



2013

Quarterly Report I

Key data Eckert & Ziegler

		01-03/2013	01-03/2012	Change
Sales	€ million	26.5	29.2	- 9 %
Return on revenue before tax	%	9 %	15 %	- 43 %
EBITDA	€ million	4.2	6.9	- 39 %
EBIT	€ million	2.4	4.9	- 51 %
EBT	€ million	2.3	4.4	- 48 %
Net income before other shareholder's interest	€ million	1.5	2.7	- 44 %
Net income	€ million	1.2	2.5	- 51 %
Earnings per share (basic)	€	0.23	0.47	- 51 %
Operational cash flow	€ million	- 2.0	0.6	- 465 %
Depreciation and amortization on non-current assets	€ million	1.8	1.9	- 8 %
Staff as end of period	Persons	618	584	6 %

Milestones

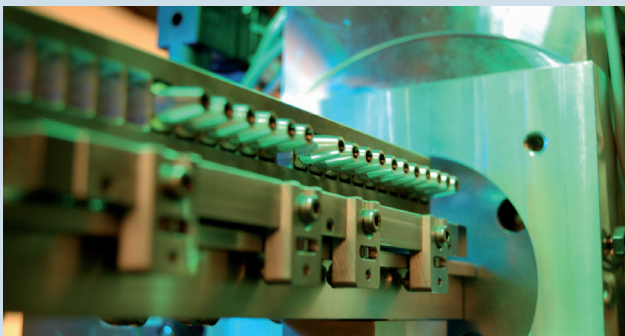
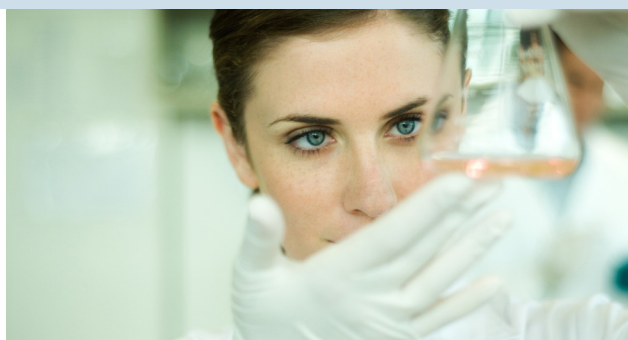


Core Oncology

Eckert & Ziegler BEBIG s.a. and Core Oncology, Inc. settle a legal dispute on the repayment of a loan granted to Core Oncology in the sum of US\$ 2 million. Eckert & Ziegler BEBIG s.a. will receive a one-off amount in the sum of US\$ 1.7 million as compensation for all claims.

Abstract award

Eckert & Ziegler presents the Eckert & Ziegler Abstract Award for the sixth time. This prize is awarded to young scientists each year for outstanding work in the field of nuclear medicine.



Asia

Eckert & Ziegler signs a cooperation agreement with the leading Korean contract research institute for bioanalysis, BioCore Co. Ltd. The agreement comprises the sales & marketing of special services provided by Eckert & Ziegler for the conducting of clinical studies in the development of pharmaceutical products.

Dividend

The Executive Board and the Supervisory Board decide to propose a dividend payment of €0.60 per share entitled to a dividend at the general shareholders' meeting on 17 May 2013.



Brazil

Eckert & Ziegler delivers the first MultiSource® tumour radiation device to Brazil, the largest market in the growth region of South America.

Business development of the Eckert & Ziegler Group

WEAK FIRST QUARTER

In the first quarter of 2013, the sales and earnings of the Eckert & Ziegler Group declined by 9% to €26.5 million compared with the corresponding period of the previous year. EBIT fell by 51% to €2.4 million. The profit after tax and minority interests was €1.2 million or €0.23 per share and thus substantially below the figure for the same period for the previous year at €2.5 million or €0.47 per share. The disproportionate decline in earnings was caused by declining sales in the radiation therapy segment, though this is not expected to be a lasting effect, changes in the composition of items sold, as well as non-recurring special effects (waste management provisions).

The changes can best be explained at segment level:

Isotope Products Segment

In the largest segment, Isotope Products, sales declined slightly by 3% to €13.6 million. However, EBIT for the segment fell by 8% to €4.1 million compared with the previous year, mainly due to a fall in the gross margin. This can be attributed to a shift from high-margin items to standard components with lower contribution margins. Given that there are no indications of this being a lasting trend, company management assumes that the traditional product range mix and the normal gross margin will be achieved again by the end of the year.

Radiation Therapy Segment

The Radiation Therapy segment registered a substantial 24% fall in sales to €5.5 million. This was caused by a price collapse for prostate implants, which led to lower sales revenues despite the increase in quantities purchased, as well as delays in deliveries of radiation devices and eye applicators. The decline in sales of implants is part of a more stable trend, while representing only a temporary dip for tumor radiation devices and eye applicators resulting from delivery and reporting date effects. As the orders and payments have already been received for most of the radiation devices, the backlog in sales compared with the previous year will be made up for in the coming quarters in the view of segment management. Nevertheless, the lower sales revenues did impact directly on the contribution margin. This effect was, however, lessened by the one-off proceeds in the sum of €1.3 million resulting from the agreement with Core Oncology, Inc., with the result that EBIT for the segment almost doubled from €0.5 million to €0.9 million. Comprehensive statements concerning the Radiotherapy segment can be found in the Eckert & Ziegler BEBIG s.a. quarterly report published at the same time (www.bebig.eu).

Radiopharma Segment

The Radiopharma segment maintained the sales of the first quarter of the previous year with a figure of €6.3 million, though the structure of sales also changed in this segment. Sales of fluorine-based radioactive contrast agents (PET tracers) decreased by €0.3 million, while the sales of devices for the production of radio-pharmaceuticals (Modular Lab etc.) increased. Although the growth and decline in sales balanced each other out in total, the lower margin in the device section led in overall terms to EBIT falling by €0.4 million to €0.1 million.

Environmental Services Segment

It was a disappointing quarter in the Environmental Services segment, with sales falling by €0.6 million to €1.1 million compared with the previous year. Similar to the Radiation Therapy segment, sector-specific project accounting and reporting date effects made themselves felt here which will in all likelihood be made up during the financial year. The lower sales directly impacted on the result for the first quarter via the lack of contribution margin. However, the decisive factor for the negative EBIT of €2 million was the increase in public authority prices for an important disposal channel rather than the fall in sales revenues. These price increases forced an adjustment of approx. €1 million in the waste disposal provisions. As this was the first increase in prices for a number of years, segment management sees this as essentially being a one-time effect.

LIQUIDITY

The cash flow statement shows a €5.9 million decrease in liquidity to €24.9 in the first quarter of 2013. This was mainly caused by the decline in earnings for the period, higher payments for investments as well as an increase in the net working capital.

This amount of €5.9 million was used for the following purposes:

- €1.4 for loan repayments, with the result that the net liquidity outflow amounted to only €4.5 million in de fact terms.
- €2.6 million for investments and acquisitions. The investments relate, in particular, to projects in the Radio-pharma segment for the gallium generator and the contrast medium plant in Poland. The outgoing payments for these increased by 21 % to €1.2 million. An amount of €1.4 million was spent on acquisitions if the purchase of equity instruments from subsidiaries shown in the cash flow statement as “cash flow from financing activities” is included.
- The remaining figure of around €1.9 million went into the net current assets, more particularly towards a significant reduction of liabilities.

BALANCE SHEET

Compared with 31 December 2012, the balance sheet as per end of March 2013 changed as follows: two main affects from the cash flow statement result in a lower balance sheet total. Firstly, the decline in liquid funds decreases the assets side, while the corresponding effect on the liabilities side is found in the reduction of short-term liabilities, which has already impacted negatively on the operative cash flow. The balance sheet total fell from €164.4 million to €161.2 million. The equity ratio rose from 53 % to 54 % through the lower balance sheet total with equity capital remaining more or less constant.

PERSONNEL

As per 31 March 2013, the Eckert & Ziegler Group employed 618 personnel worldwide, with 416 of these working in Germany. The number of personnel increased by 1 % compared with the end of the year 2012 (31 December 2012: 611).

OUTLOOK

The Group expects sales to grow to around €125 million for the financial year 2013 and, following the weak first quarter, it is now anticipated that profits will increase by 10 % compared with the previous year. Based on around 5.3 million shares, this corresponds to net earnings after taxes and minority interests in the sum of €2.15 per share or an absolute amount of €11.3 million.

GROUP STATEMENT OF INCOME

in € thousand	Quarterly Report I/2013 01–03/2013	Quarterly Report I/2012 01–03/2012
Revenues	26,504	29,243
Cost of sales	– 14,330	– 12,927
Gross profit on sales	12,174	16,316
Selling expenses	– 4,728	– 5,049
General and administrative expenses	– 5,577	– 5,203
Research and non-capitalized development expenses	– 909	– 923
Other operating income	1,652	1,158
Other operating expenses	– 248	– 1,104
Profit from operations	2,364	5,195
Other financial results	49	– 273
Earnings before interest and taxes (EBIT)	2,413	4,922
Interest received	99	38
Interest paid	– 223	– 522
Earnings before tax	2,289	4,438
Income tax expense	– 802	– 1,781
Net income	1,487	2,657
Profit/loss attributable to minority interests	– 273	– 163
Dividend to shareholders of Eckert & Ziegler AG	1,214	2,494
Earnings per share		
Basic (EUR per share)	0.23	0.47
Diluted (EUR per share)	0.23	0.47
Average number of shares in circulation (basic) (in thousand items)	5,288	5,288
Average number of shares in circulation (diluted) (in thousand items)	5,288	5,288

GROUP STATEMENT OF COMPREHENSIVE INCOME

in € thousand	Quarterly Report I/2013 01–03/2013	Quarterly Report I/2012 01–03/2012
Profit for the period	1,487	2,657
Of which attributable to other shareholders	273	163
Of which attributable to shareholders of Eckert & Ziegler AG	1,214	2,494
Items that could subsequently be reclassified into the income statement		
Adjustment of balancing item from the currency translation of foreign subsidiaries	– 369	– 526
Amount reposted to income statement	0	0
Adjustment of amount recorded in shareholders' equity (Currency translation)	– 369	– 526
Total of value adjustments recorded in shareholders' equity	– 369	– 526
Of which attributable to other shareholders	20	33
Of which attributable to shareholders of Eckert & Ziegler AG	– 389	– 559
Total from net income and value adjustments recorded in shareholders' equity	1,118	2,131
Of which attributable to other shareholders	293	196
Of which attributable to shareholders of Eckert & Ziegler AG	825	1,935

GROUP STATEMENT OF CASH FLOW

in € thousand	Quarterly Report I/2013 01.01.2013 – 31.03.2013	Quarterly Report I/2012 01.01.2012 – 31.03.2012
Cash flows from operating activities:		
Profit for the period	1.488	2.657
Adjustments for:		
Depreciation and value impairments	1.772	1.928
Non-cash release of deferred income from grants	– 16	– 50
Change in the non-current provisions, other non-current liabilities	1.718	344
Gains (-)/losses on the disposal of non-current assets	573	–
Miscellaneous	– 37	1
Changes in current assets and liabilities:		
Receivables	– 162	– 1.844
Inventories	– 1.537	– 454
Changes in other current assets	195	16
Change in the current liabilities and provisions	– 6.040	– 2.037
Cash outflows / inflows generated from operating activities	– 2.046	561
Cash flows from investing activities:		
Purchase (-) / sale of non-current assets	– 1.205	– 993
Acquisition of consolidated companies (less acquired liquid funds)	– 586	–
Cash outflows from investing activities	– 1.791	– 993
Cash flows from financing activities:		
Change in long-term borrowing	– 1.278	– 1.208
Change in short-term borrowing	– 101	– 187
Purchase of equity instruments of subsidiaries	– 850	–
Cash outflows from financing activities	– 2.229	– 1.395
Effect of exchange rates on cash and cash equivalents	163	– 198
Increase/reduction in cash and cash equivalents	– 5.903	– 2.025
Cash and cash equivalents at beginning of period	30.842	32.304
Cash and cash equivalents at end of period	24.939	30.279

GROUP BALANCE SHEET in € thousand	March 31, 2013	Dec 31, 2012
Assets		
Non-current assets		
Goodwill	31,603	31,122
Other intangible assets	15,088	14,697
Property, plant and equipment	30,741	31,158
Investments valued according to the equity method	–	–
Trade accounts receivable	1,313	1,886
Deferred tax	9,727	9,104
Other non-current assets	3,946	4,027
Total non-current assets	92,418	91,994
Current assets		
Cash and cash equivalents	24,939	30,842
Securities	22	22
Trade accounts receivable	20,253	20,115
Inventories	17,105	15,466
Other current assets	6,509	6,005
Total current assets	68,828	72,450
Total assets	161,246	164,444
Equity and liabilities		
Capital and reserves		
Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	24,154	25,257
Other reserves	– 2,680	– 3,296
Own shares	– 27	– 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	80,240	80,727
Minority interests	6,334	6,243
Total shareholders' equity	86,574	86,970
Non-current liabilities		
Long-term borrowings and finance lease obligations	8,848	9,773
Deferred income from grants and other deferred income	937	954
Deferred tax	2,145	1,521
Retirement benefit obligations	8,905	8,863
Other provisions	22,448	20,627
Other non-current liabilities	2,865	1,345
Total non-current liabilities	46,148	43,083
Current liabilities		
Short-term borrowings and finance lease obligations	5,390	5,673
Trade accounts payable	4,046	7,454
Advance payments received	1,592	2,344
Deferred income from grants and other deferred income	92	92
Current tax payable	3,036	2,075
Other current liabilities	14,368	16,753
Total current liabilities	28,524	34,391
Total equity and liabilities	161,246	164,444

STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital			Cumulative other equity items					Group share-holders' equity € thsd.			
	Number Piece	Nominal value € thsd.	Capital reserve € thsd.	Retained reserves € thsd.	Unrealized profit securities € thsd.	Unrealized profit commit- ments € thsd.	Foreign currency exchange differences € thsd.	Own shares € thsd.		Equity attributable to share- holders' equity € thsd.	Minority shares € thsd.	
												5,292,983
As of January 1, 2012												
Foreign currency translation differences												
Unrealized gains/losses by performance oriented pensions on balance sheet date (after tax of € - 755 thousand)												
Unrealized gains/losses on securities at balance sheet date (after tax of € - 1 thousand)												
Reversal of unrealized gains/losses at previous balance sheet date												
Total of expenditures and income directly entered in equity	0	0	0	0	0	- 1,223	- 389	0	- 1,612	20	- 1,592	
Net profit for the year				10,293					10,293	1,472	11,765	
Total income for the period	0	0	0	10,293	0	- 1,223	- 389	0	8,681	1,492	10,173	
Dividends paid				- 3,173					- 3,173	- 713	- 3,886	
Purchase or sale of minority interests				12					12	- 225	- 213	
As of December 31, 2012	5,292,983	5,293	53,500	25,257	2	- 1,640	- 1,658	- 27	80,727	6,243	86,970	

STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital			Cumulative other equity items					Equity attributable to shareholders' equity € thsd.	Minority shares € thsd.	Group shareholders' equity € thsd.	
	Number Piece	Nominal value € thsd.	Capital reserve € thsd.	Retained reserves € thsd.	Unrealized profit securities € thsd.	Unrealized profit commitments € thsd.	Foreign currency exchange differences € thsd.	Own shares € thsd.				Equity attributable to shareholders' equity € thsd.
As of January 1, 2013												
Foreign currency translation differences							616		616	-15	601	
Unrealized gains/losses by performance oriented pensions on balance sheet date (after tax of € - 755 thousand)						-1,640			-1,640		-1,640	
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	0	616	0	616	-15	601	
Net profit for the year				1,214					1,214	273	1,487	
Total income for the period	0	0	0	1,214	0	0	616	0	1,830	258	2,088	
Purchase or sale of minority interests				-2,317					-2,317	-167	-2,484	
As of March 31, 2013	5,292,983	5,293	53,500	24,154	2	-1,640	-1,042	-27	80,240	6,334	86,574	

SEGMENTAL REPORT

in € thousand	Isotope Products		Radiation Therapy		Radiopharma		Environmental Services		Others		Elimination		Total	
	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012
		13,624	13,983	5,453	7,160	6,338	6,369	1,087	1,729	2	2	0	0	26,504
Sales to external customers	966	438	1	4	32	20	115	157	807	671	-1,921	-1,290	0	0
Sales to other segments	14,590	14,421	5,454	7,164	6,370	6,389	1,202	1,886	809	673	-1,921	-1,290	26,504	29,243
Total segment sales	4,129	4,505	882	460	71	509	-1,959	57	-705	-609	-5	0	2,413	4,922
Segment profit before interest and profit taxes (EBIT)	-36	-56	10	-163	-281	-255	-13	-20	191	10	5	0	-124	-484
Interest expenditures and revenues	-1,215	-1,314	-321	-265	42	-191	504	-11	188	0	0	0	-802	-1,781
Income tax expense	2,878	3,135	571	32	-168	63	-1,468	26	-326	-599	0	0	1,487	2,657
Profit before minority interests														

SEGMENTAL REPORT

in € thousand	Isotope Products		Radiation Therapy		Radiopharma		Environmental Services		Others		Total	
	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012	Q1/2013	Q1/2012
	Segmental assets	97,443	78,902	48,832	46,363	25,047	25,117	-*	-*	99,418	98,730	270,740
Elimination of inter-segmental shares, equity investments and receivables											-109,494	-96,261
Consolidated total assets											161,246	152,851
Segmental liabilities	-47,272	-35,776	-16,402	-18,013	-25,323	-23,387	-*	-*	-12,220	-15,965	-101,217	-93,141
Elimination of intersegmental liabilities												
Consolidated liabilities											26,544	23,991
Investments (without acquisitions)	210	296	384	236	544	255	-*	-*	67	206	1,205	993
Depreciation	-586	-598	-623	-645	-375	-504	-76	-108	-112	-73	-1,772	-1,928
Non-cash income / expenses	-1,605	-24	-880	44	47	-6	-*	-*	200	-309	-2,238	-295

* In internal reporting, the asset and liability items of the Environmental Services segment are still shown in the Isotope Products segment. For this reason, the numbers are shown in the same way in the segment reporting.

SALES BY REGIONS

	Q1/2013		Q1/2012	
	€ million	%	€ million	%
Europe	14.9	56	16.7	57
North America	8.7	33	8.6	30
Asia/Pacific	2.4	9	2.9	10
Others	0.5	2	1.0	3
Total	26.5	100	29.2	100

Explanations concerning the interim financial statement

1. GENERAL INFORMATION

The present unaudited group interim financial statement as per 31 March 2013 includes the statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter also referred to as “Eckert & Ziegler AG”).

2. ACCOUNTING AND VALUATION METHODS

The consolidated financial statement (interim financial statement) of Eckert & Ziegler AG as per 31 March 2013 was drawn up, like the 2012 annual accounts, in accordance with the International Financial Reporting Standards (IFRS). All of the standards issued by the International Accounting Standards Board (IASB), London, to be applied on the balance sheet date as well as the valid interpretations of the International Financial Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) were taken into consideration. The accounting and evaluation methods explained in the annex to the 2012 annual accounts were applied unchanged.

It is required for the drawing up of the consolidated financial statement in accordance with the IFRS that estimations and assumptions are made which impact on the amount and disclosure of the assets and liabilities in the balance sheet as well as income and expenditure. The actual figures can differ from the estimates. Significant assumptions and estimates are made for the useful life, earnings attainable from goodwill and non-current assets, the ability to collect receivables and the accounting and valuation of provisions.

This interim report contains all the information and adjustments needed for a view of the assets, financial and earnings situation of Eckert & Ziegler AG corresponding to the actual circumstances. The interim results for the current financial year do not necessarily permit conclusions regarding the development of future results.

3. CONSOLIDATION GROUP

Included in the consolidated financial statement of Eckert & Ziegler AG are all companies in which Eckert & Ziegler AG has the possibility, directly or indirectly, to determine the financial and business policy (control concept).

Corporate acquisitions and disposals

With regard to the corporate acquisitions and disposals, we refer to the explanations under Section 4.

4. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENT WITH THE PREVIOUS YEAR

The shares of the bioanalytical contract research institute Vitalea Science, Inc., based in Davis (CA), were acquired on 10 September 2012 and the Düsseldorf-based company Chemotrade GmbH was taken over on 15 February 2013. In the first quarter 2013 further shares from a minority shareholder in the Radiopharma segment have been acquired.

Compared with the first three months of 2012, this has resulted in a substantial impact on the group's assets and earnings situation, which affects the consolidated report being compared with the previous year.

5. CURRENCY CONVERSION

The conversion of the companies' financial statements outside the European Monetary Union is carried out according to the functional currency concept. The following exchange rates were used for the currency conversion:

Country	Currency	Reporting date exchange rate on 31.03.2013	Reporting date exchange rate on 31.12.2012	Average rate 01.01.–31.03.2013	Average rate 01.01.–31.03.2012
USA	USD	1.2819	1.3194	1.3117	1.3132
Czech Republic	CZK	25.7346	25.1510	25.5709	24.9651
Great Britain	GBP	0.8439	0.81610	0.8221	0.8347
Poland	PLN	4.1786	4.0740	4.1664	4.2363
Brazil	BRL	2.6420	2.7093	2.7093	2.4349

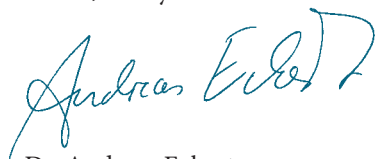
6. HOLDINGS OF OWN SHARES

On 31 March 2013, Eckert & Ziegler AG held 4,818 of its own shares. This corresponds mathematically to a proportion of 0.1 % of the company's share capital.

7. SIGNIFICANT TRANSACTIONS WITH AFFILIATED PERSONS

With regard to significant transactions with affiliated persons, we refer to the publications in the consolidated annual accounts as per 31 December 2012.

Berlin, 3 May 2013



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

3 May 2013	Quarterly report I/2013
6 May 2013	German Stock Exchange Spring Conference in Frankfurt
17 May 2013	Annual General Meeting in Berlin
15 August 2013	Quarterly report II/2013
8 November 2013	Quarterly report III/2013
November 2013	Equity Capital Forum in Frankfurt

Contact

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Imprint

PUBLISHER

Eckert & Ziegler
 Strahlen- und Medizintechnik AG

LAYOUT

DianaDesign, Berlin, Germany
www.dianadesign.de

FOTOS

Eckert & Ziegler Archiv