GREEN LIGHTS AHEAD

ANNUAL REPORT **2009**

Eckert & Ziegler

		2009	Change over 2008	2008	2007
Sales	TEUR	101,399	+42%	71,612	54,444
Return on revenue before tax without one-off effects	%	13%	+63%	8%	9%
Net profit for the year	TEUR	13,250	+194%	4,502	1,948
Profit before tax (EBT)	TEUR	15,155	n.c	8,301	4,921
One-off effects before tax	TEUR	1,829	n.c.	2,530	-
EBT w/o one-off effects	TEUR	13,326	+131%	5,771	4,921
Interest	TEUR	-1,263	+8%	-1,168	-767
EBIT	TEUR	16,418	n.c.	9,469	5,688
EBIT w/o one-off effects	TEUR	14,589	+110%	6,939	5,688
Depreciation	TEUR	-11,525	+26%	-9,150	-3,731
EBITDA	TEUR	27,943	n.c.	18,619	9,419
EBITDA w/o one-off effects	TEUR	21,710	+70%	12,801	9,419
Earnings per share	EUR	3.50	n.c.	1.43	0.62
Earnings per share w/o one-off effects	EUR	1.97	+79%	1.10	0.89
Cash flow from operating activities	TEUR	22,112	+157%	8,592	6,631
Tax rate	%	-44%	n.c.	63%	56%
Shareholders' equity	TEUR	86,659	+102%	42,820	36,491
Equity ratio	%	54%	+23%	43%	54%
Total assets	TEUR	161,904	+64%	98,798	67,587
Book value per share	EUR	20.38	+55%	13.11	11.61
Staff	People	500	+27%	395	312
Average number of shares in circulation	Item	3,782,850	+20%	3,143,165	3,142,290
Dividend	EUR	0.45*	+50%	0.30	0.25

With the exception of net profit and earnings per share, the specified key figures refer to the profit from continuing operations.
* Dividend to be proposed to the Annual General Meeting by the Group on May 20, 2010

n.c. = Not comparable

CONTENTS

Disclaimer:

The official version of the Eckert & Ziegler annual report is in German. The English translation is provided as a convenience to our shareholders. While we strive to provide an accurate and readable version of our annual report in English, the technical nature of an annual report often yields awkward phrases and sentences. We understand this can cause confusion. So, please always refer to the German annual report for the authoritative version.

Eckert & Ziegler
Nuclitec

JANUARY

- Acquisition of Brunswick-based isotope specialist nuclitec GmbH (formerly QSA Global GmbH).

FEBRUARY

- Successful conclusion of a capital increase. In the process, 628,633 shares are issued at a purchase price of EUR 5.00 each.
- To foster up-and-coming researchers in the field of nuclear medicine and raise brand awareness, Eckert & Ziegler again offers the Eckert & Ziegler Abstract Award.
- A shareholder of International Brachytherapy S.A. (IBt), an associated company of Eckert & Ziegler AG, files a lawsuit against Eckert & Ziegler in a Brussels court to force a mandatory offer.

MARCH

- Eckert & Ziegler parts ways with its Milan-based contrast media business Eckert & Ziegler f-con Pharma Italia s.r.l. (FCI).

APRIL

- IBt and the Russian state fund corporation RUSNANO found a joint venture company for the manufacture of prostate cancer implants in Russia.

MAY

- Eckert & Ziegler AG annual general meeting.

JULY

- Christie Hospital in Manchester, one of the leading cancer treatment centers in Europe, treats 1,000 patients with prostate cancer implants from IBt.

Deutschland
Land der Ideen
Ausgewählter Ort 2010

2009

SEPTEMBER

■ The new shares from the capital increase of February are admitted to the Prime Standard segment of the Frankfurt stock exchange and listed for trade.

OCTOBER

■ IBt delivers the 100th MultiSource ® cancer irradiation system for the treatment of tumors of the uterus, breast and esophagus at the Vajira Hospital in Bangkok, Thailand.

■ The Eckert & Ziegler Abstract Award is presented to five outstanding researchers in the field of nuclear medicine at the Annual Congress of the European Association of Nuclear Medicine (EANM).

NOVEMBER

■ Eckert & Ziegler AG is commissioned to produce an innovative cancer medication for the American drug developer Molecular Insight Pharmaceuticals (NASDAQ: MIPI), Cambridge, MA, for the treatment of neuroendocrine tumors.

■ As part of the "Germany, Land of Ideas" initiative, Eckert & Ziegler is named a "Landmark in the Land of Ideas 2010" for its innovative isotope technology.

DECEMBER

■ IBt forms a wide-ranging strategic alliance with the California-based implant manufacturer Core Oncology, Inc. and thereby lays the groundwork for its re-entry into the American market.

■ Successful conclusion of a further capital increase. In the process, 1,350,000 shares are issued at a purchase price of EUR 15.95 each.

■ Eckert & Ziegler launches a voluntary takeover bid for IBt.

Dear Shareholders,

2009 was again a year for the record books. While elsewhere buildings tumbled and banks collapsed, Eckert & Ziegler continued its pattern of growth from recent years unabated. Sales rose by a solid 42%, earnings from ongoing business activity increased by 117% and operative cash flow grew by a phenomenal 157%. For these reasons it was not a surprise that the stock price made a massive recovery. This long overdue recognition from the capital markets took place despite an unfriendly business cycle environment: The stock price of Eckert & Ziegler quadrupled in spite of two capital increases in January and December. The company, which has only been listed for the last ten years, became the most valuable public company in the manufacturing sector of the Berlin and Brandenburg region of Germany – measured by market capitalization, at least, and against a backdrop of an industrial base that is relatively underdeveloped in comparison with other states of the Federal Republic of Germany.

Without a doubt, the driving force for this success was the turnaround in the radiation therapy business. While we had a loss of EUR 3.3 million in terms of the 2008 EBIT (earnings before interest, taxes and minority interests), at the end of 2009 we had a positive EBIT of EUR 4.3 million on the books, if one disregards the special effects of 2009. An improvement of roughly EUR 8 million with a business volume of EUR 30 million is outstanding. It can be understood only in light of the difficult starting situation in 2008. This in turn was due to the fact that before the restructuring, IBt operated in an extremely inefficient manner. Production was so prone to error that production costs often exceeded the sales price due to the high number of rejects due to defects. Only after we shut down production in Brussels, Belgium, in late summer 2008 and concentrated production in Berlin, Germany, did the situation change. Economies of scale took effect and profit rose. However, these improvements came too late for 2008. Although we had already integrated Eckert & Ziegler GmbH BEBIG into IBt and assumed supervisory and management control, we had to endure the ineffective structures for two very long quarters until all IBt customers had adapted their licenses to BEBIG articles. The severance packages then due forced the Therapy division deeply into the red.

In 2009, these handicaps no longer hindered us. In addition to the favorable starting situation, the business with tumor irradiation equipment developed extremely well. In the emerging markets, the low operating costs of our cobalt units are well received, the accessories portfolio has further improved and the dealer networks have grown. In the summer of 2009, the management of the Therapy division was also able to sign an agreement regarding the founding of a joint venture in Russia.
The contract resulted in more new business as well as substantial advance payments for delivery of equipment that increased capital flow to a record level. Within one year it was possible to turn around the situation in the Therapy segment by 180 degrees – a great accomplishment. Since the economies of scale from the concentration of production are lasting, we are confident that we are not presenting you with a flash in the pan.

If you include the special effects, the turnaround in the Therapy segment is even more impressive. Earnings-reducing provisions of EUR 7.1 million must be added to the 2008 loss of EUR 3.3 million and calculated back out of earnings as a 2009 yo-yo effect. The profit jump in the radiation source business would then be around about EUR 22 million within a year, i.e., almost the amount of segment sales. Very high profit margins indeed. What would have been construed as an exception a few years ago has now unfortunately become commonplace since the introduction and comprehensive enforcement of the fair value principle. The inclusion and valuation of unrealistic book profits and losses bring centrifugal masses into the balance sheet that often completely hide earnings from ongoing business activities and push them into the background. We have already made it known that we are not enthusiastic supporters of this development. However, as a listed company, Eckert & Ziegler cannot refuse to adhere to the accounting provisions of the IFRS. Whether the supposed improvements to the flow of information are of actual use to the shareholders, or whether they only confuse them, remains to be seen. Immense profits follow immense losses without any changes to the fundamental situation of the company that is in any way on the same order of magnitude. At any rate, what is interesting for company management is the asymmetrical nature of the acclaim: The congratulations upon write-off of a provision are by large measure not as intense as the complaints at the point in time of their allocation.

The Executive Board of the Eckert & Ziegler AG: Dr. Andreas Eckert, Dr. Edgar Löffler and Dr. André Heß (from left to right)

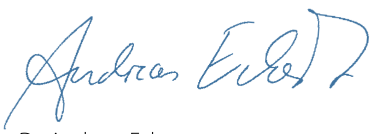
Apart from developments in the Therapy Segment, there was a second factor that drove success, namely the first-time consolidation of Eckert & Ziegler Nuclitec GmbH (EZN), which was acquired at the beginning of 2009. The consolidation of EZN lead to a spectacular increase in Group sales to over 100 million EUR. The sales increase was accompanied by an earnings contribution. Admittedly, in absolute terms the profit volume was not yet as high as one might have hoped for, but the potential for more, without question, exists.

The acquisition of EZN in particular strengthened the competitive position of the Industry Segment. This flagship of Eckert & Ziegler, which focuses on radioactive components for measurements and quality assurance, was thus in 2009 again able to reach new high points in revenues and income. If the exchange rate of the dollar in relation to the Euro continues to stabilise, we may see even further increases. The strategic position of the segment, which was already strong in the past, has without doubt further improved in 2009.

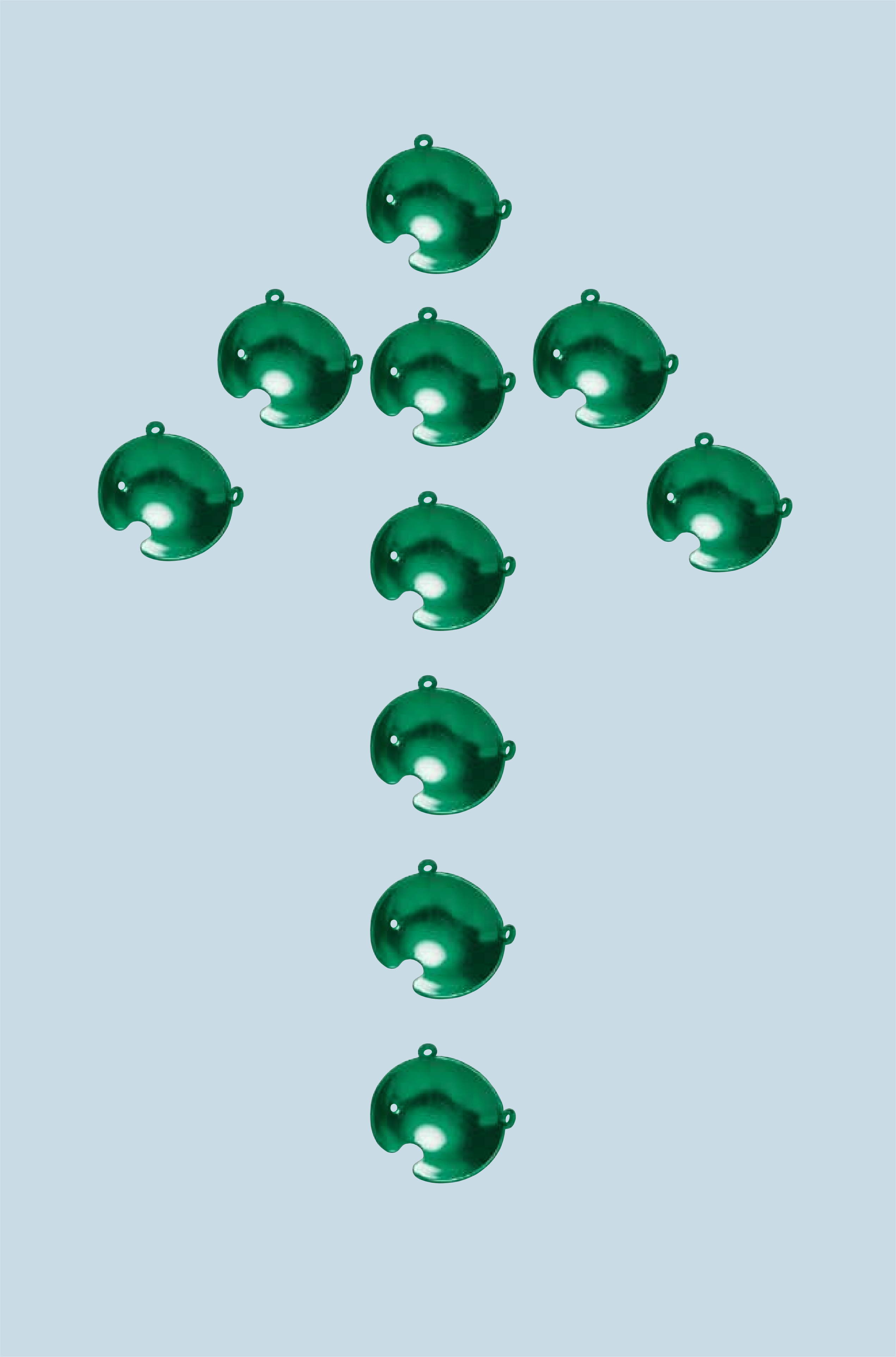
For the Radiopharmaceuticals segment, which reached the profitability threshold as expected this year, the production of pharmaceutical Yttrium in Brunswick, Germany, proved to be an asset item. This was possible due to the agreement to long-term strategic partnership with a pharmaceutical company that will make use of the services of the Radiopharmaceuticals segment for the last production stages of its new cancer drug. Other partnerships of a similar nature are sure to follow.

In spite of the general crisis atmosphere, 2009 proved to be a very successful year. As you see at a glance from the following pages, all important income and balance sheet key figures look good. In the home stretch, at the end of 2009, Eckert & Ziegler even managed to set the course for an end to the IBt dispute with an initially voluntary takeover bid. In the meantime, the offer has been successfully concluded and the management at IBt Bebig has been slimmed down. All personnel can now take advantage of the new perspectives associated with the growth of recent years. We view the path ahead of us with optimism. As always, we hope that you will choose to continue to accompany us on this path.

Yours



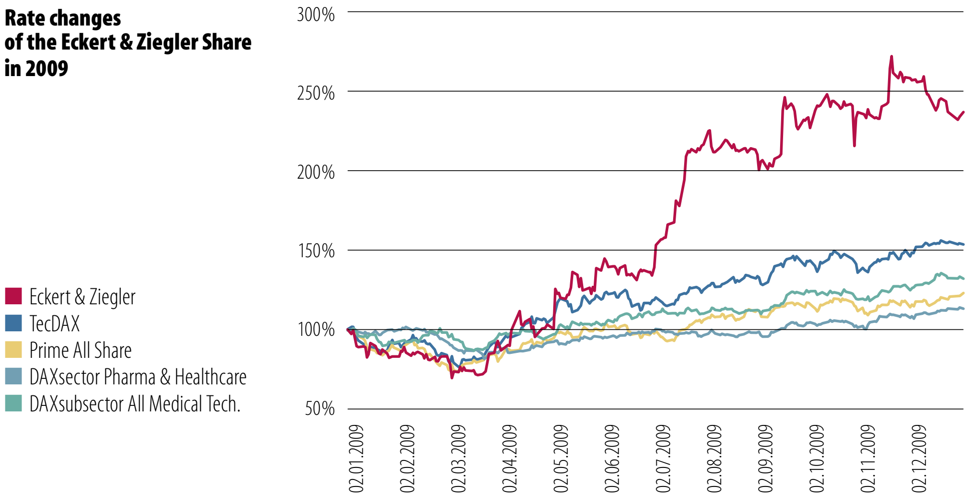
Dr. Andreas Eckert
Chief Executive Officer



GREEN LIGHTS AHEAD

Last year Eckert & Ziegler trebled its profits, more than doubled capital flow and nearly doubled its share price, making it one of the stars of the stock market class of 2009.
The litigation surrounding the takeover of the Belgian holding IBt has drawn to a close.
And the new Environmental Services segment is showing great promise in the area of low- and intermediate level radioactive waste disposal.

Rate changes of the Eckert & Ziegler Share in 2009



Key data of the Eckert & Ziegler Share

International Securities Identification Number (ISIN)
DE0005659700

Security identification number (WKN)
565 970

Stock exchange symbols
EUZ (Deutsche Börse)
EUZ (Bloomberg)
EUZG (Reuters)

Stock exchange sector
Prime Standard, Frankfurt

Quotations in stock indexes
CDAX
DAXsector All Pharma & Healthcare
DAXsector Pharma & Healthcare
DAXsubsector All Medical Technology
DAXsubsector Medical Technology
Technology All Share

Nominal capital
EUR 5,260,283

Owner bearer shares
5,260,283 shares

Share price (Dec. 31, 2009)
EUR 17.50

Market capitalization (Dec. 31, 2009)
EUR 92.05

Highest/lowest price in 2009
EUR 20.75 / EUR 5.19

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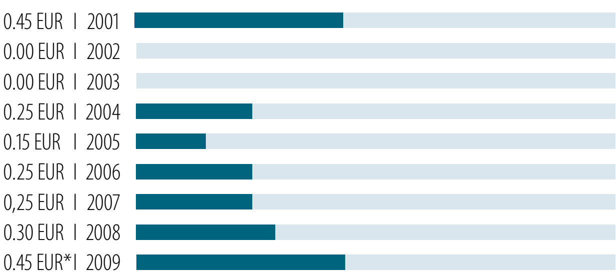
The Share

Shares in Eckert & Ziegler AG commenced trading on the stock exchange on May 25, 1999. Since then, they have been quoted on the Frankfurt Stock Exchange and on all the German regional exchanges and they are approved for trading on the fully electronic XETRA® trading system. They are traded under the internationally unique, 12-digit security identification number DE0005659700, although the share is also still identified by its former security identification number (WKN) 565970.

As of February 20, 2003, Eckert & Ziegler AG shares have been listed under the Prime Standard. The companies listed in this segment are subject to particularly high international transparency standards which even exceed the prescribed statutory disclosure requirements.

In March 2003, Eckert & Ziegler AG acquired 320,000 of its own shares as part of a share buy-back program. These shares have so far largely been used for financing acquisitions and for servicing employee stock options. The capital gains realized from the transactions have all been transferred to the capital reserve for own shares. The company reported that it held 125,235 of its own shares on December 31, 2009.

Dividends paid by Eckert & Ziegler AG



* Proposal to Annual General Meeting by the Group on May 20, 2010

Movements in the share price/earnings per share and proposed dividend

In the fiscal year which has just elapsed, the share price appreciated by approximately 97%. The company's market capitalization more than tripled over the same date in the previous year, rising to EUR 92.05 million.

The earnings per share are calculated by dividing the Group's annual net profit by the average number of shares in circulation during the fiscal year. In the year under review, the Eckert & Ziegler Group recorded Group earnings per share of EUR 1.97.

Annual General Meeting in May 2009

Shareholder structure as of February 28, 2009
(after the capital increase in February)

Eckert Wagniskapital und Frühphasen-finanzierung GmbH*	39.8%
Jürgen Ziegler	3.9%
Eckert & Ziegler AG	2.8%
Free float	53.5%

*formerly Eckert Consult GmbH

Shareholder structure as of December 31, 2009
(after the capital increase in December)

Eckert Wagniskapital und Frühphasen-finanzierung GmbH*	32.7%
Jürgen Ziegler	2.7%
Eckert & Ziegler AG	2.5%
Free float	62.1%

*formerly Eckert Consult GmbH

The Executive Board and Supervisory Board propose to the Annual General Meeting on May 22, 2010 that a dividend of EUR 0.30 per share be paid for fiscal year 2009. Based on the end-of-year share price of EUR 17.50, this produces a dividend yield of 2.6%.

Capitalization

In February 2009, Eckert & Ziegler successfully concluded a capital increase to finance the purchase of the Brunswick-based isotope specialists nuclitec GmbH. 628,633 shares were issued at a purchase price of EUR 5.00 and the nominal capital was increased by 19.3%.

To finance further company acquisitions and in particular to expand the Environmental Services segment, Eckert & Ziegler initiated another capital increase in December. 1,350,000 shares were issued in a private issue at a purchase price EUR 15.95 for existing and new shareholders. After the capital increase was entered in the commercial register, the nominal capital is now EUR 5,260,283.00 divided in 5,260,283 shares. The new shares were approved for trade on the Frankfurt Stock Exchange (Prime Standard) on December 22, 2009. The two capital increases resulted in an income for the company of roughly EUR 24.6 million.

Investor relations

The aim of our investor relations work is to provide private shareholders, investor institutes, financial analysts and the press with prompt and detailed information on the company. The main tools of communication with the capital market are mandatory stock exchange announcements, press releases, quarterly reports, individual consultations and telephone conferences. In addition, at the annual results press conference in March, the Entry & General Standard conference in May, the annual general meeting in May, the German Equity Forum in November and numerous roadshows, the Executive Board personally presented new developments and, together with staff from the Corporate Communication department, was available all year round to answer any enquiries or receive visits from interested parties.

We publish studies from stock analysts and other information on the company on our Internet site www.ezag.de > Investor Relations.

If you would like to receive stock exchange announcements and press releases regularly by e-mail, you can join our Investor Relations mailing list. A quick call or an e-mail will suffice.

GROUP MANAGEMENT REPORT

The company

The Eckert & Ziegler Strahlen- und Medizintechnik AG (Eckert & Ziegler) Group is an internationally active specialist in radioactive applications in medicine, science and industry. The company's core expertise includes the handling and processing of low level radioactive materials in production facilities, which are approved and specially equipped for this purpose in Europe and the United States. In addition, Eckert & Ziegler focuses on the development and production of synthesis equipment for producing radiopharmaceuticals and medical products for treating cancer. The group also focuses on equipment manufacture through the use of proprietary development expertise for the design of equipment for companies against which Eckert & Ziegler does not compete.

In the international markets in which Eckert & Ziegler operates, there are relatively few competitors. Eckert & Ziegler has no direct competitor offering such a broad range of products because the company's competitors only cater to specific market niches. This situation is unlikely to change in the future because in order to enter the market, a competitor would first have to meet demanding conditions to obtain legal approval.

The Group operates its business through subsidiaries, which are assigned to three segments. These segments are aligned to various customer groups. Another segment, which represents the costs and revenues of the Berlin holding company, is not actively involved in operations.

The Therapy segment's products are aimed at radiation therapists, a group of physicians specializing in the treatment of cancer through radiation. The most important products are small radioactive implants for treating prostate cancer based on iodine-125 (referred to as "seeds") and tumor irradiation equipment based on cobalt-60 or iridium-192 (referred to as "afterloaders"). In 2008, the Therapy segment began to be operated as a subsidiary of International Brachytherapy S.A. (IBt S.A.), which is listed on the Belgian stock exchange, and of which Eckert & Ziegler shares 37.6% of the earnings/losses and holds about 30% of the vote at the Annual General Meeting as of the balance sheet date of December 31, 2009.

In the Industry segment, radioactive components are manufactured for imaging methods, scientific applications, quality assurance and measurement purposes. Management headquarters and the main production facilities for the segment are in Los Angeles, California. The segment was made considerably larger in 2009 through the acquisition of Nuclitec, the largest competitor up to that point, with sites in Brunswick, Germany and Les Ulius, France.

The products of the Radiopharmaceuticals segment, which has sites in Berlin, Mainz, Bonn and Brunswick, Germany, includes products such as radioactive diagnostics for positron emission tomography (PET) and synthesis modules for producing radiopharmaceuticals. The equipment is used in practice in diagnostics and therapy in nuclear medicine as well as in research. With the acquisition of Nuclitec at the beginning of 2009, the production of yttrium-90 in pharmaceutical quality was added to the segment. Among the uses for this substance is the production of radioactive embolizers for the treatment of liver tumors.

The markets of the three operative segments are only loosely interconnected; each has its own business cycle and distinctive characteristics. In addition, there are national differences in respect to the general business conditions. This is particularly the case with medical products – the intensity and dynamics of demand are very much dependent on the specifics of particular national health systems and on the presence of local competitors.

Business development 2009

The volume of business of the Eckert & Ziegler group again increased significantly in 2009, rising by 42% from EUR 72 million to EUR 101 million. The group has more than doubled its sales in the last five years. Since 2005, the Group's sales have grown on average by 25% per year. In each quarter of 2009, sales remained relatively constant at approximately EUR 25 million. Sales were slightly less in the first quarter, as Nuclitec had not yet been consolidated at the beginning of the year. In the second quarter, the first sales from the Therapy segment's Russian project were reported.

The largest jump in sales was achieved by the Industry segment with growth of 74% or EUR 22 million. This is where the effect of the integration of the previous competitor Nuclitec was seen most clearly. Growth of 32% to EUR 19 million in the Radiopharmaceuticals segment was mainly due to the inclusion of the yttrium-90 sales of Nuclitec. The Russian project sales in the Therapy segment were only included to a limited extent in 2009. Nevertheless, sales increased by 12% to EUR 30 million.

In 2009, Europe including Russia accounted for total sales of EUR 61 million, corresponding to an increase of EUR 18 million over the previous year. The portion of sales in the euro zone and neighboring regions remained constant in comparison with the previous year and is unchanged at 61%. The most important consumer countries were Germany with EUR 20 million and France with EUR 8 million. However, in 2009, the biggest sales market for Eckert & Ziegler's products was again the United States, where goods worth EUR 26 million were invoiced (predominantly in USD). Total USD sales accounted for 36% (previous year: 26%) of total Group sales. This led to the Group being more dependent on exchange rates after dependence was reduced in the previous years.

Main customer risk: In the year under review, the Group's five biggest customers accounted for total sales of roughly EUR 18 million, i.e., roughly 18% of total sales. As in the previous year, Eckert & Ziegler's customer base remained broad: A total of EUR 10 million (proportion: 14%) was generated from the five largest customers.

Earning position

The reported results for fiscal year 2009 of EUR 13.3 million after taxes and other shareholders' interests include positive special effects of EUR 5.8 million. On the one hand, the amount includes the release of provisions for excess liability of EUR 7.1 million, which is no longer necessary since the market price of the IBt S.A. shares has in the meantime increased to a level above the price demanded in the litigation regarding the takeover of the remaining IBt S.A. shares. On the other hand, one-off expenses of roughly EUR 0.9 million for the IBt litigation and the preparation of the takeover bid were incurred in fiscal year 2009. In the Therapy segment, deferred tax assets on loss carry-forwards and timing differences in the amount of EUR 11.3 million were also generated. Counteracting this are the partial correction of the IBt S.A. goodwill and the minority interests generated by the total effects.

In the results of the previous year of EUR 4.5 million, positive special effects of EUR 1.1 million were included in the balance. These could be traced back to one-off circumstances arising from the IBt S.A. transaction, special depreciations and tax adjustments.

The special effects are broken down as follows:

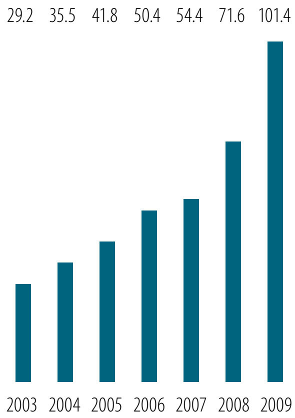
Special effect	Segment	2008	2009
		TEUR	TEUR
Special revenues from IBt S.A. transaction	Therapy & Holding	+15,331	-
Activation of deferred tax assets on loss carry-forwards and timing differences in the IBt S.A.	Therapy	-	+11,289
Decrease in goodwill due to activation of IBt S.A. deferred tax assets	Therapy	-	-4,404
Decrease in value from the IBt S.A. transaction	Therapy	-5,481	-
Tax assessment corrections	Holding	-1,025	-
Assessment corrections for development projects and tax	RadPharm	-2,272	-
Special provision for lawsuit	Holding	-7,140	+7,140
Expense from litigation and takeover bid	Holding	-	-908
IBt S.A. minority interests in special effects	Therapy	+1,646	-7,322
Total		+1,059	+5,795

The profit for the period, excluding special effects, has therefore doubled from EUR 3.4 million to EUR 7.5 million. The increase is roughly EUR 4 million or 116%. The earnings per share excluding special effects rose from EUR 1.10 in 2008 to EUR 1.97 in 2009. This occurred even though the number of shares in circulation was increased from 3.1 million shares to 3.8 million shares due to two successful increases in capitalization in 2009.

For informational purposes, the development of the IBt S.A. transaction is to be explained from the beginning: In February 2008, a merger took place between the implant division of Eckert & Ziegler and the Belgian company IBt S.A., which also produces prostate cancer implants and is listed on the stock exchange. Shares in the Eckert & Ziegler subsidiary Eckert & Ziegler BEBIG GmbH were exchanged for new IBt S.A. shares, so that IBt S.A. now owns 100% of Eckert & Ziegler BEBIG GmbH. In turn, Eckert & Ziegler became the biggest shareholder in its previous competitor. At the start of 2009, a shareholder in IBt S.A. filed a lawsuit against Eckert & Ziegler in a Brussels court to force a mandatory offer. As a risk provision, a sum of EUR 7.1 million was set aside in the 2008 fiscal year. This was released again in the 4th quarter of 2009. To bring an end to the litigation, Eckert & Ziegler submitted the takeover bid demanded for the remaining IBt S.A. shares on December 28, 2009. On March 17, 2010, the term of acceptance ended for the takeover bid to the minority shareholders of IBt S.A. The acceptance rate was 55.3%, so that Eckert & Ziegler invested EUR 22 million plus fees into additional IBt S.A. shares and options and now holds, without addition of the SMI voting shares, 56.0% of the voting rights and 71.9% of the profit sharing in the company. For partial refinancing of the takeover bid, a loan agreement is to be concluded in April 2010. Related offers are already available. The result of these actions is that Eckert & Ziegler has increased its influence on IBt S.A. and ended the paralyzing litigation. As a consequence, management can again concentrate on the operating business, development projects and acquisition opportunities.

To make the earnings position clear, excerpts from the Group Income Statement for 2009 and 2008 will be shown here, each shown both with and without special effects. All values, with the exception of earnings per share, are expressed in EUR '000.

Movements in sales 2003 – 2009 (in million EUR)



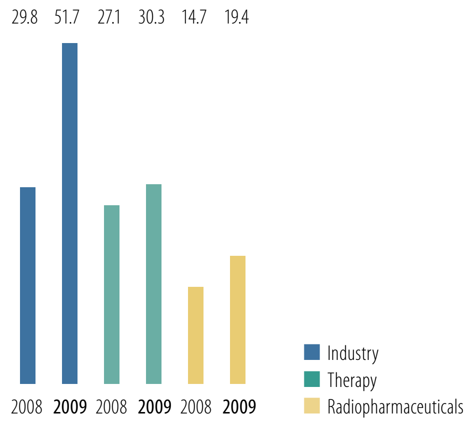
Group total	Without special effects 2009	Without special effects 2008	With special effects 2009	With special effects 2008
Revenues	101,399	71,612	101,399	71,612
Earnings before interest and taxes (EBIT)	14,589	6,939	16,418	9,469
Interest expenditures and revenues	-1,263	-1,168	-1,263	-1,168
Profit tax	-4,552	-2,147	6,737	-5,264
Minority interests	-1,320	-181	-8,642	1,465
Earnings share of the shareholders	7,454	3,443	13,250	4,502
EPS in EUR	1.97	1.10	3.50	1.43

A comparison of the income statement excluding special effects for 2008 and 2009 shows that the increased sales (42%) were accompanied by disproportionately increased manufacturing costs (50%). While the gross profit margins improved in the Therapy and the Radiopharmaceuticals segments, they went down in the Industry segment, since the new site in Brunswick had higher than average manufacturing costs in comparison with the established production sites of the segment. In contrast, sales costs and general and administrative costs increased only half as much as sales, meaning that economies of scale paid off here. Research and development costs remained unchanged at roughly EUR 2 million.

In 2009, the balanced interest expenditures were slightly higher than in 2008 due to third-party financing that has higher in absolute terms. The profit before tax increased by 131% from EUR 5.8 million to EUR 13.3 million. The effective tax rate of the Group without special effects declined from 37% to 34%. The profit after taxes more than doubled from EUR 3.6 million to EUR 8.8 million. However, due to the very good results of the Therapy segment, minority interests increased sharply. The bottom line is a shareholders' earnings share of EUR 7.5 million for 2009, which exceeded the corresponding figure excluding special effects of EUR 3.4 million from 2008 by 116% or EUR 4 million.

Flood source for the calibration of diagnostic cameras used in nuclear medicine

Sales trends in individual segments (external sales, in million EUR)



Development of the segments

1. Industry segment

To make the earnings position clear, excerpts from the segment Income Statement for 2009 and 2008 will be shown here. In this segment, there were no special effects. All values, with the exception of earnings per share, are expressed in EUR '000.

Industry segment	2009	2008
Sales to external customers	51,744	29,812
Earnings before interest and taxes (EBIT)	8,989	6,967
Interest expenditures and revenues	-430	-470
Profit tax	-2,765	-1,899
Minority interests	-333	-364
Earnings share of the shareholders	5,461	4,234
EPS in EUR	1.44	1.35

The Industry segment is the largest and most profitable segment of the Group.

The main product groups of the segment are:

1. Radioactive components for industrial measurement systems
2. Radiation sources for imaging in nuclear medicine
3. Calibration and measurement sources
4. Raw isotopes and other products
5. Environmental services (will be shown as an independent 4th operative segment starting in 2010)

Competitive situation:

In the three most important product groups (groups 1, 2 and 3 above), Eckert & Ziegler has been well positioned in the market for quite some time, with each product group enjoying a world market share of at least one-third. This position was maintained or improved in the period under review. In some subareas, it was increased to 100% through the acquisition of the Nuclitec group. Although some niches in this area showed impressive growth rates, the market as a whole, whose volume today is roughly EUR 60 to 80 million, developed at only about the same pace as global GDP growth. In the industrial applications product division, 2008 saw the market launch of robust drill hole sources. The market share could be further increased in 2009.

Business in these products developed very positively in 2009, especially due to the acquisition of former competitor Nuclitec. Sales nominally increased by 74% from EUR 29.8 million to EUR 51.7 million. Of EUR 21.9 million of growth, EUR 17.8 million came from Nuclitec. An organic growth of 14% remains, which is in large part due to the robust drill hole sources introduced to the market in the previous year. In comparison to the established production sites in California, Georgia and the Czech Republic, the new Nuclitec site in Brunswick has higher than average manufacturing costs. This meant that the gross profit margins in the segment could not keep pace with growth in sales of 74% and increased by "only" 47%. Sales costs increased more sharply than sales and the increase in general and administrative costs of 51% due to the new site is also relatively high. However, included in the cost positions are extraordinary restructuring expenses of EUR 0.9 million that do not repeat in subsequent years and that are also expected to reduce costs in the future. Interest paid and minority interests in the segment remain unchanged at EUR 0.8 million. The effective tax rate increased from 29% to 32%. The profit after interest, taxes and minority interests increased by 29% to EUR 5.5 million or EUR 1.44 per share and contributed 73% of the total earnings share of the shareholders (without special effects). In the previous year, this value was still 123%, which shows that the other segments have caught up in terms of financial performance.

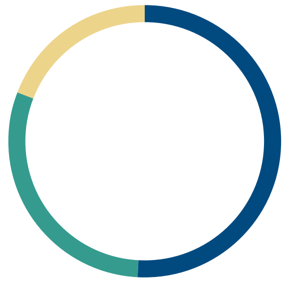
Radio nuclide batteries are used, for example in satellites. These batteries convert thermic energy of the spontaneous nuclear disintegration of a radio nuclide into electrical energy. The advantage of these batteries is that they can supply electrical energy for a very long time, autonomously and without maintenance. Their life-span is up to several hundred years. Eckert & Ziegler Isotope Products is collaborating with a number of manufacturers in developing these batteries.

INDUSTRY SEGMENT

In the Industry segment, radioactive components are manufactured for imaging methods, measuring purposes, scientific applications and quality assurance. Eckert & Ziegler is one of the largest companies in this branch worldwide.

MultiSource® tumor irradiation device for the treatment of cancers

Sales by segments 2009



2. Therapy segment

To make the earnings position clear, excerpts from the segment Income Statement for 2009 and 2008 will be shown here, each shown both with and without special effects. All values, with the exception of earnings per share, are expressed in EUR '000.

Therapy segment	Without special effects		With special effects	
	2009	2008	2009	2008
Sales to external customers	30,278	27,067	30,278	27,067
Earnings before interest and taxes (EBIT)	4,274	290	-129	-3,252
Interest expenditures and revenues	-630	-632	-630	-632
Profit tax	-1,509	-508	9,780	-230
Minority interests	-987	183	-8,309	1,829
Earnings share of the shareholders	1,148	-667	712	-2,285
EPS in EUR	0.30	-0.21	0.19	-0.73

The main product groups of the segment are:

1. Implants for treating prostate cancer
2. Tumor irradiation equipment
3. Therapy accessories
4. Ophthalmological products
5. Other therapy products and equipment manufacture

Competitive situation for implants:

Eckert & Ziegler provides implants for treating prostate cancer (group no. 1 above) only in Europe and bordering regions, where it is among the market leaders. The relevant market for implants is worth approximately EUR 50 million and has enjoyed double-digit percentage growth rates in the last three years. However, since 2008 there has been considerable pressure on profit margins due to major American competitors making use of an advantageous dollar exchange rate to further expand their operations in Europe in spite of high transport costs. The strategic merger with Belgian competitor IBt S.A. and the subsequent consolidation of implant production in Berlin enabled the further reduction of production costs per implant. Through the economies of scale achieved, it was possible to remain competitive.

Competitive situation in afterloaders:

With tumor irradiation equipment (group no. 2 above), Eckert & Ziegler's share of the world market is still rather low but is growing much faster than the market as a whole. The main sales markets were in Russia, South America, Asia and the Middle East. Annual global sales of tumor irradiation equipment based on isotope technology and accompanying services are today estimated to be EUR 80 to 120 million.

The total sales in the segment rose 12% from EUR 27.1 million to EUR 30.3 million, which can be traced back to a previously unreached growth of 61% with afterloaders. In 2009, the 100th device was delivered and installed in Thailand. By the end of the year, the base of installed devices had risen to 111. In addition, EUR 0.5 million came from the Russian project sales. A contract was concluded here between IBt S.A., the Russian state fund corporation Rusnanotech Corp. and the distribution company Santis Ltd. regarding the construction of a production location in the Russian federation. The joint venture "Nano-BrachyTech", in which IBt S.A. holds a 15% minority interest, is to manufacture mainly medical products for the treatment of prostate cancer for a consumer base in Russia, Ukraine, Belarus and Kazakhstan. IBt S.A. will provide the modern production facilities and manufacturing expertise needed within the framework of a supply and license agreement. The volume of the seeds sold further increased, but the sales revenue remained constant compared to the previous year at roughly EUR 16 million, which can be traced back to a price reduction in the market.

The main sales markets of the Therapy segment are the European Union and neighboring regions (including Russia), which accounted for over 80% of sales with external customers, or EUR 25.4 million of the total sales of EUR 30.3 million. The remaining EUR 4.9 million of sales were essentially spread among exports to Asia and recently to Africa as well.

In the previous year, the segment generated a loss before taxes and special effects of EUR 0.3 million. In 2009, decreases in value of goodwill, the activation of deferred taxes on loss carry-forwards and the applicable minority interests caused great distortions in the segment P&L account. The P&L account excluding special effects shows a considerable profit jump to EUR 3.6 mil-

THERAPY SEGMENT

Implantation of low level radioactive implants for treating prostate cancer

A prostate implant (original size): 

The product range of the Therapy segment includes low level radioactive implants for treating prostate cancer, ophthalmic plaques for healing eye cancer and radiation therapy devices which are used for treating gynecological tumors in particular. The activities are concentrated at an organizational level in the listed Belgian company International Brachytherapy S.A. (IBt Bebig) in which Eckert & Ziegler owns 72% of commercial stock and 55% of AGM voting rights.

Modular-Lab synthesis device for the production of radioactive diagnostics

lion in earnings before taxes. This shows that the restructuring in the previous year was successful and that the segment has returned to its previous earnings strength. The segment contributes earnings of EUR 0.30 per share to the Group earnings, which corresponds to a share of 15%. Without minority interests, the earnings per share would have been EUR 0.56.

3. Radiopharmaceuticals segment

To make the earnings position clear, excerpts from the segment Income Statement for 2009 and 2008 will be shown here, each shown both with and without special effects. All values, with the exception of earnings per share, are expressed in EUR '000.

Radiopharmaceuticals segment	Without special effects		With special effects	
	2009	2008	2009	2008
Sales to external customers	19,377	14,733	19,377	14,733
Earnings before interest and taxes (EBIT)	1,090	133	1,090	-87
Interest expenditures and revenues	-1,055	-987	-1,055	-987
Profit tax	-107	533	-107	-1,519
Earnings share of the shareholders	-72	-321	-72	-2,593
EPS in EUR	-0.02	-0.10	-0.02	-0.83

The Radiopharmaceuticals segment was created in 2006. It includes both the product group of synthesis modules for producing radiopharmaceuticals (Modular-Lab) and radioactive proprietary medicinal products for imaging using positron emission tomography. These radioactive diagnostics are short-life preparations that are produced almost exclusively to order in special large irradiation devices ("cyclotrons") and delivered "fresh" every day. The most important product among the radiodiagnostics is the weakly radioactive sugar [18F] fludeoxyglucose (FDG). With the acquisition of Nuclitec, the production of yttrium-90 in pharmaceutical quality was added to the segment.

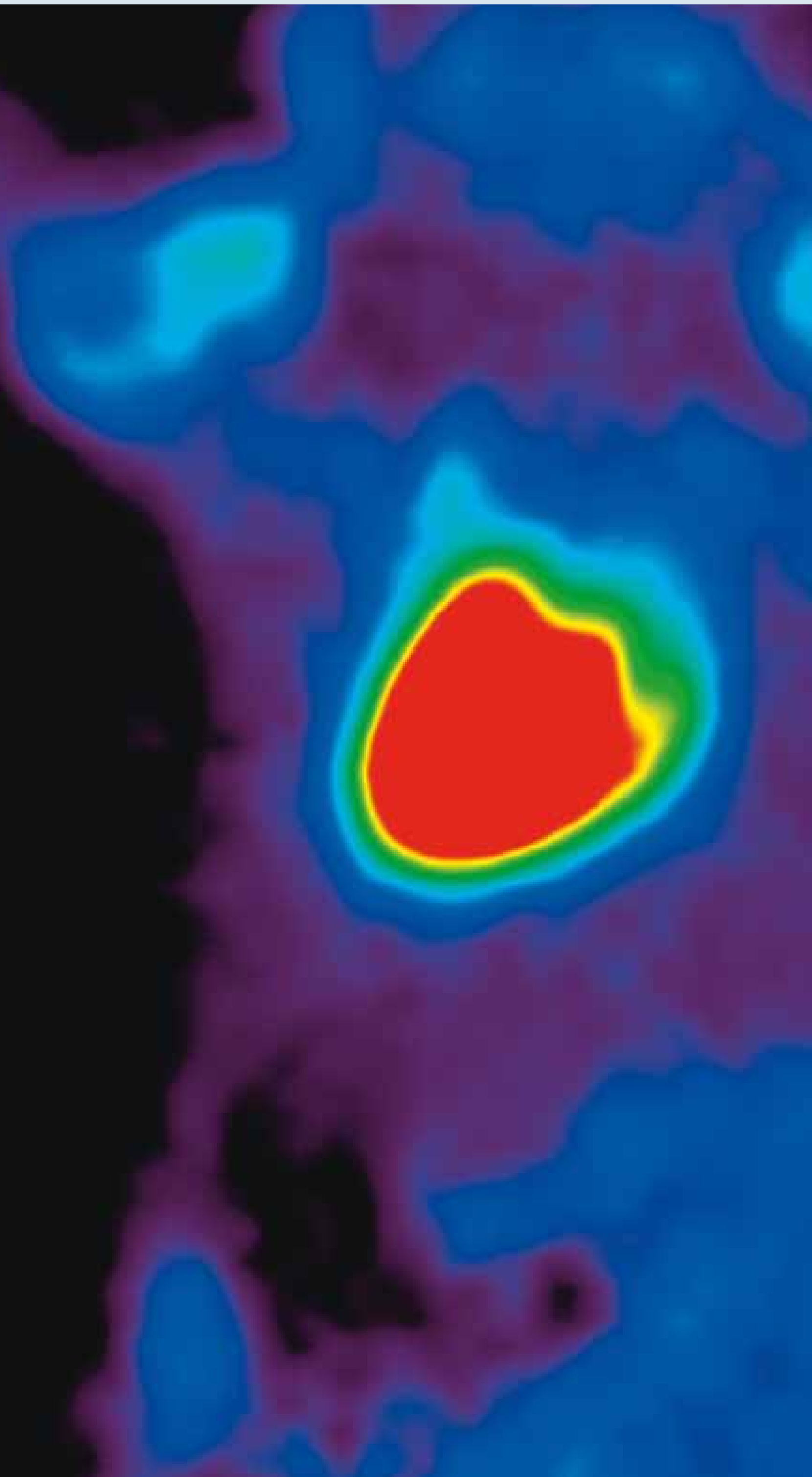
The main product groups of the segment are:
1. Radiodiagnostics and other products
2. Synthesis modules
3. Yttrium-90 and made-to-order production projects

Competitive situation for radiodiagnostics:
Radiodiagnostics and other products (category no. 1 above) are primarily the sugar [18F] fludeoxyglucose (FDG), which is radioactively labeled with fluorine-18. It is used at approx. 200 hospitals throughout Europe in positron emission tomography (PET) to diagnose cancers. According to information provided by the market research company Medical Options, Eckert & Ziegler was the second-largest supplier of this pharmaceutical product in Europe as early as 2006. The Executive Board does not anticipate the rankings to have changed in the year under review, and considers Eckert & Ziegler AG to be the market leader in Germany. Other regional focal points are in Poland and Luxembourg. The markets of the regions of Northern Italy and Scandinavia will no longer be supplied until further notice.

Compared to previous years, the growth in sales of the segment slowed to 32%. In recent years, growth has been at least 60%. However, it was foreseeable that growth on a percentage basis would level out due to the increasing level of business. Sales increased in total by EUR 4.6 million to EUR 19.4 million. EUR 3.3 million is attributable to yttrium-90 sales provided by Nuclitec. Modular-Lab grew by EUR 0.6 million or 14% and cyclotron-based product sales increased by EUR 0.7 million or 7% despite the loss of the Italian business with sales volume of EUR 1.2 million.

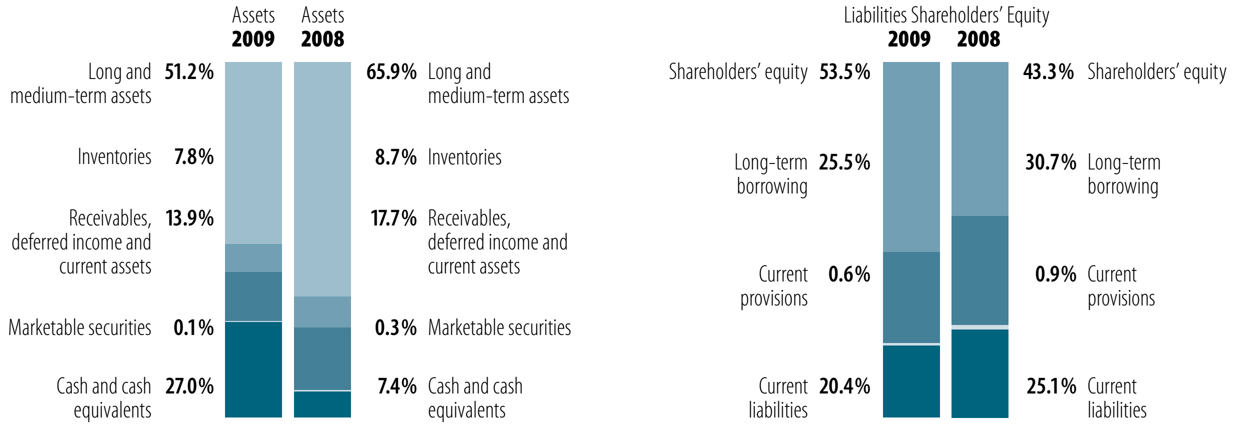
While in the previous year only a slightly positive EBIT (EUR 0.1 million) and a loss before taxes of EUR 0.9 million was announced, the EBIT in 2009 with EUR 1.1 million of profit is clearly in the plus zone. Before taxes, a small profit of EUR 34,000 remains. However, it is more than consumed by tax expenditure, so that the segment shows an annual loss of EUR 0.1 million. The success is based on the disproportionately low increase in manufacturing and sales costs (+30%) in relation to sales (+32%) and costs that remained nearly constant for administration, development, and interest, as well as other expenses and income that only increased by EUR 0.3 million or 6% in total.

RADIOPHARMACEUTICALS SEGMENT



Contrast media are used in nuclear imaging diagnostics to show tiny tumor clusters and problems in metabolic functions, for example. Eckert & Ziegler produces the radioactive substances for contrast media, as well as the synthesis devices with which they can be produced. Eckert & Ziegler is Germany's leading provider of the contrast media used in positron emission tomography.

Newly developed pharmaceuticals are first tested in preclinical studies to determine their effectiveness and whether or not they produce side effects. Radiolabeled substances can be injected to observe how the drug being tested is distributed through the tissue.



Balance sheet structure

Total assets 2009: TEUR 161,904 Total assets 2008: TEUR 98,798

Net asset position

In comparison with 2008, total assets increased in 2009 by more than 50% from EUR 99 million to EUR 162 million, which represents a doubling in comparison with 2007. The increase is mainly the consequence of two acquisitions: the IBt S.A. and Nuclitec companies. This enormous increase in total assets clearly shows the significant growth of the Group.

The shareholders' equity ratio increased considerably from 43% to 54%. The reasons for this are both the capital increases and the very high profit in 2009. The increase in the shareholders' equity ratio would have been even higher if it not were for the Nuclitec acquisition, half of which was financed by third parties. While it is true that Nuclitec has no debts, it brought with it that many more provisions.

Profits in comparison with 2008 increased even more than what is shown in the absolute balance sheet numbers, so that the total equity yield without special effects increased from 3% to 5%, while the shareholders' equity yield without special effects increased from 8% to 9%, although in contrast to earnings per share, the capital increase is included in this key figure not just on a proportional basis.

The changes on the balance sheet can be attributed to seven factors. The acquisition of Nuclitec changed nearly every item of the balance sheet in comparison to December 31, 2008. The capital increases and the Russian project led to extensions of the balance sheet. This caused the cash balances to increase on the asset side. On the liabilities side, the shareholders' equity increased due to the capital increases, and the item "Advance payments received" increased due to deferral of the Russian income. Other substantial influences on the balance sheet were the release of provisions from the excess liability from the IBt takeover bid as well as the IBt special effects in reference to activated deferred taxes and changes to the goodwill and minority interests. What is also worth mentioning is the considerable shift within net current assets, which remained nearly constant in total. The change in the value of the US dollar in relation to the euro was minor in comparison to the previous year. The exchange rate only changed by the small amount of USD 1.41 to 1.43 per euro from one balance sheet date to the other.

The following detailed statements can be made on these points:

1. The inclusion of the Nuclitec companies led to increases in practically every balance sheet item. The added balance sheet items will be explained in detail in the appendix. What is most conspicuous is the increase in intangible assets, especially due to the activation of goodwill of EUR 6 million and the increase in pension reserves and provisions for environmental restoration of a total of EUR 13 million.

2. The two capital increases raised the subscribed capital by EUR 2 million and the capital reserves by EUR 22 million. The funds from the first capital increase were used to finance the Nuclitec acquisition, while the increase in liquidity from the second capital increase can be found in the cash reserves on December 31, 2009, because the funds had not yet been invested.

3. From the Russian project, only EUR 0.5 million of sales were shown in 2009. However, EUR 8.5 million was already paid to IBt S.A. The funds received can be found in the cash reserves, while the difference resulting from payments received and sales is substantially responsible for the increase in the "Advance payments received" item.

4. In the P&L account from 2009, a substantial special effect is the release of the provision for excess liability of EUR 7.1 million. The balance sheet reflects this process in the decrease of other provisions. However, these items increased in total due to the increase in provisions for the obligation to process radioactive waste described in (1). The release of provisions had the effect of increasing earnings, so that shareholder's equity was increased as a result. This means that this transaction was an accounting exchange on the liability side from the point of view of the balance sheet.

5. The special effects of the Therapy segment result in enormous balance sheet shifts. Due to the activation of deferred tax assets on loss carry-forwards and timing differences in the IBt S.A., the "Deferred tax assets" item increased greatly. In return, a portion of the IBt S.A. goodwill was written off, whereby this effect was more than offset by the posting of the Nuclitec goodwill from (1). Another offsetting item is the minority interests shown in the shareholder's equity that increase from EUR 2 to 10 million.

For several years Eckert & Ziegler has provided a service to take back old radiation sources. In this field of business, the takeover of the Brunswick-based isotope specialist Nuclitec GmbH has resulted in the new Environmental Services segment which treats and packs low level radioactive waste for its final disposal. The waste to be treated includes protective clothing, gloves, cleaning cloths, laboratory and medical components, measuring and calibration devices, air filters and building rubble, for example.

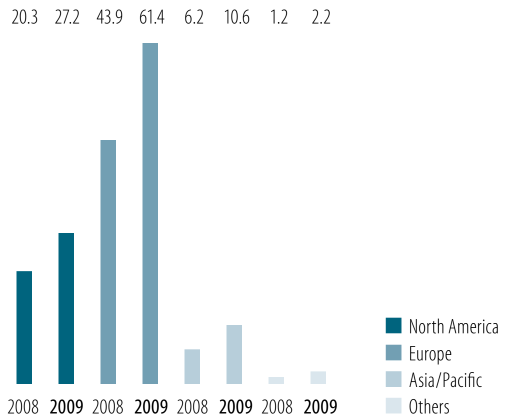
ENVIRONMENTAL SERVICES SEGMENT (from 2010)

Low level radioactive waste

Konrad container suitable for final disposal

Processing low level radioactive waste includes comprehensive measuring and categorization of waste materials, high-pressure compression of waste containers to reduce volume and the packaging of compressed waste in special Konrad containers so that it is suitable for final disposal.

Sales trends by regions (in million EUR)



6. The net current assets decreased from EUR 6 million to EUR 5 million. On the asset side, due to the increase in the business volume and the inclusion of Nuclitec, the receivables from deliveries and services as well as inventories increased by a total of EUR 6 million. On the liability side, the advance payments described in (3) as well as the increase in other short-term provisions from (1) counteract this. The development of net current assets is monitored throughout the Group, and consistent measures to manage receivables and inventory are taken. In 2009, the collection period was reduced from 71 to 58 days. In contrast, the storage period increased from 154 to 177 days. Through the shortening of the payment targets for receivables, the Group is less exposed to the possible risk of customer non-payment due to the financial and economic crisis.

7. The exchange rate dependency of the Group Balance Sheet, which has been known for many years, results from the fact that important Group subsidiaries, in particular the Californian subsidiary Eckert & Ziegler Isotope Products Inc., publish their balance sheets in the American currency. In addition, the Group invoices roughly a third of its sales on a dollar basis. Currency appreciation or depreciations therefore have an impact on assets, profits carried forward and debts. However, due to the relatively small change in exchange rates from 2008 to 2009, these effects are minor.

Financial position

The cash flow statement begins with the P&L earnings before minority interests of EUR 21.9 million. These contain the special revenues from the provision release for the excess liability of the now completed IBt takeover bid and from the activation of deferred tax assets. These non-cash revenues were corrected in the cash flow statement. Depreciation is added to this, and various other non-cash revenues are deducted. The result of the calculation is a profit adjusted for non-cash expense and income items of EUR 15.6 million, more than double the figure of EUR 7.0 million in the previous year.

In the previous year, the optimization of the current assets and liabilities in the balance sheet added EUR 1.6 million to the cash flow. In 2009, a further EUR 6.5 million was added by additionally received advance payments, reductions in receivables and stock on hand, and the expansion of liabilities. The largest share of this effect consisted of advance payments received from the Russian project, which exceeded the sales and other revenues by EUR 7.0 million. The result is an operative cash flow of EUR 22.1 million, more than doubling the EUR 8.6 million from the previous year.

The cash outflows from investments has risen significantly from EUR 5.5 million in 2008 to EUR 9.7 million in 2009, whereby the investments in non-current assets (balanced with the sale of non-current assets) have fallen slightly from around EUR 5.7 million to EUR 5.2 million. However, there was a new addition of EUR 3.9 million in 2009 from the purchase price of Nuclitec, less the cash reserves. In the previous year, only EUR 0.4 million was invested in acquisitions, in purchasing Isotron GmbH and making the advance payment on Nuclitec. In 2009, the effect of the IBt transaction was only a small cash amount of an additional EUR 0.1 million.

In total, financing activities brought the Group an inflow of EUR 24.0 million. The dividends per share increased by 20% from EUR 0.25 to EUR 0.30. As the dividends were paid for 3.8 million shares instead of for 3.1 million in 2009, the dividend payout increased by 44% from EUR 0.8 million to EUR 1.1 million. In the course of two capital increases, shareholders put EUR 23.9 million, with costs deducted, back into the company.

Clean rooms at the Berlin branch shortly before start-up

Ru-106 eye applicators for eye cancer treatment

In the balance, the partial third-party financing of the Nuclitec acquisition and the loan retrieval for development projects in the Radiopharmaceuticals segment meant that more loans were taken out than were repaid. The borrowing liabilities in 2009 increased by EUR 1.5 million, while in the previous year the net debt was only EUR 0.6 million. With the exception of smaller IBt loans, all the currently open third-party financing consists of borrowings with at least quarterly repayments. In total, the liquid means rose by EUR 36.4 million in 2009 and increased from EUR 7.3 million at the start of the year to EUR 43.7 million by the end of the year. Of the cash reserves, EUR 20 million is not freely available, as this amount has been reserved for the IBt S.A. takeover bid.

The Executive Board controls the Group and the individual segments using financial and non-financial performance indicators. The most important financial indicators monitored are the sales (and in particular the innovation quota calculated from the sales of products introduced in the last 3 years) and the profit for the period for each segment. In addition, the segments are to ensure their own solvency. The HR division of the holding company keeps a central record of various HR key figures. In particular the fluctuation rate and the workplace accident quota are used for evaluations.

Research & development

Total spending for research & development, adding activated development costs and without depreciation, amounted to EUR 4.1 million for the 2009 financial year (2008: EUR 2.8 million), an increase of 45% on the previous year. These values cannot be read directly from the profit and loss account. The development expenses listed in the P&L account have decreased from EUR 3.1 million in 2008 to EUR 2.5 million in 2009. In the 2009 financial year, own and development costs of EUR 1.6 million were activated (+37% on previous year).

The extent to which Eckert & Ziegler is defined by a general orientation towards innovation can be seen in the fact that in the year under review, the innovation quota reached an all-time record level of 45%. This key figure indicates that around EUR 46 million sales were generated by articles that were only incorporated into the Group's product portfolio two years previously (from 2007) at the earliest. Compared to the previous year, in which sales of new products defined as such accounted for about 23% or 17 of EUR 72 million, the new product sales ratio thus increased significantly, as on the one hand Nuclitec has contributed a large increase in sales overall, and on the other activities started in 2008, such as IBt and Oil Well Logging, were able to show further improvement.

Specific details on the activities:

The development work in the Radiopharmaceuticals segment concentrates on completing and further developing of the Modular-Lab range of synthesis modules. These fully automated small production systems about the size of a shoe box can be used locally, that is on site in hospitals or research facilities, to produce medication with short-life radioactive materials that can be used in tests to detect illnesses such as cancer or Alzheimer's disease. In the latest version, in the PharmTracer product range, disposable cassettes can be used in the production process for the first time. Such a disposable system has many advantages for nuclear medicine researchers: cleaning or disinfection is no longer required between individual batches or when changing products, as the cassette is disposed of after each synthesis. This significantly reduces the setting-up time.

PharmTracer module for the production of radioactive diagnostics

Fletcher applicator for the treatment of cervical cancer

Additionally, a number of difference medications can thus be produced on the same system without the risk of cross-contamination.

A first cassette system in the PharmTracer range was developed for a PET diagnostic substance based on the 68Gallium nuclide with the Modular-Lab PharmTracer cassette system. The level of purity and the yield of the product are very good and were verified by an external collaboration partner. In addition, 18F (fluorine isotope) and 11C (carbon isotope) tracers were synthesized on the same system. Thus, for the first time, only a single synthesis system is required for the production of tracers based on different nuclides.

Along with the PET diagnostic substances named above, after changing the cassette it is also possible to produce radiopharmaceuticals more suited to therapeutic use, for example with the 90Y and 177Lu nuclides.

The efficiency of cassette-based production systems for the synthesis of a number of different agents on the basis of various nuclides is currently being improved. In the future, this shall enable the customer to produce almost of all the most common radiopharmaceuticals with the Modular-Lab PharmTracer product range.

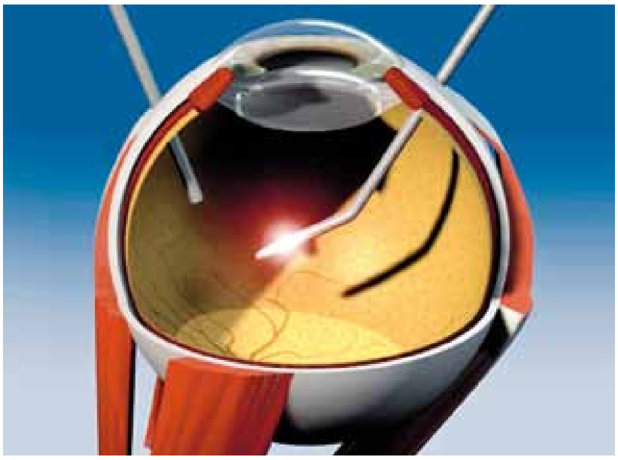
In the Therapy segment, an improved software version for the MultiSource® tumor radiation equipment was put on the market that contains new functions for the clinical users and optimizes the user-friendliness of the devices.

Applicators for gynecological applications, known as Portio and Fletcher applicators, and vaginal applicators with a variable length were added to the accessory portfolio for the Multisource® devices. In addition, applicators for treating breast cancer, dilatation bougies, plastic needles and flexible catheters with improved characteristics were also developed.

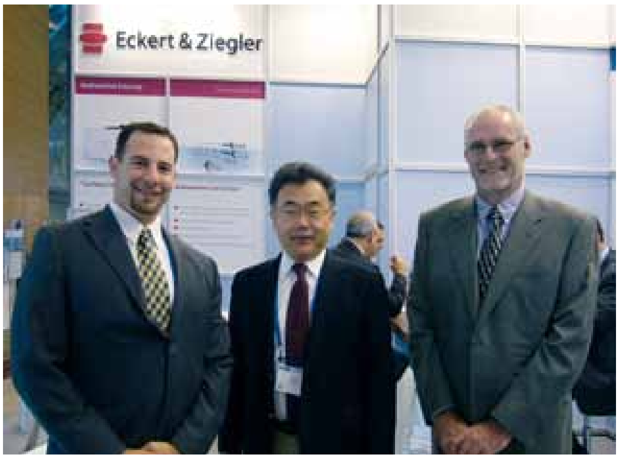
Following the measures to decrease the production times and the reject rates in the first half of the year, constructive improvements enabled the capacity for the production of ruthenium eye applicators to be increased by a further 50% in the second half of the year. Work is fully underway to develop a complete system for the production of prostate cancer implants in Russia. A packaging system was delivered on schedule in November 2009 as the first part of the delivery.

In the Industry segment, new americium-beryllium drill hole sources were developed for the market, to be used in the oil and gas sector. The main focus here is on emitters that enable data to be recorded and transmitted during the drilling process. In the oil production industry, these sources are known as "chemical sources". The capsules must be designed to meet extreme pressure and temperature requirements during this special drilling procedure. The physical requirements of this measurement system demand strenuous and complex structural analyses and testing of the capsules being used.
In the year under review, the testing equipment required to perform pressure tests has been enhanced to up to 50,000 psi. 50,000 psi corresponds to approx. 3,447 bar. In comparison: normal atmospheric pressure is approx. 1 bar.

A further emphasis was on the development of radio nuclide batteries. These batteries convert thermic energy of the spontaneous nuclear disintegration of a radio nuclide into electrical energy. The advantage of these batteries is that they can supply electrical energy for a very long time, autonomously and without maintenance. Their life-span is up to several hundred years. Their fields of application range from entertainment electronics to telecommunications and medicine. Nuclear energy sources are already being used to safely operate a wide variety of devices, for example in satellites, underwater systems or pacemakers. Batteries that use a beta emitter such as krypton-85 or nickel-63 convert the electrons produced by the beta disintegration into electrical energy. Eckert & Ziegler Isotope Products is collaborating with a number of manufacturers in developing these batteries.



Innovative applications for ophthamology



Annual meeting of the European Association of Nuclear Medicine (EANM) in Barcelona

In the nuclear-medical imaging sector, the focus was in particular on further developing the flood sources. With the acquisition of Eckert & Ziegler Nuclitec GmbH in Brunswick, Eckert & Ziegler Isotope Products became the sole manufacturer of all highly-innovative and patented flood source technologies, including FeatherLite™, C-Thru™, and Perflexion™. A new, light capsule design was also developed which can be used in many of these flood sources. The combination of this optimized design and the FeatherLite™ pressure technology produces the thinnest and lightest flood source available on the market.

In the OEM business, in which Eckert & Ziegler develops radiation sources for all the large medical device manufacturers, the collaboration with the development departments of the device manufacturers has continued. The main emphasis here has been on product optimization and customer-specific development projects. By choosing Eckert & Ziegler Isotope Products Inc. as their radiation source developer, the major medical equipment manufacturers once again demonstrate their confidence in the innovative engineering expertise of the company.

Opportunities and risks

Shareholders in Eckert & Ziegler must be aware that the company is exposed to a large number of opportunities and risks which may influence the company's business activities and share price. This report will now outline what risks and opportunities the individual segments hold, and what effects this might have on the Group as a whole. Furthermore, the Group risk management system and the safeguarding measures that have been taken will be described.

Risk management

Eckert & Ziegler seeks to use a range of instruments in dealing with its business risks. As part of the risk management system, yearly interviews with technical managers and leading executives are held at which new and existing risks are identified and ranked with respect to probability and potential effects on the company. As far as possible, preventive measures are taken to counter those risks which might damage the company, contingency plans are drawn up, and regular evaluations of these risk factors are organized. These include market and competitor surveys, evaluation of scientific literature, analysis of customer complaints, cost and sales statistics, and similar data. In addition, the management may also perform ad hoc monitoring of the operative business and its risks, if this is required. Fast information flow is enabled by short, direct routes.

Overall, a risk-minimizing approach is chosen. Existing risks are systematically monitored, and are minimized or guarded against by means of ongoing process improvements. New product developments and acquisitions are tested for possible risks at the outset and incorporated into the risk management system. Market developments are monitored, as are the activities of competitors, so that our own strategies can be modified and implemented at an early stage.

Group accounting at Eckert & Ziegler is responsible for observing and evaluating prevailing risks on a regular basis, and it reports to the Executive Board. These reports form the basis for regular meetings of the Executive Board at which significant risks to the survival and earnings of the Group and its subsidiaries are presented and discussed.

The Supervisory Board, to which all the main decisions are presented, explained and submitted for approval, and which is kept regularly informed about economic developments, serves as a further safeguard against risk.

Financial risks

At this point, the Group considers itself in possession of sufficient financial means to secure its position and pursue further development. It also sees itself as capable of meeting all financial obligations. However, in the coming business years, it anticipates a slight increase in the debt ratio in order to secure growth via further acquisitions and to finance the development of new products.

The 2009 financial year is distinguished by five significant capital inflows or guarantees. To finance the Nuclitec acquisition: (a) a long-term loan of EUR 3.0 million was taken out in January and (b) a cash capital increase of around EUR 3.1 million was effected in January / February. To develop the new Environmental Services segment established in 2010 and to finance acquisition options, (c) a second cash capital increase of around EUR 21.5 million was effected in November / December. The Radiopharmaceuticals segment received an inflow of (d) EUR 3.1 million in total from loan retrievals in the course of the year for the long-term financing of development projects. To support the IBt S.A. takeover bid, the company received (e) a guarantee of EUR 20.0 million in December. These financings and guarantee requests encountered no problems. For the loans closed, there were always several interested parties. The capital increases were oversubscribed. Up to the present, the financial and economic crisis has had no significant effect on the growth of the Eckert & Ziegler Group's shareholder or third-party financing. The Executive Board views the Group's solid financial underpinnings as the reason for its ability to obtain favorable lending conditions, as well as the favorable prospects of the profitable operational units. To complete the picture, no existing loans or lines of credit were cancelled by creditors.

In addition to economic and technical development risks, Eckert & Ziegler is also subject to the vicissitudes of the market. These can lead not only to revenue risks as a matter of course but also to liquidity risks, since the Group has received outside financing for some of its acquisitions and has provided guarantees for loans to its subsidiaries. The Group remains susceptible to problems even when the management reacts rapidly to reduce costs and/or leaves a threatened field of activity. However, the Executive Board is taking measures to limit risks through loans and guarantees of an amount which is justifiable in relation to the Group's overall assets.

Monitoring and control measures to avoid financial risk include the use of such instruments as the annual financial budget with revisions during the year, and fine-toothed analysis of deviations from the budget. This enables potential risks to be identified at an early stage and suitable countermeasures to be implemented. Due to the high proportion of sales in the US, there is a certain degree of dependence on the exchange rate of the American currency. However, because the subsidiary in the US responsible for most of this revenue also incurs its costs in US dollars, the effects of changes in the exchange rate are less than for conventional export business. For German exports, sales in foreign currencies are hedged by forward exchange contracts and simple put options where required.

Legal risks

The acquisitions of recent years have given rise to some contractual risks for the Group. Although the Executive Board sought to contain all risks in advance by means of unmistakable regulations and the services of qualified attorneys, disputes can still arise over the interpretation of contracts. In 2009, the Group had to deal with a lawsuit filed by a minority shareholder of IBt S.A. which intended to force Eckert & Ziegler AG to submit a takeover bid for the remaining shares of IBt S.A. Before the pronouncement of a judgment in January 2010, Eckert & Ziegler AG submitted a voluntary takeover bid in line with the demands of the lawsuit, so that the legal judgment had no effect. However, it would be inadvisable to refrain from acquisitions in order to avoid any negative effects they could incur. In the past, the Group has been able to add a number of profitable business fields solely via acquisitions, and we must continue to accept such risks in the future in the interest of further development.

Accounting

Along with the individual financial statements of Eckert & Ziegler AG, the Group financial statements include 27 individual financial statements of domestic and foreign subsidiaries. Due to the number of companies and the varying regional allocations of the subsidiaries, the aim of achieving a reliable accounting system is exposed to certain risks, which may include delayed publication, inaccuracies in the Group financial statements, or fraudulent manipulations.

To limit and control these risks as far as possible, the company has implemented a variety of measures. Modules to avoid input errors and perform plausibility checks have been added to the accounting software, and manual auditing steps have been introduced. Additionally, support is provided to subsidiaries by company consultants at the Group's headquarters, who perform quality controlling for the data received and assist the subsidiaries when complex issues arise.

As a listed company, Eckert & Ziegler is subject to adhere to the accounting standards of IFRS. It is thus subject to the regulation stating that it must determine fair values for intangible assets at the balance sheet date. However, as no markets with reliable price information exist for many intangible assets, the fair values are usually based on estimates or forecasts, which can be very unreliable. Therefore, the recoverability of intangible assets essentially incorporates a degree of risk. To reduce this risk, an impairment test is performed annually, and also if there are indications of a reduction in value. Important assumptions here are objectified through the use of recognized rating agencies and peer groups, or by consulting external experts, in order to ensure the reliability of the estimates and evaluations. In spite of all these measures, it cannot be ruled out that intangible assets may transpire to be not recoverable, or that their value fluctuates rapidly and significantly.

Due to the productive business activity in the Eckert & Ziegler Group, supplies must be available in sufficient quantities, whereby the stocks of supplies are kept to a minimum in order to reduce costs and risks. For this reason, there are recoverability and inventory risks for stocks, which are limited by regular inventories and objective evaluation, involving the analysis of future market and sales opportunities.

The provision of pension benefits involve actuarial evaluation risks in the Group financial statements of Eckert & Ziegler. To limit these risks, external experts are commissioned to produce actuarial reports.

The Group generally applies the dual-control principle to work processes in accounting, in order to ensure an adequate quality assurance and approval process.

Personnel risks

In many segments, Eckert & Ziegler depends on the specialized knowledge of its employees. Especially in setting up new business fields, but also in development and sales, it relies on the expertise and skills of particularly well-qualified key individuals. In order to minimize the risk of losing talented personnel, the company strives to create a friendly and supportive atmosphere, a modern and secure working environment, adequate remuneration, professional training and further education opportunities, and flexible working hours. Despite these measures and a demonstrated high degree of employee satisfaction, Eckert & Ziegler cannot guarantee that these employees will remain with the company or display the necessary level of commitment.

General risks associated with the production and handling of radioactivity in particular, and opportunities arising from this

The production risk includes the risk of being unable to buy all the raw materials and consumables at the required time and in the necessary quantities. This risk can be reduced by warehousing and by establishing alternative procurement sources, but it can never be eliminated altogether. With products being dispatched all over the world, in many cases as hazardous materials, Eckert & Ziegler is dependent on specialized service providers. There can be no guarantee that these services will be maintained in their existing form. Official licenses and permits are needed for the production and dispatch of many products, and Eckert & Ziegler can only exert indirect influence on when these are issued or renewed.

Both radioactivity itself and its use in medical or pharmaceutical products entail product liability risks. Eckert & Ziegler is addressing these risks by adhering to strict quality criteria. Its operational facilities are ISO-certified, and its quality management systems are regularly checked by both internal and external audits. In order to avoid accidents that injure employees, cause damage to the environment, or prompt regulatory agencies to close down production facilities, staff members regularly undergo training in occupational safety and radiation protection. Despite all these measures, it cannot be ruled out that events giving rise to liability could occur and pose a threat to the company. As far as is possible and feasible, appropriate insurance has been taken out to guard against liability risks.

Eckert & Ziegler has undoubtedly acquired a great deal of know-how thanks to its many years of experience in handling radioactivity. This experience also provides a safeguard against new competitors entering the market, as well as a wide range of opportunities for accelerating organic and acquisition-driven growth in these business fields.

General strategic risks

As a specialist for a broad portfolio of radioactive components, radiation equipment and radiopharmaceutical products, Eckert & Ziegler is better protected against slumps in the market than single-product companies. Although the different business fields feature related technology, they differ considerably in their product life cycles and in their customer and market structures. This variation generally lowers the risk that competitors will undermine the company's business foundation with new and better products. Nevertheless, the possibility cannot be entirely excluded that improved processes and efforts on the part of the competition might lead to the loss of important markets, and thus endanger the company.

To counter this threat, Eckert & Ziegler is actively seeking to develop new products and to identify and set up new business fields. However, there is the risk that these efforts will remain unsuccessful and that new business fields can only be developed too late, or inadequately, or not at all. Furthermore, the possibility cannot be ruled out that competitors will undertake more successful actions with other products or marketing strategies.

Risks and opportunities in the Industry segment

Many industrial sub-segments have oligopolistic market structures, which means that the loss of major customers can have a marked impact on revenue and sales. Eckert & Ziegler strives to counter these sales risks by setting up medium- and long-term supply contracts, but it cannot guarantee that it will always be successful in this endeavor in the future.

In addition to sales risks posed by major customers, the procurement side is subject to comparable risks posed by supplier monopolies in certain raw materials markets, in particular isotopes. Among the major suppliers in these sectors are Russian companies, some state-owned, which are susceptible to political developments and strategic concerns.

In the Industry segment, beyond procurement and sales concerns, there are also issues related to transport processes, which are subject to the more stringent regulations for radioactive goods. These can lead to increased costs and transport times.

The segment also relies on options for disposing of the radioactive waste produced when taking back sources and during production. The closure of disposal facilities can lead to significant increases in costs. Efforts are made to reduce the effects of this risk as far as possible through internal recycling, but this uncertainty cannot be completely eradicated.

In the 2009 financial year, the acquisition of Eckert & Ziegler Nuclitec GmbH added the Environmental Services business area, which recycles and disposes of radioactive waste, to the Industry segment. Up to now, this business area has generated relatively constant sales of around EUR 5 million per year, mainly from taking back sources and components and disposing of low level radioactive waste from German hospitals. There is currently no dump site or terminal storage facility for a significant portion of this waste. Only in 2014 will Schacht Konrad be opening such a facility. Until then, the Group does have its own approved temporary storage facility, but up to the point that the waste is finally consigned to Schacht Konrad, the Group must enter this waste as environmental restoration in its balance sheets.

The Environmental Services area is seen as a particular opportunity within the Industry segment.

Risks and opportunities in the Therapy segment

Major sales and revenue risks continue to lie in developing the European market for permanent implants for the treatment of prostate cancer. In European countries, this innovative treatment method still faces the problem that the reimbursement by statutory health insurance programs is essential for its economic success, and in some key countries it is either not yet or only partially secured. In addition, the competitive situation has also reduced the profit margin. The merger with former competitor IBt S.A. has mitigated this situation somewhat, but has not eliminated it entirely. Eckert & Ziegler is attempting to enhance customer loyalty through an attractive service program and long-term supply contracts, and thus counter existing risks to sales and earnings.

In the radiation equipment segment, the risk exists that sales will be lost or delayed by companies' reluctance to make major investments, should the financial crisis continue. This could have a particularly significant effect on projects in the CIS, where record sales figures were recorded once again for the year under review.

In the Therapy segment, re-entry into the US market and the joint venture in the Russian project are seen as particular opportunities.

Risks and opportunities in the Radiopharmaceuticals segment

In the Radiopharmaceuticals segment, a risk to sales exists in the possibility that the necessary authorizations might not be granted or might be withdrawn. It is also possible that both the number of new customers and the sales themselves might not develop as expected due to less than ideal decisions on cost reimbursement by statutory health insurance programs.

Measurement and packaging of low level radioactive waste

A not insubstantial portion of FDG sales are made in Poland. Discontinuation of supply contracts there, for instance due to the development of local manufacturing capacities, could jeopardize those sales. However, Eckert & Ziegler is constantly seeking to exploit new sales markets and pursue distribution agreements with emerging manufacturers.

The Radiopharmaceuticals segment also faces threats posed by the global financial crisis. If the investment budgets of hospitals and research facilities are cut or eliminated altogether, our sales prospects for device technology will be adversely affected.

Acquired in 2007, Eckert & Ziegler EURO-PET Köln/Bonn GmbH works with a cyclotron with an older design. The manufacturer, Siemens, has meanwhile discontinued production of spare parts and customer service for the facility. A model calculation was used to run through the worst-case scenario, which involved having to replace the cyclotron. Even this scenario is profitable. A replacement now even appears less likely because spare parts have since been procured and a number of employees have received training in maintenance and service.

In the Radiopharmaceuticals segment, opportunities are seen in the newly developed pharmaceutical gallium generator and in the expansion of contract manufacturing projects.

Changes to risks

In spite of the growth in its range of products, there has been no heightening of the risk profile for the Eckert & Ziegler Group that could endanger the company's intrinsic value. A large number of prevailing risks have already been considered in the Group's detailed planning for the coming year.

The Executive Board does not expect the abovementioned risks to have a significant impact on financial year 2010.

Post balance sheet events

Eckert & Ziegler submitted a takeover bid for the remaining IBt S.A. shares on December 28, 2009. On March 17, 2010, the term of acceptance ended for the takeover bid to the minority shareholders of IBt S.A. The acceptance rate was 55.3%, so that Eckert & Ziegler invested EUR 22 million plus fees into additional IBt S.A. shares and options and now holds, without the addition of the SMI voting shares, 56.0% of the voting rights and 71.9% of the profit sharing in the company. For partial refinancing of the takeover bid, a long-term loan agreement is to be concluded in April 2010. Offers have already been submitted for this. The result of these actions is that Eckert & Ziegler has increased its influence on IBt S.A. and ended the paralyzing litigation. As a consequence, management can again concentrate on the operating business, development projects and acquisition opportunities.

Since 2010, the Environmental Services area has been reported separately to the decision-makers, and is thus seen as a separate segment. Significant expansion is planned for the area.

Outlook

In this last financial year, the poor economic conditions have not improved on the previous year. Up to now, Eckert & Ziegler has not been strongly affected by these developments, as the demand for medical products seems to be influenced by economic downturns less than demand in other sectors. However, if the weak upwards economic trend recently observed does not hold, it can be assumed that the operative business of Eckert & Ziegler will also be increasingly affected.

Of the other general conditions, the exchange rate between the US dollar and the euro is also of great significance. As the Industry segment situated in California, where most of its production is also carried out, is expected to make a significant profit and liquidity contribution to the Group, even small changes in the exchange rate directly affect the sales

Production of weak radioactive prostate implants

and revenues of Eckert & Ziegler. At the time of printing this business report, the exchange rate is practically unchanged in comparison to the previous year, in which the average rate was USD 1.38 to the EUR. It remains to be seen in the course of the year whether the crisis in the PIGS states (Portugal, Italy, Greece and Spain) and Ireland will see an unfavorable rate for the euro emerge, or whether the budget and trade balance deficits in the US will be detrimental to the USD. The interest rate decisions of the ECB and the Fed will certainly also play a role here. Therefore, should more favorable budgetary situations in southern Europe and more significant interest rate increases by the ECB compared to the Fed cause further devaluation of the USD, a rate of USD 1.45 or more per EUR will result in reduced profits in 2010 compared to 2009, because the currency change then overcompensates for growth.

The exchange rate is also important with regard to competitiveness, especially in the Therapy segment (IBt S.A.). The lower the dollar, the better the costs situation and therefore the competitiveness of American implant manufacturers, and the greater the pressure on the sales prices and margins of IBt S.A.

Additionally, in 2010 the integration discussions at IBt S.A. and the Nuclitec Group will continue. Following the strong growth in the last years, the Executive Board's main focus is on integrating the new units intelligently into the Group, and on strengthening the self-financing capability and the revenues of the Group. New fields of activity are emerging for Eckert & Ziegler through the clean room production facilities in Berlin and Brunswick, which are used for the production of yttrium-90, pharmaceutically approved gallium generators, and for made-to-order production projects. In 2010/11, the Therapy segment will introduce the next generation of implant products onto the market and push plant construction in the Russian project.

Aside from the scheduled return of the Therapy segment to the US market through a collaboration with Core Oncology, there are currently no major acquisitions on the horizon. However, Eckert & Ziegler AG will remain at the ready to seize any opportunities that may arise.

For the 2010 financial year, the Eckert & Ziegler Group expects sales of between EUR 105 and 110 million and profits after taxes and minority interests of between EUR 6 and 10 million. Looking at the five-year horizon, sales are expected to double profitably to EUR 200 million by 2014. In 2011, the Executive Board expects sales and revenues to at least equal those of 2010.

Remuneration Report

Executive Board Remuneration

The remuneration of the members of the Executive Board is set by the Supervisory Board and is discussed and reviewed at regular intervals.

The remuneration package as a whole, and its breakdown into individual elements, is in accordance with the principles of commensurateness. The assessment criteria are based in particular on the area of responsibility allocated to the board member, and the member's personal performance, but also the company's competitive situation and the appropriateness of the remuneration in the context of comparable environments.

The remuneration of the Executive Board is currently composed of both fixed and variable elements.

The fixed remuneration elements represent approximately half of the total attainable income for Executive Board members. These consist of a fixed salary and a payment in kind. In addition to the base salary, the fixed salary element also includes health, long-term care and pension insurance benefits. The payment in kind element primarily consists of the provision of a company car.

The remuneration system also provides for variable compensation elements. These are one-off or annually recurring elements tied to the short-term success of the company. One-off bonuses can be granted on the basis of exceptional services to the Company. The agreement provides for an annual profit-based management bonus based on the consolidated profit and loss statement as per IFRS and limited by a maximum ceiling.

Variable risk-based components with long-term incentive effects have been suspended following the discontinuation of the stock option program previously in place.

However, the remuneration system in its current form is presently undergoing a fundamental reassessment, in order to orient it more towards long-term company development, in line with the regulations of the law on the appropriateness of board remunerations (VorstAG). It is intended to implement this restructuring of the remuneration system during the periodically scheduled renegotiation of the board members' contracts.

There are no provisions governing the payment of severance compensation in the event that a board member terminates their employment prematurely or in line with their contract.

Of the total remuneration of EUR 1,142,000 for the financial year 2009, fixed compensation elements accounted for EUR 632,000 and performance-based components accounted for EUR 510,000.

Name	Fixed components		Short-term performance-based components	Total
	Fixed salary	Payments in kind, benefits	Bonus	
Dr. Andreas Eckert	EUR 240,000	EUR 24,085	EUR 200,000	EUR 464,085
Dr. André Heß	EUR 132,000	EUR 20,353	EUR 160,000	EUR 312,353
Dr. Edgar Löffler	EUR 168,000	EUR 47,246	EUR 150,000	EUR 365,246

No remuneration payments were made to former Executive Board members or their dependents in the financial year 2009. However, reserves due to a pension commitment in the amount of EUR 417,000 are being held for a former member of the Executive Board.

Moreover, for two active members of the Executive Board, the Group grants company pension coverage in the form of a pension plan reinsurance fund financed through deferred remuneration.

Supervisory Board Remuneration

As per the articles of incorporation, members of the Supervisory Board receive an annual fixed remuneration of EUR 6,000, whereas the Chairperson receives double and a Deputy Chairperson receives one and a half times the base amount. Members of the Supervisory Board do not receive performance-related pay.

Over and above their annual remuneration, members of the Supervisory Board receive a payment of EUR 750.00 for each punctually and completely attended Supervisory Board meeting.

VAT is reimbursed by the Company in so far as members of the Supervisory Board are authorized to charge VAT and exercise their right to do so.

No remuneration was paid to Supervisory Board members for services, in particular consulting and brokerage services, rendered outside of their activities on the Supervisory Board in the reporting year.

In the financial year 2009, members of the Supervisory Board received fixed remuneration in the amount of EUR 45,000 and Supervisory Board meeting remunerations of EUR 19,500, amounting to a total of EUR 64,500.

Name	Remunerated function	Fixed remuneration	Remuneration for meeting attendance	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	EUR 12,000	EUR 3,000	EUR 15,000
Prof. Dr. Nikolaus Fuchs	Deputy Chairman of the Supervisory Board	EUR 9,000	EUR 3,750	EUR 12,750
Prof. Dr. Ronald Frohne	Supervisory Board Member (to May 20, 2009)	EUR 2,301	EUR 750	EUR 3,051
Hans-Jörg Hinke	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Dr. Gudrun Erzgräber	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Holger Bürk	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Prof. Dr. Detlev Ganten	Supervisory Board Member (from May 20, 2009)	EUR 3,699	EUR 750	EUR 4,449

As of December 31, 2009, there are no advance payments or loans to members of the Executive or Supervisory Boards of Eckert & Ziegler AG.

Takeover law disclosures

Eckert & Ziegler Strahlen- und Medizintechnik AG is a publicly listed joint-stock corporation headquartered in Germany.

As of December 31, 2009, the Group's nominal capital was EUR 5,260,283.00 (previous year: EUR 3,250,000.00), divided into 5,260,283 non-par-value owner bearer shares. Each share entitles the holder to one vote and is decisive in determining the share of profit. Shares with multiple voting rights, preferential voting rights or maximum voting rights do not exist.

The Executive Board is not aware of any restrictions affecting voting rights or the transfer of shares.

According to the German Securities Trading Act, every investor who reaches, exceeds or falls below certain percentages of voting rights in the company through purchase, sale or other means must inform the company and the German Federal Financial Supervisory Authority. The lowest threshold for this disclosure requirement is 3%. The following direct or indirect shareholdings in the capital of the company exceeding 10% of the voting rights were disclosed to the company as follows:

On December 31, 2009, Dr. Andreas Eckert indirectly held 1,699,986 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Zepernick, Germany, and directly held 12,001 shares, for a total of 32.55% of the voting rights.

Shares that confer special rights of control have not existed and do not exist.

Insofar the company transfers shares to employees in the context of its stock option program, the shares are transferred to the employees immediately upon exercise according to the stipulations of the option conditions. The employees receiving stock can immediately exercise the control rights owed to them like other shareholders according to legal requirements and the provisions of the articles of incorporation.

The Executive Board manages the company and represents it to third parties. The appointment and dismissal of members of the Executive Board is regulated in § 84 of the German Stock Companies Act. Accordingly, the members of the Executive are appointed by the Supervisory Board for a maximum term of office of five years. It is permitted to repeat or extend the term of office, in each case for a maximum of five years. This again requires a Supervisory Board proposal, which can be submitted one year before expiry of the term at the earliest. The Supervisory Board can appoint a member of the Executive Board to the position of Chief Executive Officer. The Supervisory Board can revoke appointment to the Executive Board and the appointment of the Chief Executive Officer if there is sufficient cause. This could be due, for example, to a serious breach of duty, an inability to manage properly, or a vote of no confidence by the Annual General Meeting.

According to § 6 of the articles of incorporation, the Executive Board consists of one or more persons. The supervisory board determines the number of members of the Executive Board.

The articles of incorporation contain basic provisions regarding the form of the company. According to paragraph 179 of the Stock Companies Act, a change to these articles can only be made by the Annual General Meeting passing a resolution to that effect with a majority of at least three-quarters of the nominal capital represented during the resolution vote.

On May 20, 2009, the Executive Board was authorized by an Annual General Meeting resolution with the approval of the Supervisory Board to increase the company's nominal capital through May 19th, 2014, by up to EUR 1,939,316.00 by issuing a maximum of 1,939,316 owner bearer shares for cash and/or non-cash contributions (authorized capital 2009). With the approval of the supervisory board, the Executive Board is authorized to suspend the shareholders' statutory subscription right in certain cases. The authorized capital, after partial exhaustion in fiscal year 2009, is EUR 589,316.

On April 30, 1999, the Annual General Meeting resolved to increase the company's nominal capital by a maximum of EUR 300,000.00 through the issuance of owner bearer shares (authorized but unissued share capital 1999). The contingent increase in capital is only implemented subject to the holders of share options using their rights to subscribe to shares in the company and the company not fulfilling the option rights by the transfer of its shares or by making a cash payment. The authorized but unissued share capital, after issuance of preemptive shares in fiscal year 2009 in connection with the servicing of stock options, is EUR 268,350.

On May 20, 2009, the Annual General Meeting approved a contingent increase in nominal capital up to EUR 1,639,316 (authorized but unissued share capital 1999). The contingent increase in capital is only implemented subject to the holders of convertible bonds using their conversion privilege or meeting their conversion obligation and the company not using its shares to service these conversions. With the approval of the Supervisory Board, the Executive Board is authorized to issue convertible bonds in a total nominal amount of up to EUR 40,000,000.00 until May 19, 2014. A right to subscribe to the convertible bonds is granted to the shareholders in principle. However, with the approval of the supervisory board, the Executive Board is authorized to suspend the shareholders' statutory subscription right in certain cases.

A resolution of the Annual General Meeting of May 20, 2009, authorizes the Executive Board to purchase own shares for purposes other than securities trading until November 19, 2010, up to a maximum share of 10% of nominal capital.

There are no substantial agreements related to a change of company control as pertains to a takeover offer. Furthermore, there are no compensation agreements with members of the Executive Board or employees in the event of a takeover offer.

5 x 5 km team relay race in Berlin

Staff

Staff by areas

12% R & D
42% Production
9% Quality management
28% Sales and marketing
9% Administration

In the year under review, the average number of people employed by the Group rose by 105 to 500. The main reason for this increase was the inclusion of Nuclitec employees.

In the period under review, staff costs amounted to EUR 30 million (2008: EUR 23 million). Roughly half of all employees hold a diploma from a university of applied science or an even higher qualification. The Group invested EUR 176,000 (2008: EUR 160,000) in employee education programs.

In order to make it easier to combine family and professional life, Eckert & Ziegler offers at its own sites, among other things, flexible daily and weekly working hours, part-time work and health care, and maintains employee contact with the company during periods of parental leave through a regular exchange of information, as well as running programs to assist people's return to work. The Group also promotes individual advanced training and education for employees with internal English courses and post-graduate studies in the areas of business management and medical physics.

In the 2009 financial year, numerous interns, students and graduates again took advantage of the opportunity afforded by their studies to familiarize themselves with Eckert & Ziegler AG as an interesting employer. A number of them were offered a permanent position after completing their projects.

Eckert & Ziegler is a training company and believes that taking on trainees (currently eight trainees) both helps it to retain its own employees and provides school leavers with professional prospects in an industry with a promising future. In 2009, the Group was able to provide permanent employment for all trainees who completed their training.

In an attempt to find a better balance between the interests of employees and business interests, Eckert & Ziegler has created a monthly bonus system for many divisions within the company. In 2009, around a quarter of the employees participated in this, with sales- or production-based bonuses paid. Furthermore, the proportion of employees who have a variable element to their pay but are not part of the management team was increased continuously.

The Executive Board would like to take this opportunity to thank all members of staff for their commitment and performance. Thanks are also due to the works council, which, by liaising between the company's management and its workforce, has played its part in enabling many decisions to be implemented.

Berlin, March 30, 2010

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

Social Engagement

Photo at left: The “Forschergarten” project gives primary school children the chance to experience the natural sciences and technology in a hands-on environment

Photo at right: Presentation of the Eckert & Ziegler Abstract Award for outstanding nuclear medical research at the annual congress of the European Association of Nuclear Medicine (EANM) in Barcelona

To help strengthen Germany’s position as a center of innovation and research, Eckert & Ziegler supports early education initiatives in the natural sciences. The „Forschergarten“ (www.forschergarten.de) project, sponsored jointly by Eckert & Ziegler, the Gläsernes Labor and the Friedrich-Fröbel School for Social Pedagogy, gives kindergarten and primary school children the chance to experience the natural sciences and technology in a hands-on environment, counteracting inhibitions towards science and improving the quality of early childhood education. The response to the initiative has been extremely positive and now includes nearly 100 participating kindergartens and primary schools in the Berlin region. In 2009, the number of children who participated in natural science experiment courses tripled to approximately 11,500.

To promote aspiring young scientists in the field of nuclear medicine, in 2009 Eckert & Ziegler together with the European Society for Nuclear Medicine (EANM) offered an award for promising young nuclear scientists. The objective of he „EANM Eckert & Ziegler Abstract Award“ is to motivate young scientists to present their ideas to larger audiences and promote an intensified exchange of ideas between nuclear scientists. The five EUR 1,000 awards were presented in October 2009 at the annual meeting of the EANM in Barcelona. The award winners – five talented young nuclear medicine researchers from Germany, Italy, Poland and Switzerland – were chosen from over 520 nominations by a jury of the EANM. The awards recognized work in the fields of cancer diagnostic and therapy.

CONSOLIDATED FINANCIAL STATEMENTS OF THE ECKERT & ZIEGLER GROUP

Group Statements of Income
Group Statement of Comprehensive Income
Years ended December 31

Group Statements of Income	Appendix	2009	2008
		TEUR	TEUR
Net sales	7.	101,399	71,61
Cost of sales	8.	-50,275	-37,453
Gross profit on sales		51,124	34,159
Selling expenses	9.	-18,425	-15,115
General administration costs	10.	-19,083	-14,609
Research and development costs	11.	-2,496	-3,108
Other operating income	14.	9,339	17,241
Other operating expenses	15.	-4,996	-8,979
Profit from operations		15,463	9,589
Earnings from equity shares	16.	873	0
Other financial results	17.	82	-120
Earnings before interest and taxes (EBIT)		16,418	9,469
Interest received	18.	68	73
Interest paid	18.	-1,331	-1,241
Profit before tax		15,155	8,301
Profit tax	19.	6,737	-5,264
Profit for the year		21,892	3,037
Profit attributable to minority interests (loss in previous year)	20.	8,642	-1,465
Dividend to shareholders of Eckert & Ziegler AG		13,250	4,502
Earnings per share	20.		
Basic (EUR per share)		3.50	1.43
Diluted (EUR per share)		3.48	1.43
Average number of shares in circulation (basic – in thousands)		3,783	3,143
Average number of shares in circulation (diluted – in thousands)		3,806	3,158

Group Statement of Comprehensive Income	Appendix	2009	2008
		TEUR	TEUR
Profit for the period		21,892	3,037
Of which attributable to other shareholders (loss in previous year)		8,642	-1,465
Of which attributable to shareholders of Eckert & Ziegler AG		13,250	4,502
Adjustment to fair value of available for-sale financial assets		-4	15
Amount reposted to income statement		0	-45
Profit tax		1	-5
Adjustment of amount recorded in shareholders' equity (Financial assets available-for-sale)	28.	-3	-35
Adjustment of actuarial profits (+)/ losses (-) from performance-oriented pension commitments		-218	0
Profit tax		69	0
Adjustment of amount recorded in shareholders' equity (Actuarial profits (+)/ losses (-))	36.	-149	0
Adjustment of balancing item from the currency translation of foreign subsidiaries		56	472
Adjustment of amount recorded in shareholders' equity (Currency translation)		56	472
Total of value adjustments recorded in shareholder equity		-96	437
Of which attributable to other shareholders		-8	0
Of which attributable to shareholders of Eckert & Ziegler AG		-88	437
Total from net income and value adjustments recorded in shareholder equity		21,796	3,474
Of which attributable to other shareholders		8,634	-1,465
Of which attributable to shareholders of Eckert & Ziegler AG		13,162	4,939

	Appendix	2009 TEUR	2008 TEUR
Cash flow from operating activities:	41.		
Profit for the year		21,892	3,037
Adjustments for:			
Depreciation and amortization		11,525	9,150
Interest paid		1,331	1,241
Interest payments		- 1,480	- 986
Tax expenses (+) / income (-)		- 6,737	5,264
Tax on earnings paid		2,627	- 3,292
Proceeds from grants less release of deferred income from grants		- 21	- 507
Deferred tax		- 5,691	- 297
Unrealized foreign currency gains/losses		104	- 52
Effect of foreign currency rate changes on operating cash flows		- 34	57
Change in long-term provisions, other non-current liabilities		- 6,821	8,054
Gains (-) / losses on the sale of shares of consolidated companies		- 221	- 14,380
Losses on the disposal of non-current assets		11	26
Gains (-) / losses on the sale of securities		–	- 77
Other		- 907	- 230
Changes in current assets and liabilities:			
Receivables		1,696	- 1,166
Inventories		26	543
Prepaid expenses and deferred charges, other current assets		- 3	86
Trade accounts payable and accounts payable to related parties		6,533	- 422
Income tax liabilities		- 528	260
Other liabilities		- 1,190	2,283
Cash inflow generated from operating activities		22,112	8,592
Cash flow from investment activities:	42.		
Additions to non-current assets		- 5,693	- 5,984
Sale of non-current assets		506	248
Acquisition of consolidated companies		- 3,874	- 244
Sale of shares of consolidated companies		643	–
Advance payments on shareholdings		–	- 250
Sale of shareholdings		28	40
Sale of securities		101	1,381
Purchase of securities		–	- 652
Repayments for loans granted to third parties		- 1,409	–
Cash outflow from investment activities		- 9,698	- 5,461
Cash flows from financing activities:	43.		
Payments from capital increase (with costs deducted)		23,929	–
Dividends paid		- 1,132	- 786
Distribution to minority interests		- 409	- 103
Acquisition of own shares		- 436	–
Sale of own shares and cash inflow from the exercise of stock options		517	–
Receipts from the take-up of borrowings		9,111	9,021
Disbursements from the repayment of borrowings		- 7,590	- 8,386
Cash inflow (outflow in previous year) from financing activities		23,990	- 254
Effect of exchange rates on liquid funds		- 41	59
Increase in liquid funds		36,363	2,936
Liquid funds at the start of the period		7,311	4,375
Liquid funds at the end of the period		43,674	7,311

Group Balance Sheets

As of December 31, 2009 and 2008

	Appendix	2009 TEUR	2008 TEUR
ASSETS			
Non-current assets			
Intangible assets	22.	42,123	38,726
Property, plant and equipment	23.	27,253	23,807
Equity investments	24.	0	278
Investments valuated according to the equity method	24.	850	0
Other loans	25.	0	56
Deferred tax	19.	11,795	1,210
Other assets	26.	910	1,062
Total non-current assets		82,931	65,139
Current assets			
Cash and cash equivalents	27.	43,674	7,311
Cash balances thereof with restricted availability	27.	20,061	0
Securities	28.	226	332
Trade accounts receivable	29.	16,204	13,985
Inventories	30.	12,631	8,555
Other assets	31.	6,238	2,464
Assets held for disposal	32.	0	1,012
Total current assets		78,973	33,659
Total assets		161,904	98,798
EQUITY AND LIABILITIES			
Capital and reserves	33.		
Subscribed capital		5,260	3,250
Capital reserves		52,719	30,316
Retained earnings		22,514	10,946
Other reserves		-3,385	-3,297
Own shares		-703	-359
Equity due to the shareholders of Eckert & Ziegler AG		76,405	40,856
Minority interests		10,254	1,964
Total capital and reserves		86,659	42,820
Non-current debts			
Borrowings and financial lease obligations	34.	14,262	10,761
Deferred income from grants and other deferred income	35.	1,384	1,416
Deferred tax	19.	1,627	1,147
Retirement benefit obligations	34.	5,707	420
Other provisions	37.	17,589	15,969
Other liabilities	38.	678	529
Total non-current debts		41,247	30,242
Current debts			
Borrowings and financial lease obligations	34.	5,813	7,751
Trade accounts payable		4,426	4,286
Advance payments received		8,005	1,002
Deferred income from grants and other deferred income	35.	395	371
Current tax payable		943	916
Other liabilities	39.	14,416	10,285
Debts directly related to assets held for disposal	32.	0	1,125
Total current debts		33,998	25,736
Total equity and liabilities		161,904	98,798

	Subscribed capital: Number	Subscribed capital: Nominal value	Capital reserve	Retained reserves	Cumulative other equity items: Unrealized profit securities	Cumulative other equity items: Unrealized profit pension commitments	Cumulative other equity items: Foreign currency exchange differences	Own shares	Equity attributable to shareholders' equity	Minority shares	Group shareholders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance January 1, 2008	3,250,000	3,250	29,750	7,230	42	0	–3,776	–359	36,137	354	36,491
Foreign currency translation differences							472		472		472
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 3 thousand)					7				7		7
Reversal of unrealized gains/losses on securities at previous balance sheet date					–42	0			–42		–42
Total of expenditures and income directly entered in equity	0	0	0	0	–35	0	472	0	437	0	437
Net profit for the year				4,502					4,502	–1,465	3,037
Total income for the period	0	0	0	4,502	–35	0	472	0	4,939	–1,465	3,474
Dividends paid				–786					–786	–104	–890
Purchase of minority interests										3,179	3,179
Provisions offset by own shares			566						566		566
Balance December 31, 2008	3,250,000	3,250	30,316	10,946	7	0	–3,304	–359	40,856	1,964	42,820

	Subscribed capital: Number	Subscribed capital: Nominal value	Capital reserve	Retained reserves	Cumulative other equity items: Unrealized profit securities	Cumulative other equity items: Unrealized profit pension commitments	Cumulative other equity items: Foreign currency exchange differences	Own shares	Equity attributable to shareholders' equity	Minority shares	Group shareholders' equity
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance January 1, 2009	3,250,000	3,250	30,316	10,946	7	0	–3,304	–359	40,856	1,964	42,820
Foreign currency translation differences							64		64	–8	56
Unrealized gains/losses on performance-orientated pension commitments at balance sheet date (after tax of EUR 69 thousand)						–149			–149		–149
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 2 thousand)					4				4		4
Reversal of unrealized gains/losses on securities at previous balance sheet date					–7				–7		–7
Total of expenditures and income directly entered in equity	0	0	0	0	–3	–149	64	0	–88	–8	–96
Net profit for the year				13,250					13,250	8,642	21,892
Total income for the period	0	0	0	13,250	–3	–149	64	0	13,162	8,634	21,796
Capital increases	2,010,283	2,010	22,360						24,370		24,370
Dividends paid				–1,132					–1,132	–409	–1,541
Purchase/sale of minority interests			–507						–507	65	–442
Acquisition of own shares			436	–436				–436	–436		–436
Sale of own shares			118	–118				86	86		86
Use of own sahres for serivicing share options			–4	4				6	6		6
Balance December 31, 2009	5,260.283	5,260	52,719	22,514	4	–149	–3,240	–703	76,405	10,254	86,659

The Executive Board released the Group financial statements for forwarding to the Supervisory Board on March 30, 2010.

Background, principles and practices

1. Organization and description of business activities

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin (hereinafter referred to as "Eckert & Ziegler AG") is a holding company whose specialized subsidiaries are engaged worldwide in the processing of radioisotopes and the development, manufacture and sale of components based on isotope technology, radiation equipment and radio-pharmaceuticals or of related products. The main areas of application for Group products are in medical technology, particularly in cancer therapy, as well as in nuclear-medical imaging and industrial radiometry. In these areas, the products of Eckert & Ziegler AG and its subsidiaries are aimed at radiation therapists, radio-oncologists and nuclear-medical specialists, among others.

The Group operates in a market characterized by rapid technological progress, heavy research expenditure, and constant new scientific discoveries. This market is subject to supervision by German Federal, State and local authorities. These regulatory authorities include the Regional Office for Health and Social Affairs Berlin (LAGeSo), the Technical Monitoring Agency (TÜV Nord CERT GmbH, Essen), the Federal Institute for Drugs and Medical Devices (BfArM) along with the corresponding foreign institutions, such as the US Food and Drug Administration (FDA) or the Nuclear Regulatory Commission (NRC). The Group is, therefore, directly affected by changes in technology and in products used in cancer treatment and for nuclear-medical imaging, by government regulations related to the industry in which Eckert & Ziegler AG operates, and by the general business environment within healthcare.

2. Reporting Principles

The Group financial statements of Eckert & Ziegler AG as of December 31, 2009, have been prepared in accordance with International Financial Reporting Standards (IFRS). All the standards of the International Accounting Standards Board (IASB), London, applicable in the EU at the balance sheet date, as well as the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been followed. In addition, the supplementary applicable commercial provisions of Section 315a para. 1 HGB (German Commercial Code) have been observed. The Group financial statements, therefore, convey a fair presentation of the net assets, financial position and result of operations of the Group.

The reporting currency is the euro. The amounts shown in the Group financial statements have been rounded to thousand Euros.

The financial statements of subsidiaries have been prepared as of the same date as the Group financial statements, this balance sheet date corresponding to that of Eckert & Ziegler AG. The Group financial statements cover the period under review from January 1 to December 31, 2009. The Group income statement has been prepared in accordance with the cost of sales method of presentation. Other income is listed in the statement of income and accumulated earnings.

The Company is registered with the Commercial Register at Berlin-Charlottenburg under the number HRB 64 997 B and the Group financial statements and the Group management report as of December 31, 2009, were published in the electronic version of the Federal Official Gazette.

3. Accounting and valuation principles

Accounting and valuation policies – The reporting of assets and liabilities of the German and foreign subsidiaries included in the full consolidation is in line with standard accounting and valuation policies also used for comparative information with the previous year.

Reporting – In accordance with IAS 1.56 (Presentation of Financial Statements) separate classifications of current and non-current assets and current and non-current debts are shown on the face of the balance sheet.

Evaluations and estimates – For the preparation of Group financial statements in compliance with IFRS, it is necessary that estimates and assumptions are made that impact on the amount and disclosure of recognized asset values and liabilities, income and expense. Significant assumptions and estimates are made concerning useful life, earnings attainable from intangible assets and property, plant and equipment, realizability of receivables, the recognition and measurement of provisions, the portfolio and realizability of deferred tax assets in respect of loss carry-forwards. The assumptions and estimates are based on the available facts. Because of deviations in the development of these general conditions from the assumptions, the amounts included may differ from the original estimates. The sensitivity of book values with respect to assumptions and the estimates that underlie the book values was evaluated by means of sensitivity analyses. In case of a significant effect due to altered estimates, disclosures are made as per IAS 1.125 (item 23).

Goodwill – Goodwill represents the excess of the aggregate purchase price for an enterprise, or part of one, over the fair value of net assets acquired.

Other intangible assets – Under other intangible assets are shown customer relations, capitalized development costs, patents, technologies, prohibitions to compete, software, licenses and similar rights. Development costs are capitalized as intangible assets if the conditions for the capitalization of self-generated intangible assets under IAS 38 are satisfied cumulatively. Capitalized development costs comprise all directly or indirectly attributable costs, including financing costs, incurred from the date on which all the criteria for capitalization have been met. After successful completion of the development project, capitalized development costs are depreciated over the anticipated economic life of the product. Research costs, along with development costs not eligible for capitalization, are expensed as they arise.

Intangible assets other than intangible assets with indeterminate economic lives are capitalized at acquisition or manufacturing cost and subject to straight-line amortization over their respective useful lives. The following useful lives are assumed for amortized intangible assets:

	Developed internally	Acquired
Goodwill	–	Indeterminate
Customer relationships	–	8 to 10 years
Active development costs	3 to 5 years	–
Patents, trade marks, etc.	6 to 19 years	10 years
Other	3 to 5 years	3 to 5 years

Intangible assets with unlimited economic lives are reviewed on a yearly basis to establish whether or not that classification continues to apply.

Value impairment of non-financial assets – Under IFRS, goodwill and other intangible assets with indeterminate economic lives have to be subject to a test for impairment at least annually, and – as with other intangible assets and property, plant and equipment – this has to be carried out only where there are definite indications that this may have occurred. An impairment loss has to be expensed in cases where the recoverable amount of the asset does not exceed its carrying amount. The recoverable amount is, in principle, to be determined for each asset individually. In cases where a determination on an individual asset basis is not possible, this has to be carried out on the basis of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of net realizable value and utility value. Net realizable value is the amount obtainable from the sale under normal market conditions less the costs of disposal. The utility value is determined on the basis of discounted future net cash flows from the use of the asset. Cash flows used as the basis for the impairment test are estimated, and correspond to those used in long-term business plans.

As a result of the impairment test for the cash-generating Therapy segment, non-scheduled depreciation of part of the goodwill became necessary on December 31, 2008. Furthermore, depreciation was carried out for miscellaneous intangible assets with unspecified useful lives in the Therapy and Radiopharmaceutical segments in the previous year (see explanations under item 22). In financial year 2009, no depreciations were necessary.

Property, plant and equipment – Property, plant and equipment is valued at acquisition or manufacturing cost less accumulated depreciation. The manufacturing costs of self-constructed plant and facilities include all the direct costs, attributable manufacturing overheads and financing costs. Where applicable, acquisition or manufacturing costs include the estimated costs of demolition or dismantlement of the asset and restoration of the site. Self-constructed assets mainly relate to production lines. Property, plant and equipment acquired under finance leases for which all substantial risks and opportunities are transferred are capitalized and depreciated over the estimated useful life of the asset. Other property, plant and equipment and tenant's fixtures acquired through finance leases are depreciated either over the lifetime of the rental or lease or the estimated economic life of the underlying assets, if shorter.

Depreciation expense is determined on the basis of the straight-line method. The depreciation period is fixed in accordance with the foreseeable economic life. The following economic lives are assumed:

Buildings	25 to 45 years
Tenant's fixtures	10 to 15 years
Plant and machinery	4 to 10 years
Fixtures and fittings	3 to 12 years

Upon scrapping or sale, the acquisition or manufacturing costs of the assets and the related accumulated depreciation are closed out, and any resulting gain or loss is credited or charged to income.

A significant portion of the Group's depreciable assets is used for the manufacture of its own products. The Executive Board regularly assesses the future usefulness of these assets, taking the business environment at the time into account. On this basis, the useful lives of various property, plant and equipment assets were reassessed in 2008, which resulted in non-scheduled depreciation of the non-current assets in the previous year. The Executive Board believes that there was no further impairment of utility as of December 31 2009. It is possible, however, that its estimates concerning the utilization and realizability of the Group's depreciable assets could change in the short term owing to changes in the technological and regulatory environment.

Inventories – Inventories comprise raw materials, consumables and supplies, work in process and finished products. Inventories are stated at the lower of acquisition or manufacturing cost or net realizable value at the balance sheet date. Apart from direct costs, manufacturing costs include appropriate portions of material and manufacturing overheads as well as production-related depreciation, administration and social costs. Due to the short-term manufacturing process, financing costs are not treated as part of the manufacturing cost. Where necessary, the average cost method is applied in order to simplify valuation.

Depreciations for obsolete or excess inventory are made on the basis of an inventory analysis carried out by the Executive Board and future sales forecasts.

Trade accounts receivable – Trade accounts receivable, such as accounts receivable from the sale of goods and services, are non-derivative financial assets representing fixed or determinable payments and are not listed on any stock exchange or similar market. After their initial recognition in the accounts, loans made and trade accounts receivable on the basis of the effective interest method are valued at their net book value less impairment of value. Gains or losses are reflected in the income statement when trade accounts receivable are written off or value-adjusted. Any interest amounts resulting from the application of the effective interest method are also recognized in the income statement.

Investments and marketable securities – Investments in quoted securities are not held for trading or held to maturity. They are, therefore, classified as available-for-sale financial assets, and measured at fair value based on quoted market prices on the balance sheet date. Unrealized gains and losses arising from subsequent measurement of available-for-sale securities are entered directly into equity less attributable tax until the securities are sold or an objective impairment is incurred. At this point the cumulative gain or loss is to be recognized as profit or loss for the period.

Derivative financial instruments – Derivative financial instruments such as currency futures or swaps are in principle only used for hedge purposes. They are shown in the Group balance sheet at fair value, with changes in value being passed through the income statement. Apart from an interest-currency swap the Group holds an interest swap. Moreover, at the end of the 2009 financial year, two option contracts were concluded in connection with an investment in the US-based implant business; these are measured at fair value (refer to the explanations in the sections “Other non-current assets” and “Other non-current liabilities”). No further derivatives were held at the balance sheet date.

Liquid assets with restricted availability – Liquid assets with restricted availability refer to cash deposited by Eckert & Ziegler AG in the KBC Bank in Belgium. This cash is used to ensure financing of the takeover bid for International Brachytherapy S.A. (IBt. S.A.), Seneffe, Belgium made in December, 2009.

Further liquid assets with restricted availability refer to amounts paid into a fund by the US subsidiary Eckert & Ziegler Analytics Inc., Atlanta, USA, which are intended to ensure the fulfillment of its future obligations to restore any contaminated plant and facilities.

Certain other assets are also subject to restrictions because under the law governing the pre-retirement, scheme credits under that scheme have to be protected against the risk of insolvency.

The US subsidiary Eckert & Ziegler Isotope Products Inc. has transferred part of their property, plant and equipment by way of security for a bank loan.

A parcel of land of Eckert & Ziegler EURO-PET Berlin GmbH has been encumbered with a land charge as security for a bank loan.

We refer to the sections on “Cash and cash equivalents”, “Other non-current assets” and “Borrowings and finance lease obligations” for more details.

Liquid funds – The Group considers all highly liquid funds with a maturity of up to three months to be cash equivalents, to be shown under cash and cash equivalents. In view of their short-term nature, the nominal value of these items is taken as their fair value.

Financial liabilities – Financial liabilities include, in particular, accounts payable for goods and services, amounts owed to banks and other liabilities. After their initial recognition in the accounts financial liabilities on the basis of the effective interest method are valued at their net asset value.

Retirement benefit obligation – The valuation of the liabilities for pensions is based upon the projected unit credit method in accordance with IAS 19, Employee Benefits. Under the projected unit credit method future salary and pension growth is taken into account when measuring the obligation. In order to standardize Group procedures, since January 1, 2009, actuarial gains and losses, including deferred tax assets, are recorded as not affecting net income in the statements of shareholders‘ equity and statement of income and accumulated earnings as well and are shown in entirety in the pension reserves.

Provisions – Provisions are established when there is a current obligation resulting from a past event. Provisions are created in the accounts when the level of their use tends to be more likely than unlikely and the amount used can be reliably estimated. The amount set aside is the best possible estimate of the expense required in order to fulfill the current obligation as of the balance sheet date.

Provisions for environmental restoration – The costs for the demolition and clearance of assets, and also the restoration of the site, are part of acquisition or manufacturing cost under IAS 16, providing the costs have to be provided for under IAS 37.

Provisions for environmental restoration are based on statutory and civil obligations to decontaminate radioactively contaminated assets and buildings, to determine by measurement that they are free from contamination and to allow them to be open to access and general use again without danger. Accordingly, the estimate of costs includes labor costs for the demolition of the facilities, costs for the preparation of waste so that it can be decontaminated, costs for the cleaning of rooms and for the disposal of waste by experts, as well as the costs for the disposal and decontamination of radioactive waste. In this, it is only the radioactive waste from the decontamination of assets that is taken into account. Waste that arises from normal production is regularly decontaminated and the associated costs are shown as a separate item within cost of goods sold. Under IAS 37 the environmental costs are measured at current value, i.e. under the assumption that this work is carried out by outside contractors. Provisions are established at the present value of the costs expected as of the balance sheet date. Various assumptions underlie the calculation of the restoration obligations, based on estimates. These include estimates on the labor hours, daily rates and expected material costs required. The amount of the provision allows for expected cost increases until the expense is incurred. The value of the obligation is checked on each balance sheet date. In the event of changes to the value, the property, plant and equipment and provisions are adjusted accordingly.

Leasing – If the conditions for a finance lease are satisfied, the leased assets in use according to IAS 17 are capitalized as property, plant and equipment and depreciated in full over the life of the leasing agreement. The leasing liabilities are valued at the present value of the lease payments.

Revenue recognition – In accordance with IAS 18, revenue from product sales is realized when performance is complete provided a contractual agreement exists, at a fixed and determinable price, and payment by the customer can be counted on. No guarantees or rights of return are granted to the customer beyond his statutory rights. Licensing fees are recognized in the period to which they relate. For transactions involving several part performances, the revenues are divided between the various performances on the basis of their fair values.

Revenues from production orders are handled as per IAS 11 as follows: If the profit of a production order can be estimated reliably, the revenues from the order and the costs associated with the order are considered commensurate to the degree of completion of the order upon completion of a contractually agreed part performance unless this would present a distorted view of the degree of completion. If the profit of a production order cannot be reliably determined, the order revenues are recorded to the amount of the order costs incurred which are likely to be recuperated. Order costs are recorded as expenses in the period when they are incurred. If it is likely that the total order costs will exceed the total revenue for the order, the full amount of the expected loss is immediately recorded as an expense.

Advertising – Expenditure on advertising and other sales-related costs are charged to expense as incurred.

Research and development – Research expenditure is recognized as expense in the period when it is incurred. Development costs are to be capitalized in accordance with IAS 38 (Intangible Assets) where cumulative conditions are met. Development costs that cannot be capitalized are expensed as they arise. Cost of goods sold includes, apart from costs of materials and labor, also the material and labor burden directly attributable to the development projects as well as directly attributable financing costs.

Income taxes – Deferred tax is calculated by means of the liability method under IAS 12 (Income Taxes). Under this method, deferred tax assets and liabilities are reported in order to reflect future tax impacts attributable to differences between the carrying amounts of assets and liabilities in the Group financial statements and their respective values for tax purposes, as well as from tax loss carry-forwards. Deferred tax assets and liabilities are measured on the basis of statutory tax rates expected to apply to taxable income in the years in which these temporary timing differences are expected to be reversed. The effects of a change in tax rates on deferred tax assets and liabilities are shown in the income statement for the financial year in which the legislative changes were approved. Deferred tax assets are only recognized if it is likely that these asset values will be realized. Deferred tax assets and liabilities are shown net if the corresponding criteria of IAS 12 are fulfilled.

Current income taxes are calculated on the basis of the year's respective national results for tax purposes and the national tax rules.

Share option plan/employee share option scheme – Accounting for the employee share scheme is in line with IFRS 2 (Share-based Payment). Under this, the fair value of all share options issued has to be established at the time of issue, and spread as staff costs over the vesting period. The fair value of each option issued on the issue date is calculated by means of an option price model. The charge to staff costs is linked to an increase in capital reserves as they are offset by Company equity instruments.

Investment grants and other subvention payments – In accordance with IAS 20.7, subvention payments are recognized only if the company satisfies the conditions for award of the grant. Funds that the Group receives from public or private sources for investment or development projects are recorded as deferred income in the financial year of receipt. Grants are offset direct against such expenditure in the period it is incurred. The deferred grants in the Group financial statements were received for the purchase of property, plant and equipment and development costs. They are released to income over the useful lives of the respective property, plant and equipment or intangible assets.

Earnings per share – Earnings or loss per share is calculated by dividing the period profit allocated to the shareholders of Eckert & Ziegler AG by the average number of shares in circulation during the financial year. Diluted earnings per share reflect the potential dilution that would occur if all options to acquire shares were exercised at a price below the average share price during the period. It is computed by dividing the share of the profit for the period allocated to the shareholders of Eckert & Ziegler by the sum of the average number of shares in circulation during the financial year plus the diluted shares arising from the exercise of all the outstanding options (calculated by applying the treasury stock method).

New accounting standards

The Group financial statements comply with all the standards of the IASB mandatory in the EU at the balance sheet date, as well as the IFRIC and SIC statements in force. The Executive Board is not anticipating any material effects on future Group financial statements from changes to existing standards made by the IASB under further projects to further develop IFRS and to achieve convergence with US-GAAP, nor from new standards which do not come into force until after December 31, 2009. The following standards and interpretations are not applied in the present financial statements.

Accounting standards applied for the first time during the current financial year:

The following accounting standards and interpretations were applied for the first time in financial year 2009.

In November 2006, the IASB published IFRS 8 (Operating Segments), which replaced the previous segment reporting standard, IAS 14 (Segment Reporting). According to IFRS 8, segment information for publication is to be derived from the information used internally by management to evaluate segment performance and segment delimitation. IFRS 8 thus follows the “Management Approach.”

In March 2007, the IASB published the modified standard IAS 23 (Borrowing Costs), which prescribes the capitalization of interest on borrowed capital in connection with the acquisition, construction or manufacture of qualified assets. The previous option of capitalizing the directly attributable borrowed capital interest for qualified assets was used in the past.

In September 2007, the IASB published changes to IAS 1 (Presentation of Financial Statements). These include recommendations concerning the renaming of individual parts of the statement and the requirement (under certain circumstances) to disclose an opening balance for the previous year, represent equity transactions with shareholders and non-shareholders separately and list income tax effects for each component recorded as not affecting net income separately in the statement of income and accumulated earnings or the appendix.

As part of its annual “improvement” project, the IASB published changes to various IFRSs; the changes primarily affected terminology or were editorial in nature.

The changes to IFRS 7 (Financial Instruments: Disclosures) published in March 2009 describe expanded disclosure regarding financial instruments valued at fair value. Additional disclosures are also required for liquidity risks. Significant changes in IFRS 7 include, in particular, a requirement to specify the basis on which fair value was determined using a three-level hierarchy. The highest hierarchy level covers fair values determined on the basis of quoted market prices. Fair values determined on the basis of valuation factors not observable from the outside form the lowest hierarchy level. For financial instruments valuated on this basis, additional disclosures are required, in particular regarding profits for the period in which the valuation was made. Financial guarantees and loan commitments must be included in a company’s maturity analysis.

None of the new accounting standards had a material influence on the asset, financial or earnings position or the profit per share. The changes affecting disclosure requirements were taken into account in the Group financial statements, in particular in the Group income statement, statement of income and accumulated earnings and the notes to the Group financial statements.

Published accounting standards not yet applied:

The following standards and interpretations, the application of which is not yet binding, are not used in the present financial statement.

Standard	Name	Required for fiscal years beginning on	Implementation planned on	Possible effects on future financial statements
IFRS 3 (revised 2008)	Mergers	01.07.2009	01.01.2010	Indeterminate
IAS 27 (revised 2008)	Consolidated and Separate Financial Statements	01.07.2009	01.01.2010	Minor
IAS 39	Financial Instruments: Recognition and Measurement	01.07.2009	01.01.2010	Minor
IFRS 2	Changes to IFRS 2 - Share-Based Payment	01.01.2010	01.01.2010	Minor
IAS 32	Financial Instruments: Presentation	01.02.2010	01.01.2010	Minor
IAS 24	Related Party Disclosures	01.01.2011	01.01.2011	Minor
IFRS 9	Financial Instruments	01.01.2013	01.01.2013	Minor
IFRIC 17	Distributions of Non-cash Assets to Owners	01.11.2009	01.01.2010	No effect
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	01.07.2010	01.01.2011	Minor
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	01.07.2010	01.01.2010	Minor
IFRIC 12	Service Concession Arrangements	29.03.2009	01.01.2010	No effect
IFRIC 15	Agreements for the Construction of Real Estate	01.01.2010	01.01.2010	No effect
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	30.06.2009	01.01.2010	No effect
IFRIC 18	Transfers of Assets from Customers	01.11.2009	01.01.2010	No effect
IFRS 1 (revised)	First-time Adoption of International Financial Reporting Standards	01.01.2010	01.01.2010	No effect

Consolidation principles
Consolidation of investments in subsidiaries is carried out in accordance with IAS 27 and IFRS 3 under the purchase method. The initial consolidation is carried out as of the date of purchase. Under this, the assets and liabilities acquired are measured at fair value on the date of purchase. Next, the costs of acquiring the purchased shares are netted against the proportionate share of the newly valued shareholders' equity in the subsidiary. A positive difference resulting from this is included under intangible assets as goodwill, a negative difference is included affecting the operating result in the income statement.

All significant receivables and payables as well as transactions between related enterprises have been eliminated as part of the consolidation.

If shares in fully consolidated subsidiaries are sold to minority interests without control of the subsidiary being lost, the existing loophole in IAS 27 (2003) (the standards currently used) is interpreted to the effect that any difference in amount between the accounting value increase of the minority interest and the service in return is included in the income statement. If the revised IAS 27 (2008) is used, this type of difference in amount would be recorded as not affecting net income in the shareholder's equity.

Companies included in the consolidation
In the Group financial statements of Eckert & Ziegler AG, all companies are included where Eckert & Ziegler AG, either indirectly or directly, is able to determine the financial and business policies (control concept). The companies included in the consolidation as of December 31, 2009 are:

	Share of voting rights
International Brachytherapy S.A., Seneffe, Belgium ***	29.2%
Eckert & Ziegler BEBIG GmbH, Berlin, Germany	29.2%
Isotron Isotopentechnik GmbH, Berlin, Germany *	29.2%
Eckert & Ziegler BEBIG Iberia S.L.U., Madrid, Spain *	29.2%
Eckert & Ziegler Italia s.r.l., Milan, Italy *	29.2%
Eckert & Ziegler BEBIG SARL, Paris, France *	29.2%
Eckert & Ziegler MMI GmbH, Berlin, Germany *	29.2%
Eckert & Ziegler BEBIG Radiotherapy SARL, Paris, France *	29.2%
IBt S.A. BEBIG GmbH, Berlin, Germany *	29.2%
IBt S.A. Ltd., London, United Kingdom *	29.2%
IBt S.A. Inc., Norcross, USA *	29.2%
Eckert & Ziegler Isotope Products Inc., Valencia, USA **	100%
Eckert & Ziegler Analytics Inc., Atlanta, USA *	100%
Eckert & Ziegler Isotope Products GmbH, Berlin, Germany *	100%
Eckert & Ziegler Nuclitec GmbH, Brunswick, Germany	100%
Nuclitec Inc., Burlington, USA *	100%
Eckert & Ziegler Isotope Products SARL, Les Ulis, France *	100%
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic	80%
Eckert & Ziegler Radiopharma GmbH, Berlin, Germany	100%
Eckert & Ziegler EUROTOPE GmbH, Berlin, Germany *	100%
Eckert & Ziegler EURO-PET Linköping AB, Linköping, Sweden *	100%
Eckert & Ziegler EURO-PET Berlin GmbH, Berlin, Germany *	70%
Eckert & Ziegler f-con Europe GmbH, Holzhausen, Germany *	74.2%
Eckert & Ziegler f-con Deutschland GmbH, Holzhausen, Germany *	74.2%
Eckert & Ziegler EURO-PET Köln-Bonn GmbH, Bonn, Germany *	74.2%
Eckert & Ziegler Nuclitec Inc., Hopkinton, USA	100%
Kompetenzzentrum für sichere Entsorgung GmbH (previously: Eckert & Ziegler BEBIG Therapy GmbH, Berlin)	100%

* indirect interest

** Eckert & Ziegler Isotope Products Inc. has given a commitment to its bank to abide by certain financial covenants. Eckert & Ziegler Isotope Products Inc. may pay a dividend to Eckert & Ziegler AG only if to do so does not breach those covenants.

*** As of December 31, 2009, Eckert & Ziegler AG held 37.6% of nominal shares in IBt. S.A., equivalent to 29.2% of voting shares. Furthermore, Eckert & Ziegler AG holds an option to purchase 5 million voting shares (beneficiary shares) in IBt S.A. Taking these potential voting rights into account, Eckert & Ziegler AG has more than half the voting rights in IBt S.A., meaning that IBt S.A. will be included in the Group financial statements under full consolidation, as per IAS 27.14.

Changes to companies included in the consolidation

In the financial year 2009 the following shares were acquired and the following changes were made to the companies included in the consolidation:

- Eckert & Ziegler Nuclitec GmbH (formerly: Nuclitec GmbH): In January 2009, Eckert & Ziegler AG acquired all shares in Brunswik-based Nuclitec GmbH (including its American subsidiary Nuclitec Inc.). For the purpose of uniformity within the Group, the financial year of the Nuclitec Group was changed to January 1 to December 31. The Nuclitec companies therefore had a shortened financial year from April 1 to December 31, 2009. The acquisition of the company is described under item 44.

- Eckert & Ziegler Isotope Products SARL (formerly: Nuclitec SARL): In January 2009, Eckert & Ziegler Isotope Products Inc. acquired all shares of Nuclitec SARL. The acquisition of the company is described under item 44.

- In March 2009, all shares in Eckert & Ziegler f-con Pharma Italia s.r.l. were sold. The sale of assets and liabilities is described under item 32.

Interests in joint ventures

A joint venture is based on a contractual agreement in which the Group and other parties to the contract undertake a business venture under common leadership; this is the case if the strategic financial and business policies pursued as part of the joint venture require the agreement of all parties. Shares in joint ventures are recorded on the balance sheet in accordance with the equity method. The Group statement of income and accumulated earnings contains the Group's share of earnings and expenses as well as changes in equity of the "at-equity" interests on the balance sheet. If the Group's share in the joint venture's loss exceeds the "at-equity" share on the balance sheet, the share is written down to zero. Further losses are not recorded unless the Group has a contractual obligation or has made payments to the benefit of the joint venture. Unrealized gains or losses from transactions by Group companies with the joint venture are eliminated against the value of holdings of the joint venture (maximum losses up to the amount of the value of holdings).

Joint Venture "NanoBrachyTech": In financial year 2009, IBt. S.A. founded the joint venture "NanoBrachyTech" together with Santis LLC and the Russian state fund corporation "RUSNANO". IBt. S.A. contributed intangible assets to the joint venture and received a 15% share in the "NanoBrachyTech" joint venture in return.

4. Currency translation

The financial statements of subsidiaries prepared in foreign currency and included in the Group consolidation are converted into Euros in accordance with IAS 21. As the subsidiaries conduct their business affairs autonomously from a financial, economic and organizational standpoint, the functional currency of the companies included corresponds to their respective national currency. Assets and liabilities are translated at mid-market rates on the balance sheet date. To keep things simple, translation of the income statement as well as the cash flow statement is at the weighted average rate for the year. Until the subsidiary is disposed of, differences resulting from the translation of the financial statements are not passed through the income statement, but shown as a separate item within equity.

At initial recognition, foreign currency items are measured at historical rates in the annual financial statements of the companies included in the Group financial statements. Monetary items are expressed at the mid-market rate as of the balance sheet date. The resultant exchange gains and losses at the balance sheet date are recognized in the income statement.

The following exchange rates were used for the currency translation:

Country	Currency	31.12.2009	31.12.2008	Average rate 2009	Average rate 2008
USA	USD	1.4330	1.4097	1.3806	1.4776
CZ	CZK	26.4215	26.6426	26.6431	24.9122
GB	GBP	0.9000	0.9740	0.89975	0.7985
SE	SEK	10.2603	10.9861	10.2603	10.9861

5. Limited comparability of group financial statements with the previous year

The changes in the companies included in consolidation during financial years 2009 and 2008 have affected the Group's net assets and result of operations, in part distorting the comparability of the Group balance sheet and income statement with the previous year.

6. Changes to estimates

In the financial years 2009 and 2008, the group altered estimates in the following areas:

a) Change to the useful live of certain intangible assets (2009)

In the previous year, various approvals in the Radiopharmaceuticals segment were classified as intangible assets with indeterminate useful life, while other approvals were scheduled for depreciation over a period of 5 years. Due to events in the 2009 financial year, estimates were revised and these intangible assets will now uniformly be depreciated over a period of up to 10 years.

The change to the useful life has the following effect on the depreciation that is recorded in the production costs, in the year under review and subsequent periods:

	2009	2010	2011	2012	Thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) of depreciation	-14	-12	-12	-12	182

b) Evaluating deferred tax assets on loss carry-forwards (2009)

The recoverability of the deferred tax assets on loss carry-forwards was checked as per IAS 12 again in the 2009 financial year on the basis of approved updated budgeting. In addition to assumptions about developments in the sectors in which Eckert & Ziegler AG is active, attention was also paid to the changes made to the organizational structure in the previous year as well as the restructuring measures within the Eckert & Ziegler Group.

In the Therapy segment, restructuring measures carried out at IBt. S.A in the previous year at led to a significantly improved earnings position. The budgeting carried out on this basis showed that there is now a high probability that previously uncapitalized deferred taxes on loss carry-forwards can be used in the future. Consequently, as per IAS 12.68 a tax income of EUR 11,726,000 was recorded as affecting net income, of which EUR 7,322,000 was allocated to minority interests. In return, the goodwill previously set in the context of the merger was reduced to EUR 4,404,000.

In the Radiopharmaceuticals segment, budgeting was done for the evaluation of the probable realizability of deferred tax assets in respect of loss carry-forwards. In light of the fact that the sector is still relatively young and has yet to show stable profitability in recent years, a time period of 5 years was set for use of the loss carry-forwards. Poorer earnings prospects against the previous year in one of the companies in the segment resulted in depreciations of EUR 201,000 on tax assets deferred the previous year.

c) Change to the useful live of clinic equipment (2008)

In the Therapy segment, the Group provides customers with equipment to enable them to carry out operations with our products. Due to changed market conditions, new equipment must be provided at shorter intervals than was originally planned. The remaining useful life of the corresponding assets was therefore reduced from 8 to 5 years.

The reduction of the remaining useful life affects the depreciation that is recorded in the sales and distribution costs.

	2009	2010	2011	2012	Thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) of depreciation	205	132	-19	-89	-526

d) Change to the useful live of specific production facilities (2008)

In the course of annual budget planning, the capacity utilization and the state of our cyclotrons in Berlin and Cologne/Bonn were checked. Due to increased production volumes, the useful life of the Berlin cyclotron was reduced from 20 to 13 years.

The change to the useful life has the following effect on the depreciation that is recorded in the production costs, in the year under review and subsequent periods:

	2009	2010	2011	2012	Thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) of depreciation	83	83	83	83	-415

e) Evaluating provisions in the context of a tax audit (2008)

Since 2004, the German tax authorities have been carrying out an audit of Eckert & Ziegler AG for the periods of assessment from 2000 to 2002. According to the interim reports now available, it seems that the fiscal authorities intend to decide on substantial additional payments. The Group continues to firmly believe that fundamental parts of these additional demands are contestable and are based on a one-sided interpretation of circumstances on the part of the financial auditors. However, as the items in question could probably only be clarified by means of protracted legal action, the Group recorded provisions amounting to EUR 1,822,000 in the financial statement for the previous year. The expenses were reported in the previous year as follows: EUR 875,000 under tax expense in the income statement; EUR 735,000 under other operating expenses; EUR 212,000 under interest paid.

f) Discontinuation of development projects and associated value impairment of internally generated intangible assets (2008)

Since 2006, the Group has been working on developing a "Pulsed Dose Rate Radiotherapy" device. Due to problems with further development of the software and hardware resulting from a stark increase in the complexity, increased functions and safety-related enhancements, the device would require completely new software, which would have led to additional costs amounting to EUR 1,000,000. As Sales and Distribution simultaneously decreased its sales forecasts, the management decided in the 2008 financial year to discontinue the project.

This resulted in non-scheduled depreciation amounting to EUR 1,259,000 in the previous year, as well as a corresponding liquidation of prepaid expenses totaling EUR 295,000, which was shown under the research and development costs.

Notes on the group income statement

7. Revenue

The company generates its revenues mainly from the sale of goods and, to a lesser extent, from production orders and the provision of services. Revenues have again risen sharply in the financial year 2009 from EUR 71,612,000 to EUR 101,399,000. Approximately 29% of the increase in growth was due to organic growth, about 71% of the growth coming from business entities newly acquired in financial year 2009.

Revenues are broken down as follows:

	2009	2008
	TEUR	TEUR
Revenues from the sale of goods	94,811	71,410
Revenues from the provision of services	4,629	202
Revenues from production orders	1,829	0
Revenues from license fees	130	0
Total	101,399	71,612

In financial year 2009, the Group earned revenues from production orders for the construction of production facilities for third parties. The revenue for the respective services rendered is realized following completion of the contractually agreed part performance.

	2009
	TEUR
Revenues	1,829
Order costs	-1,103
Profit	726
Balance on the liabilities side	-5,338

The classification of revenue by geographical segments and business units is given in the section on segmental reporting.

8. Cost of sales

Cost of goods sold includes, apart from costs of materials, labor and depreciation directly attributable to sales, also a proportion of the material and labor burden and earnings from the liquidation of prepaid expenses. Cost of materials, including changes in inventory, amounted to EUR 26,071,000 for 2009 and EUR 20,002,000 for 2008.

9. Selling expenses

Expenditure on advertising and other sales-related costs are charged to expense as incurred.

Selling expenses are broken down as follows:

	2009	2008
	TEUR	TEUR
Personnel and employee benefit costs	7,502	5,476
Cost of goods issue	3,775	3,124
Commissions	1,663	2,230
Depreciation	1,765	1,697
Advertisement	1,130	1,012
Other	2,590	1,576
Total	18,425	15,115

10. General administration costs

General and administration costs include:

	2009	2008
	TEUR	TEUR
Personnel and employee benefit costs	8,428	8,194
Depreciation	2,137	1,517
Consulting expenses	2,113	770
Insurance, contributions, fees	1,683	388
Rent	1,311	957
Communication expenses	371	324
IR expenses	247	157
Earnings from the liquidation of prepaid expenses	-216	-229
Other	3,009	2,531
Total	19,083	14,609

11. Research and development costs

Costs for research and development amounted to EUR 2,496,000 in 2009 EUR and 3,108,000 in 2008. The costs are composed of the following:

– Directly attributable staff and material costs that cannot be capitalized in the research and development areas
– Write-offs in the research and development areas for acquired property and equipment and intangible assets, as well as the corresponding liquidation of prepaid expenses
– Depreciations of intangible assets generated internally in previous years, as well as the corresponding liquidation of prepaid expenses
– Other directly attributable expenses in the research and development areas
– Proportionate burden of the research and development areas

The costs of research and development of EUR 2,496,000 (2008: EUR 3,108,000) include depreciation and amortization of EUR 89,000 (2008: EUR 369,000), staff costs of EUR 1,292,000 (2008: EUR 1,341,000), material costs of EUR 128,000 (2008: EUR 100,000) and other expenses amounting to EUR 989,000 (2008: EUR 144,000) as well as earnings from the liquidation of prepaid expenses of EUR 2,000 (2008: EUR 325,000). In the previous year, this item contained depreciation expenses of EUR 1,479,000, which did not occur in the year under review.

12. Payments to employees and number of employees

The items in the income statement include depreciation and amortization of EUR 29,876,000 (2008: EUR 23,146,000).

Staff costs for the financial years 2009 and 2008 are as follows:

	2009	2008
	TEUR	TEUR
Wages and salaries	26,942	20,656
Social security contributions and expenditure on pensions and old-age support	2,934	2,490
– of which for pensions	1,543	1,136

On average 500 persons (2008: 395) were employed by Group companies during 2009. They were working in the following departments:

	2009	2008
Production	214	158
R&D/equipment manufacture	58	55
Administration	45	40
Sales and marketing	138	103
Quality management	45	39
Total	500	395

As part of restructuring measures in the 2009 financial year, EUR 1,021,000 (2008: 752,000) was recorded as expenses for payments to employees in connection with the termination of employment.

Employees in German and other European Group companies belong to the state pension plans, which are administered by state agencies. The companies are obliged to pay a certain percentage of their personnel expenses into the pension plans. The Group's only obligation with regard to these pension plans consists in the payment of these fixed contributions.

The American subsidiaries maintain contribution-oriented pension plans for all eligible employees of those companies. The assets pertaining to these plans are held in trust separately from those of the Group.

The expenses of EUR 1,543,000 (2008: EUR 1,136,000) recorded in the statement of income and accumulated earnings represent the Group's contributions due to the aforementioned pension plans. As of December 31, 2009 and 2008, respectively, all contributions due had been paid into the pension plans.

Information on total earnings from current and previous board members and current members of the supervisory board is provided in remuneration report in item 49.

13. Write-offs and Depreciations

Amortization of and depreciations of intangible assets are included in the following items in the income statement:

	2009		2008	
	Depre-ciation	Decreases in value	Depre-ciation	Decreases in value
	TEUR	TEUR	TEUR	TEUR
Cost of sales	889	0	629	0
Selling expenses	689	0	485	0
General administration costs	840	0	691	0
Research and non-capitalized development expenses	69	0	339	1,479
Other operating expenses	0	4,404	0	450
Total	2,487	4,404	2,144	1,929

Write-offs and depreciation of property, plant and equipment are included in the following items in the income statement:

	2009		2008	
	Depre-ciation	Decreases in value	Depre-ciation	Decreases in value
	TEUR	TEUR	TEUR	TEUR
Cost of sales	2,241	0	1,650	1,359
Selling expenses	1,076	0	1,212	0
General administration costs	1,297	0	826	0
Research and non-capitalized development expenses	20	0	30	0
Total	4,634	0	3,718	1,359

14. Other operating income

Other operating income in financial year 2009 includes income from the release of provisions in the amount of EUR 7,140,000 created in the previous year for potential excess liability. This provision created in the previous year was completely released in the year under review. As the market value of the IBt. S.A. share on the balance sheet date was above the price demanded for the takeover bid in the lawsuit, the basis for the creation of the provision was removed.

This item also includes income from the initial consolidation of Eckert & Ziegler f-con Pharma Italia s.r.l. in the amount of EUR 97,000, income from the sale of shares in IBt. S.A. in the amount of EUR 221,000 and income from the sale of the right of sale to the joint venture "NanoBrachyTech" in the amount of EUR 130,000.

In the previous year, other operating income included capital gains amounting to EUR 14,380,000 from incorporating Eckert & Ziegler BEBIG GmbH into IBt S.A., as well as earnings from the discontinuation of an obligation to the Walloon government by IBt S.A. amounting to EUR 1,734,000.

15. Other operating expenses

Significant other operating expenses include expenses from the adjustment of the goodwill of IBt. S.A. in the amount of EUR 4,404,000. This adjustment was carried out as per IFRS 3.65 as part of the subsequent realization of deferred tax assets in respect of loss carry-forwards arising from the merger with IBt. S.A.

This item also includes expenses from impairment losses from claims and defaults on receivables in the amount of EUR 175,000 (2008: EUR 312,000) as well as losses from the sale of assets in the amount of EUR 35,000 (2008: EUR 26,000).

In the previous year, other operating expenditures included a EUR 7,140,000 provision for a possible excess liability in connection with the lawsuit filed by an IBt S.A. shareholder against Eckert & Ziegler AG to submit a mandatory takeover bid (see item 14), expenditure in the amount of EUR 725,000 for the creation of a provision for claims on received investment allowances as well as EUR 450,000 in connection with a depreciation of the goodwill of the cash-generating Therapy unit.

16. Result from shares valued at-equity

IBt. S.A. took part in a joint venture in Russia in the 2009 financial year. In the context of contributing intangible assets to the joint venture as investment in kind, the Group realized gains of EUR 873,000. At the time of posting the Group financial statements, there was no financial statement for the joint venture company to December 31, 2009. As a result, the Group's share in the income and expenses for the stake accounted at-equity was not included in the Group financial statements for December 31, 2009.

17. Remaining net result of financial activities

The remaining net result of financial activities consists of the following:

	2009	2008
	TEUR	TEUR
Exchange gains	1,129	1,815
Exchange losses	-982	-1,764
Income from holdings	7	3
Other remaining net result of financial activities	-72	-174
Total	82	-120

The market valuation of a derivative security instrument for interest security produced, in the 2009 financial year, a loss of EUR 72,000 (2008: EUR 174,000), which is included in other remaining net result of financial activities. The market valuation of a derivative security instrument for interest and currency security produced, in the 2009 financial year, a loss of EUR 58,000 (2008: EUR 190,000), which is included in the exchange losses.

18. Interest earnings

Interest and similar income on financial assets for continued procurement costs in the financial year amounted to EUR 68,000 (2008: EUR 73,000), while interest expenditure on financial liabilities for continued procurement costs amounted to EUR 1,331,000 (2008: EUR 1,241,000).

19. Income tax expense

Under German tax laws income tax expense consists of corporation tax, trade tax and solidarity surcharge.

Loss carry-forwards mainly relate to IBt. S.A. and German companies in the Eckert & Ziegler Group. Losses in Belgium and Germany can be carried forward indefinitely.

The group tax rate for the computation of the tax charge in Germany for corporation tax and trade tax during the 2009 and 2008 financial years was 30.175 percent. Tax rates in Germany are as follows:

	2009	2008
Trade tax – basic rate	3.5%	3.5%
Trade tax – rate of assessment	410%	410%
Corporation tax	15%	15%
Solidarity surcharge on corporation tax	5.5%	5.5%

Income tax expense (+)/income (-) is made up as follows for the 2009 and 2008 financial years ended December 31:

	2009	2008
	TEUR	TEUR
Earnings before taxes:		
Germany	10,614	5,092
Foreign subsidiaries	4,541	3,209
	15,155	8,301

	2009	2008
	TEUR	TEUR
Current taxes:		
Germany	954	1,396
Foreign subsidiaries	2,172	2,325
	3,126	3,721

Of current taxes in 2009, EUR 61,000 is from previous years (2008: EUR 875,000).

	2009	2008
	TEUR	TEUR
Deferred taxes:		
Germany	-6	1,723
Foreign subsidiaries	-9,857	-180
	-9,863	1,543
Total taxes:	-6,737	5,264

Reconciliation of the Group's tax expense, based on the tax rates applicable in Germany, to the Group's actual reported tax charge is as follows:

	2009	2008
	TEUR	TEUR
Tax expenditure expected based on German tax rates	4,573	2,507
Tax differences on the income of foreign subsidiaries	-210	-237
Taxes for previous years	61	875
Non-deductible expenses	1,648	2,670
Tax-free income	-2,303	-4,054
Other	118	3
Decrease in value of deferred tax assets on loss carry-forwards	201	1,417
Appreciation in value of deferred tax assets on loss carry-forwards amortized in previous years	-282	0
Subsequent capitalization of deferred taxes after the time of acquisition less use up to December 31, 2008	-11,046	0
Use of previously uncapitalized deferred taxes on loss carry-forwards	-65	0
Uncapitalized deferred taxes on fiscal year losses	705	1,831
Decrease in value of deferred tax assets on timing differences	0	252
Appreciation in value of deferred tax assets on timing differences	-137	0
Effective tax expenditure	-6,737	5,264

To calculate the deferred taxes, the following tax rates were used for German companies on December 31, 2009 (these rates did not change from December 31, 2008): corporation tax of 15%, solidarity surcharge of 5.5% on the corporation tax and trade tax of 14%. For foreign companies the prevailing local rates of tax have been applied in calculating deferred taxes.

Deferred taxes are based upon the differences between the values of assets and liabilities in the Group financial statements and those in the tax accounts of individual Group companies, as well as in respect of available tax loss carry-forwards. Deferred tax assets and liabilities have been netted in the balance sheet to the extent permitted under IAS 12.

Deferred tax expense of EUR 3,419,000 (2008: EUR 1,938,000) in respect of changes to tax loss carry-forwards and deferred tax income of EUR 12,142,000 (2008: EUR 0), while deferred tax income of EUR 1,140,000 (2008: 395,000) has been incurred on timing differences. Currency translation leads to increases in deferred taxes on timing differences amounting to EUR 6,000 (2008: reduction by EUR 49,000).

During the year under review, deferred tax income of EUR 67,000 (2008: EUR 15,000) was netted directly within equity without affecting net income.

As part of the initial consolidation of Eckert & Ziegler Nuclitec GmbH and Eckert & Ziegler Isotope Products SARL, deferred tax assets of EUR 1,734,000 and deferred tax liabilities of EUR 1,565,000 were recorded in the 2009 financial year. As part of the initial consolidation of IBt S.A. in the previous year, deferred tax assets of EUR 1,104,000 and deferred tax liabilities of EUR 1,183,000 were recorded. In the previous year, the initial consolidation of Isotron GmbH resulted in deferred tax liabilities amounting to EUR 2,000. In the previous year, EUR 8,000 were reclassified from deferred tax liabilities to liabilities connected to sales, as part of the planned sale of Eckert & Ziegler f-con Pharma Italia s.r.l.

A total of EUR 9,954,000 (2008: EUR 1,231,000) deferred taxes were accounted on tax loss carry-forwards. Of that, EUR 9,898,000 (2008: EUR 1,175,000) may be carried forward indefinitely. The rest is restricted to five years. Deferred tax assets of EUR 966,000 (2008: EUR 856,000) relate to two companies in the radiopharmaceutical segment and to Eckert & Ziegler AG, which suffered another fiscal loss in 2009. As a result of impairment loss tests, deferred tax assets amounting to EUR 201,000 (2008: EUR 1,831,000) were value-adjusted in the 2009 financial year (see Note 6).

In the 2009 financial year, loss carry-forwards of EUR 65,000 were used (2008: EUR 0) for which no deferred tax assets were reported for loss carry-forwards to December 31 of the previous year. In 2009, EUR 11,328,000 (2008: EUR 0) of appreciation was recorded for deferred tax assets on loss carry-forwards that were depreciated in the previous year or had not yet been capitalized. Of this, EUR 11,046,000 is attributable to IBt. S.A. in connection with subsequent realization after the time of acquisition in accordance with IFRS 3.65. The amount of deferred tax assets on loss carry-forwards that were not recorded in the balance sheet of December 31 2009 is EUR 1,388,000 (2008: EUR 14,771,000).

Deferred tax assets and liabilities at the individual balance sheet item level are shown in the following table:

	Deferred tax assets		Deferred tax liabilities	
	2009	2008	2009	2008
	TEUR	TEUR	TEUR	TEUR
Tax loss carry-forwards	9,954	1,231	0	0
Non-current assets	77	259	4,219	3,113
Stock options	0	108	0	0
Securities	0	0	2	3
Receivables	291	75	468	93
Liabilities	1,783	0	0	0
Provisions	2,692	1,479	0	0
Other	74	122	14	2
Subtotal	14,871	3,274	4,703	3,211
Balancing	-3,076	-2,064	-3,076	-2,064
Balance according to the Group Balance Sheet	11,795	1,210	1,627	1,147

The German tax authorities commenced a tax audit in 2004 of Eckert & Ziegler AG for the periods of assessment from 2000 to 2002 which is likely to be completed in the 2010 financial year. According to the interim reports now available for the previous year, it can be assumed that the fiscal authorities intend to specify tax-related additional payments amounting to EUR 875,000. The Group recorded provisions in the previous year for this.

20. Profit/loss attributable to minority interest

Group profit after tax contains shares of profits amounting to EUR 8,642,000 (2008: shares of losses amounting to EUR 1,465,000) attributable to minority interests. A partial amount of EUR 7,322,000 is attributable to the deferred tax assets on loss carry-forwards and timing differences that, according to IAS 12.68, are connected to the subsequent realization in the context of the company merger with IBt. S.A.

21. Earnings per share

Earnings per share have been calculated as follows:

	At year end	
	2009	2008
	TEUR	TEUR
Numerator for calculation of the profit and the diluted profit per share – earnings share of the shareholders of Eckert & Ziegler AG	13,250	4,502
Denominator for calculation of the profit per share – weighted average of the number of shares (in thousands)	3,783	3,143
Effective of dilutive stock options	23	15
Denominator for calculation of the diluted profit per share – weighted average of the number of shares (in thousands)	3,806	3,158
Undiluted profit per share (in EUR)	3,50	1,43
Undiluted profit per share (in EUR)	3,48	1,43

The average share price during the reporting period has been used to determine the dilutive effect of share options.

The call and put option transaction concluded on December 29, 2008 obliges Eckert & Ziegler AG to acquire in part against Eckert & Ziegler AG shares if the owner of the voting stock of IBt S.A. exercises the put option. Issuing these shares was not taken into account, as in the previous year, when calculating the diluted earnings per share, as the effect of this has a secondary significance in the 2009 and 2008 financial years.

Notes on the group balance sheet

22. Intangible assets

Under intangible assets are shown goodwill, customer relations, prohibitions to compete, patents and technologies, licenses and software, capitalized development costs as well as other intangible assets.

Intangible assets not subject to depreciation are mainly goodwill. In addition, other intangible assets with a book value of EUR 689,000 (2008: EUR 829,000) are also not subject to any depreciation due to their unspecified economic lives. These are predominantly trademarks with an unlimited useful life that are allocated to the Industry segment. On December 31 of the financial years 2009 and 2008, the book values of the intangible assets with unlimited useful lives, which are not subject to depreciation, include the following:

	2009	2008
	TEUR	TEUR
Goodwill	27,564	26,907
Other	689	829
As of Dec. 31	28,253	27,736

The increase in intangible assets with unspecified economic lives compared to the previous year is essentially due to additions of goodwill connected to the acquisition of Eckert & Ziegler Nuclitec GmbH and Eckert & Ziegler Isotope Products SARL. Counteracting this is a fall in goodwill in the Therapy segment, which is essentially based on the inclusion of deferred tax assets on loss carry-forwards and timing differences that were not applied at the time of the initial consolidation and that have been recorded and affect the operating result, in accordance with IRFS 3.65.

The item Goodwill changed during the 2009 and 2008 financial years as follows:

	2009	2008
	TEUR	TEUR
As of Jan. 1	26,907	9,948
SORAD	0.00	0.00
Anlytics USD 2.739.034	0.00	0.00
f-con	0.00	0.00
Additions	5,571	17,549
Disposal	-357	0
Adjustments from contingent sale prices	0	-388
Reclassification as held for disposal	0	-86
Decrease in value	0	-450
Adjustment based on subsequently recorded deferred tax entitlements	-4,404	0
Currency conversion differences	-153	334
As of Dec. 31	27,564	26,907

In the previous year, the contingent sales price balanced in the context of the F-CON Group (purchased in 2005) was adjusted on the basis of a new estimate, and the goodwill resulting from the company merger was reduced accordingly to EUR 388,000.

The allocation of goodwill and the intangible assets with unlimited economic lives to business segments is as follows:

	2009		2008	
	Goodwill	Other	Goodwill	Other
	TEUR	TEUR	TEUR	TEUR
Therapy	10,742	0	15,503	0
Industry	15,645	689	11,208	697
Radiopharmaceuticals	1,177	0	196	132
As of Dec. 31	27,564	689	26,907	829

The capitalized goodwill and intangible assets with unspecified economic lives were subjected to an impairment test in accordance with IAS 36 in the 2009 financial year. In this conjunction the goodwill was allocated to cash generating units (CGU). The amounts that can be attained by the CGUs on the valuation date correspond to the higher of the two amounts from the fair value, minus the sales costs and the relevant utility value of the cash generating unit.

The fair values of the Radiopharmaceuticals and Industry CGUs are the result of discounted future cash flows that are specified on the basis of current budgeting over a five year period. In addition to assumptions about developments in the sectors in which Eckert & Ziegler AG is active, attention was also paid to the organizational structure changed in the previous year and the restructuring measures within the Eckert & Ziegler Group. For the subsequent period a growth rate of 0.75% was applied to the cash flows. The cash flows were discounted for the Radiopharmaceuticals CGU with a weighted average cost of capital before tax of 9.9% and for the Industry CGUs with a weighted average cost of capital before tax of 8.4%. In its determination of the discounting factor, the Executive Board consulted the capital costs for a Group of comparable companies.

The fair value of the Therapy CGU was derived from the market price of IBt. S.A. shares on December 31, 2009.

To December 31, 2009, the impairment test, taking the individual identified fair values as a basis, identified no need to adjust the value of goodwill or the intangible assets with unspecified economic lives.

For the Therapy segment, the utility value and the fair value (which corresponds to the market price of IBt S.A. shares on December 31, 2008 (EUR 2.45)) were identified in the previous year, minus the costs of disposal, in accordance with the assumptions explained above. The larger of the two values – in this case the fair value minus the costs of disposal – was referred to in order to identify the impairment charge. This resulted on December 31, 2009 in an impairment charge on the goodwill amounting to EUR 450,000, which was shown in the other operating expenditure.

The book values of the intangible assets subject to depreciation were as follows as at December 31 of the financial years 2009 and 2008:

a) Acquired intangible assets

	2009	Remaining amortization period	2008
	TEUR		TEUR
Customer relationships	7,129	5 to 10 years	6,034
Licenses/software	489	1 to 7 years	946
Patents/technologies	2,536	5 to 16 years	798
Other	655	1 to 8 years	430
Prohibitions to compete	117	1 to 2 years	237
As of Dec. 31	10,926		8,445

b) Internally generated intangible assets

	2009	Remaining amortization period	2008
	TEUR		TEUR
Active development costs (ongoing projects)	123		51
Equipment for the radio-pharmaceutical synthesis	1,407	3 years	1,884
C 11 marking systems	1,321	5 years	610
Other	93	3 years	0
As of Dec. 31	2,944		2,545

During the 2009 financial year, development costs totaling EUR 792,000 (2008: EUR 756,000) were capitalized.

The C 11 marking systems project was completed on December 31, 2009 and will be depreciated from January 1, 2010, over 5 years.

Development of the “Pulsed Dose Rate Radiotherapy” device was discontinued in the 2009 financial year. This resulted in the previous year in value adjustments amounting to EUR 1,259,000.

In the income statement the depreciation on intangible assets has been allocated on the basis of the functional area of the relevant intangible assets to cost of sales, distribution costs, research and development costs that cannot be capitalized or general administrative costs (see also notes under Note 13).

The movements of the intangible assets between January 1 and December 31, 2009 are shown in the fixed asset movement schedule.

23. Property, plant and equipment

The movements of the assets between January 1 and December 31, 2009 are shown in the fixed asset movement schedule.

Assets connected to finance leases are included in the recorded property, plant and equipment. Net book values of assets accounted for as finance leases amount as of December 31, 2009, to EUR 1,748,000 (2008: EUR 3,448,000).

In addition to current replacement investments, the additions during financial year 2009 mainly concern setting up new and expanding existing production plants.

Assets from the property, plant and equipment amounting to EUR 2,662,000 (2008: EUR 3,781,000) were transferred by way of security for bank loans.

In the 2009 financial year, internal reporting provided substantial indications that the economic profitability of the cyclotron (book value EUR 2,136,000) in Cologne/Bonn is weaker than initially expected, and will continue to be so. Due to this indication for a possible value impairment of the asset, the recoverable amount of the asset was estimated. A fall in the planned free cash flow of more than 11% would have led to a reduction in value (if all other conditions were equal).

24. Shareholdings and investments recorded according to the equity method

In the 2008 financial year, a silent partnership interest in an outpatient operating center amounting to EUR 28,000 and the advance payment for the planned purchase of the Nuclitec companies amounting to EUR 250,000 were shown under this item. In the 2009 financial year, the silent partnership interest was sold for the book value of EUR 28,000, the option to buy Nuclitec was exercised and the advance payment of EUR 250,000 was included as part of the purchase price in distributing the purchase price to the acquired assets.

In the 2009 financial year, IBt. S.A., together with Santis LLC and the Russian "RUSSNANO" sovereign wealth fund, established the "NanoBrachyTech" joint venture. IBt. S.A. brought intangible assets into the joint venture and received in return a share of 15% of the "NanoBrachyTech" joint venture. IBt. S.A.'s share in the joint venture valued at-equity was EUR 850,000 on December 31, 2009.

Due to the lack of financial statements from the joint venture to December 31, 2009, the information required by IAS 31.56 cannot be provided.

25. Other loans

The securities shown as other loans in the 2008 financial year were assigned to Other non-current assets this year. The description for the previous year was adjusted accordingly.

26. Other non-current assets

Other non-current assets include an interest-currency swap of EUR 706,000 (2008: EUR 764,000). This is a derivative recognized in accordance with IAS 39.9 as a financial asset affecting the current period at fair value. Further information on derivative financial instruments can be found in the notes under Note 40.

Contractual rights to reimbursement in connection with environmental restoration provisions of EUR 100,000 (2008: EUR 200,000) are shown under other assets. In addition, assets of EUR 17,000 (2008: EUR 17,000), which are intended to protect credits under the pre-retirement scheme against the risk of insolvency, as required by the law governing that scheme, are shown under other assets and are subject to restricted access.

This item also contains securities provided amounting to EUR 64,000 (2008: EUR 40,000), as well as cash paid into a decontamination fund totaling EUR 16,000 (2008: EUR 16,000), which was shown in the previous year under other loans. Payments into the fund relate to future obligations to decommission and restore plant and facilities belonging to Eckert & Ziegler Analytics Inc., Atlanta, USA. These amounts are prescribed by law, are under state control and their access is therefore restricted.

27. Cash and cash equivalents

Cash and cash equivalents of EUR 43,674,000 (2008: EUR 7,311,000) are represented by checks, cash in hand and cash at banks maturing within three months. Cash and cash equivalents are consistent with the cash fund in the Group cash flow statement.

This item also includes a bank balance of EUR 20,061,000 deposited at the KBC bank in Belgium, among other things. This cash, together with a guarantee from the Deutsche Bank AG amounting to EUR 20,000,000, serve as a security for the takeover bid for the remaining shares in IBt. S.A. that was prepared in December 2009. The Group was therefore not free to dispose of these funds as of December 31, 2009.

28. Securities

All of the securities are classified as available for-sale financial assets. The following summary shows the composition of securities as of December 31, 2009 and 2008:

				31.12.2009
	Acquisition costs	Un-realized profits	Un-realized losses	Fair Value
	TEUR	TEUR	TEUR	TEUR
Bonds	0	0	0	0
Investment funds	220	6	0	226
Totals securities in current assets	220	6	0	226

				31.12.2008
	Acquisition costs	Un-realized profits	Un-realized losses	Fair Value
	TEUR	TEUR	TEUR	TEUR
Bonds	101	3	-1	103
Investment funds	220	9	0	229
Totals securities in current assets	321	12	-1	332

The fair value of securities is determined by quoted prices. In the 2009 financial year, EUR 0 (2008: EUR -45,000) was reclassified from other earnings in connection with the sale of securities to the income statement.

29. Trade accounts receivable

Trade accounts receivable consist of the following items as of December 31, 2009 and 2008:

	2009	2008
	TEUR	TEUR
Trade accounts receivable	16,946	14,568
Less value adjustments	-742	-583
As of Dec. 31	16,204	13,985

30. Inventories

The inventories as of December 31, 2009 and 2008 include the following:

	2009	2008
	TEUR	TEUR
Raw materials, consumables and supplies	9,207	5,689
Finished products	2,460	2,101
Unfinished products	1,339	989
	13,006	8,779
Less value adjustments	-375	-224
As of Dec. 31	12,631	8,555

Raw materials, consumables and supplies mainly consist of nuclides and components needed for the fabrication of end products.

Adjustments made on the basis of a comparison of net realizable value against book value increased by EUR 151,000 (2008: EUR 37,000). The increase in value adjustments as of December 31, 2009 compared to the previous year is essentially based on an increase to the base amount, particularly in connection with the acquisition of Eckert & Ziegler Nuclitec GmbH.

31. Other current assets

The other current assets item, amounting to EUR 6,238,000 (2008: EUR 2,464,000) essentially consists of a short-term loan issued to the American Core Oncology company (EUR 1,382,000) and the associated acquired options (EUR 13,000), deferrals, prepayments made, and amounts owed by tax authorities.

32. Assets and debts held for disposal

In December 2008, the Executive Board decided to begin actively searching for a purchaser for the subsidiary Eckert & Ziegler f-con Pharma Italia s.r.l. in Milan, Italy (FCI). The background for this decision was a changed market situation for radioactive contrast media in Northern Italy. The margins for products for positron emission tomography, an innovative procedure for precise diagnosis of various cancers, have been placed under considerable pressure in recent years due to a variety of new providers. Furthermore, FCI was struggling with a long production stop of the cyclotron that had been operated together with Milan University's policlinic in a joint venture.

As a result, the assets and debts of the subsidiary, which are assigned to the Radiopharmaceuticals segment and are part of the "Europe" geographical segment, were reclassified as available for disposal. The evaluation of the disposal group at the fair value did not result in any additional need to adjust the value of the subsidiary's assets. The assets and debts of the disposal group classified as held for disposal are presented as follows as of December 31, 2008:

	2008
	TEUR
Intangible assets	290
Property, plant and equipment	170
Cash and cash equivalents	71
Trade accounts receivable	471
Other assets	10
Assets of the disposal group held for disposal	1,012
Leasing liabilities	87
Trade accounts payable	963
Other liabilities	75
Debts of the disposal group held for disposal	1,125

In March 2009, the sale of the subsidiary to an outside third party was successfully completed. The sales price was EUR 1. The deconsolidation of the FCI resulted in an income of EUR 97,000, which is shown under other operating income.

33. Capital and reserves

The movements of the shareholders' equity and the minority interest are shown in the equity movement schedule.

On May 20, 2009, the Annual General Meeting resolved to use the net profit (under commercial law) of Eckert & Ziegler AG to December 31, 2008, amounting to EUR 1,878,000 to pay a total dividend of EUR 1,132,000 or EUR 0.30 in respect of each eligible share certificate and to allocate an amount of EUR 746,000 to other revenue reserves.

Effective from February 6, 2009 the Group's nominal capital was increased by EUR 628,633 to EUR 3,878,633 on the authority of the Executive Board's decision of May 30, 2009. The new shares issued in February 2009 are eligible for dividends as of January 1 2008. The execution of this capital increase was recorded in the Commercial Register on February 6, 2009.

In September 2009, a capital increase from authorized but unissued share capital of EUR 31,650 was carried out to EUR 3,910,283, as per the approval of April 30, 1999. The new shares were used to service exercised share options. The execution of this capital increase was recorded in the Commercial Register on January 14, 2010.

Effective from December 10, 2009 the Group's nominal capital was increased by EUR 1,350,000 to EUR 5,260,283 on the authority of the Executive Board's decision of May 20, 2009. The new shares issued in December 2009 are eligible for dividends as of January 1 2009. The execution of this capital increase was recorded in the Commercial Register on December 10, 2009.

The share capital of the Company amounted to EUR 5,260,283 as of December 31, 2009, and is divided into 5,260,283 fully paid-up nonpar shares. After the capital increases were carried out, the number of outstanding shares (without taking account of own shares) was increased from 3,143,165 to 5,135,048.

According to the German Aktiengesetz (Stock Companies Act) any dividend that may be distributed to the shareholders has to relate to the net profit for the year shown in the financial statements that are based on German commercial law. The AGM has been asked to pay the shareholders a dividend of EUR 2,311,000 (EUR 0.45 per share) out of the net profit of Eckert & Ziegler AG for 2009.

Authorized capital

Through a resolution of the shareholders' meeting on May 30, 2006 the Executive Board was authorized, with the approval of the Supervisory Board, to increase the Company's nominal capital by up to EUR 1,625,000 by issuing up to 1,625,000 bearer shares for cash and/or non-cash contributions, while excluding the subscription rights of existing shareholders where relevant (authorized capital for 2006). The Executive Board is authorized, with the approval of the Supervisory Board, to determine any further rights attaching to the shares and the conditions for the share issue. The authorization was valid until June 30, 2009. Effective from February 6, 2009 the Executive Board, with the approval of the Supervisory Board, exercised the authorization and issued 628,633 non-par-value owner bearer shares to increase the capital by a total of EUR 628,633 to EUR 3,878,633.

On May 20, 2009, the Executive Board was authorized by an Annual General Meeting resolution with the approval of the Supervisory Board to increase, either one-off or repeatedly, the company's nominal capital through May 19, 2014, by up to EUR 1,939,316 by issuing a maximum of 1,939,316 owner bearer shares for cash and/or non-cash contributions (authorized capital for 2009). The exclusion of subscription rights is permitted in capital increases against non-cash contributions for the purposes of company mergers or when acquiring companies, participation or other assets. Furthermore, the Executive Board can, with the approval of the Supervisory Board, exclude subscription rights to guarantee owners of convertible bonds issued by the company a right to subscribe to new shares to the amount to which they would be entitled after exercising the conversion rights or after fulfilling the conversion obligation. For capital increases against cash contributions, exclusion of subscription rights is only permissible to the extent that it is necessary for the equalization of highest-ranking amounts, or if the capital increase does not exceed 10 percent of the nominal capital, and the issue price of the new shares does not lie significantly below the stock market price of the shares at the time that the Executive Board determines the issue price.

Effective from December 10, 2009, the Executive Board, with the Supervisory Board's approval, exercised its authority, nominally increasing the capital by EUR 1,350,000 through the issuance of 1,350,000 non-par-value owner bearer shares. After this, the approved capital amounted to EUR 589,316 on December 31, 2009.

Contingent capital

On April 30, 1999, the Annual General Meeting resolved to increase the company's nominal capital by a maximum of EUR 300,000.00 through the issuance of owner bearer shares (authorized but unissued share capital 1999). The contingent increase in capital is only implemented subject to the holders of share options using their rights to subscribe to shares in the company and the company not fulfilling the option rights by the transfer of its shares or by making a cash payment. In September 2009, the Executive Board exercised this authorization and increased the contingent capital by EUR 31,650 by issuing 31,650 non-par-value owner bearer shares.

On May 20, 2009, the Annual General Meeting approved a contingent increase in nominal capital by up to EUR 1,639,316.00 (authorized but unissued share capital 2009). The contingent increase in capital is only implemented subject to the holders of convertible bonds using their conversion privilege or meeting their conversion obligation and the company not using its shares to service these conversions.

Notification regarding changes to voting share percentage

In February 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that "The total number of the voting rights of ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 (…) amount to 3,878,633 voting rights, effective from February 6, 2009."

In March 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that "Baden-Württembergische Investmentgesellschaft mbH Stuttgart, Germany, declared to us on March 25, 2009, in accordance with § 21 para. 1 WpHG, that its proportion of the voting rights from shares ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 fell below the threshold of 3% of the voting rights on March 24, 2009, and now amounts to 2.99% (corresponding to 116,000 voting rights)."

In June 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that Eckert & Ziegler AG declared on June 16, 2009, in accordance with § 26 para. 1 WpHG, "that their proportion of their own shares in ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 exceeded the threshold of 3% of the voting rights on June 12, 2009, and now amounts to 3.02% (corresponding to 117,060 voting rights)."

In September 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that "The total number of the voting rights of ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 amounts to 3,910,283 voting rights, effective from September 11, 2009."

In September 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that FPM Funds SICAV declared that "Die FPM Funds SICAV, 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, declared to us on September 22nd, 2009, in accordance with § 21 para. 1 WpHG, that its proportion of the voting rights from shares ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 exceeded the threshold of 3% of the voting rights on September 18, 2009, and now amounts to 3.56% (corresponding to 138,241 voting rights)."

In December 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that Eckert & Ziegler AG declared on December 17, 2009, in accordance with § 26 para. 1 WpHG, "that their proportion of their own shares in ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 fell below the threshold of 3% of the voting rights on December 10, 2009, and now amounts to 2.5% (corresponding to 129,933 voting rights)."

In December 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that Eckert & Ziegler AG declared on December 17, 2009, in accordance with § 26 para. 1 WpHG, "that their proportion of their own shares in ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 fell below the threshold of 2.5% of the voting rights on December 10, 2009, and now amounts to 2.47% (corresponding to 129,933 voting rights)."

In December 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that Mr. Jürgen Ziegler declared that "Mr. Jürgen Ziegler declared to us on December 17, 2009, in accordance with § 21 para. 1 WpHG, that its proportion of the voting rights from shares ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 fell below the threshold of 3% of the voting rights on December 10, 2009, and now amounts to 2.71% (corresponding to 142,717 voting rights)."

In December 2009, Eckert & Ziegler AG published a statement in the register of companies announcing that "The total number of the voting rights of ECKERT & ZIEGLER Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 (…) amounts to 5,260,283 voting rights, effective from December 10, 2009."

Reserves

The capital reserves indicate the amount that was obtained by issuing interests, including shares over and above the nominal amount (capital surplus), minus the issuing costs (after tax). In the year under review, EUR 22,360,000 was allocated to the capital reserves by means of capital increases. The amount is the result of the capital surplus amounting to EUR 22,882,000 minus the issuing costs (after tax) amounting to EUR 522,000.

Furthermore, the capital reserves list the amounts that are recorded in connection with share-based remunerations (IFRS 2). In the year under review, as in the previous year, no expenditure was recorded in the capital reserves from issuing share options.

Retained earnings consist of unappropriated past earnings of consolidated Group companies. In addition, retained earnings include adjustments resulting from the first application of the IFRS. Retained earnings also include conversion differences of EUR 3,776,000 (2008: EUR -3,776,000) resulting from translating financial statements from the foreign subsidiaries. Movements in 2009 and 2008 essentially affected the American subsidiaries. Also included in the reserves are value changes of the available-for-sale securities (after tax) amounting to EUR 4,000 (2008: EUR 7,000) that are to be recorded as not affecting net income, as well as actuarial profits/losses (after taxes) from performance-oriented pension commitments amounting to EUR -149,000 (2008: EUR 0) that are to be recorded in the shareholder's equity.

Own shares

In the AGMs on June 11, 2008, and May 20, 2009, the Executive Board was authorized, with the Supervisory Board's approval, to use the Company's own shares that had been purchased previously due to earlier authorizations as follows, including in ways other than via the stock exchange or by an offer to all shareholders:

– Own shares can be redeemed without the need for a decision from a shareholders' meeting concerning the redemption or its execution.

– Own shares can be realized against a service in kind, provided that this serves to procure companies, participation, parts of companies, industrial property rights such as patents, brands or licenses for these, or contribution in kind in the form of assets or services.

– Own shares can be realized against cash provided that the sales price does not fall significantly below the average closing share price on the Frankfurter stock exchange over the past five trading days before the sale comes into effect (not including additional acquisition costs), as per § 186, section 3, clause 4 of the AktG (Companies Law).

– Own shares can be used to meet the obligations of the Company's share option plan agreed in the AGM of April 30, 1999, and altered in the AGM of May 20, 2003. The Company's Supervisory Board is responsible for reaching a decision here if own shares are to be transferred to members of the Company's Executive Board.

In March 2003, the Executive Board exercised the authority invested in it in previous years and acquired a total of 320,000 own shares (approx. 9.8% of the nominal capital) at an average share price of EUR 3.35.

In October 2003, 5,503 of these shares were resold. The acquisition in 2004 of Eckert & Ziegler MMI GmbH and Eckert & Ziegler Isotope Products GmbH was financed partly using the company's own shares. To do so, a total of 139,648 of the company's own shares were applied. Furthermore, in loans due in March and August 2006 were paid with the issuing of 17,214 shares. Up to now, 51,000 own shares (2007: 2,700 shares, 2006: 2,900 shares, 2005: 32,000 shares, 2004: 13,400 shares) have been utilized to service share options under the employee share scheme. In financial year 2007, 200 of the company's own shares, which were used for servicing employee stock options, were repurchased on the stock exchange.

In the context of the option to acquire further voting stock in IBt S.A., Eckert & Ziegler AG accepted an obligation to settle part of the effective price with 66,667 own shares if the contractual partner exercises its option. This liability was balanced in the previous year by appropriating EUR 566,000 to the capital reserve for own shares with no effect on net income.

In the 2009 financial year, 35,331 own shares were acquired via the stock exchange at an average rate of EUR 12.33 per share, as part of a share buy-back program. In order to service exercised share options, 1,600 shares of the company's own shares were used; 15,331 own shares were sold via the stock exchange. In the 2009 financial year, transactions in own shares gave rise to a total profit of EUR 208,000, which was appropriated to the capital reserve for own shares with no effect on net income. The balance of own shares stood at 125,235 shares as of December 31, 2009. This equates to a share of 2.4% of the Company's nominal capital.

A resolution of the Annual General Meeting of May 20, 2009, authorizes the Executive Board to purchase own shares for purposes other than securities trading until November 19, 2010, up to a maximum share of 10% of nominal capital.

Changes in the number of outstanding share options are shown in the Other Information section.

The number of shares in circulation in the 2009 and 2008 financial years was as follows:

	2009	2008
	Item	Item
As of Jan, 1	3,143,165	3,143,165
Capital increases from authorized capital	1,978,633	0
Capital increases from authorized but unissued share capital	31,650	0
Use of own shares for servicing of employee options or for acquisitions	1,600	0
Redemption of own shares (share buy-back program)	-35,331	0
Sale of own shares	15,331	0
As of Dec, 31	5,135,048	3,143,165

34. Borrowings and financial leasings

Borrowing and financial lease obligations consist of the following items as of December 31, 2009 and 2008:

	2009	2008
	TEUR	TEUR
Loan commitments to banks	16,219	12,640
Leasing liabilities	1,334	1,487
Other loan commitments	2,522	4,385
Loan and leasing commitments as of Dec. 31, total	20,075	18,512
– Short-term	5,813	7,751
– Long-term	14,262	10,761

The following table gives an overview of borrowings and financial lease obligations as of December 31 in each of the financial years:

		2009	2008
	Interest rate p.a.	TEUR	TEUR
Loan from Deutsche Industrie Bank AG (IKB) (ERP innovation program)	4.7% to 4.8%	4,896	1,881
Loan from Deutsche Bank AG	4.45%	2,526	0
Loan from Commerzbank AG (KfW global loan)	4.27%	1,760	2,200
Loan from Commerzbank AG (KfW global loan)	6.10%	1,641	1,930
Loan from Commerzbank AG	4.90%	1,395	0
Leasing liabilities		1,334	1,487
Loans from minority shareholders	5.0%	939	895
Loan from Credit Agricole	4.99%	909	0
Loans from former shareholders from the takeover of shares	0% to 7.5%	776	2,690
Loans from affiliated persons	6.50%	705	700
Loan from Comerica Bank (USA)	Libor + 2.50%	523	0
Loan from Comerica Bank (USA)	Libor + 2.75%	427	626
Loan from Landesbank Berlin	4.85% to 5.72%	177	596
Loan from Commerzbank AG (KfW foreign program)	7.38%	105	213
Other loans on overdraft	Variable	15	860
Loan from Deutsche Bank AG	3 month EURIBOR + 1%	0	750
Short-term money market loans	4.4% to 5%	0	1,140
Other loans	0% to 6%	1,947	2,544
Loan commitments as of Dec. 31, total		20,075	18,512

In the 2009 financial year, borrowing and financial lease obligations increased marginally compared with the previous year. The increases can be traced back, on the one hand, to the partial third-party financing of the acquisition of Eckert & Ziegler Nuclitec GmbH and, on the other hand, to the long-term financing of new research and development projects, as well as the refinancing of a short-term loan from former shareholders. This is contrasted by the planned repayment of the existing loans.

The loan from Deutsche Industriebank AG (IKB) from the ERP innovation program is used to finance research and development projects in Eckert & Ziegler Radiopharma GmbH. In the previous year, EUR 1,850,000 was utilized and in the 2009 financial year, the remaining loan amount of EUR 3,150,000 was paid out. The loan has a repayment period to September 30, 2015, and will be repaid in quarterly installments starting from December 30, 2009. The quarterly installments shall initially amount to EUR 104,000 and then, from December 20, 2012, they shall amount to EUR 312,000 plus interest.

In January 2009, Eckert & Ziegler AG took out a loan of EUR 3,000,000 from Deutsche Bank AG to partially finance the acquisition of Eckert & Ziegler Nuclitec GmbH. The loan has a repayment period to December 31, 2013, and will be repaid in quarterly installments of EUR 158,000.

In January 2009, Eckert & Ziegler AG also took out a loan of USD 2,000,000 from Commerzbank AG. The loan was passed on by Eckert & Ziegler AG to its American subsidiary Eckert & Ziegler Isotope Products Inc. (IPL) and was used to repay the short-term loan that the vendor of the NASM sealed source division had granted to IPL in the previous year. The loan shall be repaid in quarterly installments of USD 125,000, starting March 31, 2010, and ending December 31, 2013.

In the previous year, the loan from Deutsche Industriebank AG (IKB) (profit-participating loan), initially amounting to EUR 2,812,000, was completely repaid by June 30, 2008. This was refinanced by means of a loan from Commerzbank AG (KfW global loan) with a repayment period to September 30, 2014. The loan is to be paid back in constant quarterly installments of EUR 100,000 (including interest).

To pay off the loans guaranteed in the 2007 financial year by the former shareholders in the context of company acquisitions, Eckert & Ziegler EURO-PET Köln/Bonn GmbH took out a loan with Commerzbank AG (KfW global loan) amounting to EUR 2,200,000. The loan has a repayment period to December 30, 2013, and will be repaid in quarterly installments of EUR 110,000 plus interest, starting from March 3rd, 2009. The company's cyclotron was transferred to the bank by way of security for the loan.

The loans granted by the Landesbank Berlin to EURO-PET Berlin Zyklotron GmbH are secured by a mortgage of EUR 451,000 on EURO-PET Berlin Zyklotron GmbH's business premises in Berlin and a guarantee from Eckert & Ziegler AG.

The loans amounting to EUR 951,000 from Comerica Bank to Eckert & Ziegler Isotope Products, Inc. (IPL) are secured by an assignment of IPL's property, plant and equipment.

IPL has been granted a credit line by a bank of up to USD 4,000,000 (EUR 2,791,000). Part of the credit line consists of a guarantee for up to USD 2,560,000 (EUR 1,786,000) which has been utilized as security for the decontamination plan. In addition, IPL has been granted but not yet utilized a credit line for financing the acquisition of property, plant and equipment amounting to USD 590,000 (EUR 412,000).

Eckert & Ziegler AG and its German subsidiaries have joint credit lines available of EUR 4,075,000, of which EUR 14,000 has been utilized. A partial amount of the EUR 3,000,000 credit line was retracted at the end of 2009, in the context of the guarantees of EUR 20,000,000 given as part of the takeover bid for IBt S.A. shares. This partial amount will be available again to the Group after the conclusion and complete financing of the takeover bid.

The remaining periods to maturity of the borrowings on December 31, 2009 and 2008 are as follows:

	2009	2008
	TEUR	TEUR
Remaining period to maturity up to 1 year	5,209	7,331
Remaining period to maturity >1 to 5 years	11,845	9,494
Remaining period to maturity over 5 years	1,687	200
Loan commitments as of Dec. 31, total	18,741	17,025

35. Deferred income from grants and other deferred income

The item "Deferred income from grants and other deferred income" is made up of the following as of December 31 in each of the years:

	2009	2008
	TEUR	TEUR
Deferred short-term grants	316	305
Other prepaid and deferred expenses	79	66
Deferrals from grants and other prepaid and deferred expenses, short-term	395	371
Deferred long-term grants	1,384	1,416
As of Dec. 31	1,779	1,787

36. Retirement benefit obligations

In connection with the acquisition of Eckert & Ziegler Nuclitec GmbH, pension commitments for a larger number of employees are reported in the Group for the first time. Previously, the company pension scheme only awarded a pension commitment for former members of the Executive Board, based on a performance-oriented pension plan. However, almost all employees at Eckert & Ziegler Nuclitec GmbH have benefit commitments in the context of company pension scheme.

Pension obligations are calculated in accordance with IAS 19 under the projected unit credit method by taking the present value of pension benefits earned up to the measurement date, including probable future increases in pensions. The actuarial valuations of the plan asset and the cash value of the performance-oriented obligation were carried out on December 31, 2009, by Mercer Deutschland GmbH and Allianz Lebensversicherung AG, respectively.

The most important assumptions underlying the actuarial valuation are:

	Evaluation on	
	31.12.2009	31.12.2008
	%	%
Discount rate(s)	4.9 and 5.15	5.80
Expected income from plan assets	3.00	n/a
Expected salary increases on a percentage basis	3.00	n/a
Expected pension increases on a percentage basis	1.75	n/a

This produced the following obligations determined actuarially in each of the financial years ending December 31:

	2009	2008
	TEUR	TEUR
Cash value of performance-oriented pension claims	6,029	420
Plan assets at fair value	-322	0
Pension reserves as of Dec. 31	5,707	420

The amounts shown for retirement benefit obligations have changed as follows:

	2009	2008
	TEUR	TEUR
Pension reserves as of Jan. 1	420	98
Additions due to company acquisitions	4,793	0
Expenditure for pension obligations	432	38
Actuarial profits (-) and losses (+)	218	0
Disbursements from plan assets	17	31
Expected income from plan assets	-9	-10
Pension payments	-164	-18
Pension reserves as of Dec. 31	5,707	420

The following amounts were recognized in the income statement in each of the financial years:

	2009	2008
	TEUR	TEUR
Service cost	133	0
Interest paid	299	38
Expected income from plan assets	-9	-10
Total of the entered amounts	423	28

The following amounts were recognized in the Group statement of comprehensive income in each of the financial years:

	2009	2008
	TEUR	TEUR
Cumulative actuarial profits (-)/ losses (+) on Jan. 1	0	0
Addition/disposal	218	0
Cumulative actuarial profits (-)/ losses (+) on Dec. 31	218	0

Changes to the fair value of the plan asset in the current financial year are as follows:

	2009	2008
	TEUR	TEUR
Starting balance of plan assets according to fair market value	0	0
Additions due to company acquisitions	318	0
Expected income from plan assets	9	0
Actuarial profit	12	
Disbursements from plan assets	-17	0
Ending balance of plan assets according to fair market value	322	0

The plan asset consists of a reinsurance policy. In the 2010 financial year, pension payments amounting to EUR 187,000 are expected.

The cash value of the performance-oriented pension claims and the fair value of the plan assets have developed as follows:

	2009	2008	2007	2006	2005
	TEUR	TEUR	TEUR	TEUR	TEUR
Defined benefit obligation	6,029	420	384	398	406
Plan assets	322	0	302	252	219
Funded status	-5,707	-420	-82	-146	-187

Pension plans are also in place for two current board members and designed as an employee-financed contributory defined benefit (deferred compensation). The level of deferred compensation for the pension plan amounted to EUR 111,000 in 2009 (2008: EUR 104,000). The defined benefits are financed through a fully covered relief fund.

37. Other provisions

The following table gives an overview of the movements in other provisions in 2009 and 2008.

	2009	2008
	TEUR	TEUR
Provision for environmental restoration	10,378	8,829
Other provisions	7,211	7,140
Other provisions as of Dec. 31	17,589	15,969

The provisions for environmental restoration include expected expenditure for the disposal of production plants and developed in the 2009 and 2008 financial years as follows:

	2009	2008
	TEUR	TEUR
Provision for environmental restoration as of Jan. 1	8,829	3,478
Additions/disposals	1,403	4,903
Compounding	204	374
Currency translation	-58	74
Provisions for environmental restoration as of Dec. 31	10,378	8,829

For valuation of environmental restoration provisions in 2009, an adjustment has been made to align discount rates suitable for the maturity period to changes in the capital markets, in accordance with IFRIC 1. These adjusted interest rates lie between 2.15% and 3.88%. Retaining the previous year's interest rates of 2.42% to 3.92% would have resulted in a provision for environmental restoration that was EUR 22,000 lower. Payments for disposing of the production plants are expected in the financial years 2012 to 2024.

For some sites, amounts have been paid into a fund whose use is restricted to future restoration. These payments are shown under "Other non-current assets" and amount to EUR 16,000 (2008: EUR 16,000).

Contractual rights to reimbursement in connection with environmental restoration provisions of EUR 100,000 (2008: EUR 200,000) are shown under other non-current assets.

The provision set aside the previous year for a possible excess liability in connection with the lawsuit filed by an IBt S.A. shareholder against Eckert & Ziegler AG to submit a mandatory takeover bid was completely dissolved in the year under review. As the market value of IBt S.A. shares on December 31, 2009, exceeded the rate demanded in the lawsuit for the takeover bid, the reason for setting aside the provision no longer applied.

The other provisions as of December 31, 2009, essentially involve long-term provisions for the obligation to process the Group's own radioactive waste and radioactive waste from third parties (EUR 6,135,000; 2008: EUR 0).

38. Other non-current liabilities

The Other non-current liabilities essentially include the liability from the option writer item of a put option transaction related to the acquisition of further voting stock in IBt S.A. amounting to EUR 585,000 (2008: 500,000). In addition, an interest swap to the amount of EUR 65,000 (2008: other non-current liabilities to the amount of 7,000) is shown under other non-current liabilities. This is a derivative recognized in accordance with IAS 39.9 as a financial liability affecting the current period at fair value. Further information about these derivative financial instruments can be found in the notes under item 40.

39. Other current liabilities

Other current liabilities are composed of the following as of December 31 in each year:

	2009	2008
	TEUR	TEUR
Liabilities from wages and salaries	3,326	2,961
Liabilities in the context of social security	223	132
Amounts owed to tax authorities	1,073	399
Liabilities from other deferrals	6,321	5,640
Liabilities from the disposal of radioactive materials	2,025	0
Other liabilities	1,448	1,153
As of Dec. 31	14,416	10,285

40. Additional information on financial instruments

This section gives an overview of the importance of financial instruments for Eckert & Ziegler AG and provides additional information on the balance sheet positions containing financial instruments.

Overview of financial assets and liabilities
The following table shows the book values of all categories of financial assets and liabilities:

	2009	2008
	TEUR	TEUR
Financial assets		
Cash and cash equivalents	43,674	7,311
Financial assets available-for-sale	226	332
Receivables	22,633	16,797
Derivative financial instruments	719	771
As of Dec. 31	67,252	25,211
Financial liabilities		
Financial liabilities at amortized cost	31,249	27,973
Derivative financial instruments	65	0
As of Dec. 31	31,314	27,973

Loans and receivables are as follows:

Loans and receivables		2009	2008
		TEUR	TEUR
Trade accounts receivable	Short-term	16,204	13,985
Amounts due from related parties and companies	Short-term	1	511
Amounts due from tax authorities	Short-term	3,120	1,227
Advance payments paid	Short-term	418	155
Loans receivable	Short-term	1,395	0
Receivables from recourse claims	Long-term	100	200
Other receivables	Long-term/ short-term	1,395	719
As of Dec. 31		22,633	16,797

The financial liabilities for continued acquisition costs are as follows:

Liabilities at amortized cost		2009	2008
		TEUR	TEUR
Loan commitments	Short-term	5,209	7,091
Loan commitments	Long-term	13,532	9,885
Financial lease obligations	Short-term	604	660
Financial lease obligations	Long-term	730	877
Trade accounts payable	Short-term	4,426	4,286
Amounts owed to personnel	Short-term	3,326	2,961
Amounts owed to tax authorities	Short-term	1,073	399
Other liabilities	Short-term	1,671	1,285
Other liabilities	Long-term	678	529
As of Dec. 31		31,249	27,973

The composition of the borrowing and financial leasing liabilities is explained in item 34.

Fair value of financial assets and liabilities

The following table shows the fair value and the book value of the financial assets and liabilities that are evaluated for acquisition costs or continued acquisition costs.

	2009		2008	
	Fair value	Book value	Fair value	Book value
	TEUR	TEUR	TEUR	TEUR
Financial assets, valued at procurement cost or amortized cost				
Cash and cash equivalents	43,674	43,674	7,311	7,311
Receivables from deliveries and services and other receivables	16,204	16,204	13,985	13,985
Other non-derivative financial assets	6,429	6,429	2,812	2,812
As of Dec. 31	66,307	66,307	24,108	24,108
Financial assets, valued at procurement cost or amortized cost				
Trade accounts payable	4,426	4,426	4,286	4,286
Bank borrowings and other financial debts	18,741	18,741	16,976	16,976
Liabilities from finance leases	1,334	1,334	1,537	1,537
Other non-derivative financial liabilites	6,748	6,748	5,174	5,174
As of Dec. 31	31,249	31,249	27,973	27,973

The fair value of cash and cash equivalents, short-term receivables, liabilities from deliveries and services and from other current liabilities corresponds approximately to the book value. The primary reason for this is the short maturity period of these instruments.

The Group specifies the fair value of bank borrowings and other financial debts, liabilities from finance leases and other long-term financial liabilities by deducting expected future cash flows with the interest rates that apply for similar financial debts with comparable remaining periods to maturity.

Financial assets and liabilities that are assessed at fair value can be arranged in the following valuation hierarchy:

	Level 1	Level 2	Level 3	Total
	TEUR	TEUR	TEUR	TEUR
Financial assets, valued at fair value				
Financial assets available-for-sale	226	0	0	226
Derivative financial instruments	0	706	13	719
As of Dec. 31, 2008	226	706	13	945
Financial liabilities, valued at fair value				
Derivative financial instruments	0	-65	0	-65
As of Dec. 31, 2008	226	641	13	880

	Level 1	Level 2	Level 3	Total
	TEUR	TEUR	TEUR	TEUR
Financial assets, valued at fair value				
Financial assets available-for-sale	332	0	0	332
Derivative financial instruments	0	771	0	771
As of Dec. 31, 2008	332	771	0	1.103
Financial liabilities, valued at fair value				
Derivative financial instruments	0	0	0	0
As of Dec. 31, 2008	332	771	0	1.103

Level 1: The market values for these assets and liabilities are determined based on listed, non-adjusted prices on active exchanges.

Level 2: The market values for these assets and liabilities are determined based on parameters for which either directly or indirectly derived listed prices on an active exchange are available.

Level 3: The market values for these assets and liabilities are determined based on parameters for which no market data that can be monitored is available.

Risk analysis

In the course of its operational activities, the group is exposed to credit, liquidity and market risks in the finance sector. Market risks relate in particular to interest rate changes and foreign exchange risks.

Credit risk

Credit risk or risk of non-payment is the risk that a customer or contractor of the Eckert & Ziegler group cannot meet its contractual obligations. The result of this is, on the one hand, the risk of depreciation of financial instruments due to issues of solvency and, on the other hand, the risk of partial or complete loss of contractually agreed payments.

For the Group, a possible credit risk arises essentially from its receivables from goods and services. Risk exposure is primarily influenced by the size of the customer and regional regulations and customs for handling the reimbursement of medical services by public authorities.

In general a rating is obtained for new customers and initial deliveries are in principle made against cash in advance. For deliveries to customers who because of their size or location are regarded as permanently unreliable, cash in advance or letters of credit are used as a safeguard.

As part of the group-wide risk management, the credit risk is monitored by means of regular analysis of overdue payments of all receivables from goods and services.

Risk exposure

The maximum loss risk corresponds to the book value of the financial assets on the balance sheet date to the amount of EUR 23,578,000 (2008: EUR 17,900,000).

With the exception of receivables for goods and services, the balance sheet does not contain any overdue or depreciated financial assets. The group estimates the loss risk of these other financial assets as very low.

The maximum credit exposure at the date of the annual accounts with respect to receivables from goods and services was, by geographical regions, as follows:

	2009	2008
	TEUR	TEUR
Europe	10,760	9,126
North America	2,653	3,498
Other	2,791	1,361
As of Dec. 31	16,204	13,985

The age structure of due, but not depreciated receivables is shown as at December 31 as follows:

	2009	2008
	TEUR	TEUR
Unmatured	0	0
1 to 90 days	7,714	5,670
Over 90 days	2,074	1,871
	9,788	7,541

The overdue, but not yet depreciated receivables relate essentially to claims on doctors' practices and foreign clinics. On the basis of past experience, inpayment is expected at the above-mentioned level.

Customer-specific details are used to determine the depreciation on receivables from goods and services. The movement in depreciation on receivables from goods and services is shown below:

	2009	2008
	TEUR	TEUR
SAs of Jan. 1	582	509
Net allocations	65	94
Additions from the acquisition of consolidated companies	117	0
Utilization	-19	-25
Effects resulting from exchange rate fluctuations	-3	4
As of Dec. 31	742	582

Liquidity risk

The liquidity risk is the risk that the group is not able to meet its financial obligations on time. The aim and function of liquidity management is to ensure that the provision of borrowed funds and capital resources is always adequate.

As part of financial planning, a liquidity forecast is produced from which among other things it is possible to identify the borrowed fund financing requirement in advance.

The group generates its financial means mainly from its operating business. As of December 31, 2009, Eckert & Ziegler AG and its subsidiaries have at their disposal credit lines amounting to EUR 3,866,000 (2008: EUR 10,367,000) if required for this purpose. In some cases new third-party financing is taken up according to the above framework conditions for extraordinary investments and acquisitions and to repay due loans.

As at the date of the annual accounts, the Group balance sheet shows various short-term and long-term obligations also to credit institutions. For the future liquidity of the group, it is necessary for this third-party financing to continue and for it to be refinanced in the short term.

The 2009 financial year is characterized by five main corporate measures. To finance the Nuclitec acquisition: (a) a long-term loan of EUR 3.0 million was taken out in January and (b) a cash capital increase of around EUR 3.1 million was effected in January/February. To develop the new Environmental Services segment established in 2010 and to finance acquisition options, (c) a second cash capital increase of around EUR 21.5 million was effected in November/December 2010. The Radiopharmaceuticals segment received an inflow of (d) EUR 3.2 million in total from loan retrievals in the course of the year 2009 for the long-term financing of development projects. To support the IBt S.A. takeover bid, the group received (e) a guarantee of EUR 20.0 million in December from Deutsche Bank AG. For each of the corresponding loans there were offers from several credit institutions. The capital increases were oversubscribed. To date, the financial and economic crisis has had no significant effect on the growth of the Eckert & Ziegler Group's shareholder or third-party financing. The Executive Board views the Group's solid financial underpinnings as the reason for its ability to obtain favorable lending conditions, with its still relatively high equity ratio, high founder's share as well as the favorable prospects of the profitable operational units. For the sake of completeness, no existing loans or lines of credit were cancelled by creditors in the 2009 financial year.

From the possibilities for third-party financing and the predicted liquidity requirement it can be deduced that the Group has adequate financial means at the present time to be able to secure its existence and its further development. It also sees itself as capable of meeting all financial obligations. However, in the coming business years, it anticipates a slight increase in the debt ratio in order to secure growth via further acquisitions and to finance the development of new products.

Risk exposure:

The contractually agreed due dates for financial obligations including interest payments are shown below:

Analysis of the contractually agreed upon due dates						31.12.2009
		Book value		Cash outflows		
			Total	Up to 1 year	1 to 5 years	Over 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan commitments	Fixed-interest	17,774	20,166	5,496	12,769	1,900
Loan commitments	Variable-interest	966	1,054	463	591	
Financial lease obligations	Fixed-interest	1,334	1,458	625	833	
Trade accounts payable	Interest-free	4,426	4,426	4,426		
Amounts owed to personnel	Interest-free	3,326	3,326	3,326		
Other liabilities	Interest-free	3,422	3,422	3,422		
Derivative financial liabilities		65	72	12	39	21
As of Dec. 31		31,313	33,924	17,770	14,232	1,921

Analysis of the contractually agreed upon due dates						31.12.2008
		Book value		Cash outflows		
			Total	Up to 1 year	1 to 5 years	Over 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan commitments	Fixed-interest	12,040	13,387	4,070	9,317	
Loan commitments	Variable-interest	2,595	2,771	1,859	782	130
Loan commitments	Interest-free	2,340	2,340	1,442	798	100
Financial lease obligations	Fixed-interest	1,537	1,576	646	930	
Trade accounts payable	Interest-free	4,286	4,286	4,286		
Amounts owed to personnel	Interest-free	314	314	314		
Other liabilities	Interest-free	10,164	10,164	2,524	7,640	
As of Dec. 31		33,276	34,838	15,141	19,467	230

An interest rate in 2009 of 4.75 percent (2008: 4.42 percent) is used as the basis for payment outflows for variable-interest-rate obligations.

Foreign exchange risks

The Group's international business activity exposes it to foreign exchange risks which result from the influence of exchange rate fluctuations on business and assets and liabilities denominated in foreign currency (transaction risks).

The main foreign currency transactions in the Eckert & Ziegler Group concern the US dollar as a result of loan repayments and dividends paid of the American subsidiaries and export business of the German subsidiaries. The effect is only partially compensated by the operating activity of some subsidiaries which buy precursors and goods mainly in US dollars and sell final products mainly in Euros. In addition to US dollars, there are additional surpluses of Polish zloty because of export deliveries. In these currencies there are virtually no cost positions so that the complete conversion into foreign currency is exposed to the currency risk.

Various measures counter the transaction risks described above. The loans to the American subsidiaries are in some cases secured by an interest-foreign currency swap on the following conditions:

Interest-currency swap

Transaction date: 08.02.2001
Start date: 12.02.2001
End date: 31.01.2011

As at the balance-sheet date, the Group still has a financial obligation arising from this business amounting to USD 1,736,000 (2008: USD 2,026,000), at a fixed interest rate of 10.0% p.a. Against this it receives EUR 1,873,000 (2008: EUR 2,185,000) at a fixed interest rate of 8.77% p.a. The fair value of this swap business as at December 31, 2009 is EUR 706,000 (2008: EUR 764,000). The expenditure from the change in market valuation has been shown under foreign currency losses. The credit institution with which the swap business was concluded notified the Group of the fair value. According to a statement by the credit institution, all EUR and/or USD cash flows have been discounted, added and balanced using the relevant zero interest rates (calculated from the current EUR and/or USD interest rate trends) to determine the current cash value of cross-currency swaps (EUR-USD; fix against fix). For this purpose the USD cash flows have been converted into EUR using the current EUR-USD exchange rate. The resulting balances then show a positive and a negative cash value from the existing contractual relationship for the contractors.

Export business in Polish zloty is guaranteed by means of foreign currency options and forward business. As at the balance-sheet date there were no open positions arising from foreign currency forward and option business.

Risk exposure:
The risk exposure of the Group in respect of transaction risk as at the date of the annual accounts was as follows:

Foreign currency exposure	31.12.2009						31.12.2008					
Amount in TEUR	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Currency	878	13	105	62	108	77	325	–	50	–	–	12
Trade accounts receivable	1,221	1	–	78	155	22	851	23	175	258	118	33
Trade accounts payable	-44	–	63	-3	–	–	-54	–	-51	-44	-19	–
Balance sheet exposure	2,055	14	168	137	263	99	1,122	23	174	214	99	45
Contractual payment obligaton from interest-currency swap	-1,229						-1,307					
Net exposure	826	14	168	137	263	99	-185	23	174	214	99	45

Sensitivity analysis
As at the date of the annual accounts an increase in the euro's value of 10% compared to the following currencies would have led – subject to otherwise unchanged assumptions – to the increases (decreases) in equity and the period result indicated below:

Effect in TEUR	31.12.2009						31.12.2008					
	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Shareholders' equity												
Profit for the year	-74	-1	-15	-12	-24	-9	17	-2	-16	-19	-9	-4

As at the date of the annual accounts, a reduction in the euro's value of 10% compared to the above-mentioned currencies would have led to an identical, but opposite effect on the currencies mentioned.

The currency conversion rates indicated under item 4 have been used as the basis for the sensitivity analysis.

Interest rate risks
The Group is exposed to risks in interest rate changes essentially in the area of medium-term to long-term financial assets and liabilities subject to interest as a result of fluctuations in market interest rates.

No safeguarding measures have been taken for items which cause no payment effect in the event of interest rate changes.

In order to limit the risk of interest rate changes when procuring short-term credit the Group arranged an interest swap with a maturity of 12 years in October 2005. A purchase amount of EUR 2,000,000 at a fixed interest rate of 3.53% was secured. For this, Eckert & Ziegler AG pays a fixed quarterly amount of EUR 17,650 until October 2017. Against this, the bank pays variable amounts quarterly (in each case the 3-month EURIBOR) until the agreement has expired. The fair value of this swap business as at December 31, 2009 is EUR -65,000 (2008: EUR 7,000) and is shown in the balance sheet under other long-term liabilities (2008: other long-term assets). The loss from the change in market valuation has been shown in the profit and loss account under other remaining net result of financial activities. The credit institution with which the swap business was concluded notified the Group of the fair value. According to a statement by the credit institution, all payments to be made by the customer or the bank calculated from the valuation date to the end of the agreement have been discounted, added and balanced on the basis of the current interest structure trend in order to determine the current cash value of the interest swap. The variable interest payments (EURIBOR) were deducted on the basis of the forward interest rates for the corresponding period calculated from the current interest structure trend. The resulting balances then show a positive and a negative cash value from the existing contractual relationship for the contractors.

Risk exposure:

As at the balance-sheet date, the Group has the following medium-term and long-term interest-bearing assets and liabilities:

Medium- and long-term interest-bearing assets and liabilities	2009	2008
	TEUR	TEUR
Interest-bearing financial assets	2,327	1,072
Variable-interest	226	229
Fixed-interest	2,101	843
Interest-bearing financial liabilities	20,010	8,986
Variable-interest	950	809
Fixed-interest	19,060	8,177

Sensitivity of the fair values for fixed-interest financial instruments:

The interest and currency swap (EUR 706,000; 2008: EUR 764,000) is shown under fixed-interest financial assets. A fall in the market interest rate by 100 base points would – with otherwise the same assumptions – result in a reduction of the fair value and hence the period result by EUR 47,000 (2008: EUR 50,000). An increase in the market interest rate by 100 base points would result in an increase in the fair value and/or the period result by EUR 16,000 (2008: EUR 17,000).

The interest swap (EUR -65,000; 2008: EUR 7,000) is shown under fixed-interest financial liabilities. A fall in the market interest rate by 100 base points would – with otherwise the same assumptions – result in a reduction of the fair value and hence the period result by EUR 153,000 (2008: EUR 151,000). An increase in the market interest rate by 100 base points would result in an increase in the fair value and/or the period result by EUR 117,000 (2008: EUR 120,000).

All other fixed-interest financial instruments are valued at continued acquisition costs. Therefore a change in the market interest rate would not have affected the valuation of these financial instruments as at the balance-sheet date.

Sensitivity of payment flows for variable-interest financial instruments:

Taking into account the interest swap arranged, a rise in the market interest rate of 100 base points as at the date of the annual accounts would result – subject to otherwise unchanged assumptions – in the increases (decreases) in the period result given below:

Effect in TEUR	2009		2008	
	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Interest earnings for variable-interest financial instruments	-7	7	-6	6
Hedged via interest swap	20	-20	20	-20
Net effect on the annual profit	13	-13	14	-14

Capital management

Capital at risk forms the basis for capital management. All lendings, investments and guarantees which Eckert & Ziegler AG has given to and/or for subsidiaries are used for this purpose. The EBIT of the segment is compared to the capital at risk. The quotient from both values gives the return on capital at risk. The trend of this risk for the segments is observed by the Executive Board over the course of time and used for backward-oriented valuations and forward-oriented targets.

Over the past four years, the "Return on Capital at Risk" key figure developed as follows:

	2006	2007	2008	2009
Groups as a whole	18%	17%	11%	20%
Industry	29%	30%	45%	45%
Therapy	18%	22%	1%	12%
Radiopharmaceuticals	-15%	-2%	1%	7%

Eckert & Ziegler AG (parent company) is subject to the provisions of company and commercial law in Germany of minimum capitalization in accordance with paragraph 92 of the AktG (Companies Law). According thereto an extraordinary general meeting must be called if the sum of the equity under commercial law of the parent company falls below 50% of the share capital. This did not occur in the financial year 2009.

Notes on the group cash flow statement

Cash and cash equivalents shown in the group cash flow statement are represented by cash in hand, checks, cash at banks and all highly liquid cash equivalents maturing within three months.

The group cash flow statement depicts how cash balances in the Eckert & Ziegler group have changed by cash inflows and outflows in the course of the financial year. In accordance with IAS 7 (Cash Flow Statements) cash flows in the group cash flow statement have been split under cash inflows from operating, investing and financing activities.

Cash resources with restricted availability in the cash fund:
As of December 31, 2009, the cash fund contained cash resources with restricted availability to the amount of EUR 20,061,000. These funds are in an Eckert & Ziegler AG account at the Belgian KBC bank and, together with a Deutsche Bank guarantee of EUR 20,000,000, are used to ensure financing the voluntary takeover bid for outstanding shares and options of IBt. S.A. announced in December 2009.

41. Operating activities

The cash inflows and outflows are determined indirectly, starting with profit after tax. Profit/loss after tax is adjusted for expense not involving the movement of cash and supplemented by changes in assets and equity and liabilities.

42. Investing activities

Cash flows from investing activities are derived from actual payment transactions. They include cash flows in connection with the acquisition and disposal of intangible assets and property and marketable securities that do not form part of cash and cash equivalents. Inflows and outflows of cash from the acquisition and disposal of enterprises are also shown here.

In the 2009 financial year, IBt. S.A. acquired shares in the "NanoBrachyTech" joint venture. This was a non-cash investment because the shares were acquired in exchange for the contribution of intangible assets to the joint venture.

43. Financing activities

Cash flows from financing activities are derived from actual payment transactions and include not only the take-up and repayment of credits and other financial liabilities, but also cash flows between the Group and its shareholders, such as dividend payments, for example.

Changes in the balance sheet items which are considered as movements in the group cash flow statement are adjusted to exclude non-cash effects of currency translation and changes in companies included in the consolidation. Further, investing and financing transactions that have not led to changes in cash and cash equivalents are not included in the cash flow statement. For these reasons changes to the balance sheet items concerned in the group cash flow statement are not directly reconcilable to the corresponding amounts in the published Group balance sheet.

Other disclosures

44. Company acquisitions and disposals

a) Acquisition of Eckert & Ziegler Nuclitec GmbH (formerly: Nuclitec GmbH)

On January 23, 2009, Eckert & Ziegler AG acquired all shares in the Brunswick Nuclitec GmbH, its American subsidiary, Nuclitec Inc., and the French sister company, Nuclitec SARL. The purchase price of the shares of Eckert & Ziegler Nuclitec GmbH was EUR 6,145,000. The ancillary acquisition costs amount to EUR 12,000.

The acquisition was included in the Group financial statements in accordance with the acquisition method whereby the results of the company are included in the present set of accounts as from the date of acquisition. The purchase price was allocated to the assets acquired on the basis of their fair values at the time of the acquisition. This allocation of the purchase price produced goodwill of EUR 5,288,000. The acquisition of Nuclitec makes it possible to use synergies with other group companies in the industry segment to realize significant additional potential earnings. The Executive Board also sees the opportunity to further expand the new "Environmental Services" area with the acquisition of Nuclitec. The allocation of the purchase price on the basis of the estimated fair values of the assets was as follows:

	Book value at time of acquisition	Revaluation	Fair value at time of acquisition
	TEUR	TEUR	TEUR
Assets			
Intangible assets	236	4,073	4,309
Property, plant and equipment	3,916		3,916
Inventories	4,643		4,643
Receivables	3,804	0	3,804
Other assets	606	0	606
Bank balances and cash in hand	2,321		2,321
Deferred tax assets	1,734	0	1,734
Liabilities			
Provisions and long-term liabilities	-13,600	0	-13,600
Trade accounts payable	-1,049	0	-1,049
Other short-term liabilities	-4,288	0	-4,288
Income tax liabilities	-3		-3
Deferred tax liabilities	-33	-1,491	-1,524
Book values of the assets and debts taken over	-1,713		-1,713
Revaluation of the assets and debts		2,582	2,582
Goodwill			5,288
Purchase price of the company acquisition			6,157
Less advance payments paid in 2008			-250
Less acquired bank balances and cash in hand			-2,321
Net capital flow from acquisitions of subsidiaries			3,586

As a result of the acquisition of Eckert & Ziegler Nuclitec GmbH, cash amounting to EUR 2,321,000 was obtained. Prior to the acquisition, the book value of the net assets acquired amounted to EUR –1,243,000. The Eckert & Ziegler Nuclitec GmbH profit in these Group financial statements amounts to EUR 762,000, of which EUR 0 are attributable to the American subsidiary Eckert & Ziegler Nuclitec Inc. If the company had already been included in the Group financial statements as of January 1, 2009, Group turnover would have been EUR 1,261,000 higher and the Group profit would have been EUR 206,000 lower.

b) Acquisition of Eckert & Ziegler Isotope Products SARL (formerly: Nuclitec SARL)

On January 23, 2009, Eckert & Ziegler AG acquired all shares in the Brunswick Eckert & Ziegler Nuclitec GmbH, its American subsidiary, Nuclitec Inc., and the French sister company, Nuclitec SARL. The purchase price of the shares of Eckert & Ziegler Isotope Products SARL was EUR 714,000. The ancillary acquisition costs amount to EUR 24,000.

The acquisition was included in the Group financial statements in accordance with the acquisition method whereby the results of the company are included in the present set of accounts as from the date of acquisition. The purchase price was allocated to the assets acquired on the basis of their fair values at the time of the acquisition. This allocation of the purchase price produced goodwill of EUR 283,000. The allocation of the purchase price on the basis of the estimated fair values of the assets was as follows:

	Book value at time of acquisition	Revaluation	Fair value at time of acquisition
	TEUR	TEUR	TEUR
Assets			
Intangible assets	0	123	123
Property, plant and equipment	2		2
Receivables	605		605
Bank balances and cash in hand	450		450
Liabilities			
Provisions	-398		-398
Trade accounts payable	-54		-54
Other short-term liabilities	-225		-225
Income tax liabilities	-7		-7
Deferred tax liabilities	0	-41	-41
Book values of the assets and debts taken over	373		373
Revaluation of the assets and debts		82	82
Goodwill			283
Purchase price of the company acquisition			738
Less acquired bank balances and cash in hand			-450
Net capital flow from acquisitions of subsidiaries			288

As a result of the acquisition of Eckert & Ziegler Isotope Products SARL, cash amounting to EUR 450,000 was obtained. Prior to the acquisition, the book value of the net assets acquired amounted to EUR -373,000. The profit of Eckert & Ziegler Isotope Products SARL in these Group financial statements amounts to EUR 95,000. If the company had already been included in the Group financial statements as of January 1, 2009, group turnover would have been EUR 47,000 higher and the Group profit would have been EUR 2,000 lower.

c) Acquisition of the sealed source division of NASM

On September 5, 2008, Eckert & Ziegler Isotope Products. Inc. acquired the sealed source division of North American Scientific Inc. (NASM). The purchase price amounts to up to USD 5,990,000 (depending on future sales), of which USD 43,000 are additional acquisition costs. USD 3,043,000 was paid in cash; USD 2,000,000 is allotted to a short-term vendor loan. A further USD 947,000 is allotted to a conditional purchase price liability, which is dependent on the sales volumes achieved with a specific NASM customer in the next 12 months.

The purchase price, which includes the additional expenses associated with the acquisition, was allocated only provisionally on December 31, 2008 to the assets in stock on the basis of their fair values at the time of the acquisition: In the 2009 financial year, the purchase price allocation was finalized as follows::

	Book value at time of acquisition	Revaluation	Fair value at time of acquisition
	TEUR	TEUR	TEUR
Intangible assets	2,313		2,313
Property, plant and equipment	22		22
Inventories	318		318
Net identifiable assets	2,653	0	2,653
Goodwill			1,596
Purchase price for the business area			4,249
Less purchase price components not paid in cash			-2,091
Net capital flow from acquisitions			2,158

45. Employee share scheme

On April 30, 1999, the annual general meeting authorized the Executive Board to set up a share option plan for employees and management of the company and its subsidiaries. The annual general meeting of May 20, 2003 made minor revisions to some details of the plan. The employee share scheme decided on by the Executive Board with the consent of the Supervisory Board provides for the granting of options to purchase a maximum of 300,000 shares from the authorized but unissued share capital, provided the company does not redeem the option rights by the transfer of its own shares or by making a cash payment. A single option entitles the holder to receive one share. The effective price for the initial tranche of options is equivalent to the share price fixed at the company's stock exchange flotation, while the effective price for subsequent tranches will be calculated from the average price of the Eckert & Ziegler's share on the last five trading days prior to the passing of the Executive Board resolution on the granting of options.

The earliest time when the options granted may be exercised is after a vesting period of two years, counting from the date of issue and only within specified exercise dates. In addition, exercise is dependent on reaching certain performance criteria. The increase in the company's share price in the period between the issue day and the first effective date must exceed the increase in the Neuer Markt Index (or after the termination of that index, the rise in the Technology All-Share Index) during the same period. Options must be exercised within five years of the vesting period. In the event of termination of employment, options not yet exercised lapse.

In 2006 the vesting period for the options granted in 2004 (6th tranche/tranche 2004) expired. It was established in 2006 that the performance criteria were satisfied in relation to the options granted in 2004. Thus, the exercise of the options is possible in principle. The first period for exercising options commenced on August 26, 2006, with the last possible date being August 26, 2011.

In 2005 the vesting period for the options granted in 2003 (5th tranche/tranche 2003) expired. It was established in the 2005 financial year that the performance criteria were satisfied in relation to the options granted in 2003. Thus, the exercise of the options is possible in principle. The first period for exercising options commenced on August 9, 2005, with the last possible date being August 25, 2010.

In 2004 it was established that the performance criteria were satisfied in relation to the options granted in 2002 (4th tranche/tranche 2002). Thus, the exercise of the options in this tranche is possible in principle. The first period for exercising options commenced on August 28, 2004, with the last possible date being August 25, 2009. The remaining options in these tranches lapsed on that date.

Movements in the number of outstanding share options in the last two financial years are as follows:

	2009		2008	
	Options	Weighted average effective price	Options	Weighted average effective price
	Number	EUR	Number	EUR
Outstanding at start of year	67,650	6.94	86,150	8.07
Issued	0	0.00	0	0.00
Exercised	33,250	6.75	0	0.00
Lapsed	800	5.12	18,500	12.19
Outstanding at start of year	32,700	7.24	67,650	6.94
Exercisable at end of year	32,700	7.24	67,650	6.94

33,250 stock options were exercised in the year under review. The weighted average share price on the dates on which share options were exercised was EUR 15.79.

The following table gives an overview of the share options outstanding on December 31, 2009.

Tranche	Exercise price	Options outstanding on December 31, 2009	Remaining exercise time
	EUR	Number	Years
5th tranche/tranche 2003	5.30	7,700	0.56
6th tranche/tranche 2004	7.84	25,000	1.65
		32,700	

In accounting for the employee share scheme, the Group applies the relevant standard for this, IFRS 2 (Share-based Payment). Under IFRS 2, share-based compensation payments that are made through equity instruments are to be measured at fair value. The fair value of each option exercised on the effective date is calculated by means of an option price model and recognized as staff costs over the vesting period. These staff costs entail an increase in capital reserve. In the 2009 and 2008 financial years, no additional staff costs needed to be recorded when applying IFRS 2.

The option price for options granted in the respective financial years was calculated by means of a binomial model. The non-tradable aspect was reflected in the binomial model by an option take-up factor representative of the relevant behavior of option plan participants. Further, the conditions for exercising options were taken into account by a discount on the option price. In the 2009 and 2008 financial years, no new options were issued.

46. Leasing agreements

Financial obligations as lessee

The Group has concluded leasing contracts to be capitalized (finance leases) and contracts not to be capitalized (operating leases) for equipment, vehicles, and property and buildings. In the 2009 and 2008 financial years, each ending on December 31, rental and leasing expenditure for operational leasing agreements amounted to EUR 1,922,000 and EUR 1,169,000, respectively.

The Group concluded a long-term leasing contract (finance lease) connection with an administration and production building erected in Berlin by the company on a third-party property. This contract gives rise to annual payments of EUR 167,000, of which EUR 89,000 are offset against the building costs. The contract will initially run until December 31, 2014. After this time expires, the Group has the right (including multiple times and for partial areas) to opt for an extension to the usage period until the production costs for the newly constructed building paid by the Group have been used up. Payments for use of any of the premises may not be increased before December 31, 2014. Payment to use any newly created areas will be renegotiated at this time.

The future minimum rental payments on non-redeemable leasing contracts not to be capitalized (operating lease: with initial or residual periods to maturity of more than one year), as well as future minimum payments on leasing contracts to be capitalized are as follows to December 31, 2008:

	Other rental and leasing contracts	Of which, finance leases	Cash value of the finance leases
	TEUR	TEUR	TEUR
To end of each year (December 31)			
2010	1,299	625	603
2011	946	530	478
2012	600	210	178
2013	461	93	75
2014	307	0	0
Thereafter	652	0	0
Total minimum rental or leasing payments	4,265	1,458	1,334

The finance leases involve property, plant and equipment only. The book value of the assets on December 31, 2009 was EUR 1,453,000 (2008: EUR 1,835,000). In the year under review, EUR 560,000 (2008: EUR 656,000) were recorded as the expenditure on finance leases. There are no conditional rental payments in the year under review or in the future. Furthermore, the leasing agreements contain no restrictions or obligations.

47. Other financial obligations and contingent liabilities and Receivables

On December 31, 2009, the companies of the Radiopharmaceuticals segment were still facing some legal disputes with former suppliers and sales agents. The Group assesses its legal position as good and has therefore not formed provisions for these dispute items. The maximum possible financial liabilities resulting from these amount to EUR 136,000.

There were no contingent receivables as of December 31, 2009.

48. Segment reporting

The Group has applied “IFRS 8 operating segments” effective from January 01, 2009. According to IFRS 8, operating segments must be separated from group areas based on internal reporting, which is regularly checked by the main decision makers of the group with regard to decisions about the distribution of resources for this segment and the assessment of its financial performance. Compared to the previous years, the first application of IFRS 8 has not lead to any changes to the identification of the group segments subject to mandatory reporting.

The Eckert & Ziegler Group has organized its activities in three operational reporting units. The individual segments provide different products and are also organizationally separated by the locations.

The applicable reporting principles for the individual segments are consistent with the reporting principles described in the summary of the fundamental accounting and valuation principles (Notes 3). The segment information is not consolidated. This corresponds to the information used by the Executive Board in regular reporting. Transactions between the segments are processed at market prices.

The Industry segment produces and operates standards and radiation sources for medical and industrial purposes. Standards are radioisotopes for calibration purposes. They are generally sold to scientific institutes. Industrial radiation sources are used in various measuring facilities for industrial plants and other measuring devices, such as safety equipment in airports. They are sold to manufacturers or operators of plants. The medical radiation sources include radioactive sources for calibrating gamma cameras. Since 2008, Eckert & Ziegler has also been supplying radiation sources used in oil exploration. The production sites for this segment are in North America and Europe. Worldwide sales and distribution also takes place from these locations. Since the takeover of the biggest competitor, Nuclitec, at the start of 2009, Eckert & Ziegler has been the global market leader in many products and applications, and in some cases the only provider. The Industry segment also includes the Environmental Services business area, which became part of the Group through the Nuclitec acquisition and generates revenue mostly through acceptance and handling of weak radioactive, German hospital waste. In 2009, the Environmental Services business area acquired in the context of the Nuclitec Acquisition is not listed as a separate segment, which is not reported separately in internal reporting but integrated into the reporting of the segment. Starting with the 2010 financial year, the key figures of this business field are separately reported to the main decision maker and therefore managed as a separate segment.

The Therapy segment concentrates on product development, manufacturing, launching and sales of radioactive products for cancer therapy. Particular focuses include prostate cancer treatment using radioactive iodine seeds. The merger between a former competitor, the Belgian company IBt S.A., and BEBIG, consolidated under the Eckert & Ziegler Group, made Eckert & Ziegler the European market leader for prostate products. Another fundamental component of the segment is low and high dose rate radiotherapy devices. The product range, which is mainly directed towards radiotherapists, is completed by iridium radiation sources and various therapy accessories. Production takes place in Europe only and the products are sold around the world, with the exception of the iodine seeds, which are not sold in North America.

With sites in Berlin, Mainz, Bonn and Brunswick, Germany, this segment includes products such as radioactive diagnostics for positron emission tomography (PET) and synthesis modules for producing radiopharmaceuticals. The equipment is used in practice in diagnostics and therapy in nuclear medicine as well as in research. The Auriga area was added with the acquisition of Nuclitec at the start of 2009. The most important products include Yttrium-90 as well as made-to-order production projects. Whilst the sale of PET diagnostics is restricted to Central and Eastern Europe, the synthesis modules and Yttrium-90 are sold globally. Made-to-order production takes place centrally and Brunswick and accepts orders from all parts of the world.

Another segment, which represents the costs and revenues of the Berlin holding company, is not actively involved in operations.

	Industry		Therapy		Radiopharmaceuticals		Miscellaneous		Elimination		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Sales to external customers	51,744	29,812	30,278	27,067	19,377	14,733	0	0	0	0	101,399	71,612
Sales to other segments	542	394	399	369	483	295	1,798	1,781	-3,222	-2,839	0	0
Total segmental sales	52,286	30,206	30,677	27,436	19,860	15,028	1,798	1,781	-3,222	-2,839	101,399	71,612
Earnings from equity shares			873								873	0
Segment profit before interest and profit taxes (EBIT)	8,989	6,967	-129	-3,253	1,090	-87	6,475	5,842	-7	0	16,418	9,469
Interest expenditures and revenues*	-430	-470	-630	-633	-1,055	-987	845	921	7	9	-1,263	-1,160
Profit tax	-2,765	-1,899	9,780	-229	-107	-1,519	-171	-1,616			6,737	-5,263
Profit before minority interests	5,794	4,598	9,021	-4,115	-72	-2,593	7,149	5,147			21,892	3,037
Special effects before minority interests	0	0	6,885	-3,264	0	-2,272	6,233	4,949			13,118	-587
Profit before minority interests without special effects	5,794	4,598	2,136	-851	-72	-321	916	198			8,774	3,624

* In reporting to segment and group management, interest paid and interest earned are shown net.

	Industry		Therapy		Radiopharmaceuticals		Miscellaneous		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Segmental assets	61,381*	34,593	59,925	44,735	18,158*	17,112	99,891	67,427	239,355	163,867
Of that, the value of holdings of shares valued at-equity			850						850	0
Elimination of inter-segmental shares, equity investments and receivables									-77,451	-65,069
Consolidated total assets									161,904	98,798
Segmental liabilities	-34,851*	-17,157	-31,027	-23,165	-21,074*	-20,076	-18,084	-18,221	-105,036	-78,619
Elimination of inter-segmental liabilities									29,791	22,641
Consolidated liabilities									-75,245	-55,978
Investments (without company acquisitions)	1,607	593	1,947	2,665	2,046	2,726	93	0	5,693	5,984
Depreciation	-2,677	-1,230	-2,627	-2,461	-1,619	-1,769	-198	-192	-7,121	-5,652
Non-cash income/expenses	0	-170	11,097	2,575	-338	-1,319	7,080	6,660	17,839	7,746

* In reporting to the segment and Group management, assets and liabilities of the radiopharmaceutical sites of Nuclitec GmbH in Brunswick, Germany are shown in the industry segment. The same applies to the segment representation shown above.

The total segment sales to external customers each correspond to the consolidated values.

Sales based on geographic areas	2009		2008	
	Mio EUR	%	Mio EUR	%
Europe	61.4	61	43.9	61
North America	27.2	27	20.3	28
Asia/Pacific	10.6	10	6.2	9
Miscellaneous	2.2	2	1.2	2
Total	101.4	100	71.6	100

The classification by geographical regions is based on the headquarters of the beneficiary. Sales in North America are limited almost exclusively to the USA.

Principal customers
In the Therapy segment in the 2009 financial year, sales amounting to approximately EUR 5.1 million (2008: EUR 1.3 million) can be attributed to one principal customer (corresponds to approx. 5% of the Group's consolidated sales).

49. Related parties and companies

In accordance with IAS 24, transactions with parties or companies that control Eckert & Ziegler AG or are controlled by Eckert & Ziegler AG must be disclosed. Transactions between Eckert & Ziegler AG and related parties and companies are handled under the same conditions as transactions with outside third parties.

a) Members of management in key positions

Executive Board

Dr. Andreas Eckert (Executive Board Chairman, responsible for the areas: management, investor relations, finances, business development and for the Industry segment), Berlin, businessman
On other boards: Chairman of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Burbank, USA; member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Dr. Edgar Löffler (Director, responsible for the Therapy segment), Berlin, medical physicist
On other boards: Member of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; Executive Director and member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Dr. André Heß (Director, responsible for the Radiopharmaceuticals segment), Berlin, graduate chemist and industrial engineer
On other boards: Member of the Board of Directors Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; representative of Eckert & Ziegler AG on the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

Supervisory Board

The members of the company's Supervisory Board in the 2009 financial year were:

Prof. Dr. Wolfgang Maennig (Chairman), Berlin, university professor
On other supervisory bodies: GRETA AG, Hasloh

Prof. Dr. Nikolaus Fuchs, Berlin (Vice-chairman), managing partner in Lexington Consulting GmbH and unaffiliated honorary professor
On other supervisory bodies: none

Hans-Jörg Hinke, Berlin, CEO of CARISMA Wohnbauten GmbH, Berlin
On other supervisory bodies: none

Dr. Gudrun Erzgräber, Schwanebeck, retired
On other supervisory bodies: none

Holger Bürk, Niedereschach, graduate computer scientist
On other supervisory bodies: Management Board of ConcentriXX AG, Kerns, Switzerland

Until May 20, 2009:
Prof. Dr. Ronald Frohne, Berlin, lawyer and accountant, honorary professor
On other supervisory bodies: Würzburger Versicherungs-Aktiengesellschaft, Würzburg; TAG Tegernsee Immobilien- und Beteiligungs-Aktiengesellschaft, Hamburg; Medienboard Berlin-Brandenburg GmbH, Potsdam; TELLUX-Beteiligungsgesellschaft mbH, Munich; Scholz & Friends AG, Berlin; AGICOA - Association de Gestion Internationale Collective des Oeuvres Audiovisuelles, Geneva; CAB (The Feature Film Producers' Association for the Distribution of Fees in Pursuance of Section 35 of the Danish Copyright Act), Copenhagen

Since May 20, 2009:
Prof. Dr. Detlev Ganten, Berlin, Chairman of the Foundation Board of Charité Berlin
On other supervisory bodies: none

To partially finance the purchase price of the sealed source division of North American Scientific (NASM), Dr. Andreas Eckert guaranteed Eckert & Ziegler Isotope Products Inc. a loan of EUR 700,000 for 5 years at 6.5%. As of December 31, 2009, the loan, including interest, amounted to EUR 705,000.

Remuneration Report

Executive Board Remuneration

The remuneration of the members of the Executive Board is set by the Supervisory Board and is discussed and reviewed at regular intervals.

The remuneration package as a whole, and its breakdown into individual elements, is in accordance with the principles of commensurateness. The assessment criteria are based in particular on the area of responsibility allocated to the board member, and the member's personal performance, but also the Group's competitive situation and the appropriateness of the remuneration in the context of comparable environments.

The remuneration of the Executive Board is currently composed of both fixed and variable elements.

The fixed remuneration elements represent approximately half of the total attainable income for Executive Board members. These consist of a fixed salary and a payment in kind. In addition to the base salary, the fixed salary element also includes health, long-term care and pension insurance benefits. The payment in kind element primarily consists of the provision of a company car.

The remuneration system also provides for variable compensation elements. These are one-off or annually recurring elements tied to the short-term success of the Company. One-off bonuses can be granted on the basis of exceptional services to the Company. The agreement provides for an annual profit-based management bonus based on the consolidated profit and loss statement as per IFRS and limited by a maximum ceiling.

Variable risk-based components with long-term incentive effects have been suspended following the discontinuation of the stock option program previously in place.

However, the remuneration system in its current form is presently undergoing a fundamental reassessment, in order to orient it more towards long-term company development, in line with regulations of the law on the appropriateness of board remunerations (VorstAG). It is intended to implement this restructuring of the remuneration system during the periodically scheduled renegotiation of the board members' contracts.

There are no provisions governing the payment of severance compensation in the event that a board member terminates their employment prematurely or in line with their contract.

Of the total remuneration of EUR 1,142,000 for the 2,009 financial year, fixed compensation elements accounted for EUR 632,000 and performance-based components accounted for EUR 510,000.

Name	Fixed components		Short-term performance-based components	Total
	Fixed salary	Payments in kind, benefits	Bonus	
Dr. Andreas Eckert	EUR 240,000	EUR 24,085	EUR 200,000	EUR 464,085
Dr. André Heß	EUR 132,000	EUR 20,353	EUR 160,000	EUR 312,353
Dr. Edgar Löffler	EUR 168,000	EUR 47,246	EUR 150,000	EUR 365,246

No remuneration payments were made to former Executive Board members or their dependents in the 2009 financial year. However, reserves due to a pension commitment in the amount of EUR 417,000 are being held for a former member of the Executive Board.

Moreover, for two active members of the Executive Board, the Group grants company pension coverage in the form of a pension plan reinsurance fund financed through deferred remuneration.

Supervisory Board Compensation

As per the articles of incorporation, members of the Supervisory Board receive an annual fixed remuneration of EUR 6,000, whereas the Chairperson receives double and a Deputy Chairperson receives one and a half times the base amount. Members of the Supervisory Board do not receive performance-related pay.

Over and above their annual remuneration, members of the Supervisory Board receive a payment of EUR 750.00 for each punctually and completely attended Supervisory Board meeting.

VAT is reimbursed by the Group in so far as members of the Supervisory Board are authorized to charge VAT and exercise their right to do so.

No remuneration was paid to Supervisory Board members for services, in particular consulting and brokerage services, rendered outside of their activities on the Supervisory Board in the reporting year.

In the financial year 2009, members of the Supervisory Board received fixed remuneration in the amount of EUR 45,000 and Supervisory Board meeting remunerations of EUR 19,500, amounting to a total of EUR 64,500.

Name	Remunerated function	Fixed remuneration	Remuneration for meeting attendance	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	EUR 12,000	EUR 3,000	EUR 15,000
Prof. Dr. Nikolaus Fuchs	Supervisory Board Deputy Chairperson	EUR 9,000	EUR 3,750	EUR 12,750
Prof. Dr. Ronald Frohne	Supervisory Board Member (to May 20, 2009)	EUR 2,301	EUR 750	EUR 3,051
Hans-Jörg Hinke	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Dr. Gudrun Erzgräber	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Holger Bürk	Supervisory Board Member	EUR 6,000	EUR 3,750	EUR 9,750
Prof. Dr. Detlev Ganten	Supervisory Board Member (from May 20, 2009)	EUR 3,699	EUR 750	EUR 4,449

As of December 31, 2009, there are no advance payments or loans to members of the Executive or Supervisory Boards of Eckert & Ziegler AG.

b) Other related parties and companies

– Eckert Wagniskapital und Frühphasenfinazierung GmbH (formerly: Eckert Strategieberatung und Kapitalbeteiligungsgesellschaft mbH (EWK)), which holds 32.7% of the shares in Eckert & Ziegler AG, and whose sole shareholder, Dr. Andreas Eckert, is the Executive Board Chairman of Eckert & Ziegler AG.

- Glycotope GmbH, which is 37.41% owned by EWK.

- Mr. A. Schmidt, CEO and minority shareholder of the subsidiary Eckert & Ziegler f-con Europe GmbH.

- Dr. Stabell, CEO and minority shareholder of the subsidiary Eckert & EURO-PET Berlin GmbH.

In 2009 and 2008, the following transactions were carried out with these related parties and companies:

In the year under review, Eckert & Ziegler BEBIG GmbH received EUR 3,000 for deliveries of Indium-111. To December 31, 2009, receivables amounted to EUR 1,000.

Mr. Schmidt guaranteed the subsidiary Eckert & Ziegler f-con Europe GmbH two loans. The loans are subject to 6.5% and 7.5% interest respectively. As of December 31, 2009, the loan, including interest, amounted to EUR 393,000.

Dr. Stabell receives goods deliveries at market prices from the subsidiary Eckert & EURO-PET Berlin GmbH. In the year under review, the invoices amounted to EUR 3,000. As of December 31, 2009, receivables amounted to EUR 1,000.

c) Joint ventures in which the Group is a partner company

In June 2009, IBt. S.A. contributed intangible assets to the joint venture and received a 15% share in the "NanoBrachyTech" joint venture in return. IBt. S.A. supplies weak radioactive implants to OOO Bebig, which is a full subsidiary of the joint venture. In the second half of the 2009 financial year (i.e. since partaking in the joint venture), the revenues of OOO Bebig amount to EURO 1,487,000. As of December 31, 2009, liabilities to OOO Bebig amounted to EUR 71,000. In the 2009 financial year, IBT. S.A. concluded several contracts with the joint venture regarding the sale of product expertise (EUR 2,749,000), the surrender of use of exclusive distribution rights (EUR 2,500,000) and, with the involvement of an external leasing company, the order to establish multi-part production facilities. The surrender of use resulted in other earnings of EUR 152,000 in the 2009 financial year. The joint venture made payments to the amount of EUR 5,249,000 so that, as of December 31, 2009, the Group shows payments to the joint venture to the amount of EUR 5,097,000.

The accounting balances for parties and companies related to the Eckert & Ziegler Group with regard to receivables, loans made, liabilities and loan commitments are as follows to December 31 of the 2009 and 2008 financial years:

	2009	2008
	TEUR	TEUR
Receivables from deliveries and services from related parties and companies	1	3
Loans made from related parties and companies	0	509
Loan commitments to related parties	1,098	1,125
Liabilities towards the joint venture company	5,168	0

50. Events since the balance sheet date

Takeover bid

In February 2009, a shareholder in IBt S.A. filed a lawsuit against Eckert & Ziegler in a Brussels court to force a mandatory offer. Back then, Eckert & Ziegler held 29.89% of the shares in IBt S.A. and was to be ordered to make the remaining shareholders in IBt S.A. a mandatory offer for their approx. 10 million shares at a share price of EUR 3.47 per share. Eckert & Ziegler AG believes that this obligation does not exist and has never existed. However, to end the legal dispute and to swiftly overcome all obstacles affecting the management of IBt. S.A., on December 28, 2009, Eckert & Ziegler AG together with Steglitz Medinvest (SMI) decided to submit a takeover bid for the remaining IBt shares at a price of EUR 3.64 per share. On December 31, 2009, Eckert & Ziegler AG deposited EUR 20.1 million in an account at the Belgian KBC bank for this purpose. This amount as well as an additional Deutsche Bank guarantee of EUR 20 million are used to ensure complete financing of the takeover bid in case of an acceptance rate of 100%. The term of acceptance of the takeover bid ended on March 17, 2010. The acceptance rate was 55.3%, so that Eckert & Ziegler invested EUR 22.2 million plus fees in additional IBt S.A. shares and options and now holds, without addition of the SMI voting shares, 56.0% of the voting rights and 71.9% of the profit sharing in the company. For partial refinancing of the takeover bid, a loan agreement is to be concluded in April 2010. With the finalization of the takeover bid and the payment of EUR 22.2 million to former IBt. S.A. shareholders, the Deutsche Bank guarantee of EUR 20.0 million also lapsed. The result of these actions is that Eckert & Ziegler AG has increased its influence on IBt S.A. and ended the paralyzing litigation. As a consequence, management can again concentrate on the operating business, research projects and acquisition opportunities.

Disclosures as per Section 315a HGB

51. Other income/expenses

The other income/expenses include income relating to other periods amounting to EUR 8,185,000 (2008: EUR 14,735,000) and expenses relating to other periods amounting to EUR 65,000 (2008: EUR 1,902,000). The income relating to other periods relates to income from the release of provisions (EUR 7,296,000) as well as revenues from the sale of non-current assets (EURO 36,000), which are listed under other operating income. Additional out of period revenues to the amount of EUR 873,000 are attributable to the book profit from the investment into the "NanoBrachyTech" joint venture; these are disclosed in the profit and loss statement in the earnings for shares valued at-equity. Other expenses relating to other periods are mainly the result of losses from the disposal of non-current assets.

52. Fees for auditors

The audit fees include the fee for the final audit of the 2009 year-end closing and group financial statements to the amount of EUR 252,000 as well as expenses incurred in the 2008 financial year to the amount of EUR 65,000. In addition to the fee for the final audit, the auditors received remuneration for other confirmation services to the amount of EUR 50,000. The auditors did not provide any other services.

53. Declaration in accordance with section 161 aktg (companies law) of adherence to the german corporate governance code (compliance statement)

The Executive and Supervisory Boards submitted the declaration of compliance with the recommendations of the German Corporate Governance Code, as required of Eckert & Ziegler as a listed company according to Section 161 of the AktG (Companies Law). This compliance statement was made permanently available to shareholders via the company's website.

Berlin, March 2010

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Andreas Eckert Edgar Löffler

Dr. Andreas Eckert Dr. Edgar Löffler Dr. André Heß

Assurance from the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Group financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, March 30, 2010

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert   Dr. Edgar Löffler   Dr. André Heß

Auditors' Report

We have audited the consolidated financial statements, comprised of balance sheet, income statement, statement of changes in equity, cash flow statement and appendix as well as the Group management report prepared by Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, for the business year from January 1, 2009 to December 31, 2008. Preparation of the consolidated financial statements and the Group management report in accordance with the IFRS as they are to be applied in the EU, and supplementing this in accordance with the commercial law regulations of § 315a paragraph 1 of the German Commercial Code (Handelsgesetzbuch – HGB) is the responsibility of the legal representatives of the Company. Our responsibility is to express an opinion on these consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with §317 of the HGB and the German generally accepted standards for the audit of financial statements promulgated by the German Auditors' Institute (Institut der Wirtschaftsprüfer – IDW). These standards require that we plan and perform the audit such that misstatements and infringements materially affecting the presentation of the net assets, financial position, and results of operations reported in the consolidated financial statements and in the Group management report in accordance with the applicable accounting regulations are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit comprises assessing the annual financial statements of the companies included in the consolidated financial statements, the determination of the scope of consolidation, the accounting and consolidation principles used, and the significant estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

Berlin, March 30, 2010

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Kronner
Wirtschaftprüfer

Brandt
Wirtschaftsprüfer

Executive Board and Supervisory Board

As of December 31, 2009		Stock	Stock options
Dr. Andreas Eckert	Executive Board	12,001	0
(Eckert Wagniskapital und Frühphasenfinanzierung GmbH*)		(1,699,986)	(0)
Dr. André Hess	Executive Board	3,000	0
Dr. Edgar Löffler	Executive Board	20,000	0
Prof. Dr. Wolfgang Maennig	Supervisory Board	16,259	0
Holger Bürk	Supervisory Board	45,050	0
Dr. Gudrun Erzgräber	Supervisory Board	0	0
Prof. Dr. Detlev Ganten	Supervisory Board	0	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	0	0
Hans-Jörg Hinke	Supervisory Board	0	0

*formerly Eckert Consult GmbH

Movements in Group non-current assets
As of December 31, 2008

	Procurement costs							
	As of 01.01.2008	Additions from company acqusitions	Other additions	Disposal	Transfers	Reclassification to disposal group	Currency translation	As of 31.12.2008
Non-current assets								
I. Intangible assets								
1. Goodwill	10,489	17,549	0	388	0	–86	363	27,927
2. Acquired intangible assets	10,213	5,816	569	134	20	–373	210	16,321
3. Internally generated intangible assets	4,111	0	756	1,458	0	0	0	3,409
	24,813	**23,365**	**1,325**	**1,980**	**20**	**-459**	**573**	**47,657**
II. Property, plant and equipment								
1. Buildings on third-party land	8,267	2,355	217	89	184	0	136	11,070
2. Plants and machinery	26,267	361	3,032	223	373	-332	167	29,645
3. Other plants and equipment, fixtures and fittings	2,963	2,365	1,235	103	62	–44	34	6,512
4. Plants under construction	598	0	2,013	142	-639	0	17	1,847
	38,095	**5,081**	**6,497**	**557**	**-20**	**-376**	**354**	**49,074**
	62,908	**28,446**	**7,822**	**2,537**	**0**	**-835**	**927**	**96,731**

	Depreciation						Net book value		
As of 01.01.2008	Additions	Value impairments	Disposal	Transfers	Reclassification to disposal group	Currency translation	As of 31.12.2008	As of 01.01.2008	As of 31.12.2008
541	0	450	0	0	0	29	1,020	9,948	26,907
5,673	1,688	0	70	–224	–169	149	7,047	4,540	9,274
365	456	1,479	1,436	0	0	0	864	3,746	2,545
6,579	**2,144**	**1,929**	**1,506**	**-224**	**-169**	**178**	**8,931**	**18,234**	**38,726**
2,332	550	0	0	0	0	49	2,931	5,935	8,139
15,749	1,343	1,359	220	224	–169	134	18,420	10,518	11,225
2,269	1,745	0	95	0	–37	34	3,916	694	2,596
0	80	0	80	0	0	0	0	598	1,847
20,350	**3,718**	**1,359**	**395**	**224**	**-206**	**217**	**25,267**	**17,745**	**23,807**
26,929	**5,862**	**3,288**	**1,901**	**0**	**-375**	**395**	**34,198**	**35,979**	**62,533**

Movements in Group non-current assets
As of December 31, 2009

	Procurement costs						
	As of 01.01.2009	Additions from company acqusitions	Other additions	Disposal	Transfers	Currency translation	As of 31.12.2009
Non-current assets							
I. Intangible assets							
1. Goodwill	27,927	5,571	0	357		-153	32,988
2. Acquired intangible assets	16,321	4,323	164	129	0	-131	20,548
3. Internally generated intangible assets	3,409	109	792	0	0	0	4,310
	47,657	**10,003**	**956**	**486**	**0**	**-284**	**57,846**
II. Property, plant and equipment							
1. Buildings on third-party land	11,070	5	187		223	-57	11,428
2. Plants and machinery	29,645	1,891	442	824	610	-75	31,689
3. Other plants and equipment, fixtures and fittings	6,512	1,766	1,038	295	-5	-16	9,000
4. Plants under construction	1,847	256	3,070	6	-828	-7	4,332
	49,074	**3,918**	**4,737**	**1,125**	**0**	**-155**	**56,449**
	96.731	**13,921**	**5,693**	**1,611**	**0**	**-439**	**114,295**

Depreciation							Net book value	
As of 01.01.2009	Additions	Value impairments	Disposal	Transfers	Currency translation	As of 31.12.2009	As of 01.01.2009	As of 31.12.2009
1,020	0	4,404	0	0	0	5,424	26,907	27,564
7,047	1,985	0	9	0	-90	8,933	9,274	11,615
864	502	0	0	0	0	1,366	2,545	2,944
8,931	**2,487**	**4,404**	**9**	**0**	**-90**	**15,723**	**38,726**	**42,123**
2,931	584	0	0	0	-27	3,488	8,139	7,940
18,420	2,644	0	320	-30	-58	20,656	11,225	11,033
3,916	1,406	0	274	20	-16	5,052	2,596	3,948
0	0	0	0	0	0	0	1,847	4,332
25,267	**4,634**	**0**	**594**	**-10**	**-101**	**29,196**	**23,807**	**27,253**
34,198	**7,121**	**4,404**	**603**	**-10**	**-191**	**44,919**	**62,533**	**69,376**

To increase public trust of the management and to monitor German joint-stock corporations which are listed on the stock exchange, the commission appointed by the German federal government presents recommendations for responsible corporate management in the German Corporate Governance Code, which is updated regularly.

In addition to outlining legal regulations, the German Corporate Governance Code contains further internationally and nationally recognized standards for good and responsible corporate management.

Eckert & Ziegler AG welcomes the substance and aims of the German Corporate Governance Code. Since its establishment, its principles have shaped responsible and transparent corporate management of Executive Board and Supervisory Board actions.

In this reporting year, too, the company adhered in the main to the recommendations of the German Corporate Governance Code. Only in a few, well-founded cases were there exceptions to the recommendations.

As a company listed on the stock exchange, Eckert & Ziegler is obliged in accordance with § 161 of the German Stock Companies Law to submit an annual declaration of compliance with the German Corporate Governance Code. This declaration must make it clear that the German Corporate Governance Code has been and is being complied with or which recommendations have not been or are not being applied:

Declaration on the Corporate Governance Code as per § 161 of the German Stock Companies Law

The Executive Board and Supervisory Board of Eckert & Ziegler Strahlen- und Medizintechnik AG hereby declare the following in accordance with §161 of the German Stock Companies Law:

Eckert & Ziegler Strahlen- und Medizintechnik AG will comply with the recommendations of the German Corporate Governance Code – the version of June 18, 2009 – with the following exceptions:

Deductible amount with the D&O insurance:

The D&O insurance policy taken out for the Supervisory Board provides for no deductible amount.

The agreement of a deductible amount with the D&O insurance (liability insurance for members of the organs) for the Supervisory Board has been dispensed with as it is not apparent that this fundamentally boosts the motivation and sense of responsibility of the members of the Supervisory Board. Moreover, the Executive and Supervisory Boards consider a deductible inappropriate in view of the comparatively low remuneration of the Supervisory Board.

Formation of commissions:

The Supervisory Board has established no commissions, in particular no auditing commission or nomination commission.

The need to form commissions, in particular an auditing commission or nomination commission, is not viewed as a matter of priority by the Supervisory Board because of the small number of members on the Supervisory Board and the specific circumstances of the company. All of the duties conferred on such committees are therefore undertaken by the Supervisory Board itself.

Age limit for members of the Executive Board and Supervisory Board:

No age limits have been set either for members of the Executive Board or for members of the Supervisory Board.

The Executive and Supervisory Boards are of the opinion that a general age limit for members of the Executive Board and Supervisory Board does not represent an appropriate criterion for appointing members of these bodies. Rather, when it comes to appointing people to the Executive Board and Supervisory Board, the fundamentally important factor is whether the members have the necessary knowledge, skills and specialist experience required.

Supervisory Board remuneration:

The members of the Supervisory Board receive no performance-based remuneration.

The Executive and Supervisory Boards are of the opinion that remuneration linked to the profits of the business is not compatible with the legally prescribed function of the Supervisory Board as an independent monitoring body or with the associated requisite neutrality of interest.

Eckert & Ziegler Strahlen- und Medizintechnik AG has complied in full with the recommendations of the German Corporate Governance Code – the version of June 6, 2008 – since its declaration of compliance on December 3, 2008, excluding the exceptions stated in the declaration. The reasons for these deviations are explained in the foregoing.

Berlin, Germany, December 3, 2009

For the Executive Board:

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

For the Supervisory Board:

Prof. Dr. W. Maennig

Declaration of exceptions to the recommendations of the German Corporate Governance Code

The Executive Board takes the following stance – also on behalf of the Supervisory Board – in relation to the exceptions to the recommendations of the German Corporate Governance Code specified in the declaration of compliance of December 3, 2008:

Deductible amount with the D&O insurance

The agreement of a deductible amount with the D&O insurance (liability insurance for members of the Executive Board and Supervisory Board) has been dispensed with as it is not apparent that this fundamentally boosts the motivation and sense of responsibility of the members of the boards. In addition, there are currently no generally recognized principles for the appropriateness of such an arrangement.

Formation of commissions

The need to form commissions, in particular an auditing commission or nomination commission, is not viewed as a matter of priority by the Supervisory Board because of the small number of members on the Supervisory Board and the specific circumstances of the company. All of the duties conferred on such committees are therefore undertaken by the Supervisory Board itself.

Executive Board remuneration

On the basis of the experience gained with the earlier share option program, in particular in relation to how it was received by employees, no comparable follow-up program has so far been concluded for senior managers.

Age limit for members of the Executive Board and Supervisory Board

The Executive and Supervisory Boards are of the opinion that a general age limit for members of the Executive Board and Supervisory Board does not represent an appropriate criterion for searching for and excluding members of these bodies. Rather, when it comes to appointing peo-ple to the Executive Board and Supervisory Board, the fundamentally important factor is whether the members have the necessary knowledge, skills and specialist experience required.

Supervisory Board remuneration

The Executive and Supervisory Boards are of the opinion that remuneration linked to the profits of the business is not compatible with the legally prescribed function of the Supervisory Board as an independent monitoring body or with the associated requisite neutrality of interest.

Monitoring of activity and consulting with the Executive Board

In the year under review, the Supervisory Board duly exercised its responsibilities as mandated by law, ordinances and bylaws. The Supervisory Board advised the Executive Board in its executive function and monitored its activities.

The Executive Board regularly provided the Supervisory Board with timely and comprehensive information, both orally and in written form, regarding its planning, business and strategic developments, as well as the current state of the Group. The Supervisory Board was directly involved in all decisions of key importance to the business.

A total of six meetings of the Supervisory Board were held during the year under review. Where necessary, the Supervisory Board adopted decisions by written procedure. Approvals of Executive Board decision proposals followed careful consideration of all relevant documents and intensive discussions with the Executive Board. There were no Supervisory Board committees during the period under review.

Outside of Supervisory Board meetings, the Chairman of the Executive Board regularly informed the Chairman of the Supervisory Board of current business developments and major transactions.

The Supervisory Board in its advisory capacity focused on the following main topics in the year under review:

- Capital increases through utilization of authorized capital
- Acquisition of nuclitec GmbH, Brunswick
- Submission of a takeover bid for IBt
- Risks and opportunities in the waste disposal business

Examination of the 2009 annual financial statement

The annual financial statements for Eckert & Ziegler Strahlen- und Medizintechnik AG, the financial statements for the Eckert & Ziegler Group, the management reports for Eckert & Ziegler Strahlen- und Medizintechnik AG and the Eckert & Ziegler Group, the Executive Board's proposal to the annual general meeting on the appropriation of the year's retained earnings, and the reports by the auditors, namely KPMG AG Wirtschaftsprüfungsgesellschaft of Berlin, were all submitted to the Supervisory Board and supplied to each of its members.

A representative of the auditing company took part in the Supervisory Board meeting held on March 24, 2010 to evaluate the financial statements, and reported on the main audit findings. The auditors confirmed in their report that all legal requirements have been complied with, and they issued an unconditional accounts certification. The Supervisory Board acknowledged the findings of the audit with assent.

Following its concluding examination, the Supervisory Board had no reservations regarding the audited financial statements or any of the other documents submitted. It hereby approves the annual and consolidated statements presented to it.

Other

In the year under review, Prof. Dr. Ronald Frohne retired from the Supervisory Board. The Supervisory Board would like to thank him for a constructive working relationship over a number of years.

Prof. Dr. Detlev Ganten was elected to the Supervisory Board for the first time at the Annual General Meeting on May 20, 2009.

A word of thanks

The Supervisory Board thanks the members of the Executive Board and senior management as well as the employees of the companies belonging to the Eckert & Ziegler Group for their strong commitment and performance in fiscal year 2009.

Berlin, March 2010

The Supervisory Board

Prof. Dr. Wolfgang Maennig
Chairman

	2009	2008
	EUR	EUR
1. Sales revenue	1,798,032.73	2,252,510.25
2. Other operating income	21,949,842.61	22,448,321.04
	23,747,875.34	24,700,831.29
3. Staff costs		
a) Wages and salaries	-1,193,923.25	-1,464,164.54
b) Social security contributions and expenditure on pensions and old-age support	-107,354.38	-107,436.92
– of which for pensions EUR -25,139.00 (previous year: EUR -40,600.00)		
	-1,301,277.63	-1,571,601.46
4. Depreciation and amortization	-294,215.83	-288,033.45
5. Other operating expenses	-3,642,997.43	-9,317,156.65
6. Earnings from transfer agreements	0.00	8,124.28
7. Income from holdings of which from affiliates EUR 2,181,152.22 (previous year: EUR 2,858,955.66)	2,181,152.22	2,858,955.66
8. Income from other securities and from loans included under long-term investments of which from affiliates EUR 758,669.50 (previous year: EUR 398,869.48)	758,669.50	398,869.48
9. Interest receivable and similar income	848,532.74	1,064,261.21
10. Write-downs on long-term investments and on marketable securities	-169,818.28	-14,114,167.52
11. Expense from absorption of losses	-147,189.55	-560,626.73
12. Interest payable and similar expenses	-897,955.28	-301,036.52
13. Net income/loss (-) from ordinary activities	21,082,775.80	2,878,419.59
14. Income tax expense	-5,521.07	-1,000,911.16
15. Profit for the year	21,077,254.73	1,877,508.43
16. Withdrawals from retained earnings		
a) from treasury stock reserve	92,219.90	0.00
b) from other retained earnings	435,778.07	0.00
17. Allocations to retained earnings Allocations to treasury stock reserve	-435,778.07	0.00
18. Unappropriated retained earnings/losses (-)	21,169,474.63	1,877,508.43

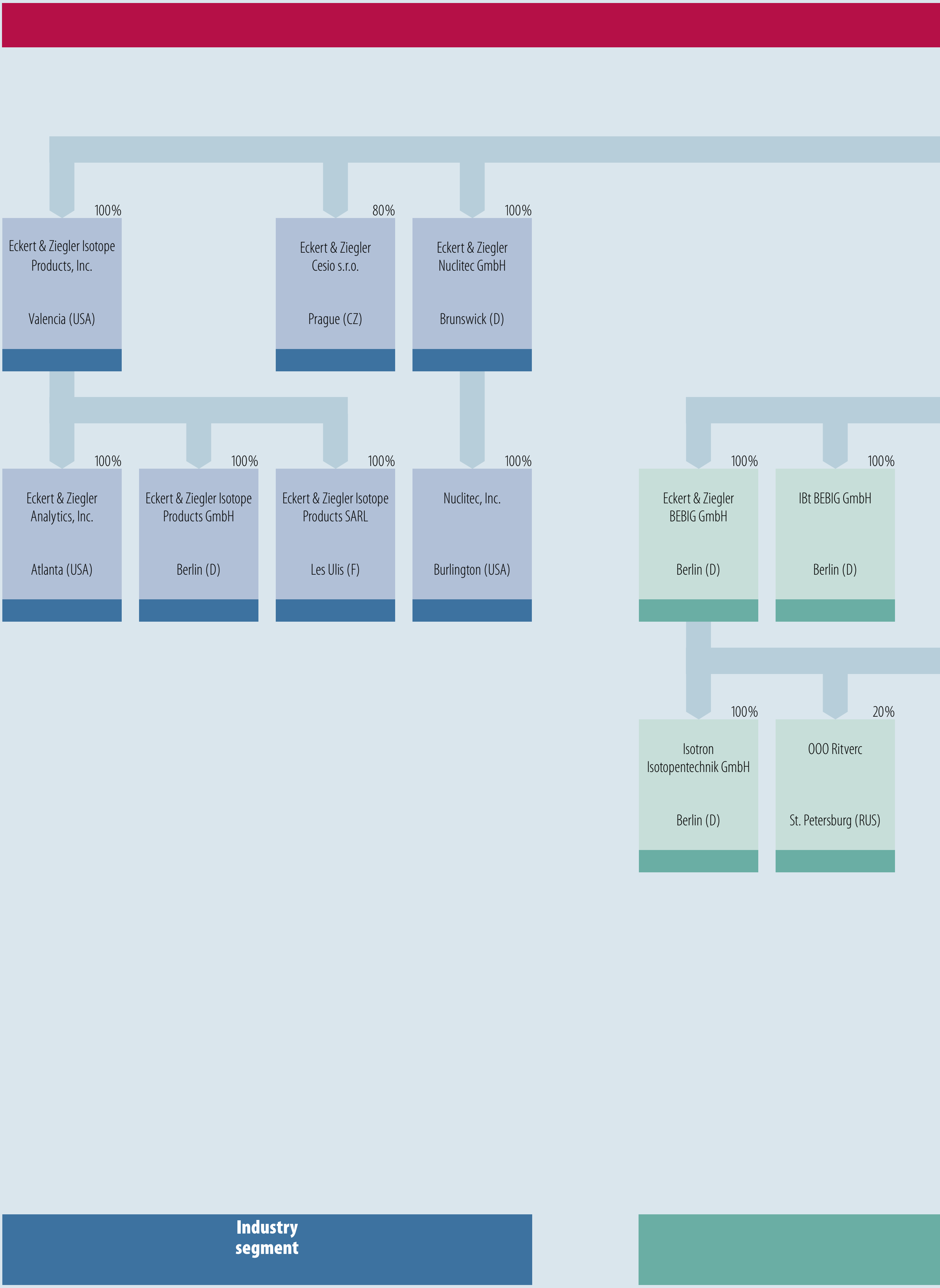
Balance Sheets – Assets (Parent Company)

As of December 31

	2009	2008
	EUR	EUR
Assets		
A. Non-current assets		
I. Intangible assets		
Patents, licenses, trademarks and similar rights and software	1,87,370.52	1,877,907.38
II. Property, plant and equipment		
Other plant and equipment, fixtures and fittings	13,470.06	12,741.86
III. Long-term investments		
1. Shares in affiliates	44,327,147.54	25,931,723.45
2. Loans to affiliates	13,727,670.19	12,124,486.52
3. Deposits on long-term investments	0.00	250,000.00
	58,054,817.73	38,306,209.97
	59,655,658.31	40,196,859.21
B. Current assets		
II. Receivables and other assets		
1. Trade accounts receivable	0.00	444.73
2. Amounts due from affiliates	12,933,022.63	10,782,621.76
3. Other assets	306,278.51	762,149.42
	13,239,301.14	11,545,215.91
II. Securities		
1. Own shares	703,063.42	359,505.25
2. Other securities	220,140.01	322,955.90
	923,203.43	682,461.15
III. Bank balances with restricted availability as security for pending transactions	20,060,799.59	0.00
IV. Cash at bank	3,351,278.47	439,302.50
	37,574,582.63	12,666,979.56
C. Prepaid and deferred expenses	6,301.18	1,109.00
	97,236,542.12	52,864,947.77

	2009	2008
	EUR	EUR
Liabilities and Shareholders' equity		
A. Shareholders' equity		
I. Subscribed capital	5,260,283.00	3,250,000.00
Nominal amount of authorized but unissued common stock EUR€,907,666.00 (previous year EUR€00,000.00)		
II. Additional paid-in capital	50,048,019.23	27,166,471.23
III. Other retained earnings		
1. Treasury stock	703,063.42	359,505.25
2. Retained earnings	1,541,758.45	1,231,942.49
	2,244,821.87	1,591,447.74
IV. Unappropriated retained earnings/losses (-)	21,169,474.63	1,877,508.43
	78,722,598.73	33,885,427.40
B. Special reserves for contributions to non-current assets	338,551.56	405,421.57
C. Provisions		
1. Retirement benefit obligations	372,600.00	379,195.00
2. Deferred tax liabilities	924,373.00	934,866.00
3. Other reserves	1.756,879.08	8,527,291.71
	3,053,852.08	9,841,352.71
D. Liabilities		
1. Bank borrowings	10,454,901.61	4,567,892.96
2. Trade accounts payable	94,373.56	19,031.96
3. Amounts due to affiliates	3,205,111.69	2,658,399.61
4. Other liabilities	1,367,152.89	1,487,421.56
(of which for taxes EUR€05,188.67; previous year EUR€57,727.13)		
(of which for social security EUR€,424.99; previous year EUR 697.58)		
	15,121,539.75	8,732,746.09
	97,236,542.12	52,864,947.77

Corporate Structure
As of December 31, 2009



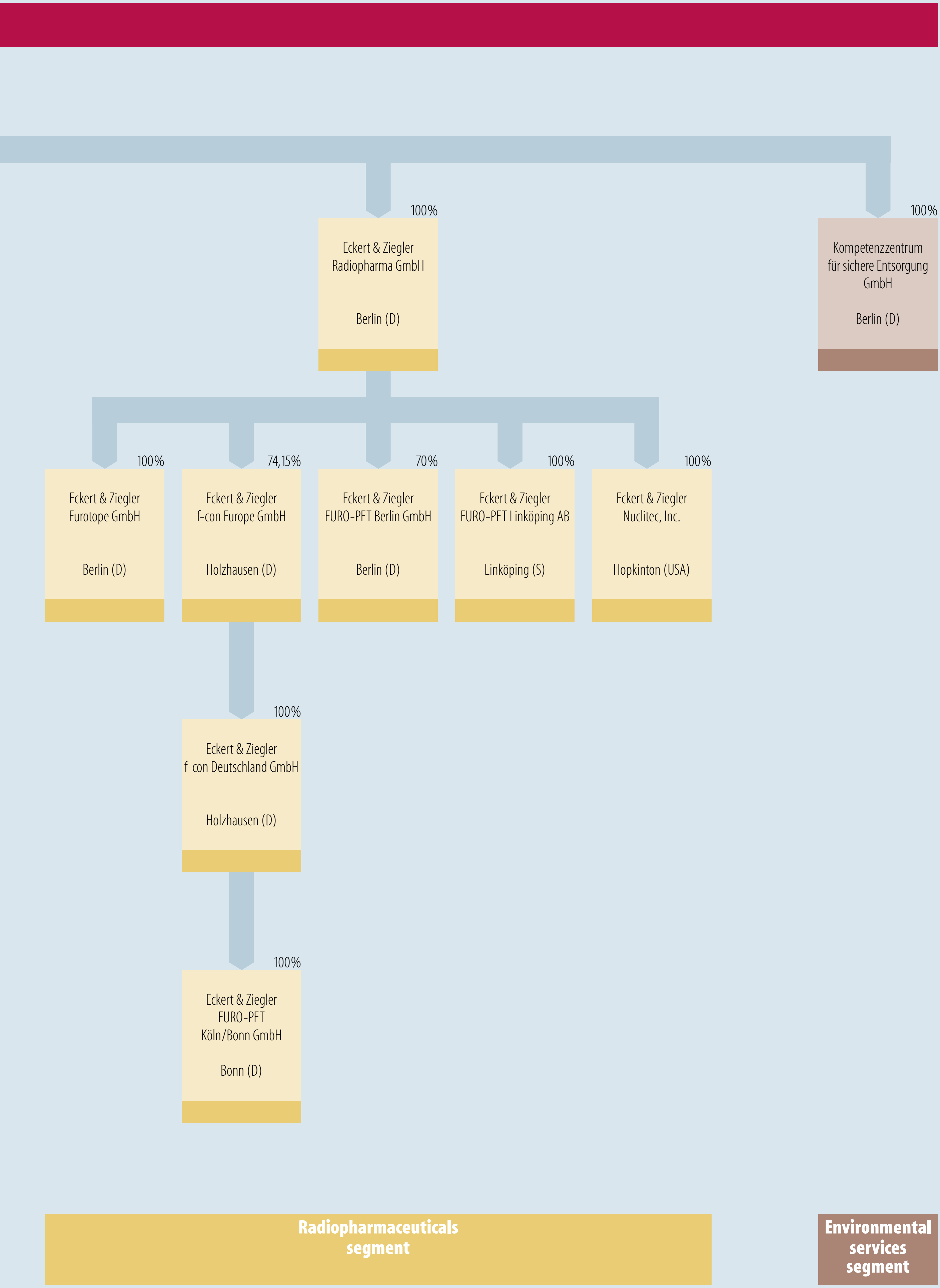
Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin (D)

- 29,2% International Brachytherapy S.A., Seneffe (BE)
  - 100% International Brachytherapy Ltd., London (UK)
  - 100% International Brachytherapy, Inc., Norcross (USA)
  - 100% Eckert & Ziegler BEBIG SARL, Paris (F)
  - 100% Eckert & Ziegler Italia s.r.l., Milan (I)
  - 100% Eckert & Ziegler Iberia S.L.U., Madrid (E)
  - 100% Eckert & Ziegler MMI GmbH, Berlin (D)
    - 100% Eckert & Ziegler BEBIG Radiotherapy SARL, Paris (F)
  - 15% ZAO NanoBrachyTech, Moscow (RUS)
    - 100% OOO BEBIG, Moscow (RUS)

Branch Offices

- Eckert & Ziegler BEBIG France, Paris (F)
- Eckert & Ziegler BEBIG India, Chennai (IND)

Therapy segment


100%
Eckert & Ziegler Radiopharma GmbH
Berlin (D)
100%
Kompetenzzentrum für sichere Entsorgung GmbH
Berlin (D)
100%
Eckert & Ziegler Eurotope GmbH
Berlin (D)
74,15%
Eckert & Ziegler f-con Europe GmbH
Holzhausen (D)
70%
Eckert & Ziegler EURO-PET Berlin GmbH
Berlin (D)
100%
Eckert & Ziegler EURO-PET Linköping AB
Linköping (S)
100%
Eckert & Ziegler Nuclitec, Inc.
Hopkinton (USA)
100%
Eckert & Ziegler f-con Deutschland GmbH
Holzhausen (D)
100%
Eckert & Ziegler EURO-PET Köln/Bonn GmbH
Bonn (D)
Radiopharmaceuticals segment
Environmental services segment

Afterloading therapy Short-term radiation in cancer treatment in which a mostly wire-bonded radioactive source is propelled electrically for a brief period into the target tumor area by means of a tube-like catheter or by cannulas. Several sessions are usually necessary.

Brachytherapy Contact treatment mainly in the form of irradiation with a minimal distance between the source of radiation and the tissue which is to be irradiated.

Calibrated-reference emitters Radioactive sources used as a reference standard for measuring instruments

Calibration Referencing of measuring instruments to specified standards

Cobalt sources (CO-60) Radioactive source with the radioactive nuclide Co-60 which is well suited for radiating the surface of tumors. The MultiSource® cancer radiation system uses cobalt-60 sources.

Conditioning here: Processing low and intermediate level radioactive waste; includes comprehensive measuring and categorization of waste materials, high-pressure compression of waste containers to reduce volume and the packaging of compressed waste in special containers so that it is suitable for final disposal.

Contrast medium Medicinal product which improves the representation of structures and functions of the body in imaging processes

Cyclotron Circular particle accelerator for production of radioactive substances

Dilation bougie Special applicator used in conjunction with a cancer treatment device for the treatment of esophageal cancer.

Emitter Here: device that transmits radioactive rays. Sometimes also referred to as "source"

Eye applicators Anatomically formed radiation source for radiotherapy for eye tumors

Fludeoxyglucose (FDG) also: Fluorodeoxyglucose glucose analog. Radioactive marked glucose

Fluorethylcholin Newly developed, highly specific radiopharmacon for the precise diagnosis of prostate cancer used in positron emission tomography (PET)

Gallium generator Device for generating gallium-68 which is obtained from germanium-68. Gallium-68 is used to diagnose specific cancers

IFRS Abbreviation for International Financial Reporting Standards. Standards to which the present Group financial statements were drawn up

Implantation Placement or insertion of foreign materials into an organism

Implants Natural or synthetic elements implanted in the body (here they are synonymous with seeds)

Iodine-125 Radioisotope of iodine. Low-energy photon radiation is used therapeutically.

Isotope Chemical element having the same atomic number but different atomic weight. Isotopes can be stable or can disintegrate when subject to ionizing radiation (radioactive isotopes).

Modular Lab Synthesis device for the production of radioactive diagnostics

Nuclear Imaging Imaging for nuclear medical purposes

Nuclear medicine Specialist medical area concerned with the diagnostic and therapeutic use of open, usually ephemeral radionuclides

Oncology Specialist medical area which deals with the origin and treatment of malignant tumors

Ophthalmology Science of the eye and eye diseases

Permanent implants Implants intended to remain in the organism/body permanently

PET scanner Device used for positron emission tomography (PET), a specialized imaging process in nuclear medicine

PET tracers Radioactively marked substances introduced into living organisms to diagnose cancer in the framework of PET examinations

Positron Elementary particle with the mass of an electron, but with positive charge

Positron emission tomography (PET) Nuclear medical examination for producing sectional images using photons created by positron decay

Prostate Prostate gland. Chestnut-size organ situated around the neck of the male urethra

Radioactive embolizers Radioactive substances administered for therapeutic purposes with artificially closed blood vessels in cancer cells

Radioactivity Property of unstable nuclides emitting spontaneously or through disintegration of the atomic nuclei alpha and beta rays or electromagnetic waves (gamma rays)

Radiodiagnostics Diagnostic radiopharmaceuticals. See also Radiopharmaceuticals

Radioisotope See Radionuclide

Radionuclide Radioactive isotope

Radiopharmaceuticals Substances and medications which, because of their radioactive nuclides, are effective as diagnostic and therapeutic agents in nuclear medicine

Radiopharmacy Development and production of radiopharmaceuticals

Raw isotope Radioactive starting substance for producing radiation sources

Seed Small metal pins containing radioisotopes for interstitial radiation therapy

SPECT Abbreviation for: Abbreviation for Single Photon Emission Computer Tomography. Imaging method in nuclear medicine, and also PET

Synthesis modules Here: components of the modular equipment system of the product Modular-Lab for automated synthesis of radiopharmaceuticals and radioactive chemicals

Yttrium-90 Medical isotope used in conjunction with therapeutic agents in cancer treatment.

Financial Calendar

May 4, 2010
Annual Report I/2010

May 5, 2010
Entry and General Standard Conference in Frankfurt

May 20, 2010
Annual General Meeting in Berlin

August 3, 2010
Quarterly Report II/2010

November 2, 2010
Quarterly Report III/2010

November 2010
German Equity Forum in Frankfurt

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