

Quarterly Report I/2007



		Q1 2007	Q1 2006	Change
Revenue	Million EUR	13.0	11.3	15%
Return on revenue before tax	%	9	9	4%
EBITDA	Million EUR	2.3	2.2	3%
EBIT	Million EUR	1.3	1.1	21%
EBT	Million EUR	1.2	1.0	20%
Net income before minority interest	Million EUR	0.8	0.7	14%
Net income / loss	Million EUR	0.8	0.6	17%
Earnings per share (basic)	EUR	0.24	0.21	16%
Earnings per share (diluted)	EUR	0.24	0.21	16%
Cash flow from operating activities	Million EUR	1.3	0.9	48%
Depreciation and amortization (net)	Million EUR	1.0	1.1	-14%
Employees (as of March 31)	Persons	303	285	6%

Cover (from left to right)

The miniaturized cobalt-60 source, which is one millimeter thick and just under 3.5 millimeters long, is superbly suited for use in afterloaders, a type of cancer radiation system. In January, Eckert & Ziegler received a large-scale contract from Venezuela for MultiSource® afterloaders.

“Forschergarten”, the pre-school natural science education program that Eckert & Ziegler initiated, was honored as a “2007 Selected Site in the Land of Ideas”.

Gas referencing standard with transfer kit for the nuclear industry, used in calibrating control systems

Business development for the Eckert & Ziegler Group

Following the record year of 2006, the first three months of the new business year have developed very well.

In the first quarter of 2007, the Eckert & Ziegler Group posted sales of 13 million EUR, which were 1.7 million EUR or 15% above the figure for the same period of last year. Both the operating results (up 27%, or 0.3 million EUR) and the income from continuing operations (up 14%, or 0.1 million EUR) rose substantially over the figures for the same period of last year.

For all segments, sales increased over the same three-month period of 2006.

Sales in the Nuclear Medicine and Imaging segment increased nominally (disregarding devaluation of the US\$) by 11% over the same period of last year. This segment has traditionally been the largest in the Group; it produces primarily products for medical imaging and industrial measurement systems. The main growth engines in the segment for the first quarter of 2007 were radioactive sources. Sales of radioactive sources for industrial applications rose by 25% even on a US-dollar basis. This is due in large part to high demand from the oil and gas sector as well as the controlled systems sector. The majority of sales were to customers in North America, and thus took place in US\$. Due to the continuing decline in the US\$/EUR exchange rate, however, this considerable increase in sales did not generate the hoped-for effect. In real terms, the segment grew by 2%.

Sales revenues in the Therapy segment showed a significant rise. Compared to the same period of last year, they grew by 1.1 million EUR or 25%, to 5.4 million EUR. This increase derives especially from the supply of tumor radiation systems (+27%) as well as from greater sales of implants for treating prostate cancer (+20%). The high sales of tumor radiation systems resulted from the acquisition of a large-scale contract with the Venezuelan Health Ministry.

Sales in the Radiopharmaceuticals segment increased by 44%, or 0.5 million EUR. This growth is due primarily to revenue from decoupled products of the Modular-Lab group, as well as to a considerable increase (21%) in income from contrast agents for PET scans (Positron Emission Tomography), the main driver of sales in this segment.

Profit situation

The Eckert & Ziegler Group also showed a positive trajectory for profits. Following taxes and distribution to other shareholders, it earned profits of 0.8 million EUR (last year: 0.6 million EUR), or 0.24 EUR per share (last year: 0.21 EUR per share). Figures for the first quarter of 2007 thus lie well over those for the same period of last year.

As in preceding periods, the main source of profit was the Nuclear Medicine and Industry segment, which contributed a surplus of 0.6 million EUR after taxes and distribution to other shareholders. The Therapy segment posted profits of 0.3 million EUR, whereas the Radiopharmaceuticals segment showed a loss of 0.2 million EUR. For both the Therapy and the Nuclear Medicine and Imaging segments, the surplus after taxes and distribution to other shareholders rose by 0.2 million EUR.

Milestones

■ The Venezuelan Health Ministry ordered innovative tumor radiation systems of the MultiSource® type for six additional clinics. This represents an additional order of afterloaders, following immediately upon the Curietron order of last year.

■ "Forschergarten", the pre-school natural science education program (www.forschergarten.de) that Eckert & Ziegler initiated, was honored as a "2007 Selected Site in the Land of Ideas" ("Ausgewählter Ort im Land der Ideen 2007"). As such, it is one of 365 innovative projects assigned a specific day in a campaign next year to highlight the future potential and wealth of ideas in Germany.

Research and Development

In the Therapy segment, a new design was developed for the iridium-192 radioactive source. By further miniaturizing this source and by considerably increasing its physical flexibility, we can expand the range of treatment available from our cancer radiation systems. In addition to this enhanced design, a considerably more powerful drive for the afterloader was also developed.

In the Radiopharmaceuticals segment, the development work that was launched in the 2005 and 2006 business years on the Modular-Lab synthesis module was pursued further. This family of systems lets nuclear medical specialists conveniently produce yet larger amounts of radiopharmaceutical agents for PET scans (Positron Emission Tomography).

The Modular-Lab was also expanded to enable automatic marking of radiopharmaceuticals. A prototype has already been installed in Switzerland. This new technology will increasingly replace manual radioactive marking, and is helping to dramatically lower the levels of radiation that laboratory personnel are exposed to.

Staff

As of 31 March 2007, Eckert & Ziegler Group employed a staff of 303 (compared to 285 on 31 March 2006). The total number of staff increased by 2 over the Group-wide figure at the end of 2006.

Outlook

The Board anticipates a net income of 2.8 million EUR (earnings per share of 0.90 EUR) for the 2007 business year. The optimistic growth expectations are based primarily on greater sales of implants for treating prostate cancer, which were added to the list of products and services remunerated by health insurance companies in France last year. The Board also expects industrial components and tumor radiation systems to generate significant boosts to growth.

The net income prognosis of 2.8 million EUR is contingent on the EUR/US\$ exchange rate and stable tax rules. However, the German government plans to modify the corporate tax, which might lead to a depreciation of latent taxes. A precise outlook proves to be very difficult due to the hitherto fragmentary information flow and the unpredictable political decision making process.

Thanks to its solid financial situation and healthy capital structure, the Eckert & Ziegler Group has a sound basis for continued successful growth. Strong developments over the first three months of the new business year confirm this positive outlook for the year 2007.

	Quarterly Report I/2007 01-03/2007	Quarterly Report I/2006 01-03/2006	Annual Report 2006 01-12/2006
	TEUR	TEUR	TEUR
Revenue	12,999	11,284	50,378
Cost of goods sold	-6,977	-6,130	-26,464
Gross profit on sales	6,022	5,154	23,914
Selling expenses	-2,159	-2,052	-8,652
General and administrative expenses	-2,639	-2,497	-10,307
Research and development expenses	-6	-103	-333
Other operating income	85	535	1,451
Other operating expenses	-9	-15	-196
Operating income/loss	1,294	1,022	5,877
Interest receivable and payable, net	-174	-136	-796
Gains/losses on currency exchange, net	43	-47	-328
Other income/expense, net	-	133	-5
Income before tax and minority interest	1,163	972	4,748
Income tax expense	-367	-276	-1,611
Net income from continuing operations	796	696	3,137
Income from discontinued operations, net	-	-	-592
Minority interests in net income of consolidated subsidiaries	-39	-46	-324
Net income/loss	757	650	2,221
Earnings per share			
Basic	0.24	0.21	0.71
Diluted	0.24	0.21	0.70
Earnings per share – discontinued operations			
Basic	0.25	0.22	1.00
Diluted	0.25	0.22	0.99
Average number of shares in circulation (basic)	3,141	3,123	3,131
Average number of shares in circulation (diluted)	3,177	3,158	3,167

	March 31, 2007	Dec 31, 2006
	TEUR	TEUR
ASSETS		
Non-current assets		
Property, plant and equipment	15,486	15,920
Intangible assets	7,416	7,212
Goodwill	10,705	10,773
Equity investments	74	74
Deferred taxes	4,104	4,118
Other non-current assets	2,031	2,084
Total non-current assets	39,816	40,181
Current assets		
Cash and cash equivalents	2,892	4,683
Marketable securities	1,031	1,081
Trade accounts receivable, less allowance for doubtful accounts	10,544	11,110
Receivables from related parties	8	27
Inventories	6,261	5,888
Prepaid expenses and other current assets	1,816	1,204
Total current assets	22,552	23,993
Total assets	62,368	64,174
EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	3,250	3,250
Capital reserve	29,664	29,632
Retained earnings	6,825	6,068
Cumulative other comprehensive income	-2,935	-2,679
Own shares	-366	-366
Minority interests	463	424
Total shareholders' equity	36,901	36,329
Non-current liabilities		
Long-term debt, less current portion and capital lease obligations	6,268	7,319
Deferred income from grants and other deferred income	1,185	1,270
Deferred taxes	1,681	1,706
Pension reserves	132	129
Other non-current liabilities	3,414	3,449
Total non-current liabilities	12,680	13,873
Current liabilities		
Short-term debt and current portion of long-term debt and capital lease obligations	2,002	3,365
Trade accounts payable	3,864	3,855
Prepayments received	240	331
Accrued expenses	3,967	3,971
Deferred income from grants and other deferred income	958	960
Income tax payable	836	300
Other current liabilities	920	1,190
Total current liabilities	12,787	13,972
Total liabilities and shareholders' equity	62,368	64,174

	3-monthly report	3-monthly report
	01-03/2007	01-03/2006
	TEUR	TEUR
Cash flows from operating activities		
Profit for the year	796	696
Adjustments for:		
Depreciation and amortization	958	1,118
Proceeds from grants		
less release of deferred income from grants	-85	-267
Deferred taxes	-1	23
Income (-)/expense from stock option plan	32	-
Unrealized foreign currency gains (-)/losses	-36	91
Long-term reserves, other long-term liabilities	-6	-44
Gains/losses from the disposal of non-current assets	-1	9
Other items, net	4	-293
Changes in current assets and liabilities:		
Receivables	266	1,282
Inventories	-415	212
Prepaid expenses and other current assets	19	248
Accounts payable		
and accounts payable to affiliates	172	-764
Tax reserves	43	-705
Other liabilities	-458	-736
Net cash generated from operating activities	1,288	870
Cash flows from investing activities		
Additions to/sale of non-current assets	-823	-1,115
Purchase/sale of securities	50	-
Net cash used in investing activities	-773	-1,115
Cash flows from financing activities		
Change in long-term borrowing	-925	-750
Change in short-term borrowing	-1,342	19
Treasury stock used for stock options	-	97
Net cash generated from financing activities	-2,267	-634
Effect of exchange rates on cash and cash equivalents	-39	-38
Decrease/increase in cash and cash equivalents	-1,791	-917
Cash and cash equivalents at beginning of period	4,683	4,950
Cash and cash equivalents at end of period	2,892	4,033

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

	<u>Subscribed capital</u>		Capital reserve	Retained earnings	<u>Cumulative otherequity items</u>		Own shares	Equity attri- butable to shareholders	Minority interest	Group share- holders' equity
	Shares	Nominal value			Unrealized gains/losses on securities	Exchange differences				
		TEUR			TEUR	TEUR				
Balance Jan 1, 2007	3,250,000	3,250	29,632	6,068	22	-2,701	-366	35,905	424	36,329
Cost of share option plan			32					32		32
Profit for the year				757				757	39	796
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 14 thousand)					22			22		22
Reversal of unrealized gains/losses on securities at previous balance sheet date					-22			-22		-22
Foreign currency translation differences						-256		-256		-256
Balance March 31, 2007	3,250,000	3,250	29,664	6,825	22	-2,957	-366	36,438	463	36,901

01 – 03/2007

	Nuclear Medicine & Industry	Therapy	Radio- pharma- ceuticals	Others	Consoli- dation	Totals
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	5,984	5,367	1,645	3		12,999
Sales to other segments	0	50	0	255	-305	
Total segment sales	5,984	5,417	1,645	258	-305	12,999
Depreciation & amortization	-302	-519	-107	-30		-958
Non-cash income and expenses	-1	-82	47	129		93
Net income/loss before minority interest	602	346	-158	6		796
Segmental assets	28,100	21,060	6,825	36,113	-33,834	58,264
Segmental liabilities	-12,219	-16,533	-9,410	-5,044	19,420	-23,786
Capital expenditure	157	366	283	1		807

Sales by geographic areas 01 – 03/2007

	Million EUR	%
North America	4,7	36
Europe	7,0	54
Asia/Pacific	0,9	7
Others	0,4	3
	13,0	100

01 – 03/2006

	Nuclear Medicine & Industry	Therapy	Radio- pharma- ceuticals	Others	Consoli- dation	Totals
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	5,847	4,298	1,139			11,284
Sales to other segments	110	36	19	217	-382	
Total segment sales	5,957	4,334	1,158	217	-382	11,284
Depreciation & amortization	-341	-615	-123	-39		-1,118
Non-cash income and expenses	511	447	-2,142	1,191	256	263
Net income/loss before minority interest	410	158	-25	153		696
Segmental assets	26,823	18,437	6,786	36,504	-28,319	60,231
Segmental liabilities	-13,068	-18,660	-8,724	-5,302	19,044	-26,710
Capital expenditure	166	852	97			1,115

Sales by geographic areas 01 – 03/2006

	Mio EUR	%
North America	4,5	40
Europe	5,6	50
Asia/Pacific	0,4	3
Others	0,8	7
	11,3	100

1. General Information

This unaudited Group Interim Report of 31 March 2007 comprises the reports from Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (also "Eckert & Ziegler AG" below).

2. Accounting and Valuation Methods

Eckert & Ziegler AG's Consolidated Financial Statements (Interim Report) of 31 March 2007 was produced like the 2006 Annual Report in accordance with the International Financial Reporting Standards (IFRS). It takes into account all standards stipulated for application in the EU on that date by the International Accounting Standards Board (IASB) in London, as well as official interpretations by the International Financial Interpretations Committee (IFRIC) and/or the Standing Interpretations Committee (SIC).

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

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

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

3. Consolidation Cycle

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

4. Limited Comparability of this Consolidated Report with Last Year

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

5. Currency Conversion

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

Country	Currency	Exchange rate on 31 March 2007	Exchange rate on 31 March 2006	Average rate for the first quarter of 2007	Average rate for the first quarter of 2006
USA	US\$	1.333500	1.207600	1.323970	1.202640
Czech Republic	CZK	28.045300	28.677300	28.010420	28.536370

6. Number of Own Shares

On 31 March 2007 Eckert & Ziegler AG held 109,335 of its own shares, a number that remained unchanged since 31 December 2006. This corresponds to 3.4% of the company's capital stock.

7. Directors' Dealings

Regarding directors' dealings, readers are referred to the information in the Consolidated Financial Statements of 31 December 2006.

8. Significant Events

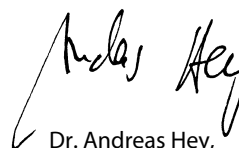
No significant events have occurred after the first three months of the 2007 business year.



Dr. Andreas Eckert,
Chief Executive Office



Dr. Edgar Löffler,
Executive Vice President



Dr. Andreas Hey,
Executive Vice President

Berlin, April 27, 2007

Financial Calendar

05-08-2007

Quarterly Report I/2007

06-12-2007

Annual General Meeting
in Berlin

08-07-2007

Quarterly Report II/2007

11-06-2007

Quarterly Report III/2007

November 2007

German Equity Capital Forum
in Frankfurt

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