



Q1 2014

Contributing to saving lives

# Key data Eckert & Ziegler

		01-03/2014	01-03/2013	Change
Sales	€ million	30.7	26.5	16%
Return on revenue before tax	%	8%	9%	-2%
EBITDA	€ million	4.7	4.2	13%
EBIT	€ million	3.0	2.4	25%
EBT	€ million	2.6	2.3	14%
Net income before other shareholder's interests	€ million	1.5	1.5	4%
Profit	€ million	1.6	1.2	32%
Earnings per share (basic)	€	0.30	0.23	32%
Operational cash flow	€ million	-1.7	-2.0	-19%
Depreciation and amortization on non-current assets	€ million	1.7	1.8	-4%
Staff as end of period	Persons	679	618	10%

# Milestones



## Orphan drug status

SOMscan®, a peptide for detecting neuroendocrine tumors developed by minority interest OctreoPharm Sciences GmbH, has been awarded the coveted and financially rewarding orphan drug status by the European Medicines Agency EMA.

## Abstract Award

For the seventh time, Eckert & Ziegler will hand out its Abstract Award. Each year, the award is presented to young scientists for exceptional work in the field of nuclear medicine at the annual congress of the European Association of Nuclear Medicine (EANM).



## Dividend

The Executive Board and the Supervisory Board will propose to the Annual General Meeting on May 22, 2014 a dividend of € 0.60 per share with dividend rights.

# Business development of the Eckert & Ziegler Group

## POSITIVE START TO THE YEAR

In the first quarter of 2014, the Group generated sales of € 30.7 million, which corresponds to an increase of € 4.2 million or 16 % year on year. Acquisitions account for € 3.0 million of this increase, with the remainder applicable to organic growth, although the adverse impact of the USD exchange rate had a negative effect on organic growth of approximately € 0.5 million. EBIT improved 25 % to € 3.0 million and profit for the quarter rose 32 % to € 1.6 million or € 0.30 per share. The reasons for this are based on developments in the segments, as counter effects are only visible on this level.

The Radiopharma segment registered the best start to the new fiscal year. Sales were up 28 % to € 8.1 million and EBIT increased by € 1.1 million to € 1.2 million. The reasons for this positive development are the successful integration of Austrian company BSM (Cyclotron business) and the sales increases in synthesis equipment and pharmaceutical yttrium.

Sales in the Isotope Products segment rose by 7 % to € 14.5 million due to the increase in sales of industrial components. As the sales increase was more than compensated for by higher production costs and overheads, EBIT contracted 11 % to € 3.7 million.

Sales in the Radiation Therapy segment increased 19 % to € 6.5 million, largely due to the acquisitions of companies in the USA. However, these companies have yet to break even due in part to the fact that they had to absorb considerable restructuring expenses in the first quarter. As extraordinary income relating to litigation was reported in the prior-year quarter, EBIT declined by € 1.8 million to € - 0.9 million as against 2013.

The Others segment contains Environmental Services and Holding, which were previously reported separately. Sales were up 45 % to € 1.6 million and the loss was reduced significantly by € 1.8 million to € 0.9 million. This was primarily attributable to the sales increase from the collection of isotope related waste material and the absence of extraordinary expenses from increases in provisions, which had impacted the results in the prior-year quarter.

## LIQUIDITY

In the period from January to March 2014, liquidity fell € 4.3 million to € 25.1 million.

Gross cash flow – calculated from profit for the period adjusted for non-cash effects – fell 46 % year on year to € 3.0 million. In the prior year, the reduction of liabilities and provisions had an adverse effect on liquidity, leading to an overall improvement in cash flow from operating activities in 2014, although it remains negative due to the increase in receivables and inventories totaling € 3.2 million.

Cash outflows from investing activities fell slightly due to the lack of acquisitions, while investments, especially for the new cyclotron facility near Warsaw was largely completed. As the cyclotron was financed by third parties, net loan repayments were down slightly year on year. Moreover, there were no more payments relating to the takeover of additional shares of minority shareholders in the Radiation Therapy segment. Overall, cash flows from financing activities fell significantly year on year by € 0.9 million.

## BALANCE SHEET

The balance sheet at the end of March 2014 is more or less unchanged as against that of the annual financial statements for 2013. Total assets are practically identical, as depreciation and investments are more or less balanced. As explained in the section on liquidity, the increase in receivables and inventories is responsible for the decline in cash and cash equivalents. There were no major shifts in terms of liabilities and the equity ratio subsequently rose slightly from 51 % to 52 %.

## EMPLOYEES

The Eckert & Ziegler Group had a total of 679 employees worldwide as of March 31, 2014, 411 of whom worked in Germany. The number of employees was therefore down by 7 compared to the end of 2013, mainly due to personnel adjustments made in the new companies in the USA.

## OUTLOOK

Sales and earnings are expected to improve by at least 10 % in fiscal year 2014 compared to 2013. In concrete terms, sales are expected to grow to € 134 million and net profit to € 10.5 million or € 2.00 per share.

GROUP STATEMENT OF INCOME		
€ thousand	Quarterly Report I/2014 01–03/2014	Quarterly Report I/2013 01–03/2013
Revenues	30,702	26,504
Cost of sales	– 15,367	– 14,330
<b>Gross profit on sales</b>	<b>15,335</b>	<b>12,174</b>
Selling expenses	– 5,192	– 4,728
General and administrative expenses	– 6,274	– 5,577
Research and non-capitalized development expenses	– 992	– 909
Other operating income	250	1,652
Other operating expenses	– 16	– 248
<b>Profit from operations</b>	<b>3,111</b>	<b>2,364</b>
Results from shares measured at equity	– 78	–
Results of financial investments measured at fair value	– 39	–
Other financial results	31	49
<b>Earnings before interest and taxes (EBIT)</b>	<b>3,025</b>	<b>2,413</b>
Interest received	23	99
Interest paid	– 445	– 223
<b>Profit before tax</b>	<b>2,603</b>	<b>2,289</b>
Income tax expense	– 1,061	– 802
<b>Net income</b>	<b>1,542</b>	<b>1,487</b>
Profit/loss attributable to minority interests	57	– 273
<b>Dividend to shareholders of Eckert &amp; Ziegler AG</b>	<b>1,599</b>	<b>1,214</b>
<b>Earnings per share</b>		
Basic	0.30	0.23
Diluted	0.30	0.23
Average number of shares in circulation (basic)	5,288	5,288
Average number of shares in circulation (diluted)	5,288	5,288

## GROUP STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Quarterly Report I/2014 01–03/2014	Quarterly Report I/2013 01–03/2013
<b>Profit for the period</b>	<b>1,542</b>	<b>1,487</b>
Of which attributable to other shareholders	– 57	273
Of which attributable to shareholders of Eckert & Ziegler AG	1,599	1,214
<b>Items that could subsequently be reclassified into the income statement</b>		
Adjustment of balancing item from the currency translation of foreign subsidiaries	82	– 369
Amount reposted to income statement	0	0
<b>Adjustment of amount recorded in shareholders' equity (Currency translation)</b>	<b>82</b>	<b>– 369</b>
<b>Total of value adjustments recorded in shareholders' equity</b>	<b>82</b>	<b>– 369</b>
Of which attributable to other shareholders	– 1	20
Of which attributable to shareholders of Eckert & Ziegler AG	83	– 389
<b>Total from net income and value adjustments recorded in shareholders' equity</b>	<b>1,624</b>	<b>1,118</b>
Of which attributable to other shareholders	– 58	293
Of which attributable to shareholders of Eckert & Ziegler AG	1,682	825

## GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report I/2014 1/1 – 3/31/2014	Quarterly Report I/2013 1/1 – 3/31/2013
<b>Cash flows from operating activities:</b>		
Profit for the period	1,543	1,488
Adjustments for:		
Depreciation and value impairments	1,698	1,772
Non-cash release of deferred income from grants	– 9	– 16
Gains (-)/losses on the disposal of non-current assets	1	–
Change in the non-current provisions, other non-current liabilities	376	1,718
Gains (-)/losses on the disposal of non-current assets	– 731	573
Miscellaneous	84	– 37
Changes in current assets and liabilities:		
Receivables	– 1,686	– 162
Inventories	– 1,543	– 1,537
Accruals, other current assets	– 179	195
Change in the current liabilities and provisions	– 1,204	– 6,040
<b>Cash inflows generated from operating activities</b>	<b>– 1,650</b>	<b>– 2,046</b>
<b>Cash flows from investing activities:</b>		
Purchase (-)/sale of non-current assets	– 1,745	– 1,205
Acquisitions of consolidated enterprises	–	– 586
<b>Cash outflows from investment activity</b>	<b>– 1,745</b>	<b>– 1,791</b>
<b>Cash flows from financing activities:</b>		
Change in long-term borrowing	– 781	– 1,278
Change in short-term borrowing	– 103	– 101
Acquisition of shares of consolidated companies	–	– 850
<b>Cash outflows from financing activities</b>	<b>– 884</b>	<b>– 2,229</b>
Effect of exchange rates on cash and cash equivalents	1	163
<b>Increase /reduction in cash and cash equivalents</b>	<b>– 4,278</b>	<b>– 5,903</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>29,414</b>	<b>30,842</b>
<b>Cash and cash equivalents at end of period</b>	<b>25,136</b>	<b>24,939</b>



GROUP BALANCE SHEETS		
€ thousand	March 31, 2014	Dec 31, 2013
<b>Assets</b>		
<b>Non current assets</b>		
Goodwill	34,908	34,906
Other intangible assets	17,595	17,744
Property, plant and equipment	33,717	33,542
Investments valued according to the equity method	415	493
Trade receivables	2,853	2,853
Deferred tax	10,334	9,937
Other non-current assets	7,404	6,785
<b>Total non-current assets</b>	<b>107,226</b>	<b>106,260</b>
<b>Current assets</b>		
Cash and cash equivalents	25,136	29,414
Securities	22	22
Trade accounts receivable	21,398	20,277
Inventories	19,320	17,778
Other current assets	5,268	5,159
<b>Total current assets</b>	<b>71,144</b>	<b>72,650</b>
<b>Total assets</b>	<b>178,370</b>	<b>178,910</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	30,187	28,588
Other reserves	- 3,725	- 3,808
Own shares	- 27	- 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	85,228	83,546
Minority interests	7,024	7,082
<b>Total shareholders' equity</b>	<b>92,252</b>	<b>90,628</b>
<b>Non-current liabilities</b>		
Long-term borrowings and finance lease obligations	16,793	17,572
Deferred income from grants and other deferred income	706	715
Deferred tax	2,509	2,381
Retirement benefit obligations	7,601	7,560
Other provisions	24,245	23,991
Other non-current liabilities	4,230	4,220
<b>Total non current liabilities</b>	<b>56,084</b>	<b>56,439</b>
<b>Current liabilities</b>		
Short-term borrowings and finance lease obligations	4,952	5,055
Trade accounts payable	5,234	7,779
Advance payments received	1,899	2,241
Deferred income from grants and other deferred income	104	104
Current tax payable	1,353	915
Provisions for pensions (current)	403	403
Current tax payable	4,009	4,014
Other current liabilities	12,080	11,332
<b>Total current liabilities</b>	<b>30,034</b>	<b>31,843</b>
<b>Total equity and liabilities</b>	<b>178,370</b>	<b>178,910</b>

## STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items						
	Number Piece	Nominal value € thousand	Capital reserve € thousand	Retained reserves € thousand	Unrealized profit securities € thousand	Unrealized profit pension commit- ments € thousand	Foreign currency exchange differences € thousand	Own shares € thousand	Equity attributable to sharehol- ders' equity € thousand	Minority shares € thousand	Group share holders' equity € thousand
<b>As of January 1, 2013</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>25,257</b>	<b>2</b>	<b>- 1,640</b>	<b>- 1,658</b>	<b>- 27</b>	<b>80,727</b>	<b>6,243</b>	<b>86,970</b>
Foreign currency translation differences							- 1,319		- 1,319	- 72	- 1,391
Unrealized gains / losses by performance oriented pensions on balance sheet date (after tax of € - 408 thousand)						- 833			- 833		- 833
Unrealized gains / losses on securities at balance sheet date (after tax of € - 1 thousand)					2				2		2
Reversal of unrealized gains / losses at previous balance sheet date					- 2	1,640			1,638		1,638
Total of expenditures and income directly entered in equity	0	0	0	0	0	807	- 1,319	0	- 512	- 72	- 584
Net profit for the year				9,089					9,089	1,412	10,501
Total income for the period	0	0	0	9,089	0	807	- 1,319	0	8,577	1,340	9,917
Dividendenzahlung				- 3,173					- 3,173	- 243	- 3,416
Use of own shares for purchase of minority interests			0					0	0	0	0
Stock option expenses									0		
Purchase or sale of non-controlling interests				- 2,585					- 2,585	- 258	- 2,843
<b>As of December 31, 2013</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>28,588</b>	<b>2</b>	<b>- 833</b>	<b>- 2,977</b>	<b>- 27</b>	<b>83,546</b>	<b>7,082</b>	<b>90,628</b>

## STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items							
	Number	Nominal value € thousand	Capital reserve € thousand	Retained reserves € thousand	Unrealized profit securities € thousand	Unrealized		Foreign currency exchange differences € thousand	Own shares € thousand	Equity attributable to shareholders' equity € thousand	Minority shares € thousand	Group share holders' equity € thousand
						profit pension commitments € thousand	Unrealized profit securities € thousand					
<b>As of January 1, 2014</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>28,588</b>	<b>2</b>	<b>- 833</b>	<b>- 2,977</b>	<b>- 27</b>	<b>83,546</b>	<b>7,082</b>	<b>90,628</b>	
Foreign currency translation differences							83		83	- 1	82	
Unrealized gains/losses by performance oriented pensions on balance sheet date (after tax of € -408 thousand)						- 833			- 833		- 833	
Unrealized gains/losses on securities at balance sheet date (after tax of € - 1 thousand)					2				2		2	
Reversal of unrealized gains/losses at previous balance sheet date					- 2	833			831		831	
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	83	0	83	- 1	82	
Net profit for the year				1,599					1,599	- 57	1,542	
Total income for the period	0	0	0	1,599	0	0	83	0	1,682	- 58	1,624	
<b>As of March 31, 2014</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>30,187</b>	<b>2</b>	<b>- 833</b>	<b>- 2,894</b>	<b>- 27</b>	<b>85,228</b>	<b>7,024</b>	<b>92,252</b>	

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Elimination		Total	
	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013
Sales to external customers	14,532	13,624	6,496	5,453	8,090	6,338	1,584	1,089	0	0	30,702	26,504
Sales to other segments	467	966	42	1	39	32	1,149	922	-1,697	-1,921	0	0
Total segment sales	14,999	14,590	6,538	5,454	8,129	6,370	2,733	2,011	-1,697	-1,921	30,702	26,504
Segment profit before interest and profit taxes (EBIT)	3,688	4,129	-928	882	1,172	71	-907	-2,664	0	-5	3,025	2,413
Interest revenues and expense	-39	-36	-165	10	-292	-281	74	178	0	5	-422	-124
Income tax expense	-1,156	-1,215	328	-321	-346	42	113	692	0	0	-1,061	-802
Profit before minority interests	2,493	2,878	-765	571	534	-168	-720	-1,794	0	0	1,542	1,487

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013
Segmental assets	97,424	97,443	57,639	48,832	36,440	25,047	97,572	99,418	289,075	270,740
Elimination of inter-segmental shares, equity investments and receivables									-110,707	-109,494
Consolidated total assets									178,368	161,246
Segmental liabilities	-46,580	-47,272	-23,384	-16,402	-35,364	-25,323	-7,923	-12,220	-113,251	-101,217
Elimination of intersegmental liabilities									27,134	26,544
Consolidated liabilities									-86,117	-74,673
Investments (without acquisitions)	298	210	501	384	647	544	299	67	1,745	1,205
Depreciation	-573	-586	-574	-623	-325	-375	-226	-188	-1,698	-1,772
Non-cash income/expenses	-162	-1,605	400	-880	-513	47	-4	200	-279	-2,238

## SALES BY REGIONS

	Q1/2014		Q1/2013	
	€ million	%	€ million	%
Europe	17.5	57	14.9	56
North America	9.3	30	8.7	33
Asia/Pacific	2.7	9	2.4	9
Others	1.2	4	0.5	2
<b>Total</b>	<b>30.7</b>	<b>100</b>	<b>26.5</b>	<b>100</b>

## Notes to the interim financial statements

### 1. GENERAL INFORMATION

These unaudited interim financial statements as of March 31, 2014 contain the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter referred to as "Eckert & Ziegler AG").

### 2. ACCOUNTING AND VALUATION METHODS

As with the annual financial statements for 2013, the consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS). All standards of the International Accounting Standards Board (IASB), London, applicable in the EU at the reporting date, as well as the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into account. The accounting and valuation methods explained in the notes to the annual financial statements for 2013 have been applied unchanged.

When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that impact the amount and disclosure of recognized assets and liabilities, revenues and expenses. Actual amounts may differ from the estimates. Significant assumptions and estimates are made concerning useful lives, income achievable from property, plant and equipment, recoverability of receivables and the accounting and measurement of provisions.

This interim report includes all information and adjustments required to provide a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG as of the reporting date. The interim results for the current fiscal year do not necessarily allow conclusions to be drawn about the development of future earnings.

### 3. SCOPE OF CONSOLIDATION

The consolidated financial statements of Eckert & Ziegler AG include all companies where Eckert & Ziegler AG is able, either indirectly or directly, to determine the company's financial and business policies (control concept).

#### Acquisitions and sales of companies

Please refer to the explanations given in section 4 for details on the acquisitions and sales of companies.

#### 4. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PRIOR YEAR

Düsseldorf-based Chemotrade GmbH was acquired on February 15, 2013. Additional shares in a Group company in the Radiopharma segment were acquired from a minority shareholder in the first quarter of 2013. EnergySolutions' disposal business in Great Britain was acquired effective June 1, 2013. Eckert & Ziegler purchased all shares in BSM Diagnostica Gesellschaft m.b.H., based in Austria, effective July 1, 2013. In July, Eckert & Ziegler acquired a minority interest in OctreoPharm Sciences GmbH.

These had a material impact on the Group's net assets and results of operations as against the first three months of 2013, impairing the comparability of the consolidated report with the prior year.

#### 5. CURRENCY TRANSLATION

The financial statements of companies outside the European Monetary Union are translated pursuant to the functional currency concept. The following exchange rates were used for the currency translation:

Country	Currency	Exchange rate Mar 31, 2014	Exchange rate Dec 31, 2013	Average rate Jan 1–Mar 31, 2014	Average rate Jan 1–Mar 31, 2013
USA	USD	1.3788	1.3791	1.3720	1.3117
Czech Republic	CZK	27.4420	27.4270	27.4284	25.5709
Great Britain	GBP	0.8282	0.8337	0.8154	0.8221
Poland	PLN	4.1705	4.1543	4.1779	4.1664
Russia	RUB	48.8890	44.8968	47.9417	–
Brazil	BRL	3.1025	3.2504	3.2316	2.7093

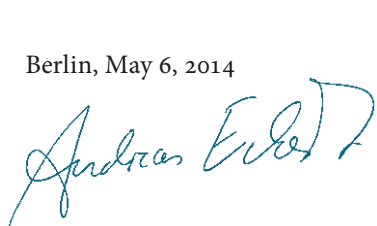
#### 6. OWN SHARES

Eckert & Ziegler AG held 4,818 own shares as of March 31, 2014. This equates to a 0.1 % share of the Company's subscribed capital.

#### 7. MATERIAL TRANSACTIONS WITH RELATED PARTIES

Please refer to the consolidated financial statements as of December 31, 2013 for details on material transactions with related parties.

Berlin, May 6, 2014



Dr. Andreas Eckert  
Chairman of the Executive Board



Dr. Edgar Löffler  
Member of the Executive Board



Dr. André Heß  
Member of the Executive Board

## Financial calendar

May 6, 2014	Quarterly Report I / 2014
May 6 and 7, 2014	Small Cap Forum / Spring Conference in Frankfurt
May 22, 2014	Annual General Meeting
August 5, 2014	Quarterly Report II / 2014
November 6, 2014	Quarterly Report III / 2014
November 2014	German Equity Forum in Frankfurt

## Contact

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### **PHOTO**

Eckert & Ziegler archive