over from the individual closing statement of Eckert & Ziegler AG into the consolidated statement of accounts. The respective potential taxes and changes therein were eliminated.

Special tax depreciation under the Development Area Act which was listed by BEBIG Isotopentechnik und Umweltdiagnostik GmbH was also not included from the individual closing statements.

Figures from the Corporate Profit and Loss Statements for previous years are comparable to figures for 1998 only to a limited extent, because BEBIG Isotopentechnik und Umweltdiagnostik GmbH was included in the consolidated statement of accounts in the previous year with only an abbreviated fiscal year lasting from March 1, 1997 until December 31, 1997.

## Balancing and appraisal Methods

Assets subject to wear are appraised at corporate acquisition and manufacturing costs minus scheduled depreciation. The half year rule is used to determine depreciation. Depreciation is linear. The depreciation time depends on the expected use time. For computer technology and software, a depreciation period of three to four years is assumed. For technical facilities and machines, a depreciation period of five to eight years is assumed, and for other installations, production facilities and business equipment, four to ten years. Lessee additions and remodeling posted as buildings on outside premises are depreciated with a term of more than ten years.

Movable property assets with an acquisition cost of up to 800 DM shall be depreciated immediately in the year of acquisition.

No special depreciation according to the [German] Development Area Act has been claimed for the consolidated statement of accounts, in deviation from the individual closing statements.

Shares in affiliated companies are shown in the balance sheet at the acquisition cost or at the lower actual value. Associated companies are listed with their proportional capital stock (equity method), with the book value method (§ 312, paragraph 1, no. 1 of the [German] Uniform Commercial Code (HGB)) being used and the time of acquisition being used.

Self-constructed installations, finished and unfinished products are appraised at the corporate manufacturing cost. Documentation of individual wage costs is provided by time clock; individual material costs are derived from cost carrier accounting. Overhead costs added to individual wage costs and the cost of materials include costs of administration and management as well as proportional depreciation on fixed assets.

Raw materials and supplies are posted at the acquisition cost or at lower reacquisition costs.

Accounts receivable and other assets are posted at the nominal amount, taking into account value adjustments. Claims from a life insurance policy for reinsurance of a pension commitment included in "other assets" are posted with the actuarial insurance fund.

Accounts payable are listed in the balance sheet at the repayable amount.

Reserves are listed with the estimated amount of liability, and pension reserves are listed with the partial value determined according to § 6a of the [German] Income Tax Act.

Foreign currency debts are listed according to the lowest value principle, either at the acquisition cost or at the lower fixed date exchange rate (foreign exchange rate of December 31, 1998). Foreign currency liabilities and reserves were listed according to the highest value principle at the acquisition cost or the higher fixed date exchange rate (foreign exchange rate of December 31, 1998). For accounts payable and receivable from previous years, the balance sheet value as of December 31, 1997 was used for comparison purposes instead of the acquisition cost.

Investment grants received will be entered into a special debit entry and liquidated in the course of the use time of the installations covered by the grant. Liquidation of the special entry is listed in the Profit and Loss Statement under "other operating results."

Investment subsidies are accepted in the year of filing of the petition in a manner that is completely effective as to proceeds.

## NOTES ON INDIVIDUAL ITEMS IN THE CONSOLIDATED STATEMENT OF ACCOUNTS

### CORPORATE BALANCE SHEET

#### Assets

The trend in corporate assets is shown in the corporate assets grid as of December 31, 1998 (cf. page 16).

#### Buildings on outside premises

In 1998 various additions to and remodeling of the lessor's buildings were undertaken to make the facilities usable as a radioactive laboratory.

#### Down payments made and installations under construction

This entry includes the manufacturing costs for expansion of capital of a plant whose completion is to be expected in the first quarter of 1999.



### Shares in affiliated companies

	Capital stock December 31, 1998 (Currency)	Book values as of December 31, 1998 DM
100% of the shares of BEBIG Trade, Inc., Chicago, USA	US \$ 25,983	41,480.00
80% of the shares of CESIO s.r.o., Prague, Republic of Czechoslovakia	-1,470,000 Kc	4,598.58
		46,078.58

### Shares in associated companies

	Capital stock December 31, 1998 (Currency)	Book values as of December 31, 1998 DM
48% of the shares in BEBIG Trade GmbH, Berlin	DM 4,795.44	2,301.81

Shares in BEBIG Trade GmbH, Berlin, were held 40% directly through BEBIG GmbH, and another 8% was held indirectly through CESIO s.r.o.

### Loans to affiliated companies

The loans concern an investment loan to CESIO s.r.o., Prague, for modernization of the production shop there. The term of this loan ends on December 31, 2000.

### Shares

BEBIG Isotopentechnik und Umweltdiagnostik GmbH, Berlin holds 20% of Ritverc AG of the closed type, St. Petersburg, Russia. The value of the share was completely adjusted in 1996 at the acquisition cost of 7,295.60 DM.

### Supplies

#### Raw materials and supplies

The inventories of radioactivity with a value of 451,495.00 DM were determined on the basis of the activity balance sheet to be carried for the licensing officials. The first-in, first-out consumption sequence was assumed for the appraisal, corresponding to actual use habits.

#### Unfinished products

Unfinished products include essentially inventories of unfinished radiation sources on hand in the production line as of December 31, 1998. An average completion of 50% was assumed in the appraisal.

### Finished goods and products

Merchandise items were appraised at acquisition costs, and our own products were appraised at the manufacturing cost.

#### Down payments made on supplies

The down payments made advance payments to a supplier of tubular radioactivity in the amount of US \$ 92,700.00; listed at the lower foreign currency exchange rate as of the closing date.

#### Accounts receivable for deliveries and services

The accounts receivable were posted at the nominal value. Two accounts receivable were adjusted individual with a total of 8,098.87 DM. All accounts receivable are due within one year.

#### Accounts receivable from affiliated companies

The accounts receivable from affiliated companies have the following breakdown:

	DM
Other accounts receivable from Eckert Consult GmbH, Berlin	104,240.85
Accounts receivable from CESIO s.r.o., Prague, Republic of Czechoslovakia (loan)	10,000.00
Accounts receivable from CESIO s.r.o., Prague Republic of Czechoslovakia, for deliveries and services	6,465.00
Accounts receivable from BEBIG Trade, Inc., Chicago, USA for deliveries and services	5,488.81
	126,194.66

All accounts receivable are due within one year.

#### Accounts receivable from associated companies

	DM
Other accounts receivable from BEBIG Trade GmbH, Berlin	487.20

These accounts receivable are due within one year

#### Other items of assets

The other items of assets include essentially accounts receivable from the Finance Office (396,000 DM) and claims from a reinsurance policy (74,000 DM). The reinsurance policy was concluded for pension commitments.

The accounts receivable are due within one year.



**Checks, cash on hand, postal account credit, credit with credit institutions**

The valuation of the credits in US dollars was uniformly based on the foreign currency exchange rate of December 31, 1998 (DM/US \$ 1.669).

**LIABILITIES**

**Capital stock**

The capital stock of Eckert & Ziegler AG amounts to 112,360.00 DM (previous year: 100,000.00 DM).

A total of 22,472 bearer stocks with no par value have been issued.

The stockholders' meeting on July 8, 1998 authorized the board of directors to increase the capital stock, with the consent of the supervisory board, as of December 31, 2002, by a nominal amount of up to 35,000 DM against cash contributions by issuing one or more bearer bonds and/or nonvoting common stock.

The stock option can be excluded if the nominal amount of this capital increase against cash contributions does not exceed a total of ten hundredths of the capital stock of the company registered in the Register of Companies approved at the time of the initial utilization of the approved capital, and if the issued amount of the new shares does not fall significantly below the stock price of the stock of the same capitalization at the time of the final determination of the issued value.

It was decided in December 1998 to increase capital by 2,472 shares or 12,360.00 DM; this was implemented and entered in the Register of Companies for Eckert & Ziegler AG on January 6, 1999. The stock discount in the amount of 4,887,663.12 DM was entered into the capital reserves in fiscal year 1998.

As of December 31, 1998, Eckert Consult Organisations- und Strategieberatung GmbH, Berlin, holds 53.4% of the shares of Eckert & Ziegler AG.

**Difference from capital consolidation**

Emich Ultraschall GmbH was sold on December 31, 1997 for a price of 1 DM. The purchase price is seen against a capital stock of 14,146.96 DM. The difference from the capital consolidation was liquidated completely in fiscal year 1998 because the anticipated losses in acquisition of the company occurred to the full extent in fiscal year 1998, and Emich Ultraschall GmbH has a corresponding annual deficit for fiscal year 1998.

**Special item for investment subsidies**

Investment grants were received by the company from public or private grant providers were included in the special items. The special items were liquidated according to depreciation of the economic goods covered by the grants. The development of the item can be seen in the table below.

**Reserves for old age pensions and similar obligations**

The reserves in the amount of 240,156.00 DM concern pension commitments and correspond to the calculations by Allianz Lebensversicherungs AG [Alliance Life Insurance Co.]. The Heubeck guideline tables of 1998 were used as the basis for determining the liability under § 6a of the [German] Income Tax Act.

**Reserves for potential taxes**

The special depreciation under the Development Area Act included in the individual closing statements of the last years were made retroactive in the consolidated statement of accounts for fiscal year 1997. Formation of potential tax funds associated with liquidation is based on the following tax rates:

Earned income tax:	5.0% and 390.0% assessment rate
Corporation tax:	40.0%
Solidarity surtax	5.5%

No additional reserves for potential taxes had to be formed for fiscal year 1998.

Special item for investment subsidies	As of	Transfers	Additions	Liquidation	As of
	13/31/1997				12/31/1998
	DM	DM	DM	DM	DM
Intangible assets	1,567.60	0.00	1,854.00	1,119.60	2,302.00
Buildings on outside premises	52,811.45	0.00	218,802.00	18,920.45	252,693.00
Technical installations and machinery	523,060.07	2,383,313.34	813,940.09	403,833.50	3,316,480.00
Other installations and equipment	10,342.54	0.00	26,881.00	6,431.54	30,792.00
Payments made and installations under construction	2,383,313.34	(2,383,313.34)	1,073,925.00	0.00	1,073,925.00
	2,971,095.00	0.00	2,135,402.09	430,305.09	4,676,192.00



### Other reserves

The other reserves contain the following essential items:

	DM
Disposal, decontamination	329,048.00
Outstanding invoices for services and contributions 1998	320,071.90
Payback of aid	140,283.36
Personnel costs	136,681.00

The reserves for disposal and decontamination concern the rooms and facilities of the radioactive laboratory and were built up over the term of the first lease agreement. The amount of reserves was determined on the basis of an internal estimate.

### Accounts payable

The following table shows the maturities for the consolidated liabilities.

#### Accounts payable to credit institutions

The loans with a remaining term of one to five years are mainly ERP and KfW loans. A partial amount of 120,000.00 DM is secured by mortgage of goods of the inventory of BEBIG Isotopentechnik und Umweltdiagnostik GmbH as of February 18, 1994. In addition, the loan with a remaining term of up to one year is secured by the trust receipt transaction on the inventory of BEBIG Isotopentechnik und Umweltdiagnostik GmbH as of February 18, 1994.

In addition, a list trust receipt transaction for assets amounting to 75,000 DM and an assignment of accounts receivable from new orders of Emich Ultraschall GmbH have been agreed upon.

#### Accounts payable to affiliated companies

There were accounts payable to BEBIG Trade Inc. Chicago in the amount of 72,983.04 DM and accounts payable amounting to 3,682.00 DM to CESIO s.r.o. and also 382.71 DM to Eckert Consult GmbH.

All accounts payable result from deliveries and services.

### Accounts payable to associated companies

There were accounts payable amounting to 34,800.00 DM to BEBIG Trade GmbH.

#### Other accounts payable

The loan in the amount of 5,500,000.00 DM included in the other accounts payable has a term of ten years and is to be paid back completely by June 30, 2008 at the latest. It can be paid back early by paying a compensatory amount. In the event of bankruptcy, postponement of priority of the amount of the loan has been agreed.

BEBIG GmbH was granted another loan of 500,000 DM with a term until December 31, 2006. The third loan in the amount of 100,000.00 DM was extended to Emich Ultraschall. The term of this loan ends on December 31, 2006. Postponement of priority of the amount of the loan has been agreed in the event of a bankruptcy.

The other accounts payable are for withholding tax payments and church tax, accounts payable to medical insurance policies and for interest.

#### Liability relationships

As of December 31, 1998, there were other financial obligations in the amount of 2,081,000 DM arising from a rental and leasing agreement.

In addition, there is a suspensory obligation to a foreign money lender for payment of 944,000 DM for the possibility of Eckert & Ziegler AG being listed on the stock exchange.

Accounts payable	Remaining term	Remaining term	Remaining term	12/31/1998	12/31/1997
	up to 1 year	1 to 5 years	more than 5 years	total	total
	DM	DM	DM	DM	DM
Accounts payable to credit institutions	187,069.99	113,681.33	–	300,751.32	502,322.48
Down payments received on orders	29,217.37	–	–	29,217.37	168,578.00
Accounts payable for deliveries and services	581,582.09	–	–	581,582.09	196,697.91
Accounts payable to affiliated companies	77,047.75	–	–	77,047.75	114,369.14
Accounts payable to associated companies	34,800.00	–	–	34,800.00	44,773.28
Other accounts payable	1,780,662.02	–	6,100,000.00	7,880,662.02	790,009.09



**Corporate Profit and Loss Statement**

The Profit and Loss Statement was prepared according to the total cost method.

**Gross proceeds from sales**

Regional distribution of gross proceeds from sales:

North America	33%
Germany	32%
European Community area	15%
Asia/Pacific	12%
Europe outside the European Community	7%
Eastern Europe, Middle East, Africa, South America	1%
	100%

Division of gross proceeds from sales according to business areas:

Medical products	47%
Industrial products	25%
Services	12%
Research and development	12%
Retail	4%
	100%

**Other company manufactured capitalized items**

The company manufactured capitalized items concern mainly the construction of production facilities.

**Other operating results**

The main items are:

	DM
Grants received from customers	1,883,717.09
Other public grants	1,489,683.84
Income from liquidation of special items for investment grants	430,305.09
Investment bonus	410,763.00

Other operating results include aperiodic income in the amount of 8,761.91 DM.

**Other operating expenses**

The other operating expenses include the following essential items:

	DM
Entry into the special items with a reserve component	2,135,402.09
Distribution costs of BEBIG Trade Inc., USA	352,413.72
Room costs	333,812.00
Expenses due to exchange rate differences	274,176.94
Distribution provisions	267,917.44

The other operating expenses include aperiodic expenses in the amount of 114,623.89 DM.

**Expenses from associated companies**

	DM
BEBIG [sic: BEBIG] Trade GmbH, Berlin	456.99

**Other interest and similar income**

The interest income concerns associated companies in the amount of 25,370.15 DM.



## SUPPLEMENTARY INFORMATION

### Organs of the parent company

#### Board of directors

Dr. Andreas Eckert (chairman), Berlin  
Jürgen Ziegler, certified engineer, Berlin

#### Supervisory board (as of July 8, 1998)

*Professor Dr. Wolfgang Maennig* (chairman),  
Berlin, instructor, University of Hamburg  
*Margit Jatzke* (vice chairman),  
Berlin, businesswoman  
*Professor Detlev Ganten*,  
Berlin, director of the Max Delbrück Center for Molecular Medicine  
*Ralf Hennig*,  
Berlin, banker,  
department director, IKB Deutsche Industrielkreditbank AG  
*Elke Middelstaedt*,  
Zepernick, banker  
*Dr. Marlene Ziebig*,  
Berlin, patent attorney

Until July 8, 1998, the supervisory board had the following members:  
Hans Jörg Hinke, Berlin, businessman  
Margit Jatzke, Berlin, businesswoman  
Elke Middelstaedt, Zepernick, banker

#### Total compensation paid to the board of directors and the supervisory board

In the past fiscal year 1998, the total compensation paid to the members of the supervisory board amounted to 25,851.00 DM and the total compensation paid to the members of the board of directors was 643,676.18 DM.

#### Information on the employees

The average number of employees in fiscal year 1998 was 39 white collar employees.

Berlin, March 25, 1999

Eckert & Ziegler Strahlen- und Medizintechnik AG

Dr. Andreas Eckert

Jürgen Ziegler, certified engineer

## AUDIT OPINION

Based on an audit performed in accordance with our professional duties, the consolidated financial statement complies with the legal regulations. In compliance with required accounting principles, the consolidated financial statement presents a true and fair view of the net worth, financial position, and results of the group. The group management report is in agreement with the consolidated financial statement.

Berlin, March 25, 1999



Price Waterhouse GmbH  
Wirtschaftsprüfungsgesellschaft

P.-G. Stein  
Auditor

A. Slotta  
Auditor

## COMPANY ADDRESS

Eckert & Ziegler  
Strahlen- und Medizintechnik AG

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**Mit diesem Glas heilen wir  
2.500 Krebspatienten**

WIR GEHEN AN DIE BÖRSE:

INVESTIEREN SIE MIT UNS IN LIFE SCIENCE UND  
MEDIZINTECHNIK

Die Eckert & Ziegler Strahlen- und Medizintechnik AG entwickelt und produziert radioaktive Komponenten, vor allem für die *Heilung von Krebs und Herzleiden*.

Zu unseren neuesten Produkten zählen miniaturisierte Präzisionsstrahler, mit denen sich Prostataumore *schonend und hocheffektiv* behandeln lassen.

Sie sind so klein, daß in einem Wasserglas rund 200.000 von ihnen Platz finden - genug für 2.500 Patienten.

Wunderwerke an *Miniatursierung* und Wirksamkeit sind auch unsere Betaquellen zur Behandlung von Herzleiden. Sie bewahren Herzschlagpatienten vor traumatischen Eingriffen, reduzieren den Aufenthalt im Krankenhaus und sind für Arzt und Patient quasi belastungsfrei.

Für diese beispielhafte Produktinnovation haben wir 1998 den *Förderpreis für den Mittelstand in Berlin und Brandenburg* erhalten.

Als Technologieführer mit Fertigungsstätten in Berlin, Prag und Los Angeles sind wir begehrter Entwicklungspartner für die weltweit ersten Adressen unter den Medical Device und Life Science Companies.

**ECKERT & ZIEGLER AG**

*Weitere Informationen zum geplanten Börsengang erhalten Sie unter  
Telefon: (030) 94 10 84 85 · Telefax: (030) 94 10 84 12 oder  
bei unserer Emissionsbank Concord Effekten AG, Frankfurt am Main*

**CORPORATE CALENDAR** (subject to change)

<b>April 28, 1999</b>	Quarterly report I/99, publication of the 1998 results
<b>May 18, 1999</b>	Analysts' conference, Frankfurt/Main
<b>August 11, 1999</b>	Quarterly report II/99
<b>November 15, 1999</b>	Quarterly report III/99
<b>February 12, 2000</b>	Quarterly report IV/99
<b>April 26, 2000</b>	General meeting of shareholders (begins at 10:00 AM) at the Max-Delbrück-Centrum, Robert-Rössle-Strasse 10, D-13125 Berlin

