

ECKERT & ZIEGLER AG

STRAHLEN- UND MEDIZINTECHNIK



Quarterly Report
III/2000

Dear Stockholder,

Eckert & Ziegler AG continues to be on a path of growth in all respects. For the sixth straight time, Eckert & Ziegler AG can report a substantial rise in sales and profits in its quarterly results, and this time even an increased growth rate compared with the second quarter.

Business Development

By comparison with the first nine months of the previous year, sales more than doubled (15.9 million EUR, as opposed to 7.1 million EUR in 1999), while the result of ordinary activities virtually quadrupled (2.1 million EUR compared with 0.5 million EUR in 1999). The rate of increase over the second quarter amounted to +35% for sales and +25% for the result of ordinary activities.

Encouragingly enough, all segments contributed to driving this sales growth—with the 400% increase marked up by Oncology standing out by comparison with the previous year. The other product areas, Cardiology, Medical Reference Sources and Science & Industry, were each able to approximately double their sales.

In a comparison between the second and third quarters of 2000, the areas Medical Reference Sources and Science & Industry are the leaders, with pluses of 55% and 40%, respectively. A major share of this was due to the acquisition of the corresponding division of DuPont Pharmaceuticals in June of this year. By contrast, the growth rate in the Oncology and Cardiology areas has slowed by comparison with the second quarter. With the FDA certification, which our customer now expects as early as November of 2000, the development in the Cardiology area is expected to accelerate again.

On the other hand, the US market for seeds for prostate-cancer treatment has proven more difficult than originally expected. This is at present the only division of the Company that has fallen behind our expectations. The surprisingly high growth of the European market, where Eckert & Ziegler AG has a very strong position, cannot yet compensate for this development.

Research and Development

During the first nine months, the Eckert & Ziegler AG companies have spent approximately 3 million EUR on development and plant construction.

A new palladium-seed facility was completed as expected, and has performed successfully in its test run. All other projects are also proceeding on schedule.

Milestones

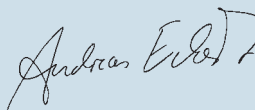
- Conclusion of a service agreement with the Cordis Corporation
- CE authorization for palladium radiation sources
- Bringing into operation of a production line for palladium radiation sources
- Expansion of the production facilities for Radiance Medical Systems
- Acquisition of the SurgiScope medical robot division from Medtronic Surgical Navigation Technologies
- Presentation of the 4000th subsidy certificate by Berlin State Economics Minister Branoner
- Establishment of an office of jojumarie GmbH in France

Employees

Compared with the same period the previous year, the number of employees climbed in the third quarter by about 51%, to 195 (from 129).

Outlook

During the fourth quarter, we expect substantial profits from the bringing into operation of production lines, and/or the settling of accounts on associated milestones, in addition to normal operative profits. We are confident that we will be able to significantly exceed the sales volume increase to 19.1 million EUR for the year 2000 announced in connection with the capital increase, and to achieve after-tax results of 2.1 million EUR. For the first time products from new business fields, will also contribute to this development. The Executive sees this as a vindication of its decision to expand our technological base, and will further push forward the extension of our product portfolio, especially in the area of oncology.



Dr. Andreas Eckert
Chief Executive Officer



Jürgen Ziegler
Board Member



Gerald Pohland
Board Member

Berlin, September 30, 2000

Consolidated income statement (US GAAP) (in thousand EUR)		
	01-09/2000	01-09/1999
Sales	15,914	7,098
Changes in inventories	191	217
Own work capitalized	3,896	1,363
Other operating income	611	2,073
Total operating performance	20,612	10,751
Cost of materials	-8,111	-2,301
Personnel costs	-5,727	-3,594
Depreciation	-1,821	-1,285
Other operating expenses	-2,824	-2,702
Financial results	-1	-319
Result from ordinary activities	2,128	550
Extraordinary expenses	-	-716
Profit/loss before taxes	2,128	-166
Tax on income	-1,026	-11
Differences from currency translation	-2	1
Net income/loss	1,100	-176
of which minority income/(loss)	-9	
Earnings per share	0.36	-0.06
Weighted average number of shares outstanding	3,111,111	3,000,000

Consolidated cash flow statement (US GAAP) (in thousand EUR)		
	01-09/2000	01-09/1999
Operating activity		
Net income/loss for fiscal year	1,100	-176
IPO costs		481
Amortization and depreciation	1,821	1,285
Increase in special items, net	1,729	212
Increase in long term accruals	61	15
Other non-payment-related procedures	-102	
Cash Flow	4,609	1,817
Increase in current assets	-6,694	-1,616
Increase in current liabilities	4,464	1,333
Cash flow from operations	2,379	1,534
Investing activity		
Purchase of fixed assets	-18,630	-7,964
New building construction (prepaid expenses)	-1,115	-
Cash inflow/outflow (-) for other financial investments	254	-110
Net cash outflow from investing activities	-19,491	-8,074
Financing activity		
Proceeds from issuance of share capital and additional paid-in capital	17,466	9,386
Payments received from loans	1,500	-555
Currency translation differences	740	
Cash inflow from financing activities	19,706	8,831
Changes in cash and cash equivalents	2,594	2,291
Cash and cash equivalents on January 1	7,046	4,803
Cash and cash equivalents on September 30	9,640	7,094

Consolidated balance sheet (US GAAP)

(in thousand EUR)

September 30, 2000 September 30, 1999

	September 30, 2000	September 30, 1999
Assets		
Fixed assets		
Intangible assets	14,038	2,858
Tangible assets	14,312	7,546
Financial assets	554	327
	28,904	10,731
Current assets		
Inventories	5,716	1,607
Receivables and other assets	5,533	2,031
Securities	7,609	5,611
Checks, cash on hand, bank balances	2,031	1,331
	20,889	10,580
Prepaid expenses and deferred charges	1,977	280
Deferred taxes	239	1,059
	52,009	22,650
Shareholders' equity and liabilities		
Shareholders' equity		
Subscribed capital	3,250	3,000
Reserves	26,681	9,423
Retained earnings/Accumulated loss (-)	-55	2
Net income/loss for the year	1,109	-176
Minority interest	-	10
Currency translation differences	1,527	141
	32,512	12,400
Special item for investment subsidies	4,605	2,796
Accruals	3,731	2,184
Liabilities	10,692	5,270
Deferred income	469	
	52,009	22,650

Note: For the first time, the accounting was undertaken in accordance with US GAAP. For reasons of better comparability with the previous year, the Consolidated balance sheet and the Income statement for the third quarter of 2000 were structured in accordance with HGB. For the methods of balancing accounts and evaluation, cf. the statements in the HGB Annual Report 1999 and the explanations of the reconciliation to US GAAP for 1999.

Company calendar

March 28, 2001	Balance press conference in Berlin
March 29, 2001	Annual report 2000
March 29, 2001	Analyst presentation in Frankfurt
May 16, 2001	Shareholders' meeting in Berlin

(Subject to change)

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