Well positioned

Annual Report 2010

Eckert & Ziegler

		2010	2009	Change over 2009	2008	2007
Sales	TEUR	**111,093**	101,399	+10%	71,612	54,444
Return on revenue before tax without one-off effects	%	**13%**	13%	-2%	8%	9%
Net profit for the year	TEUR	**9,413**	13,250	-29%	4,502	1,948
Profit before tax (EBT)	TEUR	**14,353**	15,155	-5%	8,301	4,921
One-off effects before tax	TEUR	**0**	1,829	-	2,530	-
EBT w/o one-off effects	TEUR	**14,353**	13,326	+8%	5,771	4,921
Interest	TEUR	**-2,218**	-1,263	+76%	-1,168	-767
EBIT	TEUR	**16,571**	16,418	+1%	9,469	5,688
EBIT w/o one-off effects	TEUR	**16,571**	14,589	+14%	6,939	5,688
Depreciations	TEUR	**-9,842**	-11,525	-15%	-9,150	-3,731
EBITDA	TEUR	**26,413**	27,943	-5%	18,619	9,419
EBITDA w/o one-off effects	TEUR	**26,413**	21,710	+22%	12,801	9,419
Earnings per share	EUR	**1.81**	3.50	-48%	1.43	0.62
Earnings per share w/o one-off effects	EUR	**1.81**	1.97	-8%	1.10	0.89
Cash flow from operating activities	TEUR	**15,025**	22,112	-32%	8,592	6,631
Tax rate	%	**27%**	-44%	-	63%	56%
Shareholders' equity	TEUR	**73,605**	86,075	-14%	42,820	36,491
Equity ratio	%	**51%**	53%	-5%	43%	54%
Total assets	TEUR	**144,467**	161,320	-10%	98,798	67,587
Book value per share	EUR	**13.23**	20.24	-35%	13.11	11.61
Staff*	People	**546**	526	+4%	404	359
Average number of shares in circulation	Item	**5,193,614**	3,782,850	+37%	3,143,165	3,142,290
Dividend	EUR	**0.60****	0.45	+33%	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.

* as of December 31, 2010

** Dividend to be proposed to the Annual General Meeting by the Group on May 19, 2011.

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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.


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Germany Land of Ideas
Selected Landmark 2010
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January

The Belgian subsidiary IBt S.A., European market leader for implants for treating prostate cancer, reports record results for the financial year 2009. (1)

February

Eckert & Ziegler starts takeover bid for the Belgian IBt S.A.

To foster up-and-coming researchers in the field of nuclear medicine and raise its brand awareness, Eckert & Ziegler again offers the Eckert & Ziegler Abstract Award. (2)

March

Eckert & Ziegler concludes the takeover bid for IBt S.A. and now holds 56% of the voting rights and 72% of the dividend rights. (3)

April

Eckert & Ziegler takes over the remaining 30% of the radiopharmaceuticals operation Eckert & Ziegler EURO-PET Berlin GmbH. (4)

May

Annual general meeting of Eckert & Ziegler AG in Berlin-Buch. (5)

June

The Belgian subsidiary IBt S.A. receives a large order from France for the delivery of miniaturized implants for treating prostate cancer. (6)

IBt S.A. presents first positive results of a radiobiological research program that examines the use of permanent implants with early-stage breast cancer.

Eckert & Ziegler Nuclitec GmbH in Brunswick is the main supplier of the radioactive components for the blood cancer medication ZEVALIN® of the American pharmaceuticals company, Spectrum Pharmaceuticals Inc. (7)

Eckert & Ziegler f-con Deutschland GmbH wins a tender for the regular delivery of radiodiagnostics to the Medical University in Gdansk, Poland.


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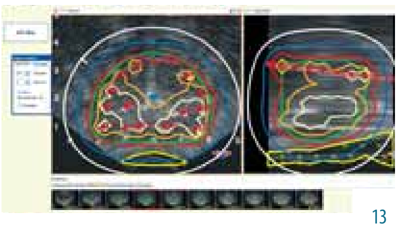
13


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July

IBt S.A. delivers its product IsoSeed® for the treatment of a brain tumor patient to the university clinic of Helsinki for the first time.

September

IBt S.A. presents implants for treating prostate cancer on plastic basis at the European radiation therapy congress ESTRO in Barcelona for the first time. (8)

October

The Eckert & Ziegler Abstract Award is presented to five excellent nuclear medicine specialists at the annual conference of the European Association of Nuclear Medicine (EANM) in Vienna. (9)

November

Eckert & Ziegler is the award winner of the innovative competition "365 landmarks in the land of ideas" which is held nationwide and is distinguished for its innovative isotope technology with the special award "Gelebte Einheit" [Lived unit]. (10)

Eckert & Ziegler is chosen by the auditing and consultancy company Ernst & Young as "Finalist Entrepreneur of the year 2010". (11)

Eckert & Ziegler f-con Deutschland GmbH concludes an exclusive distribution agreement for the regular delivery of fludeoxyglucose (18F) (FDG) for the diagnosis of cancer diseases with ZAG Zyklotron AG, which is based in Karlsruhe. (12)

December

IBt S.A. takes over all shares in Sono-Tech GmbH, a Bavarian software specialist for irradiation planning. (13)

Dear Ladies and Gentlemen, Dear Shareholders,

Once again a year has come to an end, the books have been closed, the management report audited. The accounting department and Executive Board breath relieve.Managed again! Everything looks right, the figures are good. Records have been set once again in the twelfth year after the initial public offering (IPO). This does not just include the EUR 111 million sales revenues for the whole year, an increase of 10% compared to the previous year, but also the sales in the important final quarter of the year. They reached EUR 30 million for the first time. Never before were we able to report such a high sales volume for a three-month period. Particularly pleasing: the growth was achieved almost exclusively organically in 2010, is therefore not due to any company purchases.

Sales Revenues did not increase equally in all areas, however on a segment level all drops or standstills were compensated for by increases in other places. Even the Therapy segment with its currently weak growth was able to win a good 6% in business volume in 2010 through special revenues from the sale of equipment to Russia and therefore compensated for falls with implants and afterloaders. Increases only, on the other hand, were recorded in the Isotope Products segment over all main product categories, with particularly pleasing results in the medical subsegment. On average, the Isotope Products segment increased by 10%. The winner's crown however goes to the Radiopharma segment in 2010, which increased its business volume organically even by 16% to EUR 23 million. Most notable were sales of pharmaceutical grade Yttrium, which increased by 24% year over year - an excellent result, for which I congratulate the team. Similarly, the equipment manufacturers of the segment, in a difficult market environment, achieved a remarkable growth of 18%. Business volume in this subcategory has increased more than tenfold in the last five years. By all means, the Radiopharma segment which only started a few years ago, has now grown out of its children's shoes.

A similar development we expect for the Environmental Services segment in the next few years. In the period under review they did in fact only increase slightly with regard to the business volume, several hundreds of thousands of EUR. However this is not tragic for a new venture. We continue to remain highly optimistic for this segment.

Profits: With the tailwind from the growth in sales the Group net income from continuing business activities increased substantially in 2010. After taxes and minority interests it achieved EUR 9.4 million, a gain of a respectable 26% on the value of the previous year (adjusted by special effects), which comprised EUR 7.5 million. The disproportionately high increase in profits shows that the Group is on the right path with its consolidation strategy and, through the integration of the units which were purchased in the last few years, can record substantial economies of scale and synergy effects in many areas. The jump in income leads directly to a higher cash flow from operational activity (defined as profit plus depreciations minus profit and loss components not affecting payments). It grew to EUR 17.4 million in the financial year and therefore by roughly 11% compared to the comparable value of the previous year, which was around EUR 15.6 million.

If the liquid funds were nevertheless lower at the end of the year than in the previous year, still though with a respectable EUR 29 million, this had nothing to do with the efficiency of the company, but with high cash outflows for investments, including EUR 22 million for the increase in the share at IBt as well as with increased net working capital requirements. Missing here are the high advance payments received on plant orders last year, which positively distorted the cash flow statement in 2009.

Everything fine otherwise? – we were not very successful in 2010 with acquisitions, a traditional additional source of growth. We managed to a small software company,

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

but would have hoped to make more progress overall. However, the standstill is not tragic. Company purchase transactions never move consistently. Sometimes it moves in quick succession, sometimes there are long breaks.

It was in any case not due to a lack of trying. The project history shows fourteen serious attempts, some are still waiting for a decision to be made. On two attempts, we reported during the year: the option to acquire the Core Oncology, proved to be a failure, which required value corrections and even legal proceedings. The attempt to take over Theragenics on the other hand did not reach its goal at the first try. In order to inform the shareholders about this situation we decided to announce this to the public directly. We are keeping at it.

On the other hand, with an organic growth of the business volume of 10%, Eckert & Ziegler is not not really under pressure, the more since the development pipeline looks promising. Therefore, we remain with the forecast which was made at the end of 2009 to double the sales to a profitable EUR 200 million by 2014. In line with tradition we place our bets on the usual a combination of internal growth and purchases. The cash fund is well filled for the latter, the debt ratio is low. Should opportunities arise we are prepared. We consider ourselves to be well positioned for this.

With which we come to our motto of this year: "well positioned". I am certain that you will share this opinion after reading the annual report.

Kindest regards
Your

Andreas Eckert

Dr. Andreas Eckert
Chairman of the Executive Board

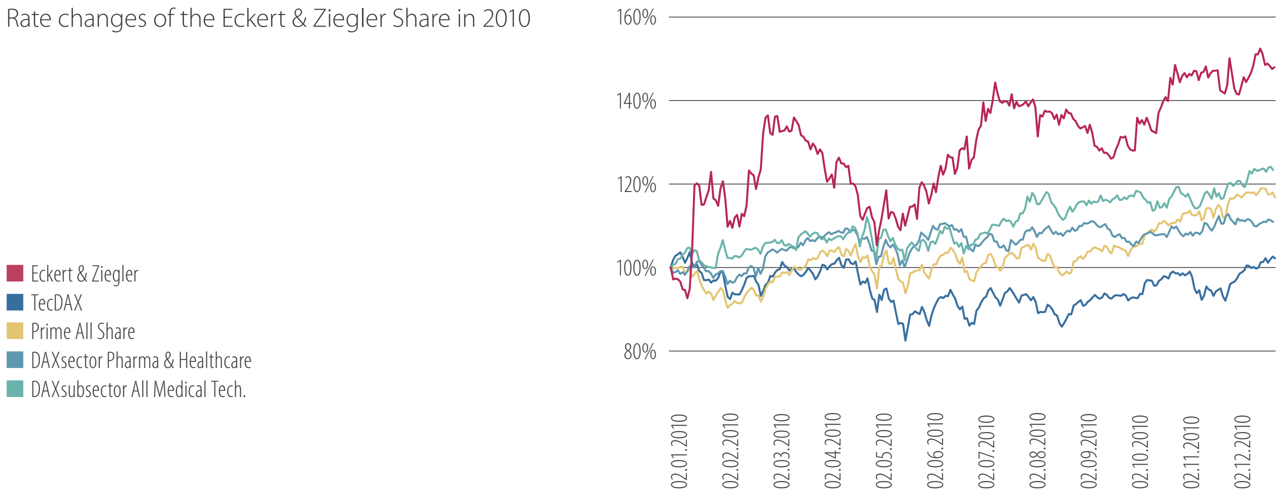

WORLD MARKET LEADER
IN MANY SUB-SECTORS
DIVERSIFICATION IN
NUMEROUS FIELDS
OF APPLICATION
NICHE PLAYER
THROUGH ECONOMIES OF
SCALE TO COST LEADERSHIP
DEMOGRAPHIC
DEVELOPMENT
HIGH BARRIERS TO ENTRY
INTO THE MARKET

Well positioned

Eckert & Ziegler is a specialist for the handling and processing of radioactive substances and operates worldwide. The Group has placed the focus of its operations on medical products for the diagnosis and treatments of cancer. Further fields are the industrial metrology and the quality assurance. In total it distinguishes between 15 main product groups, which are summarized in four segments and are managed by respectively independent management groups.

Through this diversification the Group is well-protected against cluster risks. Nevertheless, the red thread of radioactivity ensures cross-group synergies, in particular with the purchase, transport, the storage or the disposal. The specialist know-how, which has accumulated with licensing and approvals, also offers numerous benefits to those who are responsible for the product. In many sub-sectors we have therefore become the world market leader, in other words the company with the highest market shares. As a rule they lead to cost leadership through economies of scale. Moreover, the niches, in which the Group moves, are often protected against competitors by high barriers to entry into the market. Therefore, the Group considers itself to be well positioned in its markets.

Rate changes of the Eckert & Ziegler Share in 2010



Key data of the Eckert & Ziegler share

IInternational Securities Identification Number (ISIN)
DE0005659700

Security identification number
(WKN) 565 970

Stock exchange abbreviation and symbols
EUZ (German stock exchange)
EUZ (Bloomberg)
EUZG (Reuters)

Stock exchange sector
Prime Standard, Frankfurt

Quotation in stock indices
CDAX
DAXsector All Pharma & Healthcare
DAXsector Pharma & Healthcare
DAXsubsector All Medical Technology
DAXsubsector Medical Technology
Technology All Share

Nominal capital
5,292,983 EUR

Owner bearer shares
5,292,983 unit

Share price (Dec. 31, 2010)
26.45 EUR

Market capitalization (Dec. 31, 2010)
140.00 million EUR

Highest/lowest price in 2010
27,59 EUR / 16,00 EUR

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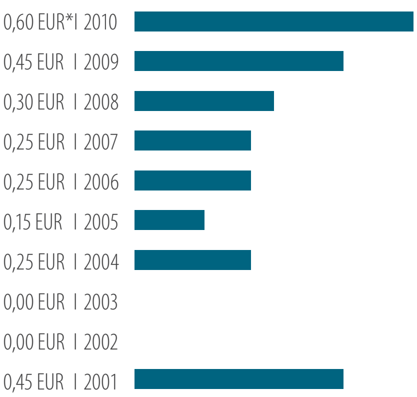
Dividends paid by Eckert & Ziegler AG



*** Proposal to the Annual General Meeting on May 19, 2011**

The share

The shares of Eckert & Ziegler AG were included in the securities trading for the first time on May 25, 1999. Since then they have been listed on the Frankfurt securities exchange and on all German regional stock exchanges and are authorized in the fully electronic trading system XETRA®. They are traded under the international clear 12-digit securities identification number DE0005659700, whereby in order to identify the share the previous Security identification number (WKN) 565970 is still used. Since February 20, 2003 the shares of Eckert & Ziegler AG have been quoted in the Prime Standard. High requirements from transparency apply to the companies listed in this segment, which go beyond the extent of the regulated market.

At the beginning of the financial year 2010 the company had 125,235 own shares in its portfolio. Thereof in the financial year a total of 53,750 own shares were sold market-sensitive through the stock exchange or assigned to minority shareholders of subsidiaries in order to redeem loans. As of December 31, 2010 the company featured a portfolio of 71,485 own shares.

Development of the share, earnings per share and proposed dividend

In the closed financial year the share recorded a growth in value of around 51% compared to the previous year. The market capitalization of the company increased compared to the key date of the previous year by 52% to EUR 140.00 million.

The earning per share is calculated by dividing the group net income for the year by the average number of shares in circulation during the financial year. In the period under review the Eckert & Ziegler Group generated group earnings per share of EUR 1.81. The Executive Board and Supervisory Board propose to the Annual General Meeting of

Annual shareholder meeting in May 2010

Shareholders' structure
as of December 31, 2010

Eckert Wagniskapital und Frühphasenfinanzierung GmbH*	31,7%
Eckert & Ziegler AG	1,3%
Free float	67,0%

*formerly Eckert Consult GmbH

May 19, 2011 the distribution of a dividend of EUR 0.60 per share for the financial year 2010. Based on the closing price for the year of EUR 26.45 this results in a dividend yield of 2.3%.

Capital measures

In order to satisfy the obligations of the company from the stock option plan which was decided in the Annual General Meeting of April 30, 1999 and was changed in the Annual General Meeting of May 20, 2003 a total of 32,700 owner bearer shares were issued in the financial year 2010 by exploiting the contingent capital which was created at the same time in connection with the decided stock option plan (contingent capital 1999/I). Consequently the nominal capital of the company increased in the financial year 2010 from EUR 5,260,283 to EUR 5,292,983.

Shareholder supervision (Investor Relations)

The aim of our Investor Relations work is to inform private shareholders, institutional investors, financial analysts and the press in detail, openly and in real time about the company. Essential parts of the communication with the capital market are mandatory stock exchange and press releases, quarterly reports, individual talks and telephone conferences. At the balance sheet press conference in March, the Entry & General Standard conference in May, the Annual General Meeting in May, the equity forum in November and several investor rounds in Frankfurt, London, Paris and Zurich the Executive Board moreover presented new developments personally and was in addition available throughout the whole year for inquiries or visits from interested groups of persons together with employees of the corporate communications department.

We publish studies of share analysts as well as further information about the company on our website www.ezag.de > Investor Relations.

In order to receive mandatory stock exchange and press releases regularly by e-mail interested parties can have their name placed on the IR distribution list. A short call or e-mail in this respect is sufficient.

Group management report

Headquarters of Eckert & Ziegler AG in Berlin-Buch

The Group

Eckert & Ziegler Strahlen- und Medizintechnik AG (Eckert & Ziegler) is an international group specializing in radioactive applications formedicine, 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 develops, produces and sells medical products for treating cancer and synthesis devices for producing radiopharmaceuticals. The plant construction and the disposal of low level radioactive waste round off the portfolio all relating to radioactivity.

In the international markets, in which Eckert & Ziegler operates, there are relatively few isotope providers. Eckert & Ziegler has no direct competitor offering the same broad range of products. Most of 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 always first have to meet demanding conditions to obtain legal approval.

The Group operates its business through subsidiaries, which are allocated to four segments. These segments are aligned to various customer groups. Another segment, which represents the costs and income 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"). Since 2008, the Therapy segment has been operating under the umbrella of International Brachytherapy S.A. (IBt S.A.), which is listed on the Belgian stock exchange, and in which Eckert & Ziegler holds 72% of the shares and holds 56% of the voting rights in the Annual General Meeting as of December 31, 2010.

In the Isotope Products segment (formerly called the Industry Segment) radioactive components are manufactured for imaging methods, scientific applications, quality assurance and measurement purposes. The management headquarters and the main production facilities for the segment are located in Los Angeles, California. The segment was made considerably larger once again in 2009 through the acquisition of Nuclitec, the largest competitor up to that point, with sites in Braunschweig, Germany and Les Ulis, France.

The products of the Radiopharma segment (formerly called the Radiopharmaceuticals segment) which has sites in Berlin, Mainz, Bonn and Braunschweig, Germany, include products such as radioactive diagnostic agents 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 pharmaceutical grade Yttrium-90 was added to the segment. Among the uses for this substance is the production of radioactive embolizers for the treatment of liver tumors.

Since 2010 the Environmental Services segment has been shown separately. The business unit deals with the taking back, processing and final storage preparation of low level radioactive waste and also came to the Eckert & Ziegler Group through the take-over of Nuclitec in 2009. The business was established in order to enable radiation sources to be taken back from customers of the Isotope Products segment. In addition, in particular hospitals and other institutions, in which low level radioactive waste is produced, are among the regular customers. Further there is a project

Production line for producing low level radioactive prostate implants

business with which services are offered for the decontamination of plants and waste conditioning, whereby in these cases the radioactive substances remain the property of the customer. The share of the environmental services, which was included in the Isotope Products segment still in the previous year, is now given as a comparable value here.

The markets of the four 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 influenced by the level of services of the national health systems and by the presence of local competitors.

Our Executive Board has three members and is monitored in its management by a Supervisory Board with six members. A clearly defined Management Board unit is allocated to each of the three Management Board members:

- Dr. Andreas Eckert, CEO
  responsible for the units Company Management, Finances, Investor Relations, Business Development as well as for the IsotopeProducts and Environmental Services segment

- Dr. Edgar Löffler, Director
  responsible for the Therapy segment

- Dr. André Heß, Director
  responsible for the Radiopharma segment

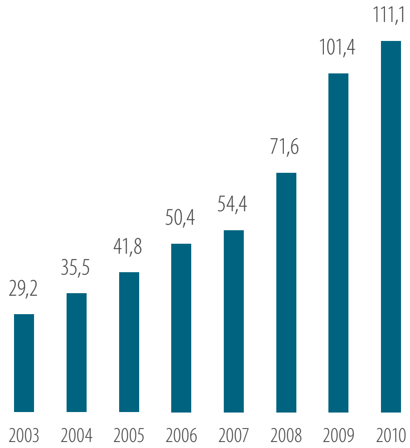
Business development

The business volume of the Eckert & Ziegler Group increased significantly again in 2010 and rising by 10% from EUR 101.4 million to EUR 111.1 million. The growth in sales is to a large extent organic, as there were no acquisitions affecting sales in 2010. A basic effect of EUR 1.3 million is produced from the acquisition of Nuclitec as of the end of January 2009. No sales are produced in the financial year from the acquisition of Sonotech as of the end of 2010. The group has therefore more than doubled its sales in the last five years. Since 2006 the group's sales have grown on average by 22% per year.

The largest jump in sales was achieved once again by the Isotope Products Segment where the sales increased from EUR 46.3 million in the previous year to EUR 50.8 million in 2010. The basic effect of the Nuclitec acquisition accounted for EUR 0.8 million. The biggest increase in sales was generated in the Medical division. The sales of the Environmental Services included in the segment in the previous year were calculated separately for this comparison and disclosed separately in the Environmental Services segment. The Radiopharma segment generated the biggest relative growth with an increase of 16%. The sales of Yttrium-90 grew the strongest here. The Therapy segment was able to increase the sales by EUR 1.8 million, because the majority of the Russian project was realized in this year. The Environmental Services were not able to report any major order yet. The sales increased from EUR 5.4 million to EUR 5.6 million, however this growth was due to the basic effect of the missing sales days at the beginning of January 2009.

In 2010, Europe including Russia accounted for total sales of EUR 67.9 million, corresponding to an increase of EUR 6.4 million over the previous year. The portion of sales generated in the Euro zone and neighboring regions remained constant in comparison with the previous year and is

Movements in sales 2003 - 2010 (in million EUR)



unchanged at 61%. The most important European consumer countries were Germany with EUR 22.5 million and France with EUR 8.9 million. However, in 2010, the biggest sales market Eckert & Ziegler's products was again the United States, were goods worth EUR 29.1 million were invoiced (predominantly in USD). Total USD sales accounted for 37% (previous year: 36%) of total Group sales. This means that the dependence of the Group on exchange rates approximately corresponds with the level of the previous year. The stronger US-Dollar contributed to an increase in sales by EUR 1.5 million.

Main customer risk

In the year under review, the Group's five biggest customers accounted for total sales in the amount of EUR 16.4 million, i.e. roughly 15% of total sales. Eckert & Ziegler's customer base remained broad, as in the previous year, where a total of EUR 18.1 million (proportion: 18%) was generated from the five largest customers.

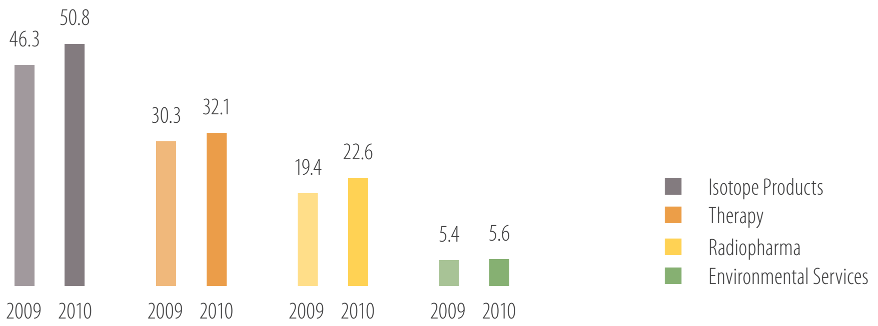
Earning position

The results adjusted by special effects after taxes and minority interests increased from EUR 7.5 million to EUR 9.4 million by 26%. On the other hand the adjusted earnings per share fell owing to the more than proportionately increased number of shares from EUR 1.97 per share to EUR 1.81 per share.

In the previous year higher results after taxes and minority interests of EUR 13.2 million or EUR 3.50 / share were in fact officially disclosed, however these include various special effects. On the one hand the provisions for excess liability of EUR 7.1 million were written back in 2009. This was no longer necessary, because the market price of the IBt S.A. share had 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 the Therapy segment, deferred tax assets on loss carry-forwards and temporary differences in the amount of EUR 11.3 million were also formed in the fiscal year 2009. Counteracting this are the partial correction of the IBt S.A. goodwill with EUR 4.4 million and the minority interests formed on the whole effects with EUR 7.3 million. The profit and loss of the closed fiscal year 2010 does not contain any such special effects.

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 implants for treating prostate cancer and is listed on the Belgian 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 former 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 formed in the financial year 2008 still, which was written back 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 in 2009 still. The term of acceptance ended in the first quarter of 2010. The acceptance rate of the takeover offer was approx. 55% so that Eckert & Ziegler invested roughly EUR 22.5 million plus fees into additional IBt S.A. shares and options and now holds 56% (previous year: 37.6%) of the voting rights and 72% (previous year: 29.2%) of the profit sharing in the company. For partial refinancing of the takeover bid a long-term loan agreement was concluded in the second quarter of 2010. 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,

Sale trends in individuals segments
(external sales, in million EUR)



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 2010 and 2009 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.

	2010			2009
		with special effects	special effects	without special effects
Revenues	**111,093**	101,399	0	101,399
Earnings before interest and tax (EBIT)	**16,571**	16,418	1,829	14,589
Interest expenditure and income	**-2,218**	-1,263	0	-1,263
Income taxes	**-3,938**	6,737	11,289	-4,552
Minority interests	**-1,002**	-8,642	-7,322	-1,320
Earnings share of the shareholders	**9,413**	13,250	5,796	7,454
EPS in EUR	**1.81**	3.50	1.53	1.97

A comparison of the income statements excluding special effects for 2009 and 2010 shows that the sales increased more than the various cost items. While the sales rose by 10% the manufacturing costs only increased by 6%. The selling expenses and general and administration costs on the other hand with cost increases of a mere 2% or 4% even remained almost constant. This positive development is a result of the now achieved benefits from size.

Research and development costs increased from EUR 2.5 million to EUR 2.9 million, essentially, because capitalized development projects were depreciated prematurely here in the previous years. Also increased are the interest expenditure, which balanced by the interest income due to the higher third-party financing increased by EUR 1.0 million. The other financial results include EUR 1.4 million exceptional loan depreciations.

The profit before income taxes increased from EUR 13.3 million to EUR 14.4 million. Because the income of the individual companies may improve, the tax loss carry-forwards could be used again to a large extent which would result in further tax income. The Group tax ratio therefore fell from 34% in the previous year to 27% in 2010. The shares in IBt S.A. increased after the takeover bid and therefore the minority interests in the income statement fell. The earnings after minority interests increased from EUR 7.5 million to EUR 9.4 million. Officially an amount which is EUR 5.8 million higher is disclosed for 2009, which however includes the special effects described above.

Safe ball control in the

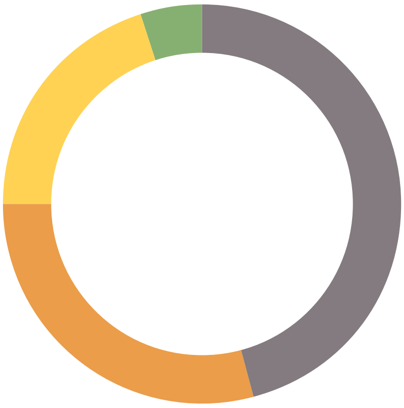
Isotope Products segment

Margarita Villanueva
Customer Service

"As world market leaders in nuclear medical and metrological sources we receive daily enquiries from Brazil to Italy for the calibration of medical equipment, for environmental measurements and for many other applications.

We ensure that queries regarding highly sophisticated products are also in trusted hands, preferably in the respective language of the country in question, of course. Foreign languages? - Fluent! Swift? - For the most part! Punctual? - Well of course!

And we see to it that all regulatory requirements are fulfilled. This is what our customers value. Final whistle after a long work-day. It's a nice feeling to have once again helped numerous patients today through reliable diagnostics."



Sales by segments 2010

Isotope Products	46%
Therapy	29%
Radiopharma	20%
Environmental Services	5%

Development of the segments

1. Isotope Products segment

The Isotope Products segment is the largest and most profitable segment of the Group.

The main product groups of the segment are:
1. Radioactive components for industrial metrology
2. Radiation sources for imaging in nuclear medicine
3. Calibration and measurement sources
4. Raw isotopes and other products
5. Environmental services (is shown as an independent 4th operative segment from 2010, the amounts from the previous year were also reclassified)

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 metrology product division, 2008 saw the market launch of robust drill hole sources. In 2010 it was possible to further increase the market share. The products named in Group 3 were summarized throughout the segment in 2010 under the umbrella trademark Isotrak which was introduced by Nuclitec. After the acquisition of Analytics in 2005 and Nuclitec in 2009, Eckert & Ziegler has achieved an excellent market position here.

The Isotope Products segment continued to develop very positively in 2010. The sales increased by 10%, the gross margin by 24% and the EBIT by 57%. The increase in profits was due to the successful integration of Nuclitec. Compared to the previous year the restructuring expenses now no longer exist. The largest increase in sales was generated in the Medical division. It was also possible to further increase the sales with robust drill hole sources. The earnings after interest, taxes and minority interests rose by 55% to EUR 8.0 million or EUR 1.55 per share. The Isotope Products segment therefore contributed 85% of the total earnings of the group after minority interests.

Leader in the

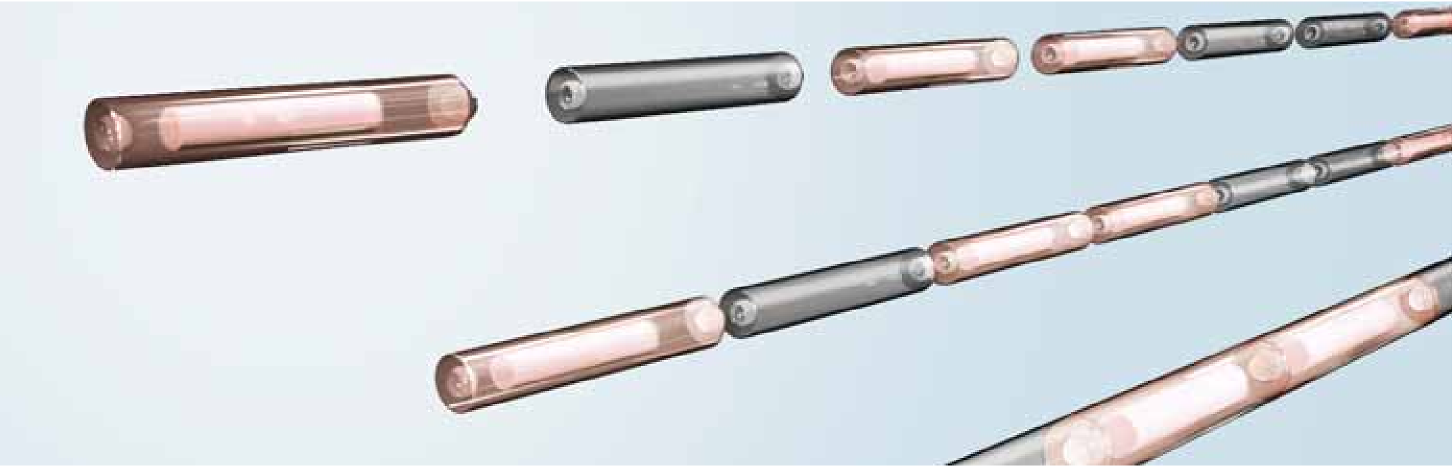
Therapy segment

Dr. Axel Hentrich
Project Manager for Development

"Scoring goals is down to teamwork. Pass, receive, strike. In the development of medical technical innovations, this is no different. Our development team has come up with a new generation of implants for prostate cancer (so-called seeds) made from synthetic material, with which prostate cancer can be carefully treated at an early stage: SmartSeed®.

It is easier to manufacture than traditional seeds made of metal and allows for a more precise dosage of radiation to be applied. Besides this, the rice-grain-sized mini implants can also be linked like lego blocks into very stable chain formations, allowing the doctor to select a precise dosage for the individual patient as well as being able to treat unusual types of tumors.

We first introduced SmartSeed® at the European Radiation Oncology Congress (ESTRO) in Barcelona. There was enormous demand and our customers confirmed it: Bullseye!"



SmartSeed®, a new generation of implants for treating prostate cancer on plastic basis will be introduced in Europe from the middle of 2011.

2. Therapy segment

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 plant engineering

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 40 million in Europe 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 the Belgian competitor IBt S.A. and the subsequent consolidation of implant production in Berlin enabled the further reduction of manufacturing costs per implant. Through the economies of scale achieved, it was possible for Eckert & Ziegler to remain competitive.

Competitive situation for 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 6% from EUR 30.3 million to EUR 32.1 million. Decisive was the increase in the sales from the Russian project which increased by EUR 5.2 million to EUR 5.6 million. A contract was concluded here between IBt S.A., the Russian state fund Rusnanotech Corp. and the distribution company Santis Ltd. regarding the construction of a production plant in the Russian federation. The joint venture "NanoBrachyTech", 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 sales in the afterloader product group fell from EUR 9.9 million in 2009 to EUR 6.8 million. A substantially lower decline occurred in the implant product group, which fell by only EUR 1.0 million compared to the previous year. A total of EUR 14.6 million in sales were made. With both product groups the sales were very high in 2009 and in 2011 product innovations are planned with the introduction of the new afterloader and the SmartSeed® product innovations.

The main sales markets of the Therapy segment are the European Union and neighboring regions (including Russia), which accounted for over 90% of sales with external customers, or EUR 29.6 million of the total sales of EUR 32.1 million. The remaining EUR 2.5 million of sales were essentially spread among exports to Asia and to Africa.

The EBIT of the segment in 2010 was encumbered by the depreciation of the loan given to Core Oncology for EUR -1.4 million, while IBt special effects accounted for EUR -4.4 million in 2009. Without these effects the EBIT would have increased from EUR 4.3 million by 18% to EUR 5.0 million. Owing to the minority interests which had fallen

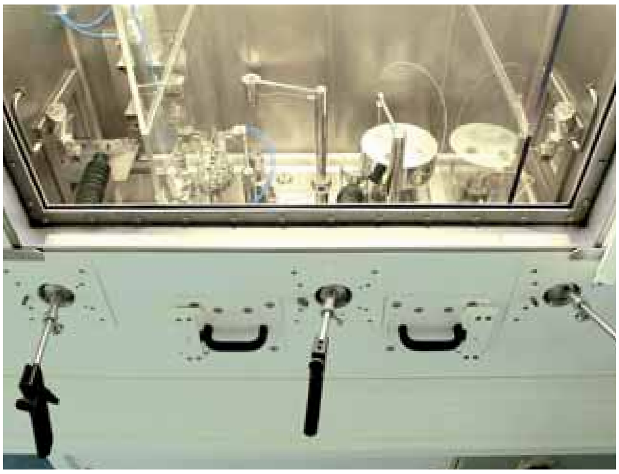
Defense in the

Radiopharma segment

Andrea Klamroth
Laboratory Engineer/Quality Control

"Our match begins at midnight. Radiopharmaceuticals after all only have a short half-life and the first patient is already waiting for his treatment at 8.00. Using our diagnostics, even the smallest tumor foci can be safely and quickly detected with the positron emission tomography (PET). As the contrast medium is injected, the highest quality requirements must be met. Radiopharmaceutical purity, fluoride concentration and pH-value are only some of the parameters that are checked for each batch. The examination takes place as the contrast medium is already being delivered to the clinic. Of course, the whistle is then blown if not all quality control criteria are adhered to."

Radiopharma segment: Clean room at the Brunswick location



Dispensing unit for Yttriga, pharmaceutical grade Y-90

after the takeover bid the segment earnings were at the level of the previous year after minority interests.

Detailed statements relating to the Therapy segment can be taken from the annual report of IBt S.A. (www.ibt-bebig.eu). In the segment P&L account there are shifts and valuation differences between the Eckert & Ziegler and the IBt financial statements which are presented in the following table.

	Therapy segment of EZAG	IBt report	Deviation	Thereof deviations from PPA	Thereof deferred tax assets	Thereof stock options
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Revenues	32,361	32,361				
Costs	-29,288	-28,768	-520	-442		-78
EBT	**3,073**	**3,593**	**-520**	**-442**		**-78**
Tax on income and revenue	-1,579	729	-2,308	174	-2,482	
Group net income	**1,494**	**4,322**	**-2,828**	**-268**	**-2,482**	**-78**
Profit/loss relating to minority interests	-525					
Earnings share of the shareholders of Eckert & Ziegler AG	969					

3. Radiopharma segment

The Radiopharma segment was created in 2006. It includes both the product group of synthesis modules for producing radiopharmaceuticals (Modular-Lab) and on the other hand radioactive medicinal products for molecular imaging using positron emission tomography as well as Yttrium-90-solution in pharmaceutical quality for the radiolabelling. The radioactive diagnostic agents are short-lived 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 imaging agents is the low level radioactive sugar Fludeoxyglucose (18F).

The main product groups of the segment are:

1. Radioactive diagnostic agents and other products
2. Synthesis modules
3. Yttrium-90 and contract manufacturing projects

Competitive situation radiodiagnostics:

Radioactive diagnostic agents and other products (category no. 1 above) are primarily the sugar Fludeoxyglucose (18F), which is radioactively labeled with Fluorine-18. It is used in 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.

In the nuclear medical diagnostics for example very small tumor clusters or disorders of the metabolism functions are presented as images using contrast media. Eckert & Ziegler produces the radioactive substances and synthesis equipment on which these can be manufactured.

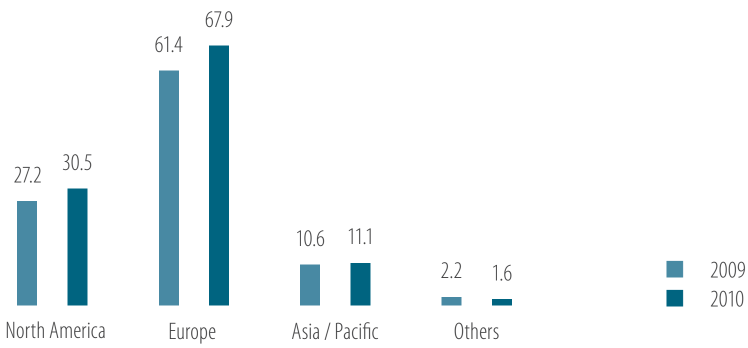
For the development of medicinal products the efficacy and safety are initially tested in pre-clinical studies. If one uses radioactive labeled substances the distribution of the drug which is to be tested is made visible in the organism.

Compared to previous years, the growth in sales of the segment slowed to 16%. In recent years, growth remained constant at more than 30%. However, it was foreseeable that growth on a percentage basis would level out due to the increased level of business. Sales increased in total by EUR 3.2 million to EUR 22.6 million (basic effect of Nuclitec EUR 0.1 million). The Yttrium-90 sales provided by Nuclitec recorded the strongest growth. Modular-Lab grew by 18%. The cyclotron-based product sales increased once again by 5% despite the market coverage which was very good in the previous year already.

The manufacturing costs increased slightly stronger than the sales. On the other hand the sales costs and the general and administration costs only increased relatively low by 4% or 6%. Development projects which were capitalized in the previous years were depreciated prematurely in 2010. This exceptional depreciation reduced by corresponding releases of special items in the amount of EUR 0.9 million was disclosed under the research and development costs. In total the EBIT increased by EUR 0.2 million.

The positive operative development suggests the use of tax loss carry-forwards which was proven in a budgeting and led to a capitalization of deferred taxes. For this reason a tax income of EUR 1.3 million is disclosed in the segment, which leads to earnings of EUR 1.5 million.

Sales trends by regions (in million EUR)



4. Environmental Services segment

The Environmental Services segment has been disclosed separately since 2010. For 2009 the values from the Isotope Products segment were reclassified for purposes of comparison. The business itself came to the Eckert & Ziegler Group in 2009 through the acquisition of Nuclitec.

The offered services can be categorized as follows:

1. The return of used radiation sources by customers of the Isotope Products segment
2. Acceptance of low level radioactive waste
3. Projects for decontamination and waste conditioning

Category 1 is the main activity of this segment and complements the Isotope Products segment as it offers its customers an improved service by allowing them to return used radioactive sources. In addition, this offers the possibility to reprocess the sources ourselves and re-sell them again. This recycling is extremely useful for all parties involved and saves on resources.

In Category 2 the acceptance of low level radioactive waste from hospitals and other institutions is offered whereby the waste then passes to the property of Eckert & Ziegler so that Eckert & Ziegler assumes the responsibility for preparation of its final disposal. This business is limited to Germany for legal reasons.

The project services from category 3 for the decontamination and for the dismantling of plants as well as the use of Eckert & Ziegler know-how for waste reduction are offered throughout Europe.

Competitive situation Environmental Services:

Eckert & Ziegler is one of the few authorized providers that is allowed to accept and transport low level radioactive waste throughout Germany. This way a stable sales basis is guaranteed. Against the background of the planned opening of Schacht Konrad as a final depot for low and medium level radioactive waste increased demand is expected for services for the so-called Konrad conditioning without the number of providers which are able to offer these services increasing. Rising sales are accordingly expected in the segment in the longer term even without market shares having to be shifted for the benefit of Eckert & Ziegler.

The segment sales with EUR 5.6 million are within the expected range. Eckert & Ziegler has taken part in invitations to tender for new major orders. However, no contract award procedure has been completed yet in 2010. A further focus is placed on the expansion of capacity in order to be able to accept and process new waste. These capacities can be achieved most by the processing of waste which was accepted in past years. The segment incured a loss after taxes of EUR 0.4 million, which is essentially due to expenses for preparations for the new business and valuation corrections for the provision for environmental restoration.

Key player in the

Environmental Services segment

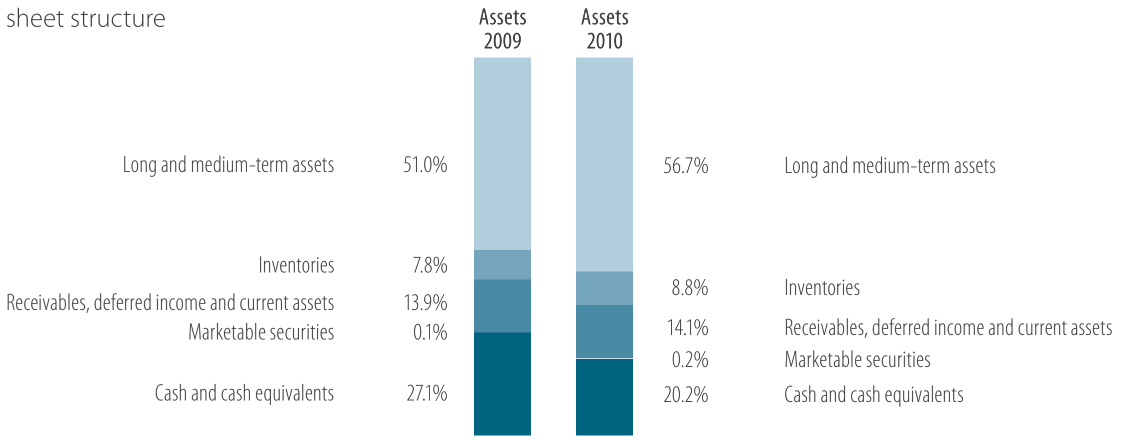
Jürgen Stellmacher
Technical Operations Manager

“Ready for play at any time – that’s our position. As manufacturers of radioactive components for medicine and industry we feel a responsibility not to leave our users in the lurch with the used up radioactive materials. Therefore, we collect contaminated protective clothing, cleaning cloths, air filters, calibration sources, medical radiation sources, smaller system parts, etc. if required again from hospitals, industrial plants and research institutes.

Seen from a technical point of view it concerns here low level active special waste, which according to the regulations for example of the Federal Office for Radiation Protection is disposed of in a qualified manner and prepared either for a subsequent release or the transport to a decaying depot.

With an ISO-certified process we ensure a consistent understandable waste flow control. Acceptance, control and then the round part into the one with corners.”

Balance sheet structure



Total assets 2009: TEUR: 161.320, Total assets 2010: TEUR: 144.467

Net assets

The following brief presentation gives an impression of the status of the balance sheet as of December 31, 2010 and the change compared to the previous year.

	31.12.2010	31.12.2009
	TEUR	TEUR
Non-current assets	82,019	82,347
Liquid funds & securities	29,440	43,900
Inventories	12,678	12,631
Receivables and other current assets	20,330	22,442
Total assets	**144,467**	**161,320**
Shareholders' equity	73,605	86,075
Non-current debts	42,112	41,247
Current debts	28,750	33,998
Total liabilities	**144,467**	**161,320**

Significant for 2010 is the substantial reduction in the balance sheet. The balance sheet total fell by 10% to EUR 144.5 million as of the key date compared to December 31, 2009. Therefore, the increase from the years 2008 and 2009 was not continued further with the acquisitions of IBt and the Nuclitec companies. Specifically the following changes occurred in the balance sheet:

1. The essential change on the assets side relates to the fall in the cash, which fell from EUR 43.7 million to EUR 29.2 million. The background in this respect is presented in detail in the next paragraph concerning the financial position. At this point only the greatest effect is mentioned, which consists of the payment of around EUR 22.5 million in the 2nd quarter of 2010 from the takeover bid of IBt S.A.

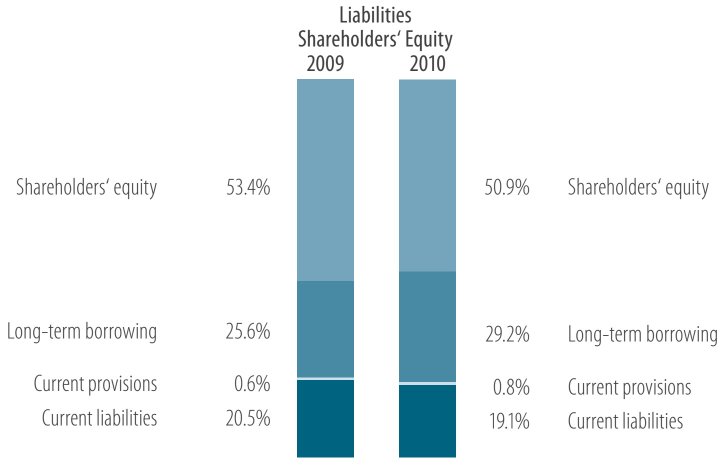
2. Further shares were acquired in IBt S.A. in 2010, which has already been fully consolidated since the first quarter of 2008, so that 72% of the shares are now held in IBt S.A., which are entitled to dividends. In line with the acceptance quota of the takeover bid of 55% the minority shares fell by EUR 5.6 million. The difference between the purchase price of these shares in the amount of EUR 22.5 million and the book value of the minority interests was offset according to IFRS 3 (2008) not affecting net income.

3. With in long-term liabilities the loan item increased the most by 1.7 million. The main reason for this is the loan taken out for the partial refinancing of the takeover bid. The new loan exceeded the regular redemption of the old loans.

4. With in short-term liabilities the advance payments received fell from EUR 8.0 million to EUR 3.4 million. This change is to a large extent due to the Russian project of the Therapy segment. IBt S.A. received the advance payments in 2009 whereas the income was realized to a large extent in 2010 and therefore the advance payments received had to be written off.

5. This effect is also decisive for the extension of the net working capital (without cash and cash equivalents) and therefore for the fall in the operative cash flow compared to the previous year. With the other item of the net working capital (without cash and cash equivalents) there were no essential changes with the exception of the depreciation of the loan given to Core Oncology in the amount of EUR 1.4 million: The trade receivables increased less with 7% than the sales and the inventories remained almost constant as well as the trade liabilities. The development

Balance sheet structure



of the net working capital is monitored group-wide and consistently controlled through receivables and inventories management. In 2010 it was possible to reduce the term of the receivables from 58 to 56 days, the storage duration fell from 177 to 166 days.

The shareholders' equity ratio only fell slightly from 53% to at least 51% still which is remarkable against the background of the disadvantageous type of booking of the IBt S.A. takeover bid and the constantly rising dividend payments since 2005 and is sustained by the growing profits. Compared to the 2009 values, which were adjusted by special effects for the financial statements of 2010, the total equity yield increased from 5% to 7% and the shareholders' equity yield from 9% to 13%.

The change in the US-Dollar in relation to the Euro did not have any significant effect on the balance sheet. The rate changed from USD 1.43 to 1.34 per Euro from one balance sheet to the other.

Financial position

The cash flow statement features a gross cash flow (cash inflow from operational activity before change in the current assets and liabilities) of EUR 17.4 million for 2010. This can be compared directly with the value of the previous year of EUR 15.6 million which results in an increase of 11%.

Although key figures such as term of receivables and storage duration have improved, above all the primary income realization of the advance payment received in 2009 from the Russian project led to an expansion of the current assets and liability affecting payments by EUR 2.4 million. In the previous year current assets and liabilities fell by EUR 6.5 million, which was essentially due to the advance payments received from the Russian project. Therefore, in total the operative cash inflow fell from EUR 22.1 million in the previous year to EUR 15.0 million in 2010.

The cash outflows for replacement and expansion investments were almost at the level of the previous year. Within the framework of the investments for acquisitions the outflows fell from EUR 3.9 million in the previous year (Nuclitec) to EUR 1.9 million (Sonotech).

The cash outflow for the IBt takeover bid in 2010 is disclosed in the area of financing activity and therefore in the same category as the inflows from the increases in capital of 2009. The dividend can also be found in this area, which has increased nominal by 50% from EUR 0.30 per share to EUR 0.45 per share. Together with the increased number of shares the distribution has therefore more than doubled. In May 2010 EUR 2.3 million were paid out to the shareholders. With regard to the third-party financing it remains to be said that the borrowing of loans for the partial refinancing of the IBt takeover bid exceeds the regular redemptions by EUR 2.5 million.

In total the liquid funds fell in 2010 by EUR 14.5 million and fell from EUR 43.7 million at the beginning of the year to EUR 29.2 million at the end of the year.

Overall statement concerning the economic position

With a new maximum sales value of EUR 111.1 million and earnings after minority interests of EUR 9.4 million Eckert & Ziegler looks back on a very successful year 2010. With the still very strong cash flow and a solid balance sheet structure we are in a comfortable situation, in order to be able to finance future growth – both organic as well as through acquisitions.

Radiopharma segment: Clean room at the Berlin location

Research & development

Total spending for research & development, plus capitalized development costs and without depreciation, amounted to EUR 3.8 million for the 2010 financial year (2009: EUR 4.1 million) and therefore fell compared to the previous year by 7%. These values cannot be read directly from the profit and loss account. The development expenses listed in the P&L account have increased from EUR 2.5 million in 2009 to EUR 2.9 million in 2010, however the main reason for the increase is due to the premature depreciation of capitalized development costs in the Radiopharma segment. In total for all segments the depreciations reduced by the writing back of special items amount to EUR 1.3 million. To be added to this are the development costs of EUR 2.2 million which were newly capitalized in 2010 (+37.5% on the 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 ratio was 36%. This key figure indicates that around EUR 40 million sales were generated with articles that were only incorporated into the Group’s product portfolio two years previously (from 2008) at the earliest. Compared to the previous year, in which sales of new products defined as such accounted for about 45% or 46 of EUR 101 million, the new product sales ratio has fallen slightly in 2010 owing to less product innovations. The largest impulses to growth in the last year’s key figure with IBt and Oil Well Logging (respectively 2008) as well as Nuclitec (2009) however are still flowing in 2010.

Specific details on the activities:

A new generation of prostate cancer implants (so-called seeds) on plastic basis was developed in the Therapy segment: SmartSeed®. These are easier to manufacture than traditional seeds made of metal and allow an even more precise dosage of the administered radiation. In addition, the implants with the size of rice grain together with distance pieces such as lego bricks can be linked to form very sturdy chains so that the physician can choose a dosage which is appropriate for the patient and he can also treat unusual tumor forms. On a broad basis the mini implants should be introduced on plastic basis in Europe from around the middle of 2011. With the tumor irradiation equipment MultiSource® a new software version was launched onto the market with improved user friendliness for the clinical user. In addition, the prototype of a new MultiSource® had previously been presented and is to be launched on the market at the beginning of 2011. With the MultiSource® applicators an own production process was developed with which we can produce sophisticated applicators ourselves in a small number of units for individual fields of application (e.g. pharynx). The work further concentrated on the development and qualification of a complete plant for producing prostate cancer implants, which is determined for use in Russia.

Environmental Services segment at the Brunswick location

The focus in the Radiopharma segment was placed on further developing of the Modular-Lab range of synthesis modules for producing radioactive imaging agents and other radioactive labeled compounds. Cassettes, synthesis routes and programs for the synthesis of radioactive drug substances based on the Isotope 11C (carbon isotope) were developed in the related series of products PharmTracer. Cassettes and synthesis methods are now available for 11C-Choline, 11C-Methionine und 11C-Acetate, which the customer can use on the Modular-Lab PharmTracer systems. This way it is possible to use a variety of isotopes on just one device system. Syntheses were developed for producing the PET-Tracers based on the Nuclide 18F (18F-NaF, -FDG, -FEC, -FET, -FLT), without the need for a subsequent HPLC-purification. This way a faster, more reasonably-priced and simpler synthesis of these molecules is possible. In addition, radioactive diagnostic agents can therefore be produced for the first time completely on a sterile disposable cassette and meeting all requirements for a GMP-compliant production. Through these new syntheses the variety of the application possibilities of the Modular-Lab PharmTracer system was extended so that this system now represents a technology which can be universally used in radiopharmacy.

In the Isotope Products segment a new version of the flood source Featherlite™ was developed which is used for medical imaging and records the highest sales figures. The new product was presented for the first time at the annual conference of the German Society for nuclear medicine in April 2010. In addition, a production line was developed for metrological sources. These sources are used with measurements under extreme conditions and must be designed to the extent that they satisfy extreme requirements from pressure and temperature.

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

The overall responsibility for the risk management lies with the Executive Board. On the other hand the operative responsibility, thus the early recognition, evaluation, control and documentation of the risks, the stipulation and execution of suitable counter-measures as well as the communication in this respect, is in the first place in the area of responsibility of the respective segment managements and the managements of the subsidiaries. This level below the Executive Board bears the contextual responsibility for the risk management carried out in their sector. In addition to the procedures for the structured recording of risks, which is carried out once year, the operative management is obliged to constantly monitor its unit for changes in the risk situation. Essential changes to the unit-specific risk situation are to be reported to the segment management and the Executive Board immediately. Reports of changes to risks with essential financial implications are additionally carried out to the group accounting department.

The afore-mentioned procedures which are carried out annually for the structured recording of risks question the specialists and executives of Eckert & Ziegler. In addition to the naming of new and existing risks, questions are asked about their classification with regard to probability of occurrence and possible implications on the company.


The new SmartSeed® can be assembled easily using the Smartloader®.

Preventive measures are agreed upon, emergency plans drawn upand regular evaluations organized for these risks insofar as possible. These include among others observations of the market and competition, the evaluation of scientific literature, the analysis of customer complaints, statistics of costs and sales and similar documents. The assessment of the risks according to probability of occurrence and possible amount of damages is reported to the Supervisory Board once a year.

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.

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 2010 financial year is distinguished by two significant cash flows. In the first quarter there was the payment of approx. EUR 22.5 million from the takeover bid for the acquisition of further shares of IBt S.A. This cash outflow was partly refinanced by the borrowing of a loan of EUR 8.25 million in the second quarter. The financing was carried out without any problems. There were several offers with the concluded loan. The financial and economic crisis of the years 2008 and 2009 did not have any essential effects on the increase in the internal and third-party financing of the Eckert & Ziegler Group. The Executive Board sees the reason for this in the solid financing of the Group with a still high shareholders' equity ratio as well as the favorable prospects of the profitable operational units. In addition to the high shareholders' equity ratio good balance sheet relations speak in favor of the creditworthiness of the Group as the non-current assets are more than covered by the shareholders' equity and non-current liabilities.

The existing loan agreements include covenants. The compliance with which is checked at least quarterly by Eckert & Ziegler and in the preparation for new investment and financing plans. In order to complete the picture it is noted that no loans or credit lines were cancelled by creditors.

The Group is principally exposed to an interest change risk from the third–party financing. However, the essential loans have been concluded at fixed interest conditions or suitable interest swaps were concluded for the redemption structure so that Eckert & Ziegler can effectively use a fixed interest rate as a calculation basis. Therefore, the Group is not exposed to the risk from fluctuations in the market interest rates with existing loans.

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

The implants which are the size of rice grains can be linked like lego bricks to form stable chains in the Smartloader®.

is taking measures to limit risks through loans and guarantees of an amount which is justifiable in relation to the Group's total assets.

Monitoring and control measures to avoid financial risk include the use of such instruments as the annual financial budget with adjustments 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.

A bad debt loss risk arises for the Group from its trade receivables. The exposure to risks is primarily influenced by the size of the customers and the country-specific regulations and customs for the processing of reimbursements of medical services by public funding bodies.

A rating is principally obtained for new customers and first deliveries are principally carried out against advance payment. Deliveries to customers which are considered to be permanently uncertain owing to their size or their location are hedged by means of advance payments or letters of credit.

The risk is monitored by means of regularly carried out overdue analyses of all receivables from deliveries and services.

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. 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.

There are currently no lawsuits or court proceedings which could have a substantial negative influence on the group results.

IT risks

Eckert & Ziegler is exposed to the risk of the failure of the IT systems. In a damaging event this can hereby lead to data losses and in the worst case to interruptions to operation. As security measures Backups are regularly carried out, anti-virus software is used and servers partly virtualized.

Empty sample containers of our customers are located in the baskets.

Environmental samples are mixed with low level radioactive reference materials.

Accounting-related risk management and internal control system

The accounting-related risk management comprises all organizational regulations and measures for detecting and handling the risks of the financial reporting. With a view to the group accounting process the internal control system should ensure that the financial reporting by complying with the relevant laws and standards gives a picture of the net assets, financial position and results of operations of the Eckert & Ziegler Group which corresponds with the actual circumstances.

Along with the individual financial statements of Eckert & Ziegler AG, the Group financial statements include 28 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 the following essential measures:

- Process-integrated controls (IT-based control and access restrictions, dual-control principle, separation of functions and analytical controls).
- Central processing of the financial accounting of the German subsidiaries (with one exception) at the registered seat of the holding in Berlin.
- Standard reporting packages for all companies inclu ded in the consolidated financial statements. Further the subsidiaries are supported by company supervi sors within the group Head Office, who form a qua lity control for the data which are taken over and with complex questions assisting the subsidiaries.
- Ensuring of a standard accounting and valuation by standard group procedures and training.
- Analysis of the monthly reports of the subsidiaries

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 as of 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. This relates among others also to deferred tax assets on loss carry-forwards, the valuation of which is also dependent on forecasts of results.

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 involves 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.

Pictures left: It is not easy at all to precisely determine the scope of radioactive emissions. A core problem exists in the fact that radioactive particles are absorbed in various intensities by different materials or surfaces. This way the same quantity of activity can lead to various radiation, i.e. to various dosage performances. This confuses measuring devices and falsifies data. In order to be able to determine activity with real certainty an inactive sample of the material which is to be examined must be artificially contaminated with a previously measured quantity of a radioactive substance and used as a comparative benchmark. The expertise of our environmental measurement troop, which is unique worldwide, lies in the production of such non banal calibration standard. It is possible that its employees have to carefully mix ocean perch filets from the supermarket with cesium particles in the meat mincing machine so that the American environmental authority receives usable standards for the incorporation measurements on wild fish. Eckert & Ziegler does not just produce such individual measuring standards, but calibrates them in the own, accredited measuring laboratory and delivers them to the customer with a certificate.

Production of metrological radiation sources for the x-ray fluorescence analysis

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 completely eliminated.

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. The majority of the operational facilities are ISO-certified, and the function of the 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 it is possible and feasible, appropriate insurance has been taken out to guard against liability risks.

With the shipment of the products often transported as hazardous goods worldwide Eckert & Ziegler is dependent on specialized service providers. It cannot be guaranteed that these offers are maintained in the existing form. Special official permits are necessary for the manufacturing and the shipment of many products, on the granting or extension of which Eckert & Ziegler can only exert influence indirectly.

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.

Therapy segment: Distributor meeting during the European radiation therapy congress in Barcelona (ESTRO)

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 diversification 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 market launch strategies.

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 of costs 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. In addition to the competition from direct competitors in the field of permanent implants there is increased competition from alternative methods for treating prostate cancer. 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.

There is a risk to sales with the irradiation equipment due to the fact that investment decisions for investment goods are suspended or may be delayed against the background of the economic crisis which has not been overcome in all countries in the world. A further risk exists in the market acceptance of the Eckert & Ziegler devices compared with devices of the competition. In this respect not just the factual arguments of the sales staff are important here but in particular the further development of the own devices. A new generation of devices was presented at the beginning of 2011.

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 Isotope Products 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

Trade fair stand at the annual conference of the German society for nuclear medicine (DGN)

concerns. An effort is made to conclude long-term supply contracts in order to hedge the risk.

In the Isotope Products segment, between purchase and sales, there are also transport processes, in addition to the production. As it concerns radioactive goods, the transport processes are subject to more stringent regulations. These can lead to increased costs and transport times. There are no hedge measures in this connection as the transport and the regulation are beyond the control of Eckert & Ziegler.

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.

Through the outstanding market position of Eckert & Ziegler in the product areas of the segment, which in addition to the operative, very good management of production and sales was above all achieved by a successful series of acquisitions, there are opportunities to continue to dominate the market, to further improve the sales and profitability as well as to further continue the acquisition strategy.

Risks and opportunities in the Radiopharma segment

In the Radiopharma 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 partly missing regulations concerning cost reimbursement by statutory health insurance programs.

A substantial portion of FDG sales are realized in Poland. With discontinuation of supply contracts there or with the completion of local manufacturing capacities, there is the risk that those sales could be lost.

However, Eckert & Ziegler is constantly seeking to exploit new sales markets. In addition it is decisive for the business with radioactive imaging agents to commit newly established independent producers to Eckert & Ziegler through distribution contracts.

A possible implication of the global financial crisis which has not yet been fully overcome everywhere would be that investment budgets of the hospital and research institutions are reduced or canceled and therefore our sales potential for device technology is impaired.

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.

A special risk in the field of subcontracting projects exists in the direct dependency on the special project partner. An essentially established hedging measure consists in only carrying out the set-up of subcontracting production plants against advance payments so that in case of an insolvency of the customer there are no direct financial losses for Eckert & Ziegler, but at the most the missed future chances for revenue which are painful.

Final assembly of Modular-Lab

Synthesis device Modular-Lab for producing radioactive diagnostics

In the Radiopharma segment, opportunities are seen in the newly developed pharmaceutical [^{68}Ga] gallium-generator and in the expansion of contract manufacturing projects.

Risks and opportunities in the Environmental Services segment

The Environmental Services segment deals with the recycling and the disposal of radioactive waste. So far relatively constant sales of approx. EUR 5 to 6 million per annum have been generated in this segment, which essentially stem from the taking back of sources and components or the disposal of low level radioactive German hospital waste. There is currently no depot or final storage location for a substantial part of this waste. Such a location will only be opened with the Schacht Konrad in 2014 at the earliest. The Group possesses own, approved interim storages, which will be used until the final hand over of the waste to Schacht Konrad. Corresponding provisions have been formed for the disposal costs incurred in future.

Special opportunities are seen from the expected opening of the final storage location Schacht Konrad and the thus associated surge in demand of services of the segment.

Risk development

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 afore-mentioned risks to have a significant impact on the financial year 2011.

Shielding container and shielded gripper for radiopharmaceuticals

Addendum report

On March 2, 2011 Eckert & Ziegler announced that a long-term contract concerning the delivery of Polish diagnosis centers was concluded. The framework agreement for so-called FDG (Fludeoxyglucose (18F)) also envisages besides the delivery of clinics the erection of a pharmaceutical production plant in Warsaw.

On March 17, 2011 the Executive Board of Eckert & Ziegler AG decided to exercise the call option acquired in December 2008 for the purchase of voting shares in IBt. S.A. towards Steglitz MedInvest UG. Eckert & Ziegler therefore purchases 5,000,000 "Beneficiary Shares A" of IBt. S.A. at the price of EUR 750,000 plus 66,667 own shares in Eckert & Ziegler AG.

On March 17, 2011 Eckert & Ziegler announced that the Executive Board of the Theragenics Corporation, with registered seat in Buford, Georgia, USA, was submitted a non-binding offer for the purchase of all existing shares in Theragenics at the price of USD 2.20 per share in cash. The offer has a total volume of around USD 74 millions. The offer should either be implemented directly or through the Eckert & Ziegler subsidiary IBt Bebig. The non-binding offer that has been available to the Supervisory Board of Theragenics since February 8, 2011 already, however was rejected by it on March 11, 2011, has been renewed in writing by Eckert & Ziegler on March 17, 2011. As the Supervisory Board of Theragenics refused further talks in its rejection, the Executive Board of Eckert & Ziegler decided to make its still free offer public. The shareholders of Theragenics should hereby be given the opportunity to inform themselves about the substantial value added for the shareholders as well as the strategic benefits of a merger of both companies which cannot be denied.

Outlook

After the crisis years 2008 and 2009 the economic recovery in particular exceeded all expectations in Germany. Eckert & Ziegler was practically not affected by the financial and economic crisis of the previous years and was also able to directly continue the path of growth in 2010. The demand for medical products and industrial radiation sources appears less affected by economic dents than the demand in other industries. However, should the upwards trend reverse again then it cannot be excluded that the operative business of Eckert & Ziegler suffers more. This applies in particular if the recession once again reaches the USA which economists describe as a double-dip scenario and prove with a certain probability of occurrence.

Of the other basic conditions otherwise the exchange rate of the American Dollar to the Euro is of substantial importance. As the Isotope Products segment, which is based in California and produces there to a large extent, makes a substantial contribution to the earnings and liquidity for the Group, even small changes in the exchange rate are directly reflected in the sales and income of Eckert & Ziegler. At the moment, when this annual report is going to press the rate has not yet substantially deviated compared to the closed fiscal year, where it was on average around USD 1.33 per Euro, even if the development towards USD 1.42 per Euro is principally for the disadvantage of Eckert & Ziegler. Over the course of the year it will be seen whether the exchange rate is driven stronger by the crisis of the PIIGS states (Portugal, Ireland, Italy, Greece and Spain) for the burden of the Euro or owing to the budget and commercial balance sheet deficit of the USA for the burden of the USD. In addition the interest decisions of the Fed and the ECB certainly play a role. Should therefore the USD be devaluated stronger again owing to more relaxed budget situations in Southern Europe and higher interest increases of the ECB compared to the Fed, then from a rate of more than USD 1.45 per Euro worse results can be

Therapy segment: Ruthenium eye applicators for treating eye cancer

expected in 2011 compared to 2010, because then the change in currency will more than compensate for the growth.

The exchange rate is also of significance for the competitive situation, in particular in the Therapy segment. The lower the Dollar, the better the costs and therefore the competitive situation of American implant manufacturers and the higher the pressure on sales prices and margins of IBt S.A..

The economy and exchange rate expectations of the market players are reflected in the interest development whereby the expectations of inflation or more fears of inflations additionally play a role here still against the background of the rising deficits of the state budgets. For Eckert & Ziegler in particular the development of the long-term 5 to 10 annual interest rates is of interest, however also only with regard to future greater investment projects. Existing loans are without exception concluded at a fixed interest rate or hedged by means of an interest swap. However, the profitability falls and therefore the probability for the execution of investment projects with the increase in the long-term interest.

After the integration subjects IBt S.A. and Nuclitec were successfully completed in 2010, the probability for acquisitions increases in 2011.

Future business development in the Isotope Products segment

The Isotope Products segment is very well-positioned owing to the market leadership with many products. The aim is to defend this position so that the revenues in the next two years will at least remain constant with EUR 50 million and the income after taxes and minority interests with around EUR 8 million are kept stable. Impulses for growth can above all arise from price increases and acquisitions.

Future business development in the Therapy segment

It is expected that the Therapy segment will not quite be able to uphold the sales level of 2010 in the following two years, but will fall to around EUR 28 million as the effects from the Russian project cannot be completely compensated for by the growth of the other products. The earnings after minority interests should however in future be above the value from 2010, therefore at least EUR 1 million, which in particular is due to the lapse of the loan depreciation. The afore-mentioned values do not contain any increases in revenues from the generations of implant products and tumor irradiation equipment, which will be launched on the market in 2011. In addition the segment pursues a growth strategy and is concretely planning an acquisition in the USA.

Future business development in the Radiopharma segment

A constant growth in sales of approx. 10% per annum is expected in the Radiopharma segment in the two following years. The profits should increase at least to the same extent. These growth rates can be exceeded still if the products which are produced in the clean room productions set-up in Berlin and Braunschweig sell even better than expected. It concerns here pharmaceutically licensed gallium generators and contract manufacturing projects of Yttrium-90-applications. Acquisitions and a new building investment in Poland are also planned in this segment.

Awarding of prize „365 landmarks in the land of ideas" on November 16, 2010 in Berlin

Future business development in the Environmental Services segment

With the basic business of the Environmental Services segment constant sales of EUR 5 to 6 million are also expected in the two following years. The earnings should turn out to be slightly positive. Non-quantifiable opportunities for growth arise from preparatory work in connection with the planned opening of the Schacht Konrad. A surge in demand for services of the segment is expected from this.

Future business development in the Group

In total sales between EUR 110 and 120 million and earnings after taxes and minority interests of at least EUR 10 million are expected for the financial year 2011. The aim to double sales within 5 years stated after announcement of the figures for 2009, therefore we will continue to keep an eye on the achievement of the sales mark of EUR 200 million in 2014 with constant sales profitability. In the medium term at least the afore-mentioned sales and income of 2011 are expected for the year 2012.

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.

Paid as variable remuneration components so far was a profit bonus, which was oriented to the consolidated income statement according to IFRS. With regard to the provisions of the law concerning the appropriateness of the Executive Board remuneration (VorstAG) the Executive Board contracts were adjusted effective as of the financial year 2011 so that a distinction is now made between variable remuneration components with short-term incentive effect and variable remuneration components with long-term incentive effect. Whereas the short-term variable remuneration components are essentially treated as before

Production of radiodiagnostics at the Berlin-Adlershof location

the members of the Executive Board will receive as variable remuneration component with long-term incentive effect in future one percentage of the cumulative net income for the year of the segment for which they are directly responsible, which is analyzed over a defined multi-year period of time. Installment payments are made during the year; the final settlement is carried out at the end of the agreed period of time.

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

Of the total remuneration in the amount of EUR 1,159,000 for the financial year 2010 (previous year EUR 1,138,000) fixed compensation elements accounted for EUR 597,000 (previous year EUR 608,000) and short-term performance-based components accounted for EUR 562,000 (previous year EUR 530,000).

Remuneration to former Executive Board members or their surviving dependents were not paid in the financial year 2010. However, provisions exist for one former Executive Board member owing to a pension promise in the amount of EUR 396,000 (previous year EUR 412,000).

A company pension plan exists for two current members of the Executive Board by means of a so-called reinsured benevolent fund, which is financed by conversion of remuneration.

Name	Fixed components		Short-term performance-based components	Total	Payment by
	Fixed salary	Payments in kind, benefits	Profit basis/bonus/ inventor's remuneration		
Dr. Andreas Eckert	240,000 EUR (py. 240,000 EUR)	24,558 EUR (py. 24,085 EUR)	200,000 EUR (py. 200,000 EUR)	**464,558 EUR** (py. 464,085 EUR)	Eckert & Ziegler AG
Dr. Edgar Löffler	153,000 EUR (py. 168,000 EUR)	26,708 EUR (py. 26,389 EUR)	202,032 EUR (py. 166,952 EUR)	**381,740 EUR** (py. 361,341 EUR)	Eckert & Ziegler BEBIG GmbH
Dr. André Heß	132,000 EUR (py. 132,000 EUR)	20,270 EUR (py. 17,720 EUR)	160,000 EUR (py. 162,633 EUR)	**312,270 EUR** (py. 312,353 EUR)	Eckert & Ziegler Radiopharma GmbH

Laser welding of Sr-90 radiation sources

Production line for producing industrial measurement sources at the Prague location

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 remuneration.

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 to the company 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 period under review.

In the financial year 2010, members of the Supervisory Board received fixed remuneration in the amount of EUR 45,000 (previous year EUR 45,000) and Supervisory Board meeting remunerations of EUR 18,800 (previous year EUR 19,500). This corresponds with a total expense of EUR 63,800 (previous year EUR 64,500).

Name	Remunerated function	Fixed remuneration	Meeting remuneration	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	12,000 EUR (py. 12,000 EUR)	3,750 EUR (py. 3,000 EUR)	15,750 EUR (py. 15,000 EUR)
Prof. Dr. Nikolaus Fuchs	Deputy chairman of the Supervisory Board	9,000 EUR (py. 9,000 EUR)	3,750 EUR (py. 3,750 EUR)	12,750 EUR (py. 12,750 EUR)
Hans-Jörg Hinke	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,750 EUR)	9,750 EUR (py. 9,750 EUR)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,000 EUR (py. 3,750 EUR)	9,000 EUR (py. 9,750 EUR)
Holger Bürk	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,750 EUR)	9,750 EUR (py. 9,750 EUR)
Prof. Dr. Detlev Ganten (from May 21, 2009)	Member of the Supervisory Board	6,000 EUR (py. 3,699 EUR)	750 EUR (py. 750 EUR)	6,750 EUR (py. 4,449 EUR)
Prof. Dr. Ronald Frohne (until May 21, 2009)	Member of the Supervisory Board	0 EUR (py. 2,301 EUR)	0 EUR (py. 750 EUR)	0 EUR (py. 3,051 EUR)

Take-over law disclosures

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

As of December 31, 2010, the Group's nominal capital was EUR 5,292,983.00 (previous year: EUR 5,260,283.00), divided into 5,292,983 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, 2010, Dr. Andreas Eckert indirectly held 1,674,986 shares through Eckert Wagniskapital und Frühphasenfinanzierung GmbH, Panketal, Germany, and directly held 12,001 shares, for a total of 31.87% of the voting rights.

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

Insofar as 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 Section 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 Section 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 Section 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, 2010, the Executive Board was authorized by an Annual General Meeting resolution with the approval of the Supervisory Board to increase the company's nomi-

Validation of Modular-Lab for PET syntheses

nal capital through May 19th, 2015, by up to a total of EUR 2,630,141.00 by issuing a maximum of 2,630,141 owner bearer shares for cash and/or non-cash contributions (authorized capital 2010). With the approval of the Supervisory Board, the Executive Board is authorized to suspend the shareholders' statutory subscription right in certain cases.

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/I). 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 2010 in connection with the servicing of stock options, is EUR 235,650.

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/I). 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.

5x5 km-team relay race in Berlin

Staff

Development of workforce

In the period under review, the average number of people employed by the Group rose by 9 to 532. The slight increase of 2% is equally distributed over all segments. The personnel expenses increased by around the same extent. These increased from EUR 29.9 million in 2009 to EUR 31.8 million in 2010. Around half of all employees have a qualification from a university of applied sciences or a higher quality education. The group invested EUR 272,000 (2009: EUR 176,000) in further training for employees. On December 31, 2010 the Group employed 546 employees worldwide (previous year: 526).

Attractive employer

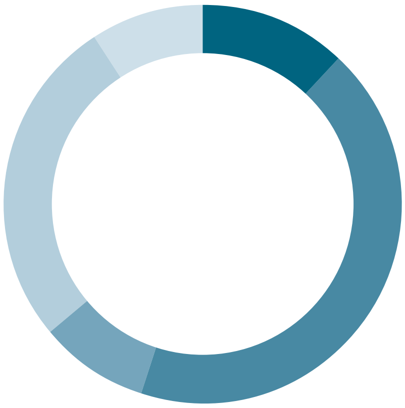
As an attractive employer Eckert & Ziegler makes it easier to combine family and professional life and offers at many sites flexible daily and weekly working hours, part-time work or health care, as well as running programs to assist mothers returning to work and maintain contact with the company during periods of parental leave through a regular exchange of information. The Group moreover supports the further training of the employees by internal English courses and advanced studies in the sectors of business management and medical physics. With the aim to find a better balance between the interests of the employees and the business interests Eckert & Ziegler has created a variable bonus system for many sectors of the company. In 2010 more than half of the workforce participated in this with sales or production-based bonuses. Further the share of variable salary components for employees, who do not belong to the group of executives, was continuously increased.

Training

In Germany Eckert & Ziegler offers apprenticeships. In the period under review the Group employed nine industrial clerk apprentices in the training professions industrial management assistants, mechatronic specialists and IT specialists for system integration. With the employment of apprentilces Eckert & Ziegler makes a contribution to the own assurance of upcoming workers and gives those leaving school professional perspectives in an industry which is fit for the future. The Group was able to make it possible for outstanding apprentices, who achieved their qualification in 2010, to carry out a subsequent activity. In the financial year 2010 numerous interns, students and diploma candidates took advantage of the opportunity to get to know Eckert & Ziegler as an interesting employer within the framework of their activity. It was possible to offer fixed employment to a host of these after completion of their project.

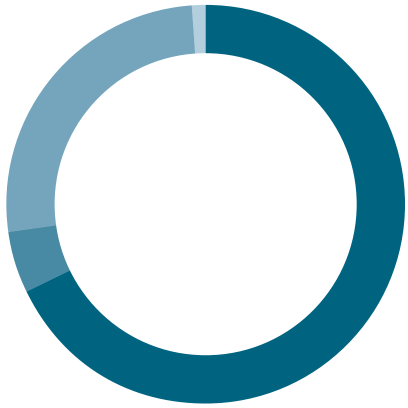
Fluctuation

The fluctuation, therefore the number of the employees who left the company in the period under review, was decisively influenced by adjustments in the Therapy segment as well as by the integration of Nuclitec GmbH. It was with 11.8% substantially above the level of the previous year (2009: 7.3%), however approximately corresponds for Germany with the average value of 10-14% (www.mitarbeiterbindung.info), or interns were also taken into consideration when calculating the fluctuation. Based on the regular workforce the fluctuation is lower.



Staff by areas (in %)

R&D	12%
Production	43%
Quality management	9%
Sales & marketing	27%
Administration	9%



Staff by regions (in %)

Germany	68%
EU (w/o GE)	5%
USA	26%
Other	1%

Age structure

A stable, highly diversified age structure of the employees is important for the long-term success of the business. The Executive Board considers our age structure to be balanced and appropriate for an international technology company. It is compressed with many other German industrial companies in the age group of the 40 to 49-year olds; the average age in 2010 was unchanged at 43 years old (2009: 43 years old). The share of women in the whole workforce amounted to 38.4% worldwide in the period under review (2009: 36.7%).

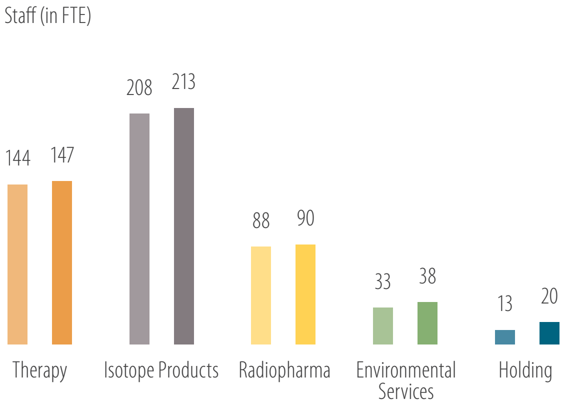
Safety at work

The number of work accidents remained at an unchanged low level group-wide in the period under review. It is with approx. 6 industrial accidents per 1,000 full-time employees substantially below comparable values, which for example the employers mutual insurance association electrical ("electrical/textiles/precision/mechanics") according to the annual report 2009 for Germany and for 2009 considers to be approx. 16 work accidents per 1,000 full-time employees. The comparable value of the employers mutual insurance association "raw materials and chemical industry" is according to its annual report 2009 around 13.

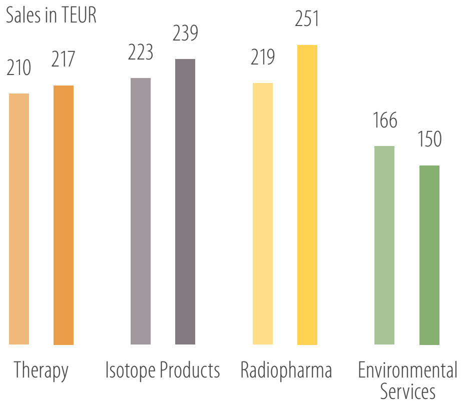
There was no radiological incident group-wide with radiation protection in the period under review, whereby it is to be noted that even the radiological incidents in the past few years it merely concerned deviations from the normal operational flow. None of the incidents was relevant to safety. In line with the radiation protection regulations or special conditions of the respective approving notifications the responsible supervisory authorities were informed hereof.

The Executive Board would like to take this opportunity to thank all members of staff for their commitment and performance.

Staff in individual segments 2009/2010 (in FTE*)



Work productivity in individual segments 2009/2010 (Sales pro FTE*)



*FTE = Full time equivalent; part-time jobs are weighted according to their respective share of the working hours.

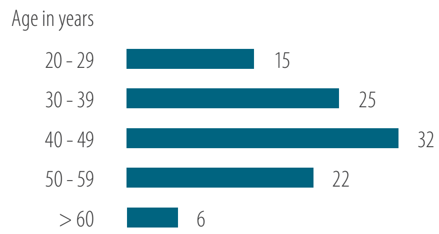
Work accidents (in absolute values)	**2010**	2009	2008	2007
Reportable work accidents	**3**	3	6	5
Reportable accidents en route to work	**1**	5	2	1

Work accidents (per 1.000 employees)	**2010**	2009	2008	2007
Reportable work accidents	**5.9**	5.9	11.8	9.8
Reportable accidents en route to work	**1.9**	9.8	3.9	1.9

Radiation protection	**2010**	2009	2008	2007
radiological incidents **	**0**	2	1	1

** events which are liable to reporting in line with radiation protection regulations or special conditions of the respective approval

Staff by age group 2010 (in %)



Natural scientific experimental courses for children with the Forschergarten

Social engagement

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" project (www.forschergarten.de), 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 150 participating kindergartens and primary schools in the Berlin region. In 2010 almost 18,000 children took part in the "Forschergarten" project. Therefore the number of children who took part in the natural science experimental courses increased by more than 50%.

To promote aspiring young scientists in the field of nuclear medicine, in 2010 Eckert & Ziegler together with the European Association of Nuclear Medicine (EANM) offered an award for promising young nuclear scientists for the third term. The objective of the "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 2010 at the annual meeting of the EANM in Vienna and went to five talented young nuclear medicine researchers from Australia, Germany, the Netherlands and the USA. The award winners were chosen from over 534 nominations by a jury of the EANM. The awards recognized work in the fields of oncological and neurological diagnostics.

Berlin, March 23, 2011
Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

Consolidated financial statements of Eckert & Ziegler Gruppe

Group income statement		2010	2009
	Note	TEUR	TEUR
Revenues	7.	111,093	101,399
Cost of sales	8.	-53,295	-50,275
Gross profit on sales		57,798	51,124
Selling expenses	9.	-18,929	-18,425
General administration costs	10.	-18,828	-19,083
Research and development costs	11.	-2,886	-2,496
Other operating income	14.	2,868	9,339
Other operating expenses	15.	-1,703	-4,996
Operating profit		18,320	15,463
Earnings from shares valuated at equity	16.	-390	873
Value impairment of financial investments	17.	-1,402	0
Exchange rate gains		1,021	1,136
Exchange rate losses		-978	-1,054
Earnings before interest income and income taxes (EBIT)		16,571	16,418
Interest income	18.	299	68
Interest expenditure	18.	-2,517	-1,331
Earnings before income taxes		14,353	15,155
Income taxes	19.	-3,938	6,737
Profit or loss for the period		10,415	21,892
Profit relating to minority interests	20.	1,002	8,642
Divided to shareholders of Eckert & Ziegler AG		9,413	13,250
Earnings per share	21.		
Undiluted (EUR per share)		1.81	3.50
Diluted (EUR per share)		1.81	3.48
Shares in circulation on average (undiluted - in thousand units)		5,194	3,783
Shares in circulation on average (diluted - in thousand units)		5,208	3,806

Statement of comprehensive income	Notes	2010 TEUR	2009 TEUR
Profit for the period		10,415	21,892
thereof profit (py loss) relating to minority interests		1,002	8,642
thereof relating to the shareholders of Eckert & Ziegler AG		9,413	13,250
Change in the fair value of financial assets available for sale		-2	-4
Income taxes		1	1
Change in the amount entered in the shareholders' equity (financial assets available for sale)	27.	-1	-3
Change in the actuarial profits (+)/ losses (-) from performance-oriented pension commitments		220	-218
Income taxes		-70	69
Change in the amount entered in the shareholders' equity (actuarial profits (+)/ losses (-))	34.	150	-149
Change in the adjustment item from the currency translation of foreign subsidiaries		1,031	62
Change in the amount entered in the shareholders' equity (currency translation)		1,031	62
Total of the changes in value entered in the shareholders' equity		1,180	-90
thereof relating to minority interests		-16	-8
thereof relating to the shareholders of Eckert & Ziegler AG		1,196	-82
Total from net income for the year and the changes in value entered in the shareholders' equity		11,595	21,802
thereof relating to minority interests		986	8,634
thereof relating to the shareholders of Eckert & Ziegler AG		10,609	13,168

Group cash flow statement	Notes	2010 TEUR	2009 TEUR
Cashflow from operating activities:	39.		
Annual profit or loss		10,415	21,892
Adjustments for:			
Depreciations and value impairments		9,842	11,525
Interest income		2,218	1,331
Interest payments		- 1,582	- 1,480
Income tax expense (+)/ income (-)		3,938	- 6,737
Income tax payments		- 5,301	- 2,627
Cash inflows from grants less income from the writing back of the deferred grants		- 701	- 21
Change in the non-current provisions, other non-current liabilities		- 1,038	- 6,821
Profit (-)/loss from the sale of shares in consolidated companies		-	- 221
Profit (-)/loss from the disposal of fixed assets		16	11
Other events not affecting payments		- 395	- 837
Changes in the current assets and liabilities:			
Receivables		- 620	1,696
Inventories		707	26
Accruals, other current assets		- 94	- 3
Change in the current liabilities and provisions		- 2,380	4,378
Cash inflow from operating activities		15,025	22,112
Cashflow from investment activities	40.		
Acquisition of fixed assets		- 5,779	- 5,693
Sales of fixed assets		187	506
Acquisition of consolidated companies (less acquired liquid funds)		- 1,944	- 3,874
Sales of shares in consolidated companies		-	643
Sale of participating interests		-	28
Sales of securities		-	101
Cash outflows for loans granted to third parties		-	- 1,409
Cash outflow from investment activities		- 7,536	- 9,698
Cashflow from financing activities	41.		
Cash inflow from capital increase (less costs)		-	23,929
Paid dividends		- 2,335	- 1,132
Distribution of shares of third parties		- 351	- 409
Acquisition of own shares		-	- 436
Sale of own shares and cash inflow from the exercising of stock options		712	517
Cash inflows from the taking out of loans		8,750	9,111
Cash outflows from the redemption of loans		- 6,218	- 7,590
Purchase of equity instruments of subsidiaries		- 22,841	-
Cash outflow (in the prev. year inflow) from financing activities		- 22,283	23,990
Changes in the financial holdings owing to exchange rates		336	- 41
Decrease (in the prev. year increase) in the financial holdings		- 14,458	36,363
Financial holdings at the beginning of the period		43,674	7,311
Financial holdings at the end of the period		29,216	43,674

Group balance sheet		31.12.2010	31.12.2009
	Notes	TEUR	TEUR
ASSETS			
Non-current assets			
Goodwill	22.	**30,410**	27,669
Other intangible assets	22.	**10,475**	13,870
Property, plant and equipment	23.	**27,602**	27,253
Financial assets valuated according to the at-equity method	24.	**108**	850
Deferred tax assets	19.	**12,204**	11,795
Other non-current assets	25.	**1,220**	910
Total non-current assets		**82,019**	82,347
Current assets			
Cash and cash equivalents	26.	**29,216**	43,674
Securities	27.	**224**	226
Trade receivables	28.	**17,252**	16,204
Inventories	29.	**12,678**	12,631
Other current assets	30.	**3,078**	6,238
Total current assets		**62,448**	78,973
Balance sheet total		**144,467**	161,320
LIABILITIES			
Capital and reserves			
Subscribed capital		**5,293**	5,260
Capital reserves		**53,874**	52,719
Retained earnings		**11,729**	21,955
Other reserves		**-2,183**	-3,379
Own shares		**-401**	-703
Equity to which the shareholders of Eckert & Ziegler AG are entitled		**68,312**	75,852
Minority interests		**5,293**	10,223
Total capital and reserves		**73,605**	86,075
Non-current debts			
Loans and financial leasing liabilities	32.	**16,009**	14,262
Deferred income from grants and other deferred income	33.	**584**	1,384
Deferred tax liabilities	19.	**647**	1,627
Provisions for pensions	34.	**5,913**	5,707
Other provisions	35.	**17,841**	17,589
Other non-current liabilities	36.	**1,118**	678
Total non-current debts		**42,112**	41,247
Current debts			
Loans and financial leasing liabilities	32.	**5,794**	5,813
Trade liabilities		**4,323**	4,426
Advance payments received		**3,374**	8,005
Deferred income from grants and other deferred income (short-term)	33.	**536**	395
Income tax liabilities		**1,112**	943
Other current liabilities	37.	**13,611**	14,416
Total current debts		**28,750**	33,998
Balance sheet total		**144,467**	161,320

54 Statements of shareholders' equity (amounts in thousands, except number of shares)

	Subscribed capital				Cumulative other equity items						
	Number	Nominal value	Capital reserve	Retained earnings	Unrealized profit securities	Unrealized profit pension commitments	Foreign currency exchange differences	Own shares	Equity attributable to shareholders' equity	Minority interests	Group shareholders' equity
Balance January 1, 2010	5,260,283	5,260	52,719	21,955	4	-149	-3,234	-703	75,852	10,223	86,075
Foreign currency translation differences							1,047		1,047	-16	1,031
Unrealized gains/losses on performance-orientated pension commitments at balance sheet date (after tax of EUR 0 thousand)						1			1		1
Unrealized gains/losses on securities at balance sheet date (after tax of EUR 1 thousand)					3				3		3
Reversal of unrealized gains/losses on securities at previous balance sheet date					-4	149			145		145
Total of expenditures and income directly entered in equity	0	0	0	0	-1	150	1,047	0	1,196	-16	1,180
Net profit for the year				9,413					9,413	1,002	10,415
Total income for the period	0	0	0	9,413	-1	150	1,047	0	10,609	986	11,595
Capital increases	32,700	33	204						237		237
Dividends paid				-2,335					-2,335	-351	-2,686
Purchase/sale of minority interest				-17,304					-17,304	-5,565	-22,869
Sale of own shares			368					113	481		481
Use of own shares for serivicing share options			583					189	772		772
Balance December 31, 2010	5,292,983	5,293	53,874	11,729	3	1	-2,187	-401	68,312	5,293	73,605

	Subscribed capital				Cumulative other equity items						
	Number	Nominal value	Capital reserve	Retained earnings	Unrealized profit securities	Unrealized profit pension commitments	Foreign currency exchange differences	Own shares	Equity attributable to shareholders' equity	Minority interests	Group shareholders' equity
Balance January 1, 2009	3,250,000	3,250	30,316	10,387	7	0	-3,304	-359	40,297	1,933	42,230
Foreign currency translation differences							70		70	-8	62
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	70	0	-82	-8	-90
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	70	0	13,168	8,634	21,802
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 interest			-507						-507	65	-442
Aquisition of own shares			436	-436				-436	-436		-436
Sale of own shares			118	-118				86	86		86
Use of own shares for serivicing share options			-4	4				6	6		6
Balance December 31, 2009	5,260,283	5,260	52,719	21,955	4	-149	-3,234	-703	75,852	10,223	86,075

The Executive Board released the consolidated financial statements for forwarding to the Supervisory Board on 23 March 2011.

BACKGROUND, PRINCIPLES AND METHODS

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, irradiation equipment and radiopharmaceuticals 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 metrology. 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 conditions within healthcare.

2. REPORTING PRINCIPLES

The consolidated financial statements of Eckert & Ziegler AG as of December 31, 2010, 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 taken into consideration. In addition, the supplementary applicable commercial provisions of Section 315a Par. 1 HGB [German Commercial Code] have been observed. The consolidated financial statements, therefore, convey a fair presentation of the net assets, financial position and results of operations of the Group.

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

The financial statements of subsidiaries have been prepared as of the same key date as the consolidated financial statements, this balance sheet date corresponding to that of Eckert & Ziegler AG. The consolidated financial statements cover the period under review from January 1 to December 31, 2010. The Group income statement has been prepared in accordance with the cost of sales method. Other income is listed in the statement of comprehensive income.

The company is registered with the Commercial Register at Berlin-Charlottenburg under the number HRB 64 997 B and the consolidated financial statements and the Group management report as of December 31, 2010, are published in the electronic version of the Federal Official Gazette [Bundesanzeiger].

3. ACCOUNTING AND VALUATION PRINCIPLES

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

Disclosures – In accordance with IAS 1.56 (Presentation of Financial Statements) a distinction is made between current and non-current assets as well as current and non-current debts with the disclosure in the balance sheet.

Evaluations and estimates – For the preparation of the consolidated financial statements in compliance with IFRS, it is necessary that estimates and assumptions are made that have implications on the amount and disclosure of recognized assets and debts, income and expenses. Significant assumptions and estimates are made concerning useful life, income attainable from intangible assets and property, plant and equipment, realizability of receivables, the accounting and valuation of provisions, the portfolio and realizability of deferred tax assets in respect of loss carry-forwards. The assumptions and estimates are based on the respective actually available facts. Because of deviations in the development of these general conditions from the assumptions, the amounts included may differ from the originally expected estimates. The sensitivity of book values with respect to assumptions and the estimates that underlie the calculation of 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 (note 6).

Discretionary decisions when applying the accounting and valuation methods – Non-current intangible assets, property, plant and equipment and real estate held as financial investment are recognized at updated acquisition costs in the balance sheet. The possibility to recognize these at the fair value, which is also permitted, is not applied. Securities are principally classified as available for sale so that the changes to the fair values which are to be accounted are entered not affecting net income in the shareholders' equity. Insofar as securities are classified as affecting net income at the fair value changes to the fair values accordingly flow directly into the profit of loss for the period.

Goodwill – Goodwill represents the difference by which the total purchase price for an enterprise or a division exceeds the fair value of net assets acquired.

Other intangible assets – Shown under other intangible assets are customer relations, capitalized development costs, patents, technologies, bans on competition, software, licenses and similar rights. Development costs are capitalized as intangible assets if the pre-requisites 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 planned economic life of the product. Research costs, along with development costs not eligible for capitalization, are entered as expenses when they are incurred.

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

	Self-constructed	Acquired
Customer relations	-	8 to 10 years
Capitalized development costs	3 to 5 years	-
Patents, etc.	6 to 19 years	10 years
Other	3 to 5 years	3 to 5 years

Intangible assets with indefinite useful lives are reviewed on a yearly basis to establish whether or not the assessment of an indefinite useful life continues to apply.

Value impairment on intangible assets and property, plant and equipment – Value impairments on intangible assets and property, plant and equipment are carried out if the book value of the assets exceeds the recoverable amount of these assets owing to certain events or changed circumstances. The recoverable amount is the higher of fair value minus sales costs and utility value. Acquired goodwill as well as intangible assets with an indefinite useful life are reviewed for value impairment at least once a year.

In order to carry out the impairment test the acquired goodwill is allocated to those cash-generating units (CGU) which are expected to profit from the synergies of the company and business acquisitions. A cash-generating unit is the smallest identifiable group of assets which generates cash inflows from the continued use and is to a large extent independent of the cash inflows of other assets or other groups of asset. The CGUs correspond with the Isotope Products, Therapy and Radiopharma segments. No goodwill is allocated to the Environmental Services segment.

The recoverability of the goodwill is examined by determining the utility value based on estimated future cash flows, which are derived from the medium-term planning for the segments. The planning horizon of the medium-term planning is five years. The cash flows after the detailed planning phase are extrapolated by using a growth rate of 0% - 3% which does not exceed the expected average growth of the market or industry.

The discounting rates are determined based on the weighted capital costs rate of the Group and are between 6.5% and 10.0% after taxes or 9.0% and 13.3% before taxes.

Uncertainties exist with the estimates in the following assumptions upon which the calculation is based:

Medium-term planning:
The medium-term planning is based on past-related empirical values and takes into consideration expected market growth specific to the business segment.

Discounting rates:
The capitalization interest rate was estimated based on the average weighted capital costs which are customary for the industry.

Growth rates:
The growth rates are based on published industry-related market research.

Write-ups are carried out when the recoverable amount exceeds the book value of the asset. The write-up is carried out as a maximum up to the amount which would have been produced if impairments had not previously been carried out. No write-up will be carried out on an impaired goodwill.

Property, plant and equipment – Property, plant and equipment are valuated at acquisition or manufacturing cost less accumulated depreciation and impairment expenses. The manufacturing costs of self-constructed plant and equipment include all the direct costs, attributable manufacturing overheads and financing costs. Where available, acquisition or manufacturing costs include the estimated costs of demolition or disposal of the asset and restoration of the site. Self-constructed assets mainly relate to production lines. Property, plant and equipment with which all substantial risks and opportunities associated with the leasing object are transferred within the framework of financing leasing contracts are capitalized and depreciated over the estimated useful life of the assets. Other property, plant and equipment and tenant's fixtures acquired through financing leasing contracts are depreciated either over the term of the rental or leasing contract or the shorter estimated useful life of the assets concerned. Depreciation expense is determined on the basis of the straight-line method. The depreciation period is fixed in accordance with the expected useful life. The following useful lives are assumed:

Buildings	25 to 45 years
Tenant's fixtures	10 to 15 years
Technical plants 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 and impairment expenses are booked out, and any resulting gains or losses from the disposal are entered affecting net income.

A significant portion of the Group's depreciable assets is used for the manufacture of its products. The Executive Board assesses the recoverability of these assets, by taking relevant events in the business environment into account. On this basis, the useful lives of various property, plant and equipment assets were reassessed in 2010, which resulted in impairments in the financial year. The Executive Board assumes that there was no further impairment of utility as of December 31 2010. It is possible, however, that the assessments of the Executive Board concerning the possibilities for utilization and realizability of the Group's depreciable assets could also change in the short term owing to changes in the technological and regulatory conditions.

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

Value impairments 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 receivables – Trade receivables are non-derivative financial assets with fixed or determinable payments which are not listed on any active stock market. After their initial recognition in the accounts the loans and trade receivables on the basis of the effective interest method are valued at their updated acquisition costs less value impairment. Gains or losses are entered in the group net income if the trade receivables are impaired. Any interest effects resulting from the application of the effective interest method are also entered affecting net income.

Financial assets and 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 valuated at the fair value based on quoted market prices on the balance sheet date. Unrealized gains and losses arising from subsequent valuation 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 e.g. forward exchange transactions or swaps are in principle only used for hedging purposes. They are valuated in the Group balance sheet at fair value, with changes in value being entered affecting net income. Apart from an interest-currency swap two interest swaps held. 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, which were recognized at the fair value (EUR 13,000) in 2009. These options were recognized with a fair value of EUR 0,000 in the financial year 2010 (cf. with the explanations in the sections “Other assets” and “Other non-current liabilities”). No further derivative financial instruments exist.

Assets with restricted availability – Assets with restricted availability relate to amounts paid into a fund by the US subsidiary Eckert & Ziegler Analytics Inc., Atlanta, USA which serves to ensure the satisfaction of its future obligations for restoration for contaminated plants.

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 its property, plant and equipment by way of collateral for a bank loan.

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

Financial holdings – The Group considers all highly liquid funds with a maturity of up to three months to be cash equivalent investments to be disclosed under financial holdings. In view of their short-term nature, the nominal value of these funds is taken as their fair value.

Financial liabilities – Financial liabilities include, in particular, trade liabilities, amounts owed to banks and other liabilities. After their initial entry the financial liabilities are valuated on the basis of the effective interest method at their updated acquisition costs.

Pension provisions – 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 developments are 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 disclosed as not affecting net income in the statements of shareholders’ equity or statement of comprehensive income and are shown in entirety in the pension reserves.

Provisions – Provisions are formed when there is a current obligation resulting from a past event. Provisions are recognized when the level of their use tends to be more likely than unlikely and the amount used can be reliably estimated. The amounts recognized as provisions represent the best possible estimate of the expenses 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 costs under IAS 16, provided that provisions have to be formed for the costs 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 manufacturing costs. Under IAS 37 the disposal is determined at current value, i.e. under the assumption that the afore-mentioned disposal services are carried out by outside contractors. Provisions are recognized 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, per diem rates and expected material costs required. The amount of the provision allows for expected cost increases until the disposal work is carried out. 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 pre-requisites 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 term of the leasing agreement. The leasing liabilities are valuated at the present value of the leasing rates.

Income realization – In accordance with IAS 18, income from product sales is realized when the service is performed, provided that a contractual agreement exists at a fixed and determinable price and payment by the customer can be expected. No guarantees or rights of return are granted to the customer beyond his statutory rights. Licensing fees are collected relevant to net income in the period to which they relate.

Income from production orders are realized as per IAS 11 as follows: If the profit of a production order can be estimated reliably, the income and expenses are entered during the provision of the service with the existence of the pre-requisites according to the level of completion (percentage of completion method), i.e. partial profits are disclosed in the individual periods. 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. 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 entered as an expense. The accordingly most suitable method will be applied in order to determine the percentage of completion of the production orders depending on the basic conditions of the respective project.

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

Research and development – Research expenditure is entered 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 entered as expense when they are incurred. The manufacturing costs include, apart from single costs of materials and labor, also the material and labor overheads directly attributable to the development projects as well as directly attributable financing costs.

Income taxes – Deferred tax assets and liabilities are recognized in line with IAS 12 in order to reflect future fiscal effects arising from the temporary differences between the book values of the assets and liabilities disclosed in the consolidated financial statements and their respective values in the tax balance sheet. Deferred tax assets are further formed on interest and loss carry-forwards. Deferred tax assets and liabilities are assessed on the basis of statutory tax rates which are applicable to taxable income in the years in which these temporary differences are expected to be compensated for. The effects of a change in tax rates on deferred tax assets and liabilities are entered 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 disclosed balanced 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 regulations.

Stock option plan/employee stock option scheme – The employee stock option scheme is accounted in line with IFRS 2 (stock-based remuneration). According to this the fair value of all issued stock options is to be determined at the time of their issue and to be distributed as personnel expenses over the vesting period. The fair value of each issued option on the day of issue is calculated by means of an option price model. The personnel expenses involve an increase in the capital reserves as the compensation is carried out by equity instruments of the company.

Investment grants and other subsidies – In accordance with IAS 20.7, subsidies are only entered if the company satisfies the conditions associated with the granting of the subsidy. Funds that the Group receives from public or private sources for investment or development projects are disclosed as deferred income in the financial year of receipt. Grants for expenses are offset against the subsidized expenditure in the financial year in which it is incurred. The deferred grants in the consolidated financial statements were received for the purchase of property, plant and equipment and development costs. They are written back affecting net 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 calculated 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 consolidated financial statements comply with all the standards of the IASB mandatory in the EU at the balance sheet date, as well as the applicable IFRIC and SIC statements. The Executive Board is not anticipating any material effects on future consolidated financial statements from changes to existing standards made by the IASB within the framework of various projects to further develop the IFRS and to achieve convergence with US-GAAP, nor from new standards which do not come into force until after December 31, 2010.

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

The following accounting standards and interpretations were applied for the first time in the financial year 2010, which have influenced the amounts which are reported for the actual financial year (and/or previous years).

IAS 27 (2008) Consolidated and separate financial statements

The application of IAS 27 (2008) leads to changes in the accounting methods of the Group with regard to changes in the shareholdings in subsidiaries.

In particular the revised standard has influenced the accounting methods of the Group with regard to changes in the shareholdings in subsidiaries. In previous years, owing to the absence of specific rules within the IFRS regulations, increases in the shareholdings in existing subsidiaries were accounted in the same manner as the acquisition of subsidiaries so that – depending on the facts – there was either a recognition of goodwill or the entry of an acquisition profit; for reductions in the shareholdings in existing subsidiaries which did not lead to a loss of the control, the difference between the received consideration and the adjustment of the shares of the non-controlling shareholders was entered in the profit or loss. According to IAS 27 (2008) all of these increases and reductions are depicted within the shareholders' equity without this having an implication on the goodwill or the profit or loss.

If the control over a subsidiary is lost as a result of a transaction, an event or owing to other circumstances, the revised standard requires that the company books out all assets, debts and shares of non-controlling shareholders at the book value and enters the received consideration at the fair value. Any retained share in the former subsidiary is valuated at the fair value at the time of the loss of the control. The produced difference is entered affecting net income as a profit or loss.

The changes in the accounting methods with regard to changes in the shareholdings in subsidiaries are expected to be applied from January 1, 2010 in line with the relevant transitional provisions.

The application of the revised standard has influenced the accounting of the increases in shares in the subsidiaries International Brachytherapie S.A., Eckert & Ziegler EURO-PET Berlin GmbH and Eckert & Ziegler f-con Deutschland GmbH carried out in the actual financial year. The change in the accounting method led to a difference in the amount of EUR 17,304,000 between the paid purchase price of EUR 22,869,000 and the acquired shares of non-controlled shareholders of EUR 5,565,000, which was entered directly in the shareholders' equity instead of the recognition of goodwill in line with the previous accounting method. Moreover, the purchase price, which was paid in cash in the actual financial year, in the amount of EUR 22,735,000 was entered in the cash flows from financing activity.

The following new or revised standards and interpretations were also applied in these consolidated financial statements. The application had no essential implications on the consolidated financial statements of the actual year and the previous years, can however influence the accounting of future transactions or agreements.

Changes to IFRS 1 First time application of the International Financial Reporting Standards – Additional exceptions for first users

The changes introduce two new exceptions for first users with regard to assets of the oil and gas industry and with regard to the determination whether an agreement contains a leasing relationship.

Changes to IFRS 2 Share-based payments – accounting of share-based payments in the group which are satisfied in cash

The changes clarify the field of application of IFRS 2 as well as the accounting of share-based payments in the single financial statements of a company which are satisfied in cash by the Group and with which the company receives the goods or services, however the parent company or another group company takes over the payment obligation.

IFRS 3 (2008) Business combinations

The change to IFRS 3 (2008) "Business combinations" is expected to be applied for the first time (with the exception of some facts) to business combinations for which the time of acquisition is on or after the start of financial years which begin on or after July 1, 2009. The change was taken over into European law. The revised IFRS 3 (2008) envisages an option for the valuation of the shares of non-controlling shareholders, to valuate these either at the fair value or at the share of the non-controlling shareholder in the net assets of the acquired company as had been envisaged under the previous version of IFRS 3. Moreover, the regulations in IFRS 3 (2008) change the recognition and the follow-up valuation of conditional considerations. IFRS 3 (2008) also requires the entry of a profit or loss affecting net income in those cases in which the business combination in the end leads to the termination of a previously existing business relationship between the group and the acquired company as well as that the purchase-related costs are to be accounted separately from the business combination.

Changes to IFRS 5 Non-current assets held for sale and discontinued operations (within the framework of the annual improvements (2008))

The changes make clear that the requirements for details in other standards than IFRS 5 are not to be applied to non-current assets or sale groups, unless these standards require (i) specific details concerning non-current assets (or) sale groups, which are held for sale or are classified as discontinued operation or (ii) details concerning the valuation of the assets and debts of a sale group, which do not fall under the valuation requirements of IFRS 5 and for which such details are not already provided in the consolidated financial statements. Moreover, the changes envisage that all assets and debts of a subsidiary are to be classified as held for sale if the parent company is bound to a sales plan, which results in the loss of the control of the subsidiary irrespective of whether the parent company retains a non-controlling share in the subsidiary after the sale.

Changes to IAS 39 Financial instruments: Recognition and valuation – risk positions which qualify for the hedge accounting

These changes lead to the clarification of two aspects with the accounting of hedging relationships: On the one hand the inflation is named as a safe (part) risk, on the other hand the hedging treated by means of options.

IFRIC 17 Distributions of non-cash assets to owners

The interpretation includes guidelines for the appropriate treatment on the balance sheet for cases in which a company distributes non-cash assets to owners.

IFRIC 18 Transfers of assets from customers

The interpretation relates to the accounting from the point of view of the receiving party from assignments of assets by "customers" and comes to the conclusion that in such cases in which the transferring asset satisfies the definition of an asset from the point of view of the receiving party, this receiving party recognizes the asset at the fair value at the time of the transfer. The counter-booking is entered as revenue in line with IAS 18 (Revenue).

Annual improvements (2009)

None of these new accounting standards had an essential influence on the net assets, financial position and results of operations or the earnings per share. The changes arising for disclosure and information obligations were taken into account in the consolidated financial statements, in particular in the group income statement, statement of comprehensive income as well as in the consolidated notes.

Published accounting standards not yet applied:

The following standards and interpretations, the application of which is not obligatory so far, are not yet applied in these financial statements.

Standard	Designation	Obligatory for financial years beginning from	Application planned from	Possible implications on future financial statements
IFRS 1 (revised)	Limited exception with regard to comparable disclosures in IFRS 7 for first users	1.7.2010	1.1.2011	none
IFRS 7 (revised)	Disclosures – assignment of financial assets	1.7.2011	1.1.2012	is still being examined
IFRS 9	Financial instruments	1.1.2013	1.1.2013	insignificant
IAS 24	Related party disclosures	1.1.2011	1.1.2011	insignificant
IAS 32	Accounting of subscription rights	1.2.2010	1.1.2011	insignificant
IFRIC 14	Contributions paid in advance within the framework of minimum financing regulations	1.1.2011	1.1.2011	none
IFRIC 19	Redemption of financial liabilities by issuing equity instruments	1.7.2010	1.1.2011	insignificant
	Annual improvements (2010)	1.7.2010	1.1.2011	insignificant

CONSOLIDATION PRINCIPLES

The capital consolidation is carried out according to IAS 27 and IFRS 3 according to the purchase method. The first consolidated is carried out at the time of purchase. The purchased assets and debts are valuated here with their fair values at the time of purchase. The acquisition costs of the purchased shares are subsequently offset against the pro rata newly valuated shareholders' equity of the subsidiary. A resulting positive difference is disclosed as goodwill under the intangible assets, a negative difference is entered affecting net income in the income statement.

All essential receivables and liabilities as well as transactions between affiliated companies have been eliminated within the framework of the consolidation. The Joint-Venture has been included in the consolidated financial statements with the help of the equity method.

GROUP OF CONSOLIDATION COMPANIES

In the consolidated 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 consolidated financial statements as of December 31, 2010 are:

	Share of voting rights
International Brachytherapy S.A., Seneffe, Belgium ***	56.4%
Eckert & Ziegler BEBIG GmbH, Berlin *	56.4%
Isotron Isotopentechnik GmbH, Berlin *	56.4%
Sonotech GmbH, Neu-Ulm *	56.4%
Eckert & Ziegler Iberia SLU, Madrid, Spain *	56.4%
Eckert & Ziegler Italia s.r.l., Milan, Italy *	56.4%
Eckert & Ziegler BEBIG SARL, Paris, France *	56.4%
Eckert & Ziegler MMI GmbH, Berlin *	56.4%
Eckert & Ziegler BEBIG Radiotherapy SARL, Paris, France *	56.4%
IBt BEBIG GmbH, Berlin *	56.4%
Eckert & Ziegler BEBIG Ltd., London, Great Britain *	56.4%
Eckert & Ziegler BEBIG Inc., Norcross, USA *	56.4%
Eckert & Ziegler Isotope Products Inc., Valencia, USA **	100%
Eckert & Ziegler Analytics Inc., Atlanta, USA *	100%
Eckert & Ziegler Isotope Products Holdings GmbH, Berlin	100%
Eckert & Ziegler Isotope Products GmbH, Berlin *	100%
Eckert & Ziegler Isotope Products SARL, Les Ulis, France *	100%
Eckert & Ziegler Nuclitec GmbH, Brunswick	100%
Nuclitec Inc., Burlington, USA *	100%
Eckert & Ziegler Cesio s.r.o., Prague, Czech Republic	80%
Eckert & Ziegler Radiopharma GmbH, Berlin	100%
Eckert & Ziegler EUROTOPE GmbH, Berlin *	100%
Eckert & Ziegler EURO-PET Linköping AB, Linköping, Sweden *	100%
Eckert & Ziegler EURO-PET Berlin GmbH, Berlin *	100%
Eckert & Ziegler f-con Europe GmbH, Holzhausen ****	77.2%
Eckert & Ziegler f-con Deutschland GmbH, Holzhausen *	77.2%
Eckert & Ziegler EURO-PET Köln-Bonn GmbH, Bonn *	77.2%
Eckert & Ziegler Nuclitec Inc., Hopkinton, USA	100%
Kompetenzzentrum für sichere Entsorgung GmbH, Berlin	100%

* indirect interest.

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

*** As of December 31, 2010 Eckert & Ziegler AG held 72.6% of nominal shares in IBt. S.A., equivalent to 56.4% of voting shares. Furthermore, Eckert & Ziegler AG holds an option to purchase 5 million voting shares ("beneficiary shares") in IBt. S.A..

**** Eckert & Ziegler f-con Europe GmbH and Eckert & Ziegler f-con Deutschland GmbH were merged in the financial year 2010. Further explanations in this respect under "changes to the group of consolidated companies"

CHANGES TO THE GROUP OF CONSOLIDATED COMPANIES

The following shares in companies were purchased or changes made to the group of consolidated companies in the financial year 2010:

- In May 2010 Eckert & Ziegler Isotope Products Holdings GmbH was founded as a holding company for the Isotope Products segment.

- With the contract of August 3, 2010 Eckert & Ziegler f-con Europe GmbH and Eckert & Ziegler f-con Deutschland GmbH were merged retrospectively as of January 1, 2010 to Eckert & Ziegler f-con Europe GmbH. The corporate name of the company was subsequently changed to Eckert & Ziegler f-con Deutschland GmbH. The entry of the merger in the commercial register was applied for in August 2010 and was carried out on January 11, 2011.

- Effective as of December 31, 2010 Eckert & Ziegler BEBIG GmbH purchased all shares in Sonotech GmbH. The purchase of the company is presented below (note 42).

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 jointly managing parties. Shares in joint ventures are recorded on the balance sheet in accordance with the equity method. The Group statement of comprehensive income 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 the financial year 2009, IBt. S.A. founded the joint venture "NanoBrachyTech" together with Santis LLC and the Russian state fund corporation "RUSSNANO". 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. Translation of the income statement as well as the cash flow statement is carried out at the weighted average rate for the year. Equity components are translated at the historical rate when they are incurred. Until the subsidiary is disposed of, currency differences resulting from the translation are entered as a separate item within shareholders' equity or under the shares of other shareholders.

At initial recognition, foreign currency items are valuated at the acquisition price in the annual financial statements of the companies included in the consolidated financial statements. Monetary items are valuated at the mid-market rate as of the balance sheet date. The resultant exchange gains and losses as of the balance sheet date are entered affecting net income.

The following exchange rates were used for the currency translation:

Country	Currency	**Dec. 31, 2010**	Dec. 31, 2009	**Average rate 2010**	Average rate 2009
USA	USD	**1.3362**	1.4330	**1.3316**	1.3806
CZ	CZK	**25.061**	26.4215	**25.3797**	26.6431
GB	GBP	**0.8565**	0.9000	**0.85251**	0.89975
SK	SEK	**8.9655**	10.2603	**9.0708**	10.2603

5. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PREVIOUS YEAR

The changes in the group of consolidated companies during the financial years 2010 and 2009 have affected the Groups net assets and results of operations, in part distorting the comparability of the Group balance sheet and the Group income statement with the previous year.

6. CHANGES TO ESTIMATES

In the financial years 2010 and 2009 the Group altered estimates in the following areas:

a) Change to the useful life of certain intangible assets (2010)

Owing to the planning for the new building of an administration and production building at the location in Berlin-Buch the expected useful life for the existing building was re-estimated in the financial year 2010. The change in the useful life has an effect on the depreciations in the period under review and in the following periods, which are entered in the general and admnistration costs, as follows:

	2010	2011	2012	2013	Thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) in the depreciation	**266**	10	10	10	-296

b) Impairment of self-constructed intangible assets (2010)

In the past few years development costs were capitalized under the self-constructed intangible assets in the Radiopharma segment within the framework of various projects and by complying with IAS 38. The project C 11 marking sysetms was completed as of December 31, 2009 and was initially depreciated as scheduled over the expected useful life of 5 years from January 1, 2010. In the financial year 2010 the management had to determine that the sales expectations associated with the project could not be realized on the market. As the sales expectations also had to be substantially corrected downwards for the following years the management has therefore decided to completely make a value adjustment of the project C 11 marking systems.

This results in value impairments in the period under review in the amount of EUR 1,164,000 as well as corresponding writing back of accrual items in the amount of EUR 276,000 which were disclosed under the research and development costs.

c) Valuation of deferred tax assets on loss carry-forwards (2010 and 2009)

The recoverability of the deferred tax assets on loss carry-forwards was checked as per IAS 12 again in the 2010 financial year as in the previous 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 the restructuring measures carried out at IBt. S.A. in the financial year 2008 led to a significantly improved earnings position. The budgeting carried out on this basis showed in 2009 that there is now a high probability that previously uncapitalized deferred taxes on loss carry-forwards can now be used in the future. Consequently, as per IAS 12.68a tax income of EUR 11,726,000 was entered affecting net income in the financial year 2009, of which EUR 7,322,000 was allocated to the minority interests. In return, the goodwill previously set in the context of the merger was reduced by EUR 4,404,000. The budgeting which was updated in the financial year 2010 confirmed the recoverability of the previously capitalized deferred taxes on loss carry-forwards.

In the Radiopharma segment, the probable realizability of deferred tax assets in respect of loss carry-forwards was also checked. 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. In the financial year 2010 the earnings position in this segment has improved substantially. On this basis as well as by paying attention to the started restructuring and diversification the revised budgeting for the period 2011 to 2016 led to an additional capitalization of deferred tax assets on loss carry-forwards of EUR 1,203,000.

In the Others segment, which is represented by Eckert & Ziegler AG as a holding company, the Group had loss carry-forwards, for which so far no deferred tax assets were recognized. The budgeting which was updated in the financial year 2010, by taking into account possible integrated inter-company tax relationships with companies of the Isotope Products segment with substantial income, led to the additional capitalization of deferred tax assets on loss carry-forwards in the amount of EUR 378,000.

d) Change to the useful life of certain intangible assets (2009)

In 2008 various licenses were classified as intangible assets with indefinite useful lives in the Radiopharma segment, whereas other licenses were depreciated over a period of 5. Based on the experience in the financial year 2009 this estimate was revised and these intangible assets have now been depreciated as a standard since the financial year 2009 over a residual useful life of up to 10 years.

The change to the useful life has the following effect on the depreciation that is entered in the manufacturing costs in the period under review and in the following periods:

	2010	2011	2012	2013	Thereafter
	TEUR	TEUR	TEUR	TEUR	TEUR
Increase (reduction) in the depreciation	-12	-12	-12	-12	168

NOTES ON THE GROUP INCOME STATEMENT

7. REVENUES

The Group generates its revenues mainly from the sale of goods and, to a lesser extent, from the provision of services, from production orders and from the granting of licenses or similar rights. Revenues have again risen sharply in the financial year 2010 from EUR 101,399,000 to EUR 111,093,000. Whereas in the previous year approximately 71% of the growth in sales stemmed from newly acquired business entities, the growth in 2010 is mainly due to organic growth. A basic effect of EUR 1,308,000 is produced from the acquisition of Nuclitec as of the end of January 2009.

Revenues are broken down as follows:

	2010	2009
	TEUR	TEUR
Revenues from the sale of goods	96,922	94,811
Revenues from the provision of services	7,207	4,629
Revenues from production orders	4,523	1,829
Revenues from licenses and similar rights	2,441	130
Total	111,093	101,399

In the financial years 2010 and 2009 the Group generated revenues from production orders, in line with the POC method, for the construction of production facilities for third parties. The revenue for the respective services rendered is realized following completion of the contractually stipulated part performance (milestones).

The cumulative costs of the production orders still ongoing on the key date amount to EUR 2,495,000, the cumulatively disclosed profits EUR 2,528,000. The total amount of the advance payments made for a production order in the Therapy segment is EUR 6,849,000, in line with the level of completion EUR 4,100,000 are deducted from this, this results in a balance on the liabilities side of EUR 2,749,000, which is disclosed as a liability in the balance sheet.

	2010	2009
	TEUR	TEUR
Revenues	4,523	1,829
Order costs	-2,373	-1,103
Profit	2,150	726
Balance on the liabilities side	-2,749	-5,338

The breakdown of revenues according to geographical segments and business fields can be seen in the segment 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 overheads and income from the writing back of accrual items. Cost of materials, including changes in inventory, amounted to EUR 28,272,000 for 2010 and EUR 26,071,000 for 2009.

9. SELLING EXPENSES

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

Selling expenses are broken down as follows:

	2010	2009
	TEUR	TEUR
Personnel and employee benefit costs	7,492	7,502
Cost of goods issue	3,779	3,775
Commissions	1,919	1,663
Depreciation	1,981	1,765
Advertisement	1,391	1,130
Other	2,367	2,590
Total	18,929	18,425

10. GENERAL ADMINISTRATION COSTS

General administration costs include:

	2010	2009
	TEUR	TEUR
Personnel and employee benefit costs	8,198	8,428
Depreciation	2,455	2,137
Consulting expenses	2,217	2,113
Insurance, contributions, fees, purchased services	1,599	1,683
Rent	1,274	1,311
Communication costs	354	371
IR expenses	312	247
Earning from the writing off of accrual items	-248	-216
Other	2,667	3,009
Total	18,828	19,083

11. RESEARCH AND DEVELOPMENT COSTS

Costs for research and development amounted to EUR 2,886,000 for 2010 and EUR 2,496,000 for 2009. The costs are composed of the following:

- Directly attributable staff and material costs that cannot be capitalized in the research and development areas,

- Depreciations in the research and development areas for acquired property and equipment and intangible assets, as well as the corresponding writing back of accrual items,

- Value impairments of self-constructed intangible assets capitalized in the previous years as well as the corresponding writing back of accrual items,

- Other directly attributable expenses in the research and development areas

- Pro rata overheads of the research and development areas

The costs for research and development of EUR 2,886,000 (2009: EUR 2,496,000) include depreciations and value impairments in the amount of EUR 1,282,000 (2009: EUR 89,000), staff costs in the amount of EUR 1,285,000 (2009: EUR 1,292,000), material costs in the amount of EUR 601,000 (2009: EUR 128,000) and other expenses in the amount of EUR 143,000 (2009: EUR 989,000) as well as income from the writing back of accrual items in the amount of EUR 425,000 (2009: EUR 2,000).

12. PAYMENTS TO EMPLOYEES AND NUMBER OF EMPLOYEES

The items in the income statement include staff costs in the amount of EUR 31,771,000 (2009: EUR 29,876,000).

The staff costs for the financial years 2010 and 2009 are composed of the following:

	2010	2009
	TEUR	TEUR
Wages and salaries	27,245	26,942
Social security contributions and expenditure on retirement pensions and on support	4,526	2,934
- of which for retirement pensions	1,848	1,543

On average 512 (2009: 500) persons were employed by Group companies during 2010. They were working in the following departments:

	2010	2009
Production	220	214
R&D/plant engineering	59	58
Administration	47	45
Sales and marketing	140	138
Quality management	46	45
Total	512	500

As part of restructuring measures in the 2010 financial year, EUR 0 (2009: EUR 1,021,000) were entered as expenses for payments to employees in connection with the termination of the employment relationship.

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 for the allocation of their benefits. 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 total expenses of EUR 1,848,000 (2009: EUR 1,543,000) entered in the statement of comprehensive income represent the Group's due contributions to the stated pension plans. As of December 31, 2010 or 2009, respectively, all contributions due had been paid into the pension plans.

Information on total earnings of current and previous Executive Board members as well as current members of the Supervisory Board is provided in the remuneration report in note 47.

13. DEPRECIATIONS AND VALUE IMPAIRMENTS

The depreciations and value impairments on intangible assets are included in the following items in the income statement:

	2010		2009	
	Depreciations	**Impairments**	Depreciations	Impairments
	TEUR	**TEUR**	TEUR	TEUR
Cost of sales	**1,159**	**0**	889	0
Selling expenses	**802**	**0**	689	0
General administration costs	**871**	**0**	840	0
Research and non-capitalized development expenses	**55**	**1,164**	69	0
Other operating expenses	**0**	**135**	0	4,404
Total	**2,887**	**1,299**	2,487	4,404

The depreciations and value impairments on property, plant and equipment are included in the following items in the income statement:

	2010		2009	
	Depreciations	**Impairments**	Depreciations	Impairments
	TEUR	**TEUR**	TEUR	TEUR
Cost of sales	**2,830**	**0**	2,241	0
Selling expenses	**1,179**	**0**	1,076	0
General administration costs	**1,584**	**0**	1,297	0
Research and non-capitalized development expenses	**63**	**0**	20	0
Total	**5,656**	**0**	4,634	0

14. OTHER OPERATING INCOME

The other operating income in the financial year 2010 also essentially includes as in the previous year income from the writing back of provisions. The fall in the other operating income compared to the previous year by EUR 6,471,000 is essentially due to the fact that in the financial year 2009 EUR 7,140,000 resulted alone from the writing back of a provision which was formed for a possible surplus in obligations.

15. OTHER OPERATING EXPENSES

The other operating expenses essentially include expenses from value impairments of receivables or losses of receivables in the amount of EUR 1,152,000 (2009: EUR 175,000).

Further included are expenses in connection with the takeover bid to the shareholders of IBt. S.A. in the amount of EUR 106,000 (2009: EUR 0) as well as losses from the disposal of fixed assets in the amount of EUR 39,000 (2009: EUR 35,000).

In the previous year the other operating expeses essentially included expenses from the adjustment to the goodwill of IBt. S.A. in the amount of EUR 4,404,000. This adjustment was carried out according to IFRS 3.65 in connection with the subsequent realization of the deferred tax assets on loss carry-forwards within the framework of the merger with IBt. S.A.

16. RESULTS FROM SHARES VALUED AT EQUITY

IBt. S.A. participated in a Joint Venture in Russia in the financial year 2009. In connection with the contribution of intangible assets as non-cash contribution in this Joint Venture the Group realized income in the amount of EUR 873,000 in the previous year. In the financial year 2010 15% of the revenues realized with the Joint Venture were eliminated for the sale of the distribution rights in the amount of EUR 2,348,000 within the framework of the interim profit elimination against the at-equity stake value. EUR 390,000 relate to a value impairment of the at-equity participation as of December 31, 2010.

No conclusion of the Joint Venture company as of December 31, 2010 is yet available at the time when the consolidated financial statements were prepared so that the share of the Group in the income and expenses of 2010 for the stake accounted at-equity has not been entered in the consolidated financial statements as of December 31, 2010.

17. VALUE IMPAIRMENT OF FINANCIAL ASSETS

The value impairment relates in the full amount of EUR 1,402,000 (2009: EUR 0) to the loan paid out in the previous year by IBt. S.A. to the American company Core Oncology (see also explanations under note 30).

18. INTEREST EARNINGS

Interest and similar income on financial assets for continued acquisition costs in the financial year amounted to EUR 299,000 (2009: EUR 68,000), while interest expenditure on financial liabilities for continued procurement costs amounted to EUR 2,517,000 (2009: EUR 1,331,000).

The interest expenditure includes EUR 860,000, which result from the compounding of non-current liabilities. In the previous year this expenditure was disclosed in accordance with its cause (compounding of pension provisions or environmental restoration provisions) under the costs of sales (EUR 180,000), the selling expenses (EUR 56,000), the general administration costs (EUR 54,000) and the other operating expenses (EUR 137,000).

19. INCOME TAXES

The loss carry-forwards essentially concern loss carry-forwards of IBt. S.A. and loss carry-forwards of the German companies of the Eckert & Ziegler Group. The losses in Belgium and in Germany can be carried forward for an unlimited period of time.

The tax rate of the parent company for corporation tax, solidarity surcharge and trade tax used as group tax rate when calculating the tax expenses amounted for the financial years 2010 and 2009 to 30.175%. The group tax rate is composed as follows:

	2010	2009
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%

The expense (+)/income (-) for taxes on earnings and on revenue is composed as follows for the financial years 2010 and 2009 respectively ending on December 31:

	2010	2009
	TEUR	TEUR
Earnings before taxes:		
Germany	1,636	10,614
Foreign subsidiaries	12,717	4,541
	14,353	15,155

	2010	2009
	TEUR	TEUR
Current taxes:		
Germany	1,039	954
Foreign subsidiaries	4,267	2,172
	5,306	3,126

Of the current taxes in 2010 EUR 106,000 relate to previous years (2009: EUR 61,000)

	2010	2009
	TEUR	TEUR
Deferred taxes:		
Germany	-1,918	-6
Foreign subsidiaries	550	-9,857
	-1,368	-9,863
Total taxes:	3,938	-6,737

The transition of the tax expenses of the Group determined based on the tax rates applicable in Germany to the actually disclosed tax expenses of the Group can be seen as follows:

	2010	2009
	TEUR	TEUR
Basis for determining the tax expenditure (earnings before taxes)	14,353	15,155
Expected tax expenditure based on group tax rate	4,331	4,573
Tax rate differences at subsidiaries	131	-210
Taxes for previous years	106	61
Non-deductible expenses	503	1,648
Tax-free income	-204	-2,303
Other	128	118
Value impairment of deferred tax assets on loss carry forwards	0	201
Recoverability of deferred tax assets on loss carry-forwards depreciated in previous years	-1,581	-282
Subsequent capitalization of deferred taxes after time of purchase minus consumption until December 31, 2008	0	-11,046
Use of previously non-capitalized deferred taxes on loss carry forwards	-201	-65
Non-capitalized deferred taxes on losses of the financial year	431	705
Value impairment of deferred tax assets on temporary differences	294	0
Recoverability of deferred tax assets on temporary differences	0	-137
Effective tax expenditure	3,938	-6,737

To calculate the deferred taxes, the following tax rates were used at the parent company as of December 31, 2010, these rates did not change from December 31, 2009: 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 regarding the values with which assets and debts are disclosed in the consolidated financial statements and those in the respective tax balance sheets 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 expenses relate to the change in tax loss carry-forwards in the period under review in the amount of EUR 685,000 (2009: EUR 3,419,000) as well as deferred tax income of EUR 2,048,000 (2009: EUR 12,142,000), whereas deferred tax income relate to temporary differences in the amount of EUR 25,000 (2009: EUR 1,140,000). Reductions in the deferred taxes on temporary differences in the amount of EUR 20,000 (2009: Increases of EUR 6,000) result from the currency translations.

In the period under review EUR 69,000 deferred tax expenses (2009: deferred tax income in the amount of EUR 70,000) were offset directly in the shareholders' equity not affecting net income.

In the previous year deferred tax assets of EUR 1,734,000 and deferred tax liabilities of EUR 1,565,000 were recognized within the framework of the first consolidation of Eckert & Ziegler Nuclitec GmbH and Eckert & Ziegler Isotope Products SARL.

In total EUR 11,317,000 (2009: EUR 9,954,000) deferred taxes were capitalized on tax loss carry-forwards. The tax loss carry-forwards disclosed as of December 31, 2010 are capable of being carried forward in full, as of December 31, 2009 a partial amount of EUR 56,000 was capable of being carried forward to a limited extent over a period of 5 years. Deferred tax assets in the amount of EUR 2,480,000 (2009: EUR 966,000) relate to a company in the Radiopharma segment as well as Eckert & Ziegler AG, which suffered a loss under fiscal law in 2010 still. As a result of impairment tests no value impairments of deferred tax assets on loss carry-forwards were necessary in the financial year 2010 (2009: Value impairments in teha mount of EUR 201,000) (see note 6).

In the financial year 2010 loss carry-forwards were used in the amount of EUR 201,000 (2009: EUR 65,000), for which respectively no deferred tax assets for loss carry-forwards were recognized as of December 31, of the previous year. In 2010 appreciations in value in the amount of EUR 1,581,000 (2009: EUR 11,328,000) were entered for deferred taxes on loss carry-forwards devaluated in the previous year or previously not capitalized deferred taxes on loss carry-forwards. Thereof EUR 11,046,000 related to IBt. S.A. in the previous year in connection with the subsequent realization after the time of purchase according to IFRS 3.65. The amount of the deferred tax assets on loss carry forwards, which were not recognized in the balance sheet as of December 31, 2010 is EUR 431,000 (2009: EUR 1,388,000).

The deferred tax assets and liabilities on the level of the individual balance sheet items are presented in the following overview:

	Deferred tax assets		Deferred tax liabilities	
	2010	2009	2010	2009
	TEUR	TEUR	TEUR	TEUR
Tax loss carry-forwards	11,317	9,954	0	0
Fixed assets	306	77	3,676	4,219
Securities	0	0	1	2
Receivables	98	291	354	468
Liabilities	0	1,783	221	0
Provisions	4,121	2,692	0	0
Other	41	74	74	14
Subtotal	15,883	14,871	4,326	4,703
Balancing	-3,679	-3,076	-3,679	-3,076
Balance according to the group balance sheet	12,204	11,795	647	1,627

The German fiscal authorities carried out a tax audit in the years 2004 to 2010 of Eckert & Ziegler AG for the periods of assessment from 2000 to 2002. The tax assessments issued in the financial year 2010 led to subsequent payments for which however corresponding provisions had essentially already been formed in the previous years.

20. PROFIT ATTRIBUTABLE TO MINORITY INTERESTS

Included in the group net income after taxes are profit shares attributable to minority interests in the amount of EUR 1,002,000 (2009: EUR 8,642,000). A partial amount of EUR 7,322,000 related here in the previous year as per IAS 12.68 in connection with the subsequent realization of the deferred tax assets on loss carry-forwards and temporary differences within the framework of the merger with IBt. S.A.

21. EARNINGS PER SHARE

The earnings per individual share certificate were calculated as follows:

	At year end	
	2010	2009
	TEUR	TEUR
Numerator for calculation of the profit and the diluted profit per share- earnings share of the shareholders of Eckert & Ziegler	9,413	13,250
Denominator for calculation of the profit per share – weighted average of the number of shares (in thousands)	5,194	3,783
Effect of diluted stock options	14	23
Denominator for calculation of the diluted profit per share – weighted average of the number of shares (in thousands)	5,208	3,806
Undiluted profit per share (in EUR)	1.81	3.50
Diluted profit per share (in EUR)	1.81	3.48

The average share price during the period under review 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 2010 and 2009 financial years.

NOTES ON THE GROUP BALANCE SHEET

22. INTANGIBLE ASSETS

Disclosed under the intangible assets are goodwill, customer relations, bans on competition, patents and technologies, licenses and software, capitalized development costs as well as other intangible assets.

Intangible assets, which are not subject to any scheduled depreciation, relate exclusively to the goodwill.

Assets in the amount of EUR 584,000 disclosed under the intangible assets with unlimited useful life in the previous year's financial statements were to be corrected in full according to IAS 8.42 (b). In addition, the disclosure of an asset in the amount of EUR 105,000 allocated to the other intangible assets with unlimited useful life in the previous year was to be adjusted and this to be disclosed as goodwill. The corrections were carried out in the balance sheet as of January 1, 2009 and resulted in corresponding corrections to the balance sheet as of December 31, 2009. The implications of this adjustment to the financial statements are summarized below. No implications are to be recorded on the income statement of the years 2009 and 2010.

	Implications on the balance sheets as of January 1, 2009 and December 31, 2009	
	1.1.2009	31.12.2009
	TEUR	TEUR
Reduction in the intangible assets	**590**	584
Reduction in the equity	**590**	584

The book values of the intangible assets with unlimited useful life, which are not to be depreciated as scheduled, are composed as follows as of December 31, of the financial years 2010 and 2009:

	2010	2009
	TEUR	TEUR
Goodwill	**30,410**	27,669
As of Dec. 31	**30,410**	27,669

The increase in the intangible assets with indefinite useful life compared to the previous year is essentially due to the addition of goodwill in the Therapy segment in connection with the acquisition of Sonotech GmbH which was carried out in December 2010. The final allocation of the difference to the intangible assets which are to be identified and therefore the final determination of the amount of the goodwill will be carried out over the course of the financial year 2011.

The increase in the intangible assets with indefinite useful life compared to the previous year is essentially due to the addition of goodwill in the Therapy segment in connection with the acquisition of Sonotech GmbH which was carried out in December 2010. The final allocation of the difference to the intangible assets which are to be identified and therefore the final determination of the amount of the goodwill will be carried out over the course of the financial year 2011. The revaluation of the US-Dollar as of December 31, 2010 compared to December 31, 2009 also led to a growth with the goodwill as an essential part of this goodwill relates to companies of the Isotope Products segment which prepare their financial statements in US-Dollars. In Isotope Products segment there is a company which as of December 31, 2010 no longer had any assets and liablities and its liquidation is planned in 2011. As of December 31, 2010 goodwill entered on the balance sheet with the company in the amount of EUR 135,000 was therefore booked out affecting net income.

The item goodwill developed as follows in the financial years 2010 or 2009:

	2010	2009
	TEUR	TEUR
As of Jan. 1	**27,669**	27,013
Additions	**2,155**	5,571
Disposals	**0**	-357
Value impairment	**-135**	0
Adjustments based on subsequently entered deferred tax entitlements	**0**	-4,404
Currency conversion differences	**721**	-154
As of Dec. 31	**30,410**	27,669

Specifically the goodwill is distributed over the business fields as follows:

	2010	2009
	Goodwill	Goodwill
	TEUR	TEUR
Therapy	**12,896**	10,742
Isotope products	**16,337**	15,750
Radiopharma	**1,177**	1,177
As of Dec. 31	**30,410**	27,669

The capitalized goodwill was subjected to an impairment test in the financial year 2010 as per IAS 36. The goodwill was allocated to the relevant cash generating units (CGU). These represent the lowest level on which the goodwill and assets are monitored for purposes of corporate control. They correspond with the Isotope Products, Therapy and Radiopharma segments.

The utility values of the segments can be derived from the discounted future cash flows, which were determined based on the actual budgeting over a five year period. For the subsequent period of time the cash-flows were recognized with a growth rate between 0% and 3% (previous year: 0.75%). The discounting rate before taxes amounted to 6.5% (previous year: 9.9%) for the Therapy and Radiopharma segments and to 10% (previous year: 8.4%) for the Isotope Products segment (see in this respect also the explanations under note 3).

In the previous year the fair value of the Therapy segment was derived from the market price of IBt. S.A. on December 31, 2009.

As a result of the impairment test as of December 31, 2010 no need for impairment was derived with regard to the goodwill by using the respectively determined attainable amounts as a basis with the exception presented above (EUR 135,000).

The book values of the intangible assets, which are depreciated as scheduled, are composed as follows as of December 31, of the financial years 2010 and 2009:

a) Acquired intangible assets

	2010	Remaining depreciation period	2009
	TEUR		TEUR
Customer relationships	**6,467**	4-10 years	7,129
Licenses/software	**560**	1-6 years	489
Patents/technologies	**2,196**	4-15 years	2,536
Other	**284**	1-8 years	655
Bans on competition	**11**	1 year	117
As of Dec. 31	**9,518**		10,926

b) Self-constructed intangible assets

	2010	Remaining depreciation period	2009
	TEUR		TEUR
Capitalized development costs (ongoing projects)	**176**		123
Equipment for the radio-pharmaceutical synthesis	**752**	1 year	1,407
C 11 marking systems	**0**		1,321
Other	**29**	1 year	93
As of Dec. 31	**957**		2,944

Development costs totaling EUR 102,000 (2009: EUR 792,000) were capitalized in the financial year 2010.

The C 11 marking systems project was completed as of December 31, 2009 and were initially depreciated as scheduled over the expected useful life of 5 years from January 1, 2010. In the financial year 2010 the management had to determine that the sales expectations associated with the project could not be realized in the market. As the sales expectations for the following years also had to be substantially corrected downwards value adjustments were to be made in full on the C 11 marking systems project. The depreciations on intangible assets were carried out by applying the straight-line depreciation method. They are allocated in the income statement in line with the function area of the respective intangible assets to the costs of sales, selling expenses, research costs and development costs which are not capable of capitalization or the general administration costs (see also explanations under note 13).

The development of the intangible assets from January 1, to December 31, 2010 is presented in the fixed asset movement schedule.

23. PROPERTY, PLANT AND EQUIPMENT

The movements of the property, plant and equipment from January 1 to December 31, 2010 are shown in the fixed asset movement schedule.

Assets connected to financing leasing contracts are included in the accounted property, plant and equipment. Net book values of assets accounted for as financing leasing amount as of December 31, 2010 to EUR 926,000 (2009: EUR 1,748,000).

In addition to current replacement investments, the additions during financial year 2010 mainly concern expanding existing production plants.

Assets from the property, plant and equipment EUR 1,899,000 (2009: EUR 2,662,000) were assigned as collateral in order to secure bank loans.

24. PARTICIPATING INTERESTS AND FINANCIAL INVESTMENTS VALUATED ACCORDING TO THE AT-EQUITY METHOD

In the financial year 2009 IBt. S.A. founded the Joint Venture „NanoBrachyTech" together with Santis LLC and the Russian state fund „RUSSNANO". IBt. S.A. contributed intangible assets into the Joint Venture and received in return for this a share of 15% in the Joint Venture „NanoBrachyTech". The share valuated at-equity of IBt. S.A. in the Joint Venture amounted as of December 31, 2010 to EUR 108,000 (2009: EUR 850,000). The fall in the share valuated at-equity in the financial year 2010 is due to the elimination of interm profits in the amount of EUR 352,000 as well as to value impairment in the amount of EUR 390,000 (see also explanations under note 16).

In the absence of availability of a conclusion of the Joint-Venture company as of December 31, 2010 the details provided in the financial statements of December 31, 2009 are presented below (in thous. EUR):

Current assets	16
Non-current assets	6,470
Current debts	0
Non-current debts	1
Income	5
Expenses	4

25. OTHER NON-CURRENT ASSETS

Other non-current assets include among others an interest-currency swap of EUR 477,000 (2009: EUR 706,000). This is a derivative recognized in accordance with IAS 39.9 as a financial asset affecting net income at fair value. Further information on derivative financial instruments can be found in the explanations under Note 38.

This item further includes deposits made in the amount of EUR 25,000 (2009: EUR 64,000) as well as assets paid into a decontamination fund in the amount of EUR 42,000 (2009: EUR 16,000). The payments into the fund are in connection with future decontamination and restoration obligations of plants and equipment of Eckert & Ziegler Analytics Inc., Atlanta, USA. They are stipulated by law, are subject to state supervision and are therefore available to a limited extent.

Contractual rights to reimbursement in connection with environmental restoration provisions in the amount of EUR 100,000 were also disclosed under the other non-current assets in the previous year. The contract was satisfied in the financial year 2010 so that no rights to reimbursement exist any more. The assets disclosued under this item in the previous year, which serve to protect premature retirement credits against insolvency according to the law governing premature retirement (2009: EUR 17,000) were balanced with the corresponding premature retirement obligations in 2010.

Further disclosed under the other non-current assets is a payment made by a customer onto a bank account of a group company in the amount of EUR 300,000. This serves as collateral for the satisfaction of a long-term disposal obligation of the customer for a production plant, which is located in a plant of the Group, however is owned by the customer. These funds are currently not available as they can only be used if the customer does not satisfy his contractually agreed disposal obligations.

26. CASH AND CASH EQUIVALENTS

The cash and cash equivalents in the amount of EUR 29,216,000 (2009: EUR 43,674,000) concern 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.

In the previous year the position contained among others also a bank balance in the amount of EUR 20,061,000 deposited at the KBC-Bank in Belgium. This cash served together with a guarantee of Deutsche Bank AG for EUR 20,000.000 as collateral for the takeover bid prepared in December 2009 and submitted in March 2010 for the remaining shares of IBt. S.A. The Group could therefore not dispose freely over these funds as of December 31, 2009. These funds were used as intended within the framework of the takeover bid in the financial year 2010.

27. SECURITIES

The securities are all are classified as available-for-sale financial assets. The composition of the securities as of December 31, 2010 and 2009 can be seen as follows:

31.12.2010	Acquisition costs	Unrealized profits	Unrealized losses	Fair value
	TEUR	TEUR	TEUR	TEUR
Investment funds	**220**	**4**	**0**	**224**
Total securities of the current assets	**220**	**4**	**0**	**224**

31.12.2009	Acquisition costs	Unrealized profits	Unrealized losses	Fair value
	TEUR	TEUR	TEUR	TEUR
Investment funds	220	6	0	226
Total securities of the current assets	220	6	0	226

The fair value of securities is determined by quoted prices. Securities were neither sold in the financial year 2010 nor in the previous year so that no re-classification was necessary from the other earnings into the income statement either in connection with the sale of securities.

28. TRADE RECEIVABLES

The trade receivables are composed as follows as of December 31, 2010 or 2009:

	2010	2009
	TEUR	TEUR
Trade receivables	**18,747**	16,946
Less value adjustments	**-1,495**	-742
As of Dec. 31	**17,252**	16,204

Of the receivables EUR 223,000 (2009: EUR 0) relate to receivables from production orders accounted in line with the "Percentage of Completion" method.

29. INVENTORIES

The inventories as composed as follows as of December 31, 2010 or 2009:

	2010	2009
	TEUR	TEUR
Raw materials, consumables and supplies	**8,417**	9,207
Finished products	**3,910**	2,460
Unfinished products	**885**	1,339
	13,212	13,006
Less value impairment	**-534**	-375
As of Dec. 31	**12,678**	12,631

The raw materials, consumables and supplies mainly relate to nuclides as well as to components required for the production of the end products.

The impairments carried out on the basis of a comparison of the net sales value and the book value increased by EUR 159,000 (2009: EUR 151,000).

30. OTHER CURRENT ASSETS

The other current assets items in the amount of EUR 3,078,000 (2009: EUR 6,238,000) essentially relate to expense accruals, advance payments made as well as receivables due from financial authorities.

Disclosed under this item in the previous year were still a short-term loan (EUR 1,389,000) paid out by IBt. S.A. to the American company Core Oncology as well as thus associated acquired options (EUR 13,000). It was determined in the financial year 2010 that substantial corrections had to be made to the balance sheets and income statements for 2008 and 2009, presented by Core Oncology when the loan was paid out. As Core Oncology also tried to annul the loan agreement from a material point of view by a host of dubious changes to the contract IBt. S.A. assumes deliberate deceit. For this reason IBt. S.A. filed an action for reversal of the so-called Core-Oncology option transaction on January 24, 2011 at the federal court in Seattle in the American federal state of Washington. The paid loan and the thus associated options were value-adjusted in full in the annual financial statements 2010 (see also explanations under note 17).

31. CAPITAL AND RESERVES

The development of the shareholders' equity and the minority interests is presented in the equity movement table.

According to the resolution of the Annual General Meeting on May 20, 2010 the balance sheet profit under commercial law of Eckert & Ziegler AG as of December 31, 2009 in the amount of EUR 21,170,000 was used in the amount of EUR 2,335,000 to distribute a dividend of EUR 0.45 per bearer shares which is entitled to a dividend and transferred to the other retained earnings in the amount of EUR 18,835,000.

In May and in July 2010 in line with the approval of April 30, 1999, changed by the resolution of the Annual General Meeting of May 20, 2003, capital increases were carried out from the contingent capital by EUR 1,700.00 and EUR 31,000.00 to EUR 5,292,983.00. The new shares were used to service exercised stock options.

The nominal capital of Eckert & Ziegler AG as of December 31, 2010 amounts to EUR 5,292,983.00 and is divided into 5,292,983 non-par value owner bearer shares and paid in full. After the execution of the capital increase the number of shares (without consideration for the own shares) therefore increased from 5,135,048 units to 5,221,498 units.

According to the German Aktiengesetz [Stock Companies Act] any dividend that may be distributed to the shareholders has to relate to the balance sheet profit shown in the financial statements that are based on German commercial law of Eckert & Ziegler AG. The Annual General Meeting has been asked to pay the shareholders a dividend of EUR 3,133,000 (EUR 0.60 per share) from the balance sheet profit of 2010 of Eckert & Ziegler AG.

Authorized capital

Through a resolution of the shareholders' meeting on May 20, 2010 the Executive Board was authorized, with the approval of the Supervisory Board, to increase the Company's nominal capital in the period until May 19, 2015 one time or several times by up to a total of EUR 2,630,141.00 by issuing up to 2,630,141 owner bearer shares for cash and/or non-cash contributions (authorized capital for 2010).

The exclusion of the subscription rights is permitted with increases in capital against non-cash contributions for the purpose of mergers or with the acquisition of companies, company participations or other assets. The Executive Board can further exclude the subscription right with the approval of the Supervisory Board in order to grant holders of convertible bonds, which are issued by the company, a subscription right to new shares in the extent, as they would be entitled after exercising the convertible privileges or after meeting their conversion obligations.

In case of increases in capital against cash contribution an exclusion of the subscription right is only permitted to the extent that it is necessary to compensate for top amounts or the increase in capital in total does not exceed an amount of 10% 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 when the issue price was stipulated by the Executive Board.

Contingent capital

On April 30, 1999, the Annual General Meeting passed a resolution, amended by the resolution of the Annual General Meeting of May 20, 2003, for a contingent increase in the company's nominal capital by a maximum of EUR 300,000.00, divided into a maximum of 300,000 bearer shares (contingent capital 1999). The contingent increase in capital is only implemented subject to the holders of stock options, to the issue of which the Executive Board was authorized by the Annual General Meeting of April 30, 1999, 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 had exercised this authorization and increased the contingent capital by EUR 31,650.00 by issuing 31,650 non-par-value owner bearer shares.

In the financial year 2010 the Executive Board once again exercised this authorization, with the approval of the Supervisory Board, and increased the contingent capital by EUR 32,700 by issuing 32,700 non-par-value owner bearer shares.

In addition, on May 20, 2009, the Annual General Meeting approved a contingent increase in nominal capital by up to EUR 1,639,316.00 (contingent 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.

Notifications of changes to the voting right share

In May 2010 Eckert & Ziegler AG announced by publication in the company register that Union Investment Luxembourg S.A., Luxembourg, informed it according to Section 21 Par. 1 WpHG [Securities Trading Act] on May 18, 2010 that its voting right share in Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, Germany, ISIN: DE0005659700, WKN: 565970 fell below the threshold of 3% of the voting rights on May 14, 2010 and on this day it amounted to 2.95% (this corresponds with 155217 voting rights).

Reserves

Disclosed in the capital reserves is 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 period under review, EUR 204,000 was allocated to the capital reserves by means of capital increases.

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

Retained earnings consist of past earnings of consolidated Group companies which have not been distributed. In addition, retained earnings include adjustments resulting from the first application of the IFRS. Retained earnings also include conversion differences in the amount of EUR -2,187,000 (2009: EUR -3,234,000) resulting from translating financial statements from the foreign subsidiaries. Movements in 2010 and 2009 essentially affected the American subsidiaries. Also included in the reserves are value changes of the available-for-sale securities (after tax) amounting to EUR 3,000 (2009: EUR 4,000) 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 -1,000 (2009: EUR -149,000) 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 collected without the need for a decision from an Annual General Meeting concerning the collection or its execution.

– Own shares can be realized against a service in kind, provided that this serves to procure companies, participations, parts of companies, industrial property rights such as patents, trademarks 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 Frankfurt stock exchange over the past five trading days before the sale comes into effect (not including additional acquisition costs), as per Section 186, Par. 3, Sentence 4 of the AktG (German Companies Law).

– Own shares can be used to meet the obligations of the Company's stock 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 acquisitions in the financial year 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 the 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 not affecting 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 2010 financial year, 20,000 own shares were sold via the stock exchange, 33,750 own shares were used for the acquisition of shares or loan claims of minority shareholders. The transactions in own shares gave rise to a total profit of EUR 951,000 (2009: EUR 208,000) in the financial year 2010, which was appropriated to the capital reserve for own shares not affecting net income. The balance of own shares stood at 71,485 shares as of December 31, 2010. This equates to a share of 1.4% of the Company's nominal capital.

A resolution of the Annual General Meeting of May 20, 2010 authorizes the Executive Board to purchase own shares for purposes other than securities trading until November 19, 2015 up to a maximum share of 10% of nominal capital. No more than 10% of the nominal capital may relate to the shares purchased according to this authorization together with other shares of the company which the company has already acquired, still possesses or which are to be attributed to it according to Sections 71a et seq. AktG.

The development of the number of outstanding stock options is presented in the section "Other information".

The number of shares in circulation developed as follows in the financial years 2010 and 2009.

	2010	2009
	Item	Item
As of Jan. 1	**5,135,048**	3,143,165
Capital increases from authorized capital	**0**	1,978,633
Capital increases from the contingent capital	**32,700**	31,650
Use of own shares for servicing of employee options or for acquisitions	**33,750**	1,600
Collection of own shares (share buy-back program)	**0**	–35,331
Sale of own shares	**20,000**	15,331
As of Dec. 31	**5,221,498**	5,135,048

32. BORROWINGS AND FINANCIAL LEASING LIABILITIES

Borrowing and financial leasing liabilities are composed as follows as of December 31, of the financial years 2010 and 2009:

	2010	2009
	TEUR	TEUR
Loan liabilities to banks	**19,765**	16,219
Leasing liabilities	**849**	1,334
Other loan liabilities	**1,189**	2,522
Loan and leasing liabilities as of Dec. 31, total	**21,803**	20,075
Thereof short-term	**5,794**	5,813
Thereof long-term	**16,009**	14,262

The following table gives an overview of the borrowings and financial leasing liabilities as of December 31, of the respective financial year:

	Interest rate p.a.	2010 TEUR	2009 TEUR
Loan from Deutsche Bank AG	3M EURIBOR + 2.4%	7.013	0
Loan from Deutsche Industrie Bank AG (IKB) (ERP innovation program)	4.75% bis 4.85%	4,479	4,896
Loan from Deutsche Bank AG	4.45%	1,895	2,526
Loan from Commerzbank AG (Reconstruction Loan Corporation global loan)	4.27%	1,320	1,760
Loan from Commerzbank AG (Reconstruction Loan Corporation global loan)	6.10%	1,333	1,641
Loan from Commerzbank AG	4.90%	1,123	1,395
Leasing liabilities		849	1,334
Loan from minority shareholders	5.00%	0	939
Loan from Crédit Agricole	5.00%	782	909
Loan from previous shareholders from the take-over of shares	0% bis 7.5%	287	776
Darlehen von nahestehenden Personen	6.50%	556	705
Loan from Comerica Bank (USA)	Libor + 2.50%	374	523
Loan from Comerica Bank (USA)	Libor + 2.75%	205	427
Loan from the Landesbank Berlin	4.85% bis 5.72%	0	177
Loan from Commerzbank AG (Reconstruction Loan Corporation overseas program)	7.38%	0	105
Other overdraft facilities	variabel	0	15
Other loans	0% bis 6%	1,589	1,947
Loan liabilities as of Dec. 31, total		21,803	20,075

In the 2010 financial year the borrowings and financial leasing liabilities increased marginally compared to the previous year. The increase is essentially due to the partial third-party financing of the additional shares in International Brachytherapie S.A. acquired within the framework of a takeover bid. Compared with this are the scheduled redemption of the existing loans as well as the non-scheduled redemption of loans of non-controlling shareholders.

In May 2010 Eckert & Ziegler AG took out a loan of the Deutsche Bank AG in the amount of EUR 8,250,000 for the partial refinancing of the additional shares in International Brachytherapie S.A. acquired within the framework of a takeover bid. The loan has a term until March 31, 2015 and will be repaid in quarterly installments of EUR 412,000. A right of lien to the securities kept in the deposit of Eckert & Ziegler AG at Deutsche Bank serves as collateral for this loan for the bank.

The loan of Deutsche Industriebank AG (IKB) from the ERP innovation program served to finance research and development projects at Eckert & Ziegler Radiopharma GmbH. The loan has a term until September 30, 2015 and beginning from December 30, 2009 will be repaid in quarterly installments of initially EUR 104,000 or from December 30, 2012 in quarterly installments of EUR 312,000 plus interest.

For the pro rate financing of the acquisition of Eckert & Ziegler Nuclitec GmbH, Eckert & Ziegler AG took out a loan of Deutsche Bank AG in the amount of EUR 3,000,000 in January 2009. The loan has a term until December 31, 2013 and will be repaid in quarterly installments of EUR 158,000.

Eckert & Ziegler AG also took a loan of AG in the amount of USD 2,000,000 in January 2009. The loan was passed on by Eckert & Ziegler AG to its American subsidiary Eckert & Ziegler Isotope Products Inc. (IPL) and served to redeem the short-term loan which the seller of the NASM Industrial sources division had granted IPL in the past year. The loan is being repaid since March 31, 2010 in quarterly installments of USD 125,000 until December 31, 2013.

In the previous year the loan was redeemed in full towards Deutsche Industriebank AG (IKB) (participating loan) in the original amount of EUR 2,812,000 as of June 30, 2008. The refinancing was carried out through a loan of Commerzbank AG (Reconstruction Loan Corporation global loan) in the amount of EUR 2,000,000 with a term until September 30, 2014. The loan will be repaid in constantly equal quarterly installments (including interest) in the amount of EUR 100,000.

In order to redeem the loan granted by the previous shareholders in the financial year 2007 within the framework of the company acquisition Eckert & Ziegler EURO-PET Köln/Bonn GmbH took out a loan of Commerzbank AG (Reconstruction Loan Corporation global loan) in the amount of EUR 2,200,000 in 2008. The loan has a term until December 30, 2013 and beginning from March 30, 2009 will be repaid in quarterly installments of EUR 110,000 plus interest. The cyclotron of the company was assigned to the bank as collateral for the loan.

The loans of the Comerica Bank in the amount of EUR 579,000 to Eckert & Ziegler Isotope Products, Inc. (IPL) are collateralized by a collateral assignment of property, plant and equipment of IPL.

IPL has the promise of a bank for a credit line of up to USD 4,000,000 (EUR 2,994,000). Part of the credit line exists in the form of a guarantee of USD 2,657,000 (EUR 1,988,000), which will be used as security for the decontamination plan.

Eckert & Ziegler AG and a German subsidiary jointly have credit line promises in the amount of EUR 4,812,000, of which EUR 812,000 were used for guarantees.

The Therapy segment has credit line promises of EUR 2,550,000, of which EUR 187,000 were used for guarantees.

The residual terms of the loan liabilities were composed as follows as of December 31, 2010 and 2009:

	2010	2009
	TEUR	TEUR
Residual term up to 1 year	5,262	5,209
Residual term > 1 to 5 years	15,590	11,845
Residual term more than 5 years	102	1,687
Loan liabilities as of Dec. 31, total	20,954	18,741

33. DEFERRED INCOME FROM GRANTS AND OTHER DEFERRED INCOME

The item deferred income from grants and other deferred income is composed as follows as of December 31, in each of the years:

	2010	2009
	TEUR	TEUR
Deferred short-term grants	416	316
Other prepaid and deferred expenses	120	79
Deferrals from grants and other prepaid and deferred expenses, short-term	536	395
Deferred long-term grants	584	1,384
As of Dec. 31	1,120	1,779

34. PROVISIONS FOR PENSIONS

In connection with the acquisition of Eckert & Ziegler Nuclitec GmbH, pension commitments for a larger number of employees were disclosed in the Group for the first time in the previous year. Whereas previously, the company pension scheme only granted one pension commitment to a former member of the Executive Board, based on a performance-oriented pension plan, almost all employees at Eckert & Ziegler Nuclitec GmbH have pension commitments in the context of the company pension scheme.

Pension obligations were calculated in accordance with IAS 19 under the projected unit credit method (SORIE method) by taking the present value of pension claims earned up to the valuation key 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, 2010, by Mercer Deutschland GmbH and Allianz Lebensversicherung AG, respectively.

The most important assumptions underlying the actuarial value are:

	31.12.2010	31.12.2009
	%	%
Discounting rate(s)	5.1 or 5.3	4.9 or 5.15
Expected income from plan assets	3.00	3.00
Expected percentage salary increases	3.00	3.00
Expected percentage pension increases	1.75	1.75

As of December 31, of the respective financial year the following actuarial determined values are produced:

	2010	2009
	TEUR	TEUR
Cash values of the performance-oriented pension entitlements	6,238	6,029
Plan assets at fair value	-325	-322
Pension provisions as of Dec. 31	5,913	5,707

The amount disclosed on the balance sheet for the pension provisions developed as follows:

	2010	2009
	TEUR	TEUR
Pension provisions as of Jan. 1	5,707	420
Additions due to company acquisitions	0	4,793
Expenditure for pension obligations	590	432
Actuarial profits (-) and losses (+)	-220	218
Disbursements from plan assets	23	17
Expected income from plan assets	-9	-9
Pension payments	-178	-164
Pension provisions as of Dec. 31	5,913	5,707

The following amounts were entered in the income statement of the respective financial year:

	2010	2009
	TEUR	TEUR
Service period cost	277	133
Interest paid	313	299
Expected income from plan assets	-9	-9
Total of the entered amounts	581	423

The following amounts were entered in the statement of comprehensive income of the respective financial year:

	2010	2009
	TEUR	TEUR
Cumulative actuarial profits (-)/losses (+) on Jan. 1	218	0
Addition/disposal	-220	218
Cumulative actuarial profits (-)/losses (+) on Dec. 31	-2	218

The plan assets consist of reinsurance, which is exclusively financed from employer's contributions. The changes in the fair values of the plan assets in the current financial year can be seen as follows:

	2010	2009
	TEUR	TEUR
Starting balance of plan assets according to fair value	322	0
Additions due to company acquisitions	0	318
Expected income from plan assets	9	9
Actuarial profit	17	12
Disbursements from the plan assets	-23	-17
Ending balance of pan assets according to fair value	325	322

Pension payments in the amount of EUR 206,000 are expected for the financial year 2011.

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

	2010	2009	2008	2007	2006
	TEUR	TEUR	TEUR	TEUR	TEUR
Defined benefit obligation	6,238	6,029	420	384	398
Plan assets	325	322	0	302	252
Funded status	-5,913	-5,707	-420	-82	-146

Pension plans further exist for two actual Executive Board members, which have been designed as employee-financed contribution-oriented payment commitment (conversion of remuneration). The amount of the conversion of remuneration for the pension plans amounted to EUR 111,000 in the 2010 financial year (2009: EUR 111,000). The pension commitments are financed through a congruent reinsured benevolent fund.

35. OTHER PROVISIONS

The following table gives an overview of the development of the other provisions in the financial years 2010 and 2009.

	2010	2009
	TEUR	TEUR
Provisions for environmental restoration	10,877	10,378
Other provisions	6,964	7,211
Other provision as of Dec. 31	17,841	17,589

The environmental restoration provisions include expected expenses for the disposal of the production plants and developed as follows in the financial years 2010 and 2009:

	2010	2009
	TEUR	TEUR
Provisions for environmental restoration as of Jan. 1	10,378	8,829
Additions/disposals	47	1,403
Compounding	312	204
Currency translation	140	-58
Provisions for environmental restoration as of Dec. 31	10,877	10,378

For valuation of environmental restoration provisions in 2010, an adjustment has been made to align discount rates suitable for the term to changes in the capital markets, in accordance with IFRIC 1. These adjusted interest rates lie between 1.8% and 4.0%. Retaining the previous year's interest rates of 2.2% to 3.9% would have resulted in a provision for environmental restoration that was EUR 9,000 lower. Payments for disposing of the production plants are expected in the financial years 2012 to 2030.

For some sites, amounts have been paid into a fund whose use is restricted to future restoration. These payments are shown under the item "Other non-current assets" and amount to EUR 42,000 (2009: EUR 16,000).

Contractual rights to reimbursement in connection with environmental restoration provisions were disclosed in the previous year in the amount of EUR 100,000 under the item other non-current assets.

The other provisions as of December 31, 2010, essentially relate to long-term provisions for the obligation to process the Group's own radioactive waste and radioactive waste accepted from third parties (EUR 6,735,000; 2009: EUR 6,135,000)

36. OTHER NON-CURRENT LIABILITIES

The item other non-current liabilities essentially includes the liability relating to the acquisition of further voting stock in IBt S.A. amounting to EUR 677,000 (2009: 585,000). In addition, two interest swaps to the amount of EUR 126,000 (2009: EUR 65,000) are disclosed under the other non-current liabilities. This concerns derivatives accounted in accordance with IAS 39.9 as financial liabilities valuated at the fair value and affecting net income. Further information about these derivative financial instruments can be found in the explanations under note 38:

37. OTHER CURRENT LIABILITIES

The item Other Current Liabilities is composed as follows as of December 31, respectively for each year:

	2010	2009
	TEUR	TEUR
Liabilities from wages and salaries	3,973	3,326
Liabilities in the context of social security	391	223
Liabilities due to tax authorities	719	1,073
Liabilities from other deferrals	4,528	6,321
Liabilities from the disposal of radioactive materials	2,944	2,025
Other liabilities	1,056	1,448
As of Dec. 31	13,611	14,416

38. 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:

	2010	2009
	TEUR	TEUR
Financial assets		
Cash and cash equivalents	29,216	43,674
Financial assets available for sale	224	226
Receivables	17,684	17,698
Derivative financial instruments	477	719
As of Dec. 31	47,601	62,317
Financial liabilities		
Financial liabilities at updated acquisition costs	39,737	38,917
Derivative financial instruments	126	65
As of Dec. 31	39,863	38,982

Disclosed under the item financial assets held for sale are the securities. The company holds a money market fund and a bond with guaranteed interest. These securities are traded on the stock exchange. The values are available daily.

Disclosed under the item derivative financial instruments are the interest and currency swaps accounted at the fair value and affecting net income and two interest rate swaps. Market prices are determined for these swaps at which the swaps can be redeemed at all times.

The loans and receivables are composed as follows:

Loans and receivables		2010	2009
		TEUR	TEUR
Trade receivables	Short-term	17,252	16,204
Receivables due from related parties and companies	Short-term	0	1
Loan receivable	Short-term	0	1,396
Other receivables	Long-term/short-term	432	97
As of Dec. 31		17,684	17,698

The financial liabilities at updated acquisition costs are composed as follows:

Loans at updated acquisition costs		2010	2009
		TEUR	TEUR
Loan liabilities	Short-term	**5,262**	5,209
Loan liabilities	Long-term	**15,692**	13,532
Financial leasing liabilities	Short-term	**532**	604
Financial leasing liabilities	Long-term	**317**	730
Trade liabilities	Short-term	**4,323**	4,426
Liabilities owed to personnel	Short-term	**4,364**	3,326
Other liabilities	Short-term	**9,247**	11,090
As of Dec. 31		**39,737**	38,917

The composition of the loan liabilities and financial leasing liabilities is explained in note 34.

Fair values of financial assets and liabilities

The following table presents the fair values as well as the book values of the financial assets and liabilities, which are valuated at acquisition costs or updated acquisition costs.

	2010		2009	
	Fair value	**Book value**	Fair value	Book value
	TEUR	TEUR	TEUR	TEUR
Financial assets valuated at acquisition costs or updated acquisition costs				
Cash and cash equivalents	**29,216**	**29,216**	43,674	43,674
Trade receivables and other receivables	**17,684**	**17,684**	17,698	17,698
Other non-derivative financial assets	**224**	**224**	226	226
As of Dec. 31	**47,124**	**47,124**	61,598	61,598
Financial liabilities valuated at acquisition costs or updated acquisition costs				
Trade liabilities	**4,323**	**4,323**	4,426	4,426
Liabilities due to banks and other financial debts	**21,177**	**20,954**	18,741	18,741
Liabilities from financing leasing	**831**	**849**	1,334	1,334
Other non-derivative financial liabilities	**13,611**	**13,611**	14,416	14,416
As of Dec. 31	**39,942**	**39,737**	38,917	38,917

The fair value of cash and cash equivalents, of current receivables, of trade liabilities as well as of other current liabilities approximately corresponds with the book value. The reason for this is above all the short term of such instruments.

The fair value of liabilities towards banks and other financial debts, liabilities from financing leasing as well as other non--current financial liabilities are determined by the group by discounting of the expected future cash flows with the interest applicable for similar financial debts with a comparable residual term.

The net profits or losses formed according to IAS 39 categories essentially consist of disposal profits or losses, changes to the fair value, value impairments as well as subsequent additions to depreciated financial instruments. The following table shows the net profits /losses according to categories.

	2010	2009
	TEUR	TEUR
Receivables / loans	**-1285**	+19
Valuated at the fair value affecting net income	**-302**	-117
Financial assets available for sale	**-2**	0
Financial liabilities at updated acquisition costs	**0**	0

The category "valuated at the fair value affecting net income" relates to interest rate swaps as well as interest and currency swaps.

Financial assets and liabilities which are valuated at fair values, can be classified into the following valuation hierarchy:

	Level 1	Level 2	Level 3	Total
	TEUR	TEUR	TEUR	TEUR
Financial assets, valuated at the fair value				
Financial assets available for sale	224	0	0	224
Derivative financial instruments	0	477	0	477
As of Dec. 31, 2010	224	477	0	701
Financial liabilities, valuated at the fair value				
Derivative financial instruments	0	-126	0	-126
As of Dec. 31, 2010	224	351	0	575

	Level 1	Level 2	Level 3	Total
	TEUR	TEUR	TEUR	TEUR
Financial assets, valuated at the fair value				
Financial assets available for sale	226	0	0	226
Derivative financial instruments	0	706	13	719
As of Dec. 31, 2009	226	706	13	945
Financial liabilities, valuated at the fair value				
Derivative financial instruments	0	-65	0	-65
As of Dec. 31, 2009	226	641	13	880

Level 1: The market values for these assets and liabilities are determined based on listed, non-adjusted prices on active stock 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 stock 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 contracting party of the Eckert & Ziegler group cannot meet its contractual obligations. The result of this is, on the one hand, the risk of value impairments with 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 trade receivables. 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.

A rating is principally obtained for new customers and initial deliveries are in principle made against advance payments. For deliveries to customers who because of their size or location are regarded as permanently uncertain, advance payments or letters of credit are used as security.

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

Risk exposure

The maximum loss risk corresponds to the book value of the financial assets as of the key date in the amount of EUR 21,774,000 (2009: EUR 23,578,000).

With the exception of trade receivables, the balance sheet does not contain any overdue or impaired financial assets. The Group estimates the loss risk of these other financial assets as very low.

The maximum credit exposure as of the key date of the financial statements with respect to trade receivables was, according to geographical regions, as follows:

	2010	2009
	TEUR	TEUR
Europe	11,226	10,760
North America	3,936	2,653
Other	2,090	2,791
As of Dec. 31	17,252	16,204

The age structure of the overdue, however not impaired receivables can be seen as follows as of December 31:

	2010	2009
	TEUR	TEUR
1 to 90 days	5,934	7,714
More than 90 days	2,134	2,074
	8,068	9,788

The overdue, however not impaired receivables essentially relate to receivables due from doctors' practices and foreign clinics. Based on past experience the incoming payments are expected in the above amount.

Customer-specific details are used to determine the value impairment on trade receivables. As a rule the payment conduct of the respective customer so far is evaluated individually before the value impairment of a receivable. The development of value impairments on trade receivables is shown below:

	2010	2009
	TEUR	TEUR
As of January 1	**742**	582
Net transfers	**769**	65
Addition from the acquisition of consolidated companies	**80**	117
Recourse	**-111**	-19
Exchange rate effects	**15**	-3
As of Dec. 31	**1,495**	742

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 own 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 principally generates its financial funds from its operating business. As of December 31, 2010, Eckert & Ziegler AG and its subsidiaries have at their disposal credit lines amounting to EUR 7,362,000 (2009: EUR 3,866,000) if required for this purpose. In some cases new third-party financing is taken out according to the framework conditions described above for extraordinary investments and acquisitions and for the redemption of due loans.

As of the key date of the financial statements, the Group balance sheet shows various short-term and long-term obligations also due 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.

In the financial year 2010 an essential capital measure was concluded. A loan for EUR 8.25 million was taken out for the partial refinancing of the IBt takeover bid. Variable interest is principally paid on the loan based on the 3-month-EURIBOR, however the interest rate change risk was completely hedged with an interest rate swap which applies equivalent to the redemption structure. The loan is subject to quarterly redemptions and will be repaid in full over the term of 5 years. In addition, there were credits inquired concerning various projects which were not realized in 2010, for which Eckert & Ziegler has received offers from various banks. No essential implications on the increase in the own and third-party financing of the Eckert & Ziegler Group were seen even during the financial and economic crisis. The Executive Board sees the reason for this in the solid financing of the Group with still relatively high equity ratio and large founder's share as well as the good prospects for the profitable operative units. Just to complete the picture it is noted that no loans and no credit lines were terminated by creditors in the 2010 financial year 2010.

From the possibilities for third-party financing and the predicted liquidity requirement it can be deduced that the Group has adequate financial funds 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 liabilities including interest payments are shown below:

						31.12.2010
Analysis of the contractually agreed due dates		Book value				Cash outflow
			Total	Up to 1 year	1 to 5 years	More than 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan liabilities	Fixed-interest bearing	16,102	18,212	4,852	13,155	205
Loan liabilities	Variable interest rates	7,591	8,173	2,176	5,997	0
Financing leasing liabilities	Fixed-interest bearing	849	891	548	343	
Trade liabilities	Non-interest bearing	4,323	4,323	4,323		
Liabilities due to personnel	Non-interest bearing	4,364	4,364	4,364		
Other liabilities	Non-interest bearing	2,894	2,894	2,076	818	
Derivative financial liabilities		121	0			
As of Dec. 31		**36,244**	**38,857**	**18,339**	**20,313**	**205**

						31.12.2009
Analysis of the contractually agreed due dates		Book value				Cash outflow
			Total	Up to 1 year	1 to 5 years	More than 5 years
		TEUR	TEUR	TEUR	TEUR	TEUR
Loan liabilities	Fixed-interest bearing	17,774	20,166	5,496	12,769	1,900
Loan liabilities	Variable interest rates	966	1,054	463	591	
Financing leasing liabilities	Fixed-interest bearing	1,334	1,458	625	833	
Trade liabilities	Non-interest bearing	4,426	4,426	4,426		
Liabilities due to personnel	Non-interest bearing	3,326	3,326	3,326		
Other liabilities	Non-interest bearing	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

The cash outflows for the variable interest bearing liabilities are based upon an interest rate in 2010 of 3.24% (2009: 4.75%).

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 redemptions and dividends payments 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 foreign exchange risk. The transaction risks described above are counteracted by various measures. The loans to the American subsidiaries are partly hedged by an interest-currency swap at the following conditions:

Interest-currency swap	
Transaction date:	February 8, 2001
Start date:	February 12, 2001
End date:	January 31, 2011

As of the balance-sheet date, the Group still has a financial obligation arising from this business amounting to USD 1,471,000 (2009: USD 1,736,000), at a fixed interest rate of 10.0% p.a. Against this the Group receives EUR 1,561,000 (2009: EUR 1,873,000) at a fixed interest rate of 8.77% p.a. The fair value of this swap business as of December 31, 2010 is EUR 477,000 (2009: EUR 706,000). 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 contracting parties.

Export business in Polish zloty is hedged by means of foreign currency options and future exchange transactions. As of 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 with regard to the transaction risk was as follows as of the key date of the financial statements:

Foreign exchange exposure	31.12.2010						31.12.2009					
in TEUR	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Currency	1,226		158	95	99	12	878	13	105	62	108	77
Trade receivables	1,055	25		12	335		1,221	1	0	78	155	22
Trade liabilities	-310		-3	-6			-44	0	63	-3	0	0
Balance sheet exposure	1,971	25	155	101	434	12	2,055	14	168	137	263	99
Contractual payment obligation from interest-currency swap	-1,083						-1,229					
Net exposure	888	25	155	101	434	12	826	14	168	137	263	99

Sensitivity analysis

An increase in the Euro by 10% compared with the following currencies as of the key date of the financial statements – under the pre-requisite of otherwise constant assumptions – led to the following cited increases (reductions) in the aggregate results:

Effect in TEUR	31.12.2010						31.12.2009					
	USD	CAD	GBP	CHF	PLN	SEK	USD	CAD	GBP	CHF	PLN	SEK
Aggregate results	-89	-3	-16	-10	-43	-1	-83	-1	-17	-14	-26	-10

A reduction in the Euro by 10% compared with the currencies listed above would as of key date of the financial statements led to the same, however contrary effect on the listed currencies.

The foreign exchange rates listed under note 4 were used as a basis for the sensitivity analyses.

Interest rate risks

The Group is essentially exposed to risks of interest rate changes in the field of the medium- and long-term interest-bearing financial assets and liabilities owing to fluctuations in the 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. Eckert & Ziegler AG respectively pays a fixed amount of EUR 17,650 quarterly until October 2017. In return the bank pays variable amounts (respectively the 3-month-EURIBOR) quarterly until the expiry of the contract.

In May 2010 the Group concluded a further interest rate swap to limtied the risk of interest rates changes for a loan with variable interest rates. The swap has a term of 4 years, a purchase amount of EUR 6,250,000 was hedged, which is respectively reduced as of the end of the quarter by EUR 412,000. Eckert & Ziegler AG pays a fixed interest of 1.55% quarterly on the respective purchase amount and receives in return for this variable amounts of the 3-month EURIBOR interest rate on the respective purchase amount.

The fair value of these swap transactions as of December 31, 2010 is EUR -126,000 (2009: EUR -65,000) and is disclosed in the balance sheet under the other non-current liabilities. The loss from the change in the market valuation was disclosed in the income statement under the other financial results. The fair value was notified to the Group by the bank with which the swap transactions were concluded. Accordingly for the determination of the actual cash value of the interest rate swaps all payments to be made by the customer or by the bank are calculated from the valuation day until the end of the contract, discounted, added and balanced based on the actual interest structure curve. The discounting of the variable interest payments (EURIBOR) was carried out based on the scheduled interest rates calculated from the actual interest structure curve for the corresponding period of time. The ensuing balances then feature for the contracting party a positive and a negative cash value from the existing contractual relationship.

Risk exposure

As of 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	2010	2009
	TEUR	TEUR
Interest-bearing financial assets	701	2,327
Thereof variable-interest	224	226
Thereof fixed-interest	477	2,101
Interest-bearing financial liabilities	21,788	20,010
Thereof variable-interest	7,013	950
Thereof fixed-interest	14,775	19,060

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

The interest and currency swap (EUR 477,000; 2009: EUR 706,000) 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 slight decrease in the fair values and hence the period result by EUR 0 (2009: EUR 47,000). An increase in the market interest rate by 100 base points would have resulted in a slight increase in the fair values and/or the period result by EUR 0 (2008: EUR 16,000.

Two interest rate swaps (EUR -126,000; 2009: EUR -65,000) are 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 decrease in the fair values and hence the period result by EUR 324,000 (2009: EUR 153,000). An increase in the market interest rate by 100 base points would result in an increase in the fair values and/or the period result by EUR 55,000 (2009: EUR 117,000).

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 of the balance-sheet date.

Sensitivity of the cash flows variable-interest financial instruments:

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

Effect in TEUR	2010		2009	
	+ 100 Basic points	- 100 Basic points	+ 100 Basic points	- 100 Basic points
Interest results for variable-interest financial instruments	-74	74	-7	7

Capital management

Capital at risk forms the basis for capital management. All receivables, 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:

	2007	2008	2009	2010
Group as a whole	17%	11%	20%	20%
Isotope Products	30%	45%	45%	61%
Therapy	22%	1%	12%	7%
Radiopharma	-2%	1%	7%	10%
Environmental Services				N.A.

Eckert & Ziegler AG (parent company) is subject to the provisions of company and commercial law in Germany of minimum capitalization in accordance with Section 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 2010.

NOTES ON THE GROUP CASH FLOW STATEMENT

The financial holdings disclosed in the group cash flow statement comprise the balance sheet item cash and cash equivalents, which are composed of 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.

39. OPERATING ACTIVITIES

The cash inflows and outflows are determined indirectly, starting with the profit or loss for period. Profit/loss after tax is adjusted for expense not affecting payments and supplemented by changes in assets and liabilities.

40. INVESTMENT ACTIVITIES

Cash flows from investment activities are derived from actual payment transactions. They include cash flows in connection with the acquisition and disposal of intangible assets and property, plant and equipment and securities from the current assets that do not form part of the liquid funds. Inflows and outflows of cash from the acquisition and sale of enterprises are also shown here.

In the 2009 financial year, IBt. S.A. acquired shares in the "NanoBrachyTech" joint venture. This investment did not affect payments because the shares were acquired in exchange for the contribution of intangible assets to the joint venture.

41. FINANCING ACTIVITIES

Cash flows from financing activities are determined based on actual payment transactions and include not only the borrowing and repayment of loans 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 from the currency translation and changes in companies included in the consolidation. Further, investment and financing transactions that have not led to changes in liquid funds 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

42. ACQUISITIONS AND SALES OF COMPANIES

a) Acquisition of Sonotech GmbH

Eckert & Ziegler BEBIG GmbH purchased all shares in Neu-Ulmer Sonotech GmbH on December 27, 2010 effective as of December 31, 2010. The purchase price for the shares in Sonotech GmbH amounted to EUR 2,500,000. The secondary purchase costs amounted to EUR 16,000 and did affect net income.

The purchase was depicted in the consolidated financial statements in accordance with the acquisition method. The purchase price was divided over the acquired assets based on the estimated fair values at the time of the acquisition. This division is provisional. Goodwill in the amount of EUR 2,155,000 was produced from this division of purchase price. The division of the purchase price based on the estimated fair values of the assets was carried out as follows:

	Book value at the time of purchase	Revaluation	**Current value at the time of purchase**
	TEUR	TEUR	TEUR
Assets			
Intangible assets	0		0
Property, plant and equipment	3		3
Inventories	0		0
Receivables	45	0	45
Other assets	15	0	15
Balances at banks and cash on hand	556		556
Liabilities			
Provisions and non-current liabilities	0	0	0
Trade liabilities	-31	0	-31
Other current liabilities	-83	0	-83
Income tax liabilities	-160		-160
Book values of the taken over assets and debts	345		345
New valuation of the assets and debts		0	0
Goodwill			**2,155**
Purchase price of the acquisition of the company			2,500
less acquired balances at banks and cash on hand			-556
Net cash flow from the acquisition of subsidiaries			**1,944**

With the acquisition of Sonotech GmbH liquid funds were taken over in the amount of EUR 556,000. The book value of the acquired net assets amounted to EUR 345,000 before the merger. The profit of Sonotech GmbH included in these consolidated financial statements is EUR 0.

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

Eckert & Ziegler AG acquired all shares in Nuclitec GmbH, Brunswick, Germany, its American subsidiary, Nuclitec Inc., and the French sister company, Nuclitec SARL, on January 23, 2009. The purchase price for the shares of Eckert & Ziegler Nuclitec GmbH amounted to EUR 6,145,000. The secondary purchase costs amounted to EUR 12,000.

The purchase was depicted in the consolidated financial statements according to the acquisition method so that the results of the company are included in these consolidated financial statements since the time of the take-over. The purchase price was divided over the acquired assets based on the estimated fair values at the time of the acquisition. Goodwill in the amount of EUR 5,288,000 was produced from this division of purchase price. With the acquisition of Nuclitec there is the chance to realize significant additional potential for income by suing synergies with other group companies in the Isotope Products segment. The Executive Board further sees the chance with the acquisition of Nuclitec to further expand the new segment "Environmental Services" in future. The division of the purchase price based on the estimated fair values of the assets was carried out as follows:

	Book value at the time of purchase	Revaluation	**Current value at the time of purchase**
	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**		**3,804**
Other assets	**606**		**606**
Balances at banks and cash on hand	**2,321**		**2,321**
Deferred tax assets	**1,734**		**1,734**
Liabilities			
Provisions and non-current liabilities	**-13,600**		**-13,600**
Trade liabilities	**-1,049**		**-1,049**
Other current liabilities	**-4,288**		**-4,288**
Income tax liabilities	**-3**		**-3**
Deferred tax liabilities	**-33**	-1,491	**-1,524**
Book values of the taken over assets and debts	**-1,713**		**-1,713**
New valuation of the assets and debts		2,582	**2,582**
Goodwill			**5,288**
Purchase price of the acquisition of the company			**6,157**
Less advance payments made in 2008			**-250**
Less acquired balances at banks and cash on hand			**-2,321**
Net cash flow from the acquisition of subsidiaries			**3,586**

With the acquisition of Eckert & Ziegler Nuclitec GmbH liquid funds were taken over in the amount of EUR 2,321,000. The book value of the acquired net assets amounted to EUR -1,713,000 before the merger. The profit of Eckert & Ziegler Nuclitec GmbH included in these consolidated financial statements amounts to EUR 762,000, of which EUR 0 relate to the American subsidiary Eckert & Ziegler Nuclitec Inc. If the company had already been included in the consolidated fiancial statements since January 1, 2009 the group sales would have been higher by EUR 1,261,000 higher and the group net income lower by EUR 206,000.

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

Eckert & Ziegler AG acquired all shares in Eckert & Ziegler Nuclitec GmbH, Brunswick, Germany, its American subsidiary, Nuclitec Inc., and the French sister company, Nuclitec SARL, on January 23, 2009. The purchase price for the shares in Eckert & Ziegler Isotope Products SARL amounted to EUR 714,000. The secondary purchase costs amounted to EUR 24,000.

The purchase was depicted in the consolidated financial statements according to the acquisition method so that the results of the company have been included in these consolidated financial statements since the time of the take-over. The purchase price was divided over the acquired assets based on the estimated fair values (Fair Values) at the time of the acquisition. Goodwill in the amount of EUR 283,000 was produced from this division of purchase price. The division of the purchase price based on the estimated fair values of the assets was carried out as follows:

	Book value at the time of purchase	Revaluation	**Current value at the time of purchase**
	TEUR	TEUR	TEUR
Assets			
Intangible assets	0	123	123
Property, plant and equipment	2		2
Receivables	605		605
Balances at banks and cash on hand	450		450
Liabilities			
Provisions	-398		-398
Trade liabilities	-54		-54
Other current liabilities	-225		-225
Income tax liabilities	-7		-7
Deferred tax liabilities	0	-41	-41
Book values of the taken over assets and debts	373		373
New valuation of the assets and debts		82	82
Goodwill			283
Purchase price of the company			738
less acquired balances at banks and cash on hand			-450
Net cash flow from the acquisition of subsidiaries			288

With the acquisition of Eckert & Ziegler Isotope Products SARL liquid funds were taken over in the amount of EUR 450,000. The book value of the acquired net assets amounted to EUR 373,000 before the merger. The profit of Eckert & Ziegler Isotope Products SARL included in these consolidated financial statements amounts to EUR 95,000. If the company had already been included in the consolidated fiancial statements since January 1, 2009 the group sales would have been higher by EUR 47,000 higher and the group net income lower by EUR 2,000.

43. 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 the financial year 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 can be summarized as follows:

	2010		2009	
	Options	Weighted average effective price	Options	Weighted average effective price
	Number	EUR	Number	EUR
Outstanding at the beginning of the year	32,700	**7.24**	67,650	6.94
Issued	0	**0.00**	0	0.00
Exercised	32,700	**7.24**	33,250	6.75
Lapsed	0	**0.00**	800	5.12
Outstanding at the end of the year	0	**0.00**	32,700	7.24
Can be exercised at the end of the year	0	**0.00**	32,700	7.24

32,700 stock options were exercised in the period under review. The weighted average share price on the dates on which share options were exercised was EUR 21.73.

There were no outstanding stock options any more as of December 31, 2010.

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 2010 and 2009 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 2010 and 2009 financial years, no new options were issued.

44. 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 2010 and 2009 financial years, each ending on December 31, rental and leasing expenditure for operational leasing agreements amounted to EUR 2,908,000 and EUR 1,922,000, respectively.

The Group concluded a long-term leasing contract (finance lease) in 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 production costs borne by the Group. 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 by calculable rents. 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 as of December 31, 2010:

	Rental and leasing agreements	thereof financing leasing	**Cash values of the financing leasing**
	TEUR	TEUR	**TEUR**
Respective as of the end of the year (December 31)			
2011	**2,065**	548	**514**
2012	**1,344**	255	**233**
2013	**639**	88	**84**
2014	**319**	0	**0**
2015	**105**	0	**0**
subsequently	**0**	0	**0**
Minimum rental or leasing payments total	**4,472**	891	**831**

The finance leases exclusively concerns property, plant and equipment. The book value of the assets on December 31, 2010 was EUR 926,000 (2009: EUR 1,453,000). In the period under review, EUR 425,000 (2009: EUR 560,000) were entered as the expenditure on finance leases. There are no conditional rental payments in the period under review or in the future. Furthermore, the leasing agreements contain no restrictions or obligations.

45. OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES AND RECEIVABLES

There were no contingent liabilities or contingent receivables as of December 31, 2010.

46. SEGMENTREPORTING

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 led to any changes to the identification of the group segments subject to mandatory reporting.

The Eckert & Ziegler Group has organized its activities in four 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 Isotope Products 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.

In 2009 the Environmental Services business area was still included in the Isotope Products segment. From the financial year 2010 the key figures of this business field are reported separately to the main decision makers and therefore managed as a separate segment. The segment is occupied with the taking back, processing and final storage preparation of low level radioactive waste. The regular customes in particular include hospitals and other institutions where low level radioactive waste is produced. There is further a project business with which services for the decontamination of plants and waste conditioning are offered whereby in these cases the radioactive substances remain the property of the customer.

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, the products of the Radiopharma 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.

in TEUR	Isotope Products		Therapy		Radiopharma		Environmental Services		Other		Elimination		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales with external customers	**50,843**	46,319	**32,084**	30,278	**22,563**	19,377	**5,603**	5,425	**0**	0	**0**	0	**111,093**	101,399
Sales with other segments	**896**	542	**277**	399	**428**	483	**531**	-	**1,217**	1,798	**-3,350**	-3,222	**0**	0
Segment sales in total	**51,739**	46,861	**32,361**	30,677	**22,991**	19,860	**6,134**	5,425	**1,217**	1,798	**-3,350**	-3,222	**111,093**	101,399
Results from shares valuated at-equity			**-390**	873									**-390**	873
Segment earnings before interest and income tax (EBIT)	**13,715**	8,722	**3,647**	-129	**1,292**	1,090	**-413**	267	**-1,671**	6,475	**1**	-7	**16,571**	16,418
Interest income and expenditure	**81**	87	**179**	22	**42**	14	**83**	-	**1,619**	1,654	**-1,705**	-1,709	**299**	68
Income taxes	**-649**	-517	**-753**	-652	**-1,078**	-1,069	**-330**	-	**-1,411**	-809	**1,704**	1,716	**-2,517**	-1,331
Earnings before minority interests	**-4,632**	-2,765	**-1,579**	9,780	**1,279**	-107	**240**	-	**754**	-171			**-3,938**	6,737
Results before minority interests without special effects	**8,515**	5,527	**1,494**	9,021	**1,535**	-72	**-420**	267	**-709**	7,149			**10,415**	21,892
Special effects before minority interests	**0**	0	**0**	6,885	**0**	0	**0**	0	**0**	6,233			**0**	13,118
Results before minority interests without special effects	**8,515**	5,527	**1,494**	2,136	**1,535**	-72	**-420**	267	**-709**	916			**10,415**	8,774

in TEUR	Isotope Products		Therapy		Radiopharma		Environmental Services		Other		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Assets of the segments	**69,427**	60,797	**50,562**	59,925	**18,045**	18,158	**-***	-	**103,564**	99,891	**241,598**	238,771
Thereof participation value of shares valuated at-equity			**108**	850							**108**	850
Elimination of shares, participations and receivables between the segments											**-97,131**	-77,451
Consolidated total assets											**144,467**	161,320
Liabilities of the segments	**-34,953**	-34,851	**-22,606**	-31,027	**-19,821**	-21,074	**-***	-	**-20,062**	-18,084	**-97,442**	-105,036
Elimination of liabilities between the segments											**26,580**	29,791
Consolidated liabilities											**-70,862**	-75,245
Value impairment expenses			**-1,395**		**-1,164**						**-2,559**	0
Investments (without acquisitions of companies)	**1,789**	1,607	**2,803**	1,947	**1,595**	2,046	**-***	-	**24**	93	**6,211**	5,693
Depreciations	**-2,124**	-2,677	**-2,814**	-2,627	**-2,778**	-1,619	**-427**	-	**-400**	-198	**-8,543**	-7,121
Income/expenses not affecting payments	**1,363**	0	**-1,555**	11,097	**2,482**	-338	**-201**	-	**756**	7,080	**2,845**	17,839

* In the internal reporting the asset and liability items of the Environmental Services segment are still disclosed in the Isotope Products segment. For this reason the presentation is carried out in the segment reporting in the same manner

Intangible assets & property, plant and equipment according to regions

	2010	2009
	TEUR	TEUR
Germany	44,930	45,898
USA	17,406	16,537
Belgium	4,773	5,116
Other	1,378	1,241
Total	68,487	68,792

External sales according to geographical regions

	2010		2009	
	Mill. EUR	%	Mill. EUR	%
Europe	67.9	62	61.4	61
North America	30.5	27	27.2	27
Asia/Pacific	11.1	10	10.6	10
Miscellaneous	1.6	1	2.2	2
Total	111.1	100	101.4	100

The classification by geographical regions is based on the headquarters of the recipient of the service. Sales in North America relate almost exclusively to the USA.

Principal customers

In Isotope Products segment in the financial year 2010 sales amounting to approximately EUR 3.7 million (2009, Therapy: EUR 5.1 million) can be attributed to one principal customer (corresponds to approx. 3% of the Group's consolidated sales).

47. 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 the management in key positions

Executive Board

Dr. Andreas Eckert (Chairman of the Executive Board responsible for the areas: management, finances, investor relations, legal services, business development and for the Isotope Products and Environmental Services segments), Berlin, businessman
On other boards: Chairman of the Board of Directors of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, 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 of Eckert & Ziegler Isotope Products Inc. (IPL), Valencia, USA; Executive Director and member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium; member of the Board of Directors of the Closed Joint Stock Company "NanoBrachyTech"

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

Supervisory Board

The members of the company's Supervisory Board in the 2010 financial year were:

Prof. Dr. Wolfgang Maennig (Chairman), Berlin, university professor
On other supervisory boards: GRETA AG, Hasloh, since 2011 member of the Supervisory Board of DGI Deutsche Gesellschaft für Informationssicherheit AG

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, managing partner in CARISMA Wohnbauten GmbH, Berlin
On other supervisory boards: Member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

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

Holger Bürk, Niedereschach, graduate computer scientist, President of the Supervisory Board of ConcentriXX AG
On other supervisory bodies: Member of the Board of Directors of International Brachytherapy S.A., Seneffe, Belgium

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, 2010, the loan, including interest, amounted to EUR 556,000.

48. REMUNERATION REPORT

Executive Board remuneration

The remuneration of the members of the Executive Board is fixed 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 executive 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.

So far a profit bonus was paid as variable remuneration components which was oriented to the consolidated income statement according to IFRS. With regard to the provisions of the law governing the appropriateness of the executive board remuneration (VorstAG) the executive board contracts were adjusted effective as of the financial year 2011 so that a distinction is now made between variable remuneration components with short-term incentive effect and variable remuneration components with long-term incentive effect. Whereas the short-term variable remuneration components are essentially treated as before the members of the Executive Board will receive as variable remuneration component with long-term incentive effect in future one percentage of the cumulative net income for the year of the segment for which they are directly responsible, which is anaylzed over a defined multi-year period of time. Instalment payments are made during the year; the final settlement is carried out at the end of the agreed period of time.

There are no promises 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 payments for the financial year 2010 in the amount of EUR 1,159,000 (py. EUR 1,138,000) EUR 597,000 (py. EUR 608,000) relate to fixed and EUR 562,000 (py. EUR 530,000) to short-term performance-related remuneration components.

No remuneration payments were made to former Executive Board members or their dependents in the 2010 financial year. However, provisions due to a pension commitment in the amount of EUR 396,000 (py EUR 412,000) exist for a former member of the Executive Board.

A company pension plan exists for two current members of the Executive Board by means of a so-called reinsured benevolent fund, which is financed by conversion of remuneration.

Name	Fixed remuneration components		Short-term performance-based remuneration components	Total	Payment by
	Fixed salary	Profit bonus/bonus/ inventor's remuneration	Profit bonus/bonus/ inventor's remuneration		
Dr. Andreas Eckert	240.000 EUR (Py. 240,000 EUR)	24,558 EUR (Py. 24,085 EUR)	200,000 EUR (Py. 200,000 EUR)	**464,558 EUR** (Py. 464,085 EUR)	Eckert & Ziegler AG
Dr. Edgar Löffler	153.000 EUR (Py. 168,000 EUR)	26,708 EUR (Py. 26,389 EUR)	202,032 EUR (Py. 166,952 EUR)	**381,740 EUR** (Py. 361,341 EUR)	Eckert & Ziegler BEBIG GmbH
Dr. André Heß	132.000 EUR (Py. 132,000 EUR	20,270 EUR (Py. 17,720 EUR)	160,000 EUR (Py. 162,633 EUR)	**312,270 EUR** (Py. 312,353 EUR)	Eckert & Ziegler Radiopharma GmbH

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 to the company 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 period under review.

For the financial year 2010 the members of the Supervisory Board receive fixed remuneration in the amount of EUR 45,000 (py. ,EUR 45,000) and Supervisory Board meeting remuneration in the amount of EUR 18,800 (py. EUR 19,500). This corresponds with a total expense of EUR 63,800 (py. EUR 64,500).

As of December 31, 2010 there were no advance payments or loans to the Executive Board members or the Supervisory Boards of Eckert & Ziegler AG.

b) Other related parties or companies

- Eckert Wagniskapital und Frühphasenfinazierung GmbH (EWK)), which holds 31.65% of the shares in Eckert & Ziegler AG and its sole shareholder, Dr. Andreas Eckert, Executive Board Chairman of Eckert & Ziegler AG.

- Glycotope GmbH, which is 37.41% in the possesion of EWK.

- Mr Axel Schmidt, managing director and at the same time minority shareholder of the subsidiary Eckert & Ziegler f-con Deutschland GmbH.

In the years 2010 and 2009 the following transactions were carried out with these related parties and companies:

In the financial year 2009 Eckert & Ziegler BEBIG GmbH realized for deliveries to Glycotope GmbH revenues in the amount of EUR 3,000 (2009: EUR 3,000). As of December 31, 2010 the receivables amounted to EUR 0,000 (2009: EUR 1,000).

Mr Schmidt granted the subsidiary Eckert & Ziegler f-con Deutschland GmbH two loans. Interest is paid on the loans at a rate of 6.5% or 7.5%. As of December 31, 2010 the loan status including interest is EUR 251,000. In addition a contingent purchase price liability of a group company still exists towards Mr Schmidt in the amount of EUR 36,000.

Name	Remunerated function	Fixed remuneration	Meeting remuneration	Total
Prof. Dr. Wolfgang Maennig	Chairman of the Supervisory Board	12,000 EUR (py. 12,000 EUR)	3,750 EUR (py. 3,000 EUR)	**15,750 EUR** (py. 15,000 EUR)
Prof. Dr. Nikolaus Fuchs	Vice-chairman of the Supervisory Board	9,000 EUR (py. 9,000 EUR)	3,750 EUR (py. 3,750 EUR)	**12,750 EUR** (py. 12,750 EUR)
Hans-Jörg Hinke	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,750 EUR)	**9,750 EUR** (py. 9,750 EUR)
Dr. Gudrun Erzgräber	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,000 EUR (py. 3,750 EUR)	**9,000 EUR** (py. 9,750 EUR)
Holger Bürk	Member of the Supervisory Board	6,000 EUR (py. 6,000 EUR)	3,750 EUR (py. 3,750 EUR)	**9,750 EUR** (py. 9,750 EUR)
Prof. Dr. Detlev Ganten (ab 21. Mai 2009)	Member of the Supervisory Board	6,000 EUR (py. 3,699 EUR)	750 EUR (py. 750 EUR)	**6,750 EUR** (py. 4,449 EUR)
Prof. Dr. Ronald Frohne (bis 21. Mai 2009)	Member of the Supervisory Board	0 EUR (py. 2,301 EUR)	0 EUR (py. 750 EUR)	**0 EUR** (py. 3,051 EUR)

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 joint venture company in return. IBt. S.A. supplies low level radioactive implants to OOO Bebig, which is a full subsidiary of the joint venture. In the financial year 2010 the revenues with OOO Bebig amounted to EUR 2,522,000 (in the second of the 2009 financial year (i.e. since partaking in the joint venture), to EUR 1,487,000. As of December 2010 the receivables due from OOO Bebig amounted to EUR 84,000 (2009: EUR 71,000).

In the 2009 financial year, IBT. S.A. further concluded several contracts with the joint venture regarding the sale of product expertise (EUR 2,749,000), exclusive distribution rights (EUR 2,500,000) and, with the involvement of an external leasing company, the order to establish multi-part production facilities. This resulted in revenues from the granting of distribution rights to the Joint Ventrure in the amount of EUR 1,996,000 (2009: EUR 152,000) and from the manufacturing of the production plant for the leasing company for EUR 3,650 (2009: EUR 450,000) in the 2010 financial year. The joint venture made payments to the amount of EUR 5,249,000 so that, as of December 31, 2010, the Group shows payments to the joint venture to the amount of EUR 2,749,000 (2009: 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 liabilities are as follows as of December 31 of the 2010 and 2009 financial years:

	2010	2009
	TEUR	TEUR
Trade receivables due from related parties and companies	84	72
Loan liabilities due from related parties and companies	843	1,098
Liabilities due from Joint Venture companies	2,749	5,097

49. EVENTS SINCE THE BALANCE SHEET DATE

On March 2, 2011 Eckert & Ziegler announced that a long-term contract was concluded for the delivery of Polish diagnosis centers. The framework agreement for so-called FDG (Fludeoxyglucose (18F)) envisaged besides the delivery of clinics also the erection of a pharmaceutical production plant in Warsaw.

On March 17, 2011 the Executive Board of Eckert & Ziegler AG decided to exercise the Call Option acquired in December 2008 on the purchase of voting rights of IBt. S.A. towards Steglitz MedInvest UG. Eckert & Ziegler therefore acquires 5.000.000 „Beneficiary Shares A" of IBt. S.A. at the price of EUR 750,000 plus 66,667 own shares of Eckert & Ziegler AG.

On March 17, 2011 Eckert & Ziegler announced that the Executive Board of the Theragenics Corporation, with registered seat in Buford, Georgia, USA, submits a non-binding offer for the purchase of all existing shares of Theragenics at the price of USD 2.20 per share in cash. The offer has a total volume of around USD 74 million. The offer should either be implemented directly or through the Eckert & Ziegler subsidiary IBt Bebig. The non-binding offer, which has already been available to the Supervisory Board of Theragenics since February 8, 2011, on March 11, 2011 however was rejected by it, has been renewed in writing on March 17, 2011 by Eckert & Ziegler. As the Supervisory Board of Theragenics refused further talks in its rejection the Executive Board of Eckert & Ziegler, decided to publish its free offer. The shareholders of Theragenics should hereby be biven the opportunity to inform themselves about the substantial value added for the shareholders as well as the strategic benefits of a merger of both companies which cannot be denied.

DISCLOSURES AS PER SECTION 315A HGB

50. OTHER INCOME /EXPENSES

The other income/expenses include income relating to other periods amounting to EUR 1,066,000 (2009: EUR 8,185,000) and expenses relating to other periods amounting to EUR 97,000 (2009: EUR 65,000). The income relating to other periods relates to income from the writing back of provisions (EUR 1,032,000, 2009: EUR 7,296,000) as well as revenues from the sale of fixed assets (EURO 25,000, 2009: EUR 35,000), which are listed under other operating income. The expenses relating to other periods are mainly the result of losses from the disposal of non-current assets (EUR 41,000, 2009: EUR 46,000).

51. FEES FOR AUDITORS

The audit fees include the fee for the final audit of the 2010 year-end closing and group financial statements to the amount of EUR 157,000 (2009: EUR 252,000). In addition to the fee for the final audit, the auditors did not receive any remuneration for other services. In addition to the fee for the final audit, the auditor of the previous year received remuneration for other confirmation services to the amount of EUR 50,000.

52. 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 23, 2011

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

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

	Acquisition costs						
	As of 1.1.2009	Additions from company acquisitions	Other additions	Disposal	Transfers	Currency translation	As of 31.12.2009
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	28,253	5,571	0	357		-158	33,309
2. Acquired intangible assets	15,109	4,323	164	129	0	-121	19,346
3. Internally generated intangible assets	3,409	109	792	0	0	0	4,310
	46,771	**10,003**	**956**	**486**	**0**	**-279**	**56,965**
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. Assets under construction	1,847	256	3,070	6	-828	-7	4,332
	49,074	**3,918**	**4,737**	**1,125**	**0**	**-155**	**56,449**
	95,845	**13,921**	**5,693**	**1,611**	**0**	**-434**	**113,414**

Depreciations							Net book value	
As of 1.1.2009	Additions	Value impairments	Disposal	Transfers	Currency translation	As of 31.12.2009	As of 1.1.2009	As of 31.12.2009
1,240	0	4,404	0	0	-4	5,640	27,013	27,669
6,531	1,985	0	9	0	-87	8,420	8,578	10,926
864	502	0	0	0	0	1,366	2,545	2,944
8,635	**2,487**	**4,404**	**9**	**0**	**-91**	**15,426**	**38,136**	**41,539**
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**
33,902	**7,121**	**4,404**	**603**	**-10**	**-192**	**44,622**	**61,943**	**68,792**

Movements in Group non-current assets as of December 31, 2010 in TEUR

	Acquisition costs						
	As of 1.1.2010	Additions from company acquisitions	Other additions	Disposal	Transfers	Currency translation	As of 31.12.2010
NON-CURRENT ASSETS							
I. Intangible assets							
1. Goodwill	33,309	2,155	0	0	-450	785	35,798
2. Acquired intangible assets	19,346	0	265	255	0	517	19,872
3. Internally generated intangible assets	4,310	0	103	21	0	28	4,420
	56,965	**2,155**	**368**	**276**	**-450**	**1,329**	**60,090**
II. Property, plant and equipment							
1. Buildings on third-party land	11,428	0	366	73	6	264	11,991
2. Plants and machinery	31,689	3	1,440	115	1,375	386	34,778
3. Other plants and equipment, fixtures and fittings	9,000	0	1,701	1,356	-4	77	9,417
4. Assets under construction	4,332	0	2,337	43	-1,136	52	5,542
	56,449	**3**	**5,842**	**1,587**	**241**	**780**	**61,729**
	113,414	**2,158**	**6,211**	**1,864**	**-209**	**2,109**	**121,819**

Depreciations							Net book value	
As of 1.1.2010	Additions	Value impairments	Disposal	Transfers	Currency translation	As of 31.12.2010	As of 1.1.2010	As of 31.12.2010
5,640	0	135	0	-450	63	5,388	27,669	30,410
8,420	1,998	0	218	0	155	10,354	10,926	9,518
1,366	889	1,164	20	0	64	3,463	2,944	957
15,426	**2,887**	**1,299**	**239**	**-450**	**282**	**19,205**	**41,539**	**40,885**
3,488	890	0	1	0	98	4,475	7,940	7,516
20,656	3,073	0	98	245	329	24,204	11,033	10,574
5,052	1,694	0	1,355	-4	61	5,448	3,948	3,969
0	0	0	0	0	0	0	4,332	5,542
29,196	**5,656**	**0**	**1,454**	**241**	**488**	**34,127**	**27,253**	**27,602**
44,622	**8,543**	**1,299**	**1,693**	**-209**	**770**	**53,332**	**68,792**	**68,487**

Assurance from the Executive Board according to Section 315 Par.1 German Commercial Code [HGB] (Balance sheet oath)

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business, the business results 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 23, 2011

Eckert & Ziegler Strahlen- und Medizintechnik AG

The Executive Board

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements prepared by the Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, – comprising the balance sheet, the income statement and statement of comprehensive income, the notes, the cash flow statement, the statement of changes in equity to the consolidated financial statements – and the group management report for the business year from January 1 to December 31, 2010. The preparation of the consolidated financial statements and the group management report in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB („German Commercial Code") are the responsibility of the parent Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of opera-tions in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to 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 includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of the Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Berlin, March 23, 2011

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Scharpenberg	Mertin
Auditor	Auditor

Report of the Supervisory Board

Supervising the Activities of and Giving Advice to the Executive Board

The Supervisory Board has properly fulfilled its tasks incumbent on it according to law, the corporate memorandum and articles of association and the rules of procedure. The Supervisory Board has continuously given advice to and supervised the activities of the Executive Board regarding corporate management.

The Executive Board has informed the Supervisory Board regularly, promptly and extensively, in both written and oral form, about the corporate planning, business and strategic progress as well as the Group's current situation. The Supervisory Board has been involved directly in all decisions of fundamental importance for the company.

In all, five meetings of the Supervisory Board were held during the period under review. If required, the Supervisory Board adopted decisions by written procedure. Draft proposals submitted by the Executive Board were approved after examining detailed and extensive documents as well as following intensive discussions with the Executive Board. There were no committees of the Supervisory Board during the period under review.

Outside of the Supervisory Board's meetings, the Chairman of the Supervisory Board was regularly informed about the current development in terms of the business situation and business transactions.

The following main subjects were of central interest at the meetings of the Supervisory Board during the period under review:

- Execution of the takeover offer to IBt S.A., Seneffe (Belgium)
- Changing the auditor
- Taking over the remaining 30% of the capital shares in Eckert & Ziegler EURO-PET Berlin GmbH, Berlin
- Taking over SONOTECH Gesellschaft für sonographische Technologie GmbH, Neu-Ulm
- Site-related investments

As usual, the Supervisory Board has additionally examined the efficiency of its work and carried out measures for its improvement.

Audit of the 2010 Financial Statements

The present financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG, the consolidated financial statements of the Eckert & Ziegler Group, the management reports for Eckert & Ziegler Strahlen- und Medizintechnik AG and Eckert & Ziegler Group as well as the proposal of the Executive Board to the General Meeting concerning the appropriation of the balance sheet profit, together with the reports of the auditors, i.e. Deloitte & Touche GmbH Wirtschaftprüfungsgesellschaft, Berlin, have been presented and handed over to the Supervisory Board.

One representative of the auditor attended the balance sheet meeting of the Supervisory Board on March 24, 2011 and reported on the essential results of the audit. As pointed out in the auditors' reports, all legal requirements have been met, and an unqualified auditor's opinion has been given. The Supervisory Board acknowledged and approved the auditor's results.

Based on its final examination result, the Supervisory Board has no objections to the audited annual accounts and further documents presented. Consequently, the Supervisory Board approves the annual and consolidated financial statements presented to it.

Miscellaneous

Due to his work commitments, Prof. Dr. Detlev Ganten, Supervisory Board member, was able to attend just one meeting during the 2010 financial year period.

Acknowledgement

The Supervisory Board would like to thank the Executive Board Members and the Management Boards as well as the companies belonging to the Eckert & Ziegler Group for their active commitment and achievements in the 2010 financial year.

Berlin, March 2011

Supervisory Board

Prof. Dr. Wolfgang Maennig
Supervisory Board Chairman

Corporate Governance Report

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 contents 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 essentially adhered 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 Section 161 of the German Stock Companies Law [AktG] 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 Codex as per Section161 German Stock Companies Law

The Executive Board and Supervisory Board submitted the following declaration of compliance on behalf of the company according to Section 161 German Stock Companies Law [AktG] on December 3, 2010:

Eckert & Ziegler Strahlen- und Medizintechnik AG will comply with the recommendations of the German Corporate Governance Code – in the version of May 26, 2010 – 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 bodies) for the Supervisory Board has been dispensed with as it is not apparent that this principally boosts the motivation and sense of responsibility of the members of the Supervisory Board. Moreover, the Executive and Supervisory Boards consider a deductible amount inappropriate in view of the comparatively low remuneration of the Supervisory Board.

- Formation of committees:
  The Supervisory Board has established no committees, in particular no auditing committee or nomination committee.

The need to form committees, in particular however an auditing committees or nomination committee, 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 as a joint body.

- 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 for neutrality of interest.

Eckert & Ziegler Strahlen- und Medizintechnik AG has moreover complied in full with the recommendations of the German Corporate Governance Code – in the version of June 18, 2009 – since its declaration of compliance on December 3, 2009, excluding the exceptions stated in this declaration. The reasons for these deviations are explained above.

Berlin, December 3, 2010

For the Executive Board:

Dr. Andreas Eckert

Dr. Edgar Löffler

Dr. André Heß

For the Supervisory Board:

Prof. Dr. W. Maennig

Remuneration of Executive Board and Supervisory Board

The remuneration of Executive Board and Supervisory Board is described in more detail in the remuneration report, which is a part of the group management report. Apart from the amounts stated therein the members of the Supervisory Board were not paid either any remuneration, granted any benefits, which are associated with services personally provided by said members, in particular consultancy and mediation services.

Aims for filling the positions on the Supervisory Board

The positions on the Supervisory Board should be occupied to the extent that its members on the whole have the knowledge, skills and specialist experience which are necessary for properly performing the tasks. The filling of the positions on the Supervisory Board should moreover ensure a qualified control and advice of the Executive Board in a company which operates on an international level.

Members of the Supervisory Board should have the time available which is necessary for performing the mandate.

A sufficient number of independent members should moreover belong to the Supervisory Board. This includes such members who do not maintain any business or personal relationship to the company or its Executive Board which establishes a conflict of interests.

When filling the positions on the Supervisory Board attention should further be paid to the reasonable participation of women. The stipulation of a quota is waived. One woman is currently a member of the Supervisory Board.

Shareholdings of Executive Board and Supervisory Board members

As of December 31, 2010		Stock
Dr. Andreas Eckert	Executive Board	12,001
Eckert Wagniskapital und Frühphasenfinanzierung GmbH		1,674,986
Dr. Edgar Löffler	Executive Board	20,756
Dr. André Heß	Executive Board	3000
Prof. Dr. Wolfgang Maennig	Supervisory Board	6,579
Holger Bürk	Supervisory Board	44,810
Dr. Gudrun Erzgräber	Supervisory Board	0
Prof. Dr. Nikolaus Fuchs	Supervisory Board	0
Prof. Dr. Detlev Ganten	Supervisory Board	0
Hans-Jörg Hinke	Supervisory Board	0

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Income statement
for the period from January 1, to December 31, 2010 and 2009

	2010	2009
	TEUR	TEUR
1. Revenues	1,217	1,798
2. Other operating income	243	21,950
3. Staff costs		
a) Wages and salaries	-1,109	-1,194
b) Social security contributions and expenditure on pensions and old-age support	-120	-107
- of which for pensions:		
TEUR -8 (previous year: TEUR -25)		
	-1,229	-1,301
4. Depreciations on intangible assets of the fixed assets	-231	-294
and property, plant and equipment		
5. Other operating income	-1,636	-3,643
6. Income from holdings	3,255	2,181
- of which from affiliates:		
TEUR 3.255 (previous year: TEUR 2.181)		
7. Income from other securities and from loans included under long-term investments	665	759
- of which from affiliates:		
TEUR 665 (previous year: EUR 759)		
8. Interest receivable and similar income	959	848
9. Depreciatins on long-term investments and on securities of the fixed assets	0	-170
10. Expense from absorption of loses	-7	-147
11. Interest payable and similar expenses	-1,411	-898
12.Net income/loss (-) from ordinary activities	1,825	21,083
13. Extraordinary expenses	-26	0
14. Extraordinary profit or loss	-26	0
15. Income tax expense	-61	-6
16. other taxes	5	0
17. Profit for the year	1,743	21,077
18. Withdrawals from retained earnings		
a) from treasury stock reserve	0	92
b) from other retained earnings	1,433	436
19. Allocations to retained earnings		
a) Allocations to treasury stock reserve	0	-436
20. Balance sheet profits	3,176	21,169

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Balance Sheets as of December 31, 2010 and 2009

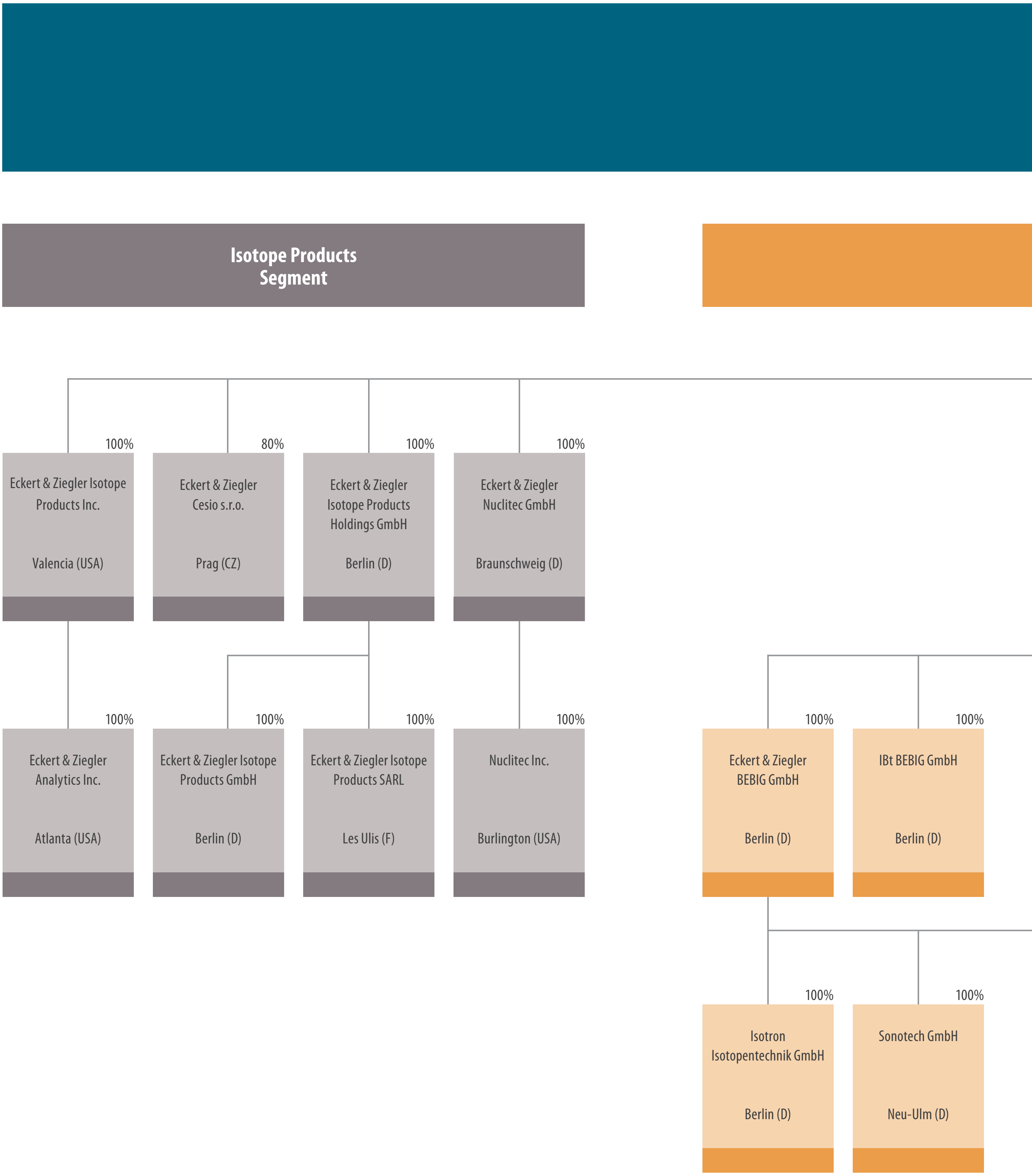
ASSETS

	31.12.2010	31.12.2009
	TEUR	TEUR
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and values and licenses to such rights and values	1,378	1,587
II. Property, plant and equipment		
1. Other plant and equipment, fixtures and fittings	16	13
2. Advance payments received and assets under construction	70	0
	86	13
III. Financial investments		
1. Shares in affiliates	69,289	44,327
2. Loans to affiliates	10,507	13,729
	79,796	58,056
	81,260	59,656
B. Current assets		
I. Receivables and other assets		
1. Receivables due from from affiliates	10,067	12,933
2. Other assets	541	307
	10,608	13,240
II. Securities	0	703
1. Own shares	220	220
2. Other securities	220	923
III. Bank balances with restricted availability as security for pending transactions	0	20,061
IV. Cash at banks	7,414	3,351
	18,242	37,575
C. Prepaid and deferred expenses	10	6
	99,512	97,237

Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin
Balance Sheet as of December 31, 2010 and 2009

LIABILITIES AND SHAREHOLDERS' EQUITY

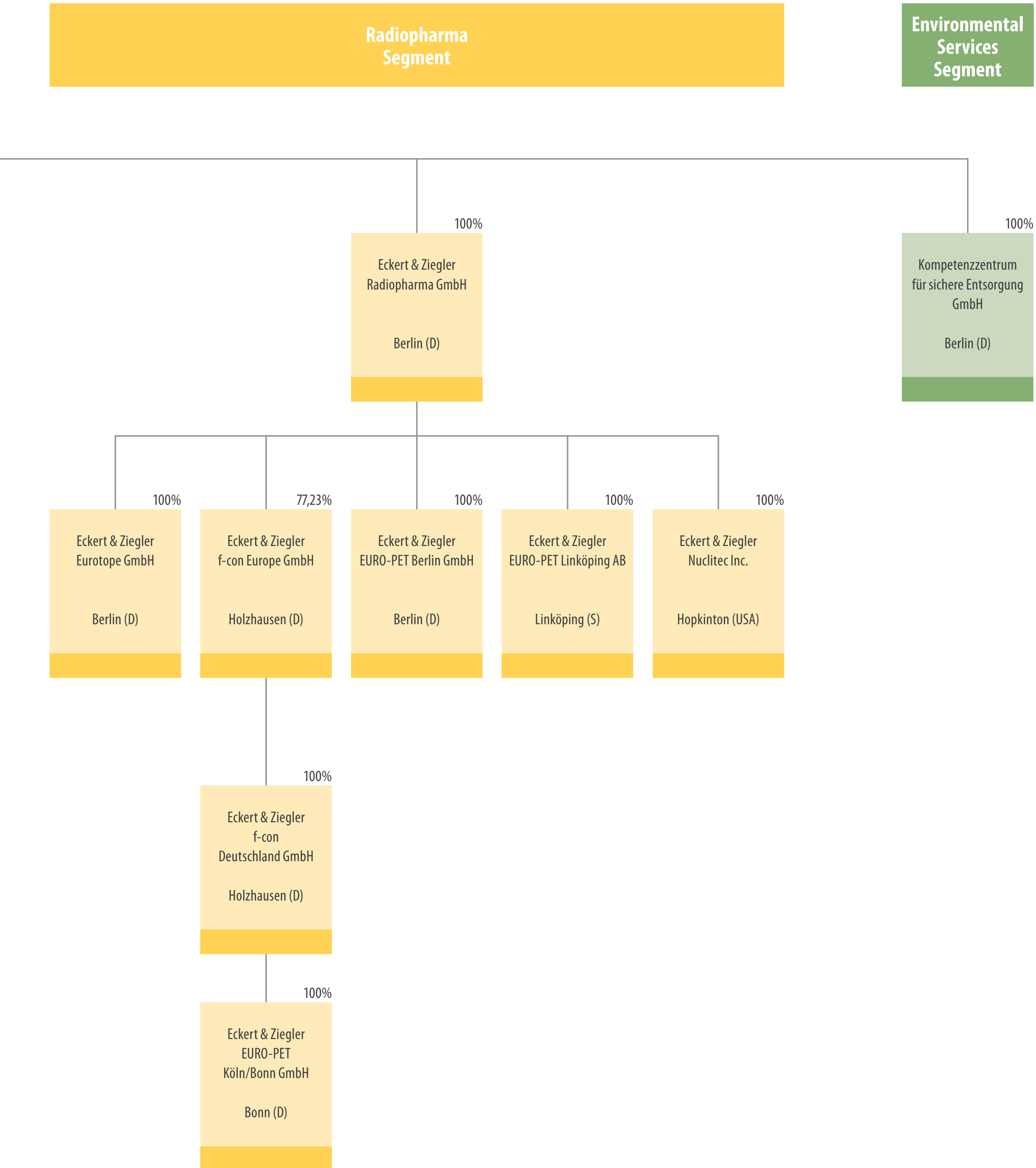
	31.12.2010	31.12.2009
	TEUR	TEUR
A. Shareholders' equity		
I. Subscribed capital		5,260
Nominal amount of the contingent capital: TEUR 1.875 (previous year: TEUR 1.908)		
minus nominal amount of own shares	-71	0
II. Capital reserves	51,203	50,048
III. Retained earnings		
1. Treasury stock	0	703
2. Other retained earnings	19,316	1,542
	19,316	2,245
IV. Balance sheet profit	3,176	21,170
	78,917	78,723
B. Special reserves for contributions to fixed assets	287	339
C. Provisions		
1. Provisions for pensions and similar obligations	394	373
2. Tax provisions	0	924
3. Other provisions	625	1,757
	1,019	3,054
D. Liabilities		
1. Liabilities due to banks	15,843	10,455
2. Trade liabilities	37	94
3. Liabilities due to affiliates	2,080	3,205
4. Other liabilities	1,329	1,367
(of which for taxes: TEUR 80; previous year: TEUR 205)		
(of which for social security: TEUR 1; previous year: TEUR 1)		
	19,289	15,121
	99,512	97,237


Isotope Products Segment
100%
Eckert & Ziegler Isotope Products Inc.
Valencia (USA)
80%
Eckert & Ziegler Cesio s.r.o.
Prag (CZ)
100%
Eckert & Ziegler Isotope Products Holdings GmbH
Berlin (D)
100%
Eckert & Ziegler Nuclitec GmbH
Braunschweig (D)
100%
Eckert & Ziegler Analytics Inc.
Atlanta (USA)
100%
Eckert & Ziegler Isotope Products GmbH
Berlin (D)
100%
Eckert & Ziegler Isotope Products SARL
Les Ulis (F)
100%
Nuclitec Inc.
Burlington (USA)
100%
Eckert & Ziegler BEBIG GmbH
Berlin (D)
100%
IBt BEBIG GmbH
Berlin (D)
100%
Isotron Isotopentechnik GmbH
Berlin (D)
100%
Sonotech GmbH
Neu-Ulm (D)

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

Therapy Segment

- 56,07% International Brachytherapy S.A., Seneffe (BE)
  - 100% Eckert & Ziegler BEBIG Ltd., London (UK)
    - 20% OOO Ritverc, St. Petersburg (RUS)
  - 100% Eckert & Ziegler BEBIG Inc., Norcross (USA)
  - 100% Eckert & Ziegler BEBIG SARL, Paris (F)
  - 100% Eckert & Ziegler Italia s.r.l., Milano (I)
  - 100% Eckert & Ziegler Iberia SLU, Madrid (E)
  - 100% Eckert & Ziegler MMI GmbH, Berlin (D)
    - 100% Eckert & Ziegler BEBIG Radiotherapy SARL, Paris (F)
  - 15% ZAO NanoBrachyTech, Dubna (RUS)
    - 100% OOO BEBIG, Moskau (RUS)
  - Branch Offices
    - Eckert & Ziegler BEBIG France, Paris (F)
    - Eckert & Ziegler BEBIG India, Chennai (IND)


Radiopharma Segment
Environmental Services Segment
100%
Eckert & Ziegler Radiopharma GmbH
Berlin (D)
100%
Kompetenzzentrum für sichere Entsorgung GmbH
Berlin (D)
100%
Eckert & Ziegler Eurotope GmbH
Berlin (D)
77,23%
Eckert & Ziegler f-con Europe GmbH
Holzhausen (D)
100%
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)

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

Calotte See eye applicator

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 isotopes

Eye applicators Anatomically formed radiation source for radiotherapy for eye tumors

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

Fludeoxyglucose (FDG) also: Fluorodeoxyglucose glucose metabolism mark. radioactive marked glucose

Fluorethylcholin Radiopharmacon, metabolism marker, which is used for the diagnosis and relapse control of prostate cancer in positron emission tomography (PET)

Gallium generator Device for generating gallium-68 which is obtained from germanium-68. Gallium-68 is used to mark carrier molecules which aim at specific target structures in the organism and combined with gallium-68 enable the diagnosis of various cancers.

IFRS Abbreviation for International Financial Reporting Standards. International accounting standards according to which these consolidated financial statements were prepared.

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

Implantation Placement or insertion of foreign materials into an organism

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).

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

Modular Lab Synthesis device for the production of radioactive diagnostics

Nuclear Imaging Imaging and image processing 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 in the framework of PET examinations, main fields of application are the cancer diagnostics, however also neurological or inflammatory diseases, metabolism processes as well as the pharmacological research.

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

Positron emission tomography (PET) Imaging process of nuclear medicine that produces sectional images of living organisms, in which is makes the distribution of a lowl level radioactive marked substances (radiopharmacon, PET-Tracer) visible by using photons created by positron decay

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

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

Radiodiagnostics Radiopharmaceuticals which are used to diagnose illnesses. See also Radiopharmaceuticals

Radioactive embolizers small balls laden with radioactive substances used for the therapy of liver tumors. The little balls remain stuck in the finest blood vessels which supply the tumor and with the help of the radioactive substance the cancer cells are irradiated and destroyed locally.

Radioisotope See Radionuclide

Radionuclide Radioactive isotope

Radiopharmaceuticals Substances and medications which, based on radioactive nuclides, are effective and are used in diagnosis and therapy 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 radioactive isotope used with the internal radiotherapy among others for treating chronic-inflamed joint diseases (radiosynoviorthesis) or for cancer treatment. For the transport to the tumor the yttrium-90 is either coupled to active chemical ingredients or laden on little balls (see radio embolizers).

Financial Calendar

March 30, 2011
Annual Report 2010

March 30, 2011
Balance Press Conference in Berlin

May 3, 2011
Quarterly Report I/2010

May 4, 2011
Entry and General Standard Conference
in Frankfurt

May 19, 2011
Annual General Meeting in Berlin

August 3, 2011
Quarterly Report II/2010

November 2, 2011
Quarterly Report III/2010

November 2011
German Equity Forum in Frankfurt

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